Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 283—Chapter 31
"Mental Health Professional Loan Repayment Program"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 256.178 and 256.225
State or federal law(s) implemented by the rulemaking: Iowa Code section 256.225

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

September 10, 2024 11 a.m.	ICN Room Grimes State Office Building Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the College Student Aid Commission no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

David Ford, Bureau Chief
Bureau of Iowa College Aid
400 East 14th Street
Des Moines, Iowa 50319
Email: david.ford@iowa.gov

Purpose and Summary

The Commission plans to rescind and adopt a new Chapter 31 pursuant to Executive Order 10. New Chapter 31 is proposed to ensure the Commission meets the requirements set forth in law by adopting rules for the administration of the Mental Health Professional Loan Repayment Program. The proposed rulemaking establishes the eligibility criteria and awarding of funds for the program; describes the process of awarding funds and tracking obligations; and illustrates the role of the Commission, applicants, and employers in the awarding process. The rulemaking also provides definitions for use under the program.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

- Classes of persons that will bear the costs of the proposed rulemaking:

In general, the proposed rulemaking does not impose requirements that would add an administrative burden beyond the provisions already established in law. The rulemaking defines the processes that will be utilized to ensure eligible applicants receive awards and articulates the awarding of funds and general provisions of eligibility. Eligible applicants will need to submit an application to signal interest in the program, and employers will need to verify completion of employment obligations under the program before a loan repayment award is paid.

- Classes of persons that will benefit from the proposed rulemaking:

Eligible applicants, eligible practice areas, and the Commission will benefit from the rulemaking since it clarifies the processes by which Iowans will apply for and qualify for the loan repayment award.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- Quantitative description of impact:

The rulemaking does not impose measurable costs beyond those imposed by law.

- Qualitative description of impact:

Applicants are required to submit an application for the loan repayment program. Without requiring individuals to submit an application showing interest and perceived eligibility for the program, the Commission could not identify eligible applicants.

Employers are required to verify completion of the employment obligation. While this requirement is not specifically established in law, an alternative data source that could effectively replace the employer's timely verification of employment has yet to be found. The Commission has implemented similar requirements for employers in other programs and does not anticipate the administrative burden of the requirement to result in measurable cost. Ensuring the timely payment of the loan repayment award is a critical part of the effective operation of the program, and this cannot be done without the assistance of employers.

3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

The agency would incur minimal costs to implement and enforce this rulemaking.

- Anticipated effect on state revenues:

The proposed rulemaking is not anticipated to have any effect on state revenues beyond that of the legislation it is intended to implement.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

The benefit of the proposed rulemaking is to publicly illustrate the process that will be used to consistently administer and award loan repayment funds and to articulate criteria and general provisions of eligibility.

The cost of inaction would be confusion in the process and criteria to be used in the application and awarding of funds under the program and an inability for individuals to self-select into the program without an application. In addition, the program could not be administered without employer verification of completed obligations of the eligible applicants.

5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

The rulemaking proposes an efficient administrative method of collecting applications and disbursing funding, reducing any administrative burden that otherwise might be introduced. The administrative method proposed for this program is the most cost-efficient method utilized by the Commission in the administration of state financial aid programs.

6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

No other methods were seriously considered by the Commission since the method proposed is the most cost-efficient and seamless for all entities involved.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

The alternative methods were rejected because they would lead to additional burden on applicants, eligible institutions, and the Commission.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

The proposed rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 283—Chapter 31 and adopt the following **new** chapter in lieu thereof:

CHAPTER 31
MENTAL HEALTH PROFESSIONAL LOAN REPAYMENT PROGRAM

283—31.1(256) Definitions.

"Eligible applicant" means an individual who is a mental health professional or agrees to become a mental health professional, agrees to sign a program agreement, and agrees to complete the obligation. The eligible applicant completes applications on or before the date established by the commission and does not meet a condition in 283—subrule 10.3(1).

1. The program agreement specifies the obligation and other details pertaining to the program.
2. The obligation is fulfilled by assessing and diagnosing mental health needs and problems and providing mental health counseling services to clients, individually or in groups, in eligible practice areas on a full-time basis for five consecutive years or on a part-time basis for seven consecutive years. Progression toward completion of the obligation is verified annually.

"Eligible institution" means the same as defined in Iowa Code section 256.225(1).

"Eligible loan" means the same as defined in Iowa Code section 256.225(1). Only the outstanding portion of a federal consolidation loan that was used to repay an eligible loan qualifies as an eligible loan. An eligible applicant who signs a program agreement and then refinances an eligible loan by obtaining a private education loan may continue to receive loan repayment awards.

"Eligible practice area" means the same as defined in Iowa Code section 256.225(1). Mental health professionals who serve clients who reside in eligible practice areas, including rural locations outside of city limits but within the federal mental health shortage area, on at least a part-time basis are eligible. After an eligible applicant signs an agreement to practice in an eligible practice area, subsequent changes to eligible practice areas will not impact that applicant's continued eligibility for the program.

"Mental health professional" means the same as defined in Iowa Code section 256.225(1). The required clinical experience is completed after receipt of a master's degree in a mental health field.

"Part-time" means an average of at least 28 hours but fewer than 40 hours per week.

283—31.2(256) Awarding of funds.

31.2(1) *Selection criteria.* All eligible applicants will be considered for an award.

31.2(2) *Extent of award and maximum award.* Eligible applicants may receive up to $40,000 upon completion of the obligation. The loan repayment award will not exceed the outstanding balance of the eligible applicant's eligible loans. An eligible applicant selected for an award under a priority category will continue to meet the provisions of that category to maintain eligibility.

31.2(3) *Priority for awards.* New awards will be made in the order of the following priority categories if funding is insufficient to award all eligible applicants.

a. Eligible applicants who are Iowa residents or who are members of the Iowa national guard if requested by the adjutant general. Members of the Iowa national guard will have satisfactorily completed required guard training and will maintain satisfactory performance of guard duty. If all eligible applicants cannot be funded, awards will be made first to eligible applicants who are in their final year of the degree program that leads to their qualification as a mental health professional, by application date; then to eligible applicants completing the two-year post-master's degree clinical experience, by application date; and finally to practicing mental health professionals, with priority to those meeting the definition of mental health professional in the most recent fiscal year.

b. Eligible applicants who are not Iowa residents and are not members of the Iowa national guard requested by the adjutant general. If all eligible applicants cannot be funded, awards will be made first to eligible applicants who are in their final year of the degree program that leads to their qualification as a mental health professional, by application date; then to eligible applicants completing the two-year post-master's degree clinical experience, by application date; and finally to practicing mental health professionals, with priority to those meeting the definition of mental health professional in the most recent fiscal year.

31.2(4) *Awarding process.*

a. The commission will provide notice of the eligibility criteria and application process annually.

b. The commission will designate eligible applicants for awards and notify applicants of their eligibility.

c. The commission will track eligible applicants selected to receive awards through completion of their obligation. An obligation is satisfied if it aligns with Iowa Code section 256.225(4).

d. Upon verifying completion of the obligation with the eligible applicant's employer, the commission will send the award to the holder of the selected eligible applicant's eligible loans.

283—31.3(256) Failure to fulfill obligation. An eligible applicant who fails to fulfill the obligation pursuant to Iowa Code section 256.225(4) will be subject to repayment of any loan repayment awards paid under this chapter toward the eligible applicant's eligible loans as specified in the program agreement.

These rules are intended to implement Iowa Code chapter 256.