

Senate Study Bill 1060 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED COLLEGE STUDENT
AID COMMISSION BILL)

A BILL FOR

1 An Act relating to educational assistance programs administered
2 by the college student aid commission for nurses, physician
3 assistants, advanced registered nurse practitioners, and
4 nurse educators.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.2, subsection 8, Code 2017, is
2 amended to read as follows:

3 8. Submit by January 15 annually a report to the general
4 assembly which provides, by program, the number of individuals
5 who received loan forgiveness or loan repayment in the previous
6 fiscal year, the ~~amount~~ amounts paid to or on behalf of
7 individuals under sections 261.73, 261.112, and 261.116, and
8 the institutions from which individuals graduated, and that
9 includes any proposed statutory changes and the commission's
10 findings and recommendations.

11 Sec. 2. Section 261.114, subsection 3, unnumbered paragraph
12 1, Code 2017, is amended to read as follows:

13 A program agreement shall be entered into by an eligible
14 student and the commission when the eligible student begins
15 the final year of study in an academic program leading to
16 eligibility for licensure as a nurse practitioner or physician
17 assistant. The commission shall not enter into any new
18 program agreement under this section on or after July 1, 2017.

19 Under the agreement, to receive loan repayments pursuant to
20 subsection 5, an eligible student shall agree to and shall
21 fulfill all of the following requirements:

22 Sec. 3. Section 261.114, subsection 8, Code 2017, is amended
23 by striking the subsection.

24 Sec. 4. Section 261.114, subsection 9, Code 2017, is amended
25 to read as follows:

26 9. ~~Postponement and satisfaction~~ Satisfaction of service
27 obligation.

28 ~~a. The obligation to engage in practice in accordance with~~
29 ~~subsection 3 shall be postponed for the following purposes:~~

30 ~~(1) Active duty status in the armed forces, the armed forces~~
31 ~~military reserve, or the national guard.~~

32 ~~(2) Service in volunteers in service to America.~~

33 ~~(3) Service in the federal peace corps.~~

34 ~~(4) A period of service commitment to the United States~~
35 ~~public health service commissioned corps.~~

1 ~~(5) A period of religious missionary work conducted by an~~
2 ~~organization exempt from federal income taxation pursuant to~~
3 ~~section 501(c)(3) of the Internal Revenue Code.~~

4 ~~(6) Any period of temporary medical incapacity during which~~
5 ~~the person obligated is unable, due to a medical condition, to~~
6 ~~engage in full-time practice as required under [subsection 3](#).~~

7 ~~b. Except for a postponement under paragraph "a",~~
8 ~~subparagraph (6), an obligation to engage in practice under an~~
9 ~~agreement entered into pursuant to [subsection 3](#), shall not be~~
10 ~~postponed for more than two years from the time the full-time~~
11 ~~practice was to have commenced under the agreement.~~

12 ~~c. a.~~ An obligation to engage in full-time practice under
13 an agreement entered into pursuant to [subsection 3](#) shall be
14 considered satisfied when any of the following conditions are
15 met:

16 (1) The terms of the agreement are completed.

17 (2) The person who entered into the agreement dies.

18 (3) The person who entered into the agreement, due to a
19 permanent disability, is unable to practice as an advanced
20 registered nurse practitioner or physician assistant.

21 ~~d. b.~~ If a loan repayment recipient fails to fulfill
22 the obligation to engage in practice in accordance with
23 [subsection 3](#), the recipient shall be subject to repayment to
24 the commission of the loan amount plus interest as specified
25 by rule. A loan repayment recipient who fails to meet the
26 requirements of the obligation to engage in practice in
27 accordance with [subsection 3](#) may also be subject to repayment
28 of moneys advanced by the service commitment area as provided
29 in any agreement with the service commitment area.

30 Sec. 5. Section 261.114, subsection 10, Code 2017, is
31 amended to read as follows:

32 10. *Trust fund established.* A rural Iowa advanced
33 registered nurse practitioner and physician assistant trust
34 fund is created in the state treasury as a separate fund under
35 the control of the commission. The commission shall remit all

1 repayments made pursuant to this section to the rural Iowa
2 advanced registered nurse practitioner and physician assistant
3 trust fund. All moneys deposited or paid into the trust fund
4 are appropriated and made available to the commission to be
5 used for meeting the requirements of this section. Moneys in
6 the fund up to the total amount that an eligible student may
7 receive for an eligible loan in accordance with this section
8 and upon fulfilling the requirements of subsection 3 shall be
9 considered encumbered for the duration of the agreement entered
10 into pursuant to subsection 3. Notwithstanding section 8.33,
11 any balance in the fund on June 30 of each fiscal year shall not
12 revert to the general fund of the state, but shall be available
13 for purposes of this section in subsequent fiscal years.
14 Notwithstanding section 8.33, any balance in the fund on June
15 30, 2023, shall not revert to the general fund of the state but
16 shall be transferred to the health care loan repayment fund
17 established pursuant to section 261.116 to be used for purposes
18 of the health care loan repayment program.

