

CHAPTER 261

COLLEGE STUDENT AID COMMISSION

[P]

Iowa higher education loan authority
is attached to the commission; §7E.7, chapter 261A

DIVISION I

GENERAL PROVISIONS

261.1	Commission created.
261.2	Duties of commission.
261.3	Organization — bylaws.
261.4	Funds — compensation and expenses of commission.
261.5	Response to national emergency — waiver authority.
261.6	All Iowa opportunity foster care grant program.
261.7	Textbook notice — legislative intent and recommendation.
261.8	Reserved.

DIVISION II

TUITION GRANTS TO STUDENTS

261.9	Definitions.
261.10	Who qualified.
261.11	Extent of grant.
261.12	Amount of grant.
261.13	Annual grant.
261.14	Other aid considered.
261.15	Administration by commission — rules.
261.16	Application for grants.
261.17	Vocational-technical tuition grants.
261.17A	Iowa hope loan program.
261.18	Barber and cosmetology arts and sciences tuition grant program.
261.19	Health care professional recruitment program.
261.19A	Repealed by 97 Acts, ch 134, §2.
261.19B	Osteopathic physician recruitment revolving fund. Repealed by 2011 Acts, ch 132, §27, 106.
261.20	Scholarship and tuition grant reserve fund.
261.21	Repealed by 99 Acts, ch 205, §47.
261.22	Accelerated career education grants.
261.23	Registered nurse and nurse educator loan forgiveness program.
261.24	Iowa state fair scholarship.
261.25	Appropriations — standing limited — minority student and faculty information.
261.26	and 261.27 Repealed by 95 Acts, ch 70, §3.
261.28	through 261.34 Reserved.

DIVISION III

IOWA GUARANTEED LOAN PROGRAM

261.35	Definitions.
261.36	Powers.
261.37	Duties.
261.38	Loan reserve and agency operating accounts.
261.39	Transfer of funds and assets.
261.40	Repealed by 91 Acts, ch 180, §9.
261.41	Account dissolved — balance to general fund.
261.42	Short title.
261.43	Actions not barred.
261.43A	Security interest in education loans.

DIVISION IV

GUARANTEED LOAN PAYMENT PROGRAM

261.44	Guaranteed loan payment program.
261.45	Repealed by 96 Acts, ch 1215, §59.
261.46	and 261.47 Repealed by 95 Acts, ch 70, §3.
261.48	Minority teacher loan payments.
261.49	and 261.50 Repealed by 95 Acts, ch 70, §3.

DIVISION V

GRADUATE STUDENT FINANCIAL ASSISTANCE PROGRAM

261.51	and 261.52 Repealed by 89 Acts, ch 319, §83.
261.52A	Repealed by 96 Acts, ch 1215, §59.
261.53	Repealed by 89 Acts, ch 319, §83.
261.54	Repayment of science and mathematics loans.
261.55	through 261.60 Reserved.

DIVISION VI

SUPPLEMENTAL GRANT PROGRAM

261.61	through 261.63 Repealed by 88 Acts, ch 1003, §5 – 7.
261.64	through 261.70 Reserved.

DIVISION VII

CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

261.71	Chiropractic graduate student forgivable loans.
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261.72 Chiropractic loan revolving fund.
 261.73 Chiropractic loan forgiveness
 program.
 261.74 through 261.80 Reserved.

DIVISION VIII

WORK-STUDY PROGRAM

261.81 Work-study program.
 261.81A Iowa heritage corps.
 261.82 Duties of college student aid
 commission.
 261.83 Eligibility and duties of
 institutions.
 261.84 Student eligibility.
 261.85 Appropriation.

DIVISION IX

NATIONAL GUARD EDUCATIONAL ASSISTANCE

261.86 National guard educational
 assistance program.

DIVISION X

ALL IOWA OPPORTUNITY SCHOLARSHIPS

261.87 All Iowa opportunity scholarship
 program and fund.
 261.88 through 261.91 Reserved.

DIVISION XI

IOWA GRANT PROGRAM

261.92 Definitions.
 261.93 Program established — who
 qualified.
 261.93A Appropriation — percentages.
 261.94 Extent of grant.
 261.95 Amount of grant.
 261.96 Administration by commission —
 rules.
 261.97 Application for grants.
 261.98 Repealed by 95 Acts, ch 70, §3.
 261.99 and 261.100 Reserved.