19 Sec. 6. Section 261.114, Code 2017, is amended by adding the
20 following new subsection:

21 NEW SUBSECTION. 10A. This section is repealed July 1, 2023.

22 Sec. 7. Section 261.116, Code 2017, is amended to read as
23 follows:

24 **261.116 ~~Registered nurse and nurse educator~~ Health care loan**
25 **~~forgiveness~~ repayment program.**

26 1. Definitions. For purposes of this section, unless the
27 context otherwise requires:

28 a. "Advanced registered nurse practitioner" means a person
29 licensed as a registered nurse under chapter 152 or 152E who
30 is licensed by the board of nursing as an advanced registered
31 nurse practitioner.

32 b. "Nurse educator" means a registered nurse who holds
33 a master's degree or doctorate degree and is employed by a
34 community college, an accredited private institution, or an
35 institution of higher education governed by the state board

1 of regents as a faculty member to teach nursing at a nursing
2 education program approved by the board of nursing pursuant to
3 section 152.5.

4 c. "Physician assistant" means a person licensed as a
5 physician assistant under chapter 148C.

6 d. "Qualified student loan" means a loan that was made,
7 insured, or guaranteed under Tit. IV of the federal Higher
8 Education Act of 1965, as amended, or under Tit. VII or VIII
9 of the federal Public Health Service Act, as amended, directly
10 to the borrower for attendance at an approved postsecondary
11 educational institution.

12 e. "Service commitment area" means a city in Iowa with a
13 population of less than twenty-six thousand that is located
14 more than fifty miles from a city with a population of fifty
15 thousand or more.

16 2. Program established. A registered nurse and nurse
17 educator health care loan forgiveness repayment program is
18 established to be administered by the commission. The program
19 shall consist of loan forgiveness for eligible federally
20 guaranteed for purposes of repaying the qualified student
21 loans for of registered nurses, advanced registered nurse
22 practitioners, physician assistants, and nurse educators who
23 practice full-time in a service commitment area or teach in
24 this state, as appropriate, and who are selected for the
25 program in accordance with this section. For purposes of
26 this section, unless the context otherwise requires, "nurse
27 educator" means a registered nurse who holds a master's degree
28 or doctorate degree and is employed as a faculty member who
29 teaches nursing as provided in 655 IAC 2.6(152) at a community
30 college, an accredited private institution, or an institution
31 of higher education governed by the state board of regents. An
32 applicant who is a member of the Iowa national guard is exempt
33 from the service commitment area requirement, but shall submit
34 an affidavit verifying the applicant is practicing full-time
35 in this state.

1 ~~2.~~ 3. Application requirements. Each applicant for loan
2 ~~forgiveness~~ repayment shall, in accordance with the rules of
3 the commission, do the following:

4 a. Complete and file an application for ~~registered nurse~~
5 ~~or nurse educator~~ loan forgiveness repayment. The individual
6 shall be responsible for the prompt submission of any
7 information required by the commission.

8 b. File a new application and submit information as
9 required by the commission annually on the basis of which
10 the applicant's eligibility for the renewed loan ~~forgiveness~~
11 repayment will be evaluated and determined.

12 c. Complete and return, on a form approved by the
13 commission, an affidavit of practice verifying that the
14 applicant is a registered nurse, an advanced registered nurse
15 practitioner, or a physician assistant who is practicing
16 full-time in a service commitment area in this state or is a
17 nurse educator teaching at a community college, an accredited
18 private institution, or an institution of higher learning
19 governed by the state board of regents who teaches full-time
20 in this state. If practice in a service commitment area is
21 required as a condition of receiving loan repayment, the
22 affidavit shall specify the service commitment area in which
23 the applicant is practicing full-time.

24 ~~3.~~ 4. Loan repayment amounts.

25 a. The annual amount of ~~registered nurse~~ loan forgiveness
26 ~~for a registered nurse who completes a course of study, which~~
27 ~~leads to a baccalaureate or associate degree of nursing,~~
28 ~~diploma in nursing, or a graduate or equivalent degree in~~
29 ~~nursing, and who practices in this state, repayment provided to~~
30 a recipient under this section shall not exceed the resident
31 ~~tuition rate established for institutions of higher learning~~
32 ~~governed by the state board of regents for the first year~~
33 ~~following the registered nurse's graduation from a nursing~~
34 ~~education program approved by the board of nursing pursuant to~~
35 section 152.5 six thousand dollars, or twenty percent of the

1 ~~registered nurse's total federally guaranteed Stafford loan~~
2 ~~amount under the federal family education loan program or the~~
3 ~~federal direct loan program, including principal and interest~~
4 recipient's total qualified student loan, whichever amount is
5 less. A ~~registered nurse shall be~~ recipient is eligible for
6 the ~~loan forgiveness~~ repayment program for not more than five
7 consecutive years.