DIVISION XII

MINORITY ACADEMIC GRANTS FOR ECONOMIC SUCCESS

261.101 Legislative intent.

261.102 Definitions.
 261.103 Program qualifications.
 261.104 Powers of the commission.
 261.105 Duties of applicant.
 261.106 through 261.110 Reserved.

DIVISION XIII

TEACHER SHORTAGE FORGIVABLE LOAN AND LOAN
FORGIVENESS PROGRAMS

261.111 Teacher shortage forgivable loan
 program.
 261.112 Teacher shortage loan
 forgiveness program.

DIVISION XIV

RESERVED

261.113 through 261.120 Reserved.

DIVISION XV

LICENSING SANCTIONS

261.121 Notice to individual of potential
 sanction of license.
 261.122 Conference.
 261.123 Written agreement.
 261.124 Decision of the commission.
 261.125 Certificate of noncompliance
 — certification to licensing
 authority.
 261.126 Requirements and procedures of
 licensing authority.
 261.127 District court hearing.

DIVISION XVI

HEALTH CARE PROFESSIONAL INCENTIVE PAYMENT
PROGRAM

261.128 Health care professional
 incentive payment program —
 repeal.

DIVISION XVII

IOWA NEEDS NURSES NOW INITIATIVE

261.129 Iowa needs nurses now initiative
 — repeal.

DIVISION I

GENERAL PROVISIONS

261.1 Commission created.

1. There is hereby created a commission to be known as the “*College Student Aid Commission*” of the state of Iowa.

2. Membership of the commission shall be as follows:

a. A member of the state board of regents to be named by the board, or the executive director of the board if so appointed by the board, who shall serve for a four-year term or until

the expiration of the member's term of office. Such member shall convene the organizational meeting of the commission.

b. The director of the department of education or the director's designee.

c. (1) Two members of the senate, one to be appointed by the president of the senate and one to be appointed by the minority leader of the senate, to serve as ex officio, nonvoting members.

(2) Two members of the house of representatives, one to be appointed by the speaker of the house of representatives and one to be appointed by the minority leader of the house of representatives, to serve as ex officio, nonvoting members.

(3) The members of the senate and house of representatives shall serve at the pleasure of the appointing legislator for a term beginning upon the convening of the general assembly and expiring upon the convening of the following general assembly, or when the appointee's successor is appointed, whichever occurs later.

d. Eight additional members to be appointed by the governor. One of the members shall be selected to represent private colleges and universities located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of some or all private colleges and universities located in the state of Iowa. One of the members shall be selected to represent community colleges located in the state of Iowa. When appointing this member, the governor shall give careful consideration to any person or persons nominated or recommended by any organization or association of Iowa community colleges. One member shall be enrolled as a student at a board of regents institution, community college, or accredited private institution. One member shall be a representative of a lending institution located in this state. One member shall be an individual who is repaying or has repaid a student loan guaranteed by the commission. The other three members, none of whom shall be official board members or trustees of an institution of higher learning or of an association of institutions of higher learning, shall be selected to represent the general public.

3. The members of the commission appointed by the governor shall serve for a term of four years.

4. a. Vacancies on the commission shall be filled for the unexpired term of such vacancies in the same manner as the original appointment.

b. A vacancy shall exist on the commission when a legislative member of the commission ceases to be a member of the general assembly or when a student member ceases to be enrolled as a student. Such vacancy shall be filled within thirty days.

[C66, 71, 73, 75, 77, 79, 81, §261.1]

85 Acts, ch 67, §31; 85 Acts, ch 212, §21; 86 Acts, ch 1245, §2032; 89 Acts, ch 83, §37; 89 Acts, ch 300, §1; 90 Acts, ch 1223, §24; 90 Acts, ch 1253, §121, 122; 91 Acts, ch 61, §1, 2; 2000 Acts, ch 1095, §2; 2006 Acts, ch 1051, §2; 2008 Acts, ch 1107, §1 – 3; 2008 Acts, ch 1191, §134; 2010 Acts, ch 1061, §91

[SP] 2008 amendments to this section take effect April 18, 2008, and apply to members of the general assembly appointed before, on, or after April 18, 2008; membership term termination provisions for certain members; 2008 Acts, ch 1107, §3

261.2 Duties of commission.

The commission shall:

1. Prepare and administer a state plan for a state supported and administered scholarship program. The state plan shall provide for scholarships to deserving students of Iowa, matriculating in Iowa universities, colleges, community colleges, or schools of professional nursing. Eligibility of a student for receipt of a scholarship shall be based upon academic achievement and completion of advanced level courses prescribed by the commission.

2. Administer the tuition grant program under this chapter.

3. Develop and implement, in cooperation with the state board of regents, an educational program and marketing strategies designed to inform parents about the options available for financing a college education and the need to accumulate the financial resources necessary to pay for a college education. The educational program shall include but not be limited to distribution of informational material to public and nonpublic elementary schools for distribution to parents and guardians of five-year and six-year old children.

4. Approve transfers from the scholarship and tuition grant reserve fund under section 261.20.

5. Develop and implement, in cooperation with the judicial district departments of correctional services and the department of corrections, a program to assist criminal offenders in applying for federal and state aid available for higher education.

6. Develop and implement, in cooperation with the department of human services and the judicial branch, a program to assist juveniles who are sixteen years of age or older and who have a case permanency plan under chapter 232 or 237 or are otherwise under the jurisdiction of chapter 232 in applying for federal and state aid available for higher education. The commission shall also develop and implement the all Iowa opportunity foster care grant program in accordance with section 261.6.

7. a. Adopt rules to establish reasonable registration standards for the approval, pursuant to section 261B.3A, of postsecondary schools that are required to register with the commission in order to operate in this state. The registration standards established by the commission shall ensure that all of the following conditions are satisfied:

(1) The courses, curriculum, and instruction offered by the postsecondary school are of such quality and content as may reasonably and adequately ensure achievement of the stated objective for which the courses, curriculum, or instruction are offered.

(2) The postsecondary school has adequate space, equipment, instructional material, and personnel to provide education and training of good quality.

(3) The educational and experience qualifications of the postsecondary school's directors, administrators, and instructors are such as may reasonably ensure that students will receive instruction consistent with the objectives of the postsecondary school's programs of study.

(4) Upon completion of training or instruction, students are given certificates, diplomas, or degrees as appropriate by the postsecondary school indicating satisfactory completion of the program.

(5) The postsecondary school is financially responsible and capable of fulfilling commitments for instruction.

b. The commission shall post an application on the commission's internet site and shall render a decision on an application for registration within one hundred eighty days of the filing of the application.

8. Submit by January 15 annually a report to the general assembly which provides, by program, the number of individuals who received loan forgiveness in the previous fiscal year, the amount paid to individuals under sections 261.23, 261.73, and 261.112, and the institutions from which individuals graduated, and that includes any proposed statutory changes and the commission's findings and recommendations.

9. Require any postsecondary institution whose students are eligible for or who receive assistance under programs administered by the commission and who were enrolled in a school district in Iowa to include in its student management information system the unique student identifiers assigned to the institution's students while the students were in the state's kindergarten through grade twelve system.

10. Administer the health care professional incentive payment program established in section 261.128 and the Iowa needs nurses now initiative created in section 261.129. This subsection is repealed June 30, 2014.

11. Ensure that students receiving state-funded scholarships and grants are attending institutions of higher education that meet all of the following conditions:

a. The institutions are not required to register under chapter 261B.

b. The institutions are eligible to participate in a federal student aid program authorized under Tit. IV of the federal Higher Education Act of 1965, as amended.

12. Require any postsecondary institution whose students are eligible for or who receive financial assistance under programs administered by the commission to transmit annually to the commission information about the numbers of minority students enrolled in and minority faculty members employed at the institution. The commission shall compile and

report the information collected to the general assembly, the governor, and the legislative services agency by March 1 annually.

[C66, 71, 73, 75, 77, 79, 81, §261.2]

83 Acts, ch 101, §60; 83 Acts, ch 184, §5, 11, 15; 88 Acts, ch 1003, §1; 88 Acts, ch 1261, §2; 88 Acts, ch 1284, §20, 21; 89 Acts, ch 300, §2; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §45; 92 Acts, ch 1231, §42; 92 Acts, ch 1240, §17; 93 Acts, ch 179, §20; 95 Acts, ch 70, §1; 98 Acts, ch 1047, §27; 2000 Acts, ch 1095, §3; 2004 Acts, ch 1145, §2; 2005 Acts, ch 59, §1; 2007 Acts, ch 214, §24; 2008 Acts, ch 1181, §31; 2009 Acts, ch 12, §1, 2; 2009 Acts, ch 118, §48, 54; 2009 Acts, ch 177, §24; 2010 Acts, ch 1031, §314; 2010 Acts, ch 1147, §8, 13; 2011 Acts, ch 36, §1

[SP] Implementation of subsection 10 and amendments thereto by 2010 Acts, ch 1147, §8, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13

[T] NEW subsections 11 and 12

261.3 Organization — bylaws.

The commission is an autonomous state agency which is attached to the department of education for organizational purposes only.