8 ~~b. The annual amount of nurse educator loan forgiveness~~
9 ~~shall not exceed the resident tuition rate established for~~
10 ~~institutions of higher learning governed by the state board~~
11 ~~of regents for the first year following the nurse educator's~~
12 ~~graduation from an advanced formal academic nursing education~~
13 ~~program approved by the board of nursing pursuant to section~~
14 ~~152.5, or twenty percent of the nurse educator's total~~
15 ~~federally guaranteed Stafford loan amount under the federal~~
16 ~~family education loan program or the federal direct loan~~
17 ~~program, including principal and interest, whichever amount~~
18 ~~is less. A nurse educator shall be eligible for the loan~~
19 ~~forgiveness program for not more than five consecutive years.~~

20 ~~4.~~ 5. Selection criteria. The commission shall establish
21 by rule the evaluation criteria to be used in evaluating
22 applications submitted under this section. Priority shall be
23 given to applicants who are residents of Iowa and, if requested
24 by the adjutant general, to applicants who are members of the
25 Iowa national guard.

26 6. Health care loan repayment fund. A ~~registered nurse and~~
27 ~~nurse educator~~ health care ~~loan forgiveness~~ repayment fund is
28 created for deposit of moneys appropriated to or received by
29 the commission for use under the program. Notwithstanding
30 section 8.33, moneys deposited in the health care loan
31 repayment fund shall not revert to any fund of the state
32 at the end of any fiscal year but shall remain in the loan
33 ~~forgiveness~~ repayment fund and be continuously available for
34 ~~loan forgiveness~~ repayment under the program. Notwithstanding
35 section 12C.7, subsection 2, interest or earnings on moneys

1 deposited in the health care loan fund shall be credited to the
2 fund.

3 ~~5-~~ 7. Report. The commission shall submit in a report
4 to the general assembly by January 1, annually, the number of
5 individuals who received loan ~~forgiveness~~ repayment pursuant to
6 this section, where the participants practiced or taught, the
7 amount paid to each program participant, and other information
8 identified by the commission as indicators of outcomes ~~from~~ of
9 the program.

10 ~~6-~~ 8. Rules. The commission shall adopt rules pursuant to
11 chapter 17A to administer this section.

12 Sec. 8. REPEAL. Section 261.129, Code 2017, is repealed.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with
15 the explanation's substance by the members of the general assembly.

16 This bill combines and repeals certain educational
17 assistance programs administered by the college student aid
18 commission for the benefit of registered nurses, physician
19 assistants, advanced registered nurse practitioners, and nurse
20 educators.

21 RURAL IOWA ADVANCED REGISTERED NURSE PRACTITIONER AND
22 PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM — FUNDS. The bill
23 modifies the rural Iowa advanced registered nurse practitioner
24 and physician assistant loan repayment program by prohibiting
25 the commission from entering into any new program agreements on
26 or after July 1, 2017; striking a provision to allow a person
27 who entered into a program agreement to practice part-time;
28 striking language relating to the postponement of program
29 obligations; repealing the program July 1, 2023; and providing
30 for the transfer of any balance in the rural Iowa advanced
31 registered nurse practitioner and physician assistant trust
32 fund on June 30, 2023, to the health care loan repayment fund
33 established for purposes of the health care loan repayment
34 program.

35 COMBINED LOAN PROGRAM. The bill expands the current

1 registered nurse and nurse educator program by adding advanced
2 registered nurse practitioners and physician assistants to the
3 program. The bill changes the name of the program, and of the
4 program fund, to the health care loan repayment program and the
5 health care loan repayment fund.

6 To qualify for the program, applicants who are registered
7 nurses, advanced registered practitioners, or physician
8 assistants must complete and return an affidavit of practice
9 verifying that the applicant is or will be practicing full-time
10 in a service commitment area in this state or is a nurse
11 educator teaching full-time in this state. The affidavit must
12 specify the service commitment area in which the applicant will
13 practice as a condition of receiving loan repayment. Nurse
14 educators are not required to teach in service commitment
15 areas. An applicant who is a member of the Iowa national guard
16 is exempt from the service commitment area requirement, but
17 must submit an affidavit verifying the applicant is practicing
18 in this state. The bill defines a service commitment area as
19 a city in Iowa with a population of less than 26,000 that is
20 located more than 50 miles from a city with a population of
21 50,000 or more.

22 Currently, the annual amount of loan repayment for a
23 registered nurse or nurse educator shall not exceed the
24 resident tuition rate established for regents universities or
25 20 percent of the registered nurse's total federally determined
26 loan amount, including principal and interest, whichever
27 amount is less. The bill limits the annual amount of loan
28 repayment to a program applicant to \$6,000 or 20 percent of
29 the recipient's total qualified student loan, whichever amount
30 is less. The bill defines qualified student loan as a loan
31 that was made, insured, or guaranteed under Tit. IV of the
32 federal Higher Education Act of 1965, as amended, or under
33 Tit. VII or VIII of the federal Public Health Service Act, as
34 amended, directly to the borrower for attendance at an approved
35 postsecondary educational institution.

1 The commission is required to establish by rule the criteria
2 to be used in evaluating applications, and to give highest
3 priority to applicants who are residents of Iowa, then, if
4 requested by the adjutant general, to applicants who are
5 members of the Iowa national guard.

6 The bill repeals Code section 261.129, which establishes
7 the Iowa needs nurses now initiative. The initiative never
8 received funding.