The commission shall determine its own organization, draw up its own bylaws, adopt rules under chapter 17A, and do such other things as may be necessary and incidental in the administration of this chapter, including the housing, employment, and fixing the compensation and bond of persons required to carry out its functions and responsibilities. A decision of the commission is final agency action under chapter 17A.

The commission shall function at the seat of government or such other place as it might designate.

[C66, 71, 73, 75, 77, 79, 81, §261.3]

86 Acts, ch 1245, §1454

261.4 Funds — compensation and expenses of commission.

The director of the department of administrative services shall keep an accounting of all funds received and expended by the commission. The members of the commission, except those members who are employees of the state, shall be paid a per diem as specified in section 7E.6 and shall be reimbursed for actual and necessary expenses. All per diem and expense moneys paid to nonlegislative members shall be paid from funds appropriated to the commission. Legislative members of the commission shall receive payment pursuant to section 2.10 and section 2.12.

[C66, 71, 73, 75, 77, 79, 81, §261.4]

90 Acts, ch 1256, §44; 2003 Acts, ch 145, §286

261.5 Response to national emergency — waiver authority.

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

a. “Active duty” means “active duty” as defined in 10 U.S.C. § 101(d)(1), except that the term does not include active duty for training or attendance at a service school.

b. “Affected individual” means an individual who is serving on active duty during the national emergency; or who resides or is employed in an area that is declared a disaster area by any federal, state, or local official in connection with the national emergency; or who suffered direct economic hardship as a result of the national emergency, as determined under a waiver or modification issued pursuant to this section.

c. “Serving on active duty during the national emergency” means any of the following individuals:

(1) A reserve of an armed force ordered to active duty under 10 U.S.C. § 12301(a), 12301(g), 12302, 12304, or 12306, or any retired member of an armed force ordered to active duty under 10 U.S.C. § 688, as amended, for service in connection with the emergency or subsequent actions or conditions, regardless of the location at which the active duty service is performed.

(2) Any other member of an armed force on active duty in connection with the emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which the member is normally assigned.

2. Notwithstanding any other provision of this chapter, in the event of a national

emergency declared by the president of the United States by reason of terrorist attack, the commission may waive or modify any statutory or regulatory provision applicable to state financial aid programs established pursuant to this chapter to ensure, with regard to affected individuals, that the following occurs:

- a. The financial positions of affected individuals who are state student loan borrowers are not worsened in relation to those loans because of their status as affected individuals.
- b. Administrative requirements placed on state student loan borrowers are minimized, to the extent possible, without impairing the integrity of the student loan programs, to ease the burden on these borrowers and to avoid inadvertent technical violations or defaults.
- c. The calculation of “annual adjusted family income” and “available income”, as used in the determination of need for student financial assistance under 20 U.S.C. § 1070 et seq., for affected individuals, or if applicable, for the spouses or dependents of affected individuals, may be modified to mean the sums received in the first calendar year of the award year for which the determination is made, in order to reflect more accurately the financial condition of the affected individuals or their families.

3. Notwithstanding any other provision of this chapter, in the event of a national emergency declared by the president of the United States by reason of terrorist attack, the commission may grant temporary relief from requirements rendered infeasible or unreasonable, including due diligence requirements and reporting deadlines, by the national emergency, to an institution of higher education under the state board of regents, a community college, an accredited private institution as defined in section 261.9, eligible lenders, and other entities participating in the state student assistance programs in accordance with this chapter, that are located in, or whose operations are directly affected by, areas that are declared disaster areas by any federal, state, or local official in connection with the national emergency. If the commission issues a waiver in accordance with this section, the report prepared by the commission pursuant to section 17A.9A, subsection 5, shall include examples of measures that a postsecondary institution may take in the appropriate exercise of discretion, as provided in 20 U.S.C. § 1087tt, to adjust financial need and aid eligibility determinations for affected individuals.

4. This section shall not be construed as a requirement that the commission exercise the waiver or modification authority provided pursuant to this section on a case-by-case basis.

2002 Acts, ch 1036, §1, 2

261.6 All Iowa opportunity foster care grant program.

1. The commission shall develop and implement, in cooperation with the department of human services and the judicial branch, the all Iowa opportunity foster care grant program in accordance with this section.

2. The program shall provide financial assistance for postsecondary education or training to a person who has a high school diploma or a high school equivalency diploma under chapter 259A and is described by any of the following:

a. Is age seventeen and is in a court-ordered placement under chapter 232 under the care and custody of the department of human services or juvenile court services.

b. Is age seventeen and has been placed in the state training school or the Iowa juvenile home pursuant to a court order entered under chapter 232 under the care and custody of the department of human services.

c. Is age eighteen through twenty-three and is described by any of the following:

(1) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was in a licensed foster care placement pursuant to a court order entered under chapter 232 under the care and custody of the department of human services or juvenile court services.

(2) On the date the person reached age eighteen or during the thirty calendar days preceding or succeeding that date, the person was under a court order under chapter 232 to live with a relative or other suitable person.

(3) The person was in a licensed foster care placement pursuant to an order entered under chapter 232 prior to being legally adopted after reaching age sixteen.

(4) On the date the person reached age eighteen or during the thirty calendar days

preceding or succeeding that date, the person was placed in the state training school or the Iowa juvenile home pursuant to a court order entered under chapter 232 under the care and custody of the department of human services.

3. The program requirements shall include but are not limited to all of the following:

a. Program assistance shall cover a program participant's expenses associated with attending an approved postsecondary education or training program in this state. The expenses shall include tuition and fees, books and supplies, child care, transportation, housing, and other expenses approved by the commission. If a participant is attending on less than a full-time basis, assistance provisions shall be designed to cover tuition and fees and books and supplies, and assistance for other expenses shall be prorated to reflect the hours enrolled.

b. If the approved education or training program is more than one year in length, the program assistance may be renewed. To renew the assistance, the participant must annually reapply for the program and meet the academic progress standards of the postsecondary educational institution or make satisfactory progress toward completion of the training program.

c. A person shall be less than age twenty-three upon both the date of the person's initial application for the program and the start date of the education or training program for which the assistance is provided. Eligibility for program assistance shall end upon the participant reaching age twenty-four.

d. Assistance under the program shall not be provided for expenses that are paid for by other programs for which funding is available to assist the participant.

e. The commission shall implement assistance provisions in a manner to ensure that the total amount of assistance provided under the program remains within the funding available for the program.

2007 Acts, ch 214, §25; 2009 Acts, ch 177, §25; 2011 Acts, ch 36, §2

[T] Subsection 4 stricken

261.7 Textbook notice — legislative intent and recommendation.

1. In order to promote consumer choice and lower the costs of textbooks in higher education, the general assembly intends that students enrolled in institutions of higher learning have access to appropriate textbook information prior to the start of classes, with adequate time to pursue alternative purchase avenues.

2. The general assembly recommends that every public and private institution of higher education in this state, including those institutions referenced in chapters 260C and 262 and section 261.9, post the list of required and suggested textbooks for all courses and the corresponding international standard book numbers for such textbooks at least fourteen days before the start of each semester or term, to the extent possible, at the locations where textbooks are sold on campus and on the website for the respective institution of higher education.

3. The college student aid commission is directed to convey the legislative intent and recommendation contained in this section to every institution of higher education in the state registered pursuant to chapter 261B at least once a year.

2008 Acts, ch 1146, §1; 2008 Acts, ch 1191, §125

261.8 Reserved.

DIVISION II

TUITION GRANTS TO STUDENTS

261.9 Definitions.

When used in this division, unless the context otherwise requires:

1. "*Accredited private institution*" means an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any

subdivision of the state and which meets the criteria in paragraphs “a” and “b” and all of the criteria in paragraphs “d” through “g”, except that institutions defined in paragraph “c” of this subsection are exempt from the requirements of paragraphs “a” and “b”:

a. Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements.

b. Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements, is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, and annually provides a matching aggregate amount of institutional financial aid equal to at least seventy-five percent of the amount received in a fiscal year by the institution’s students for Iowa tuition grant assistance under this chapter. Commencing with the fiscal year beginning July 1, 2006, the matching aggregate amount of institutional financial aid shall increase by the percentage of increase each fiscal year of funds appropriated for Iowa tuition grants under section 261.25, subsection 1, to a maximum match of one hundred percent. The institution shall file annual reports with the commission prior to receipt of tuition grant moneys under this chapter. An institution whose income is not exempt from taxation under section 501(c) of the Internal Revenue Code and whose students were eligible to receive Iowa tuition grant money in the fiscal year beginning July 1, 2003, shall meet the match requirements of this paragraph no later than June 30, 2005.

c. Is a specialized college that is accredited by the north central association of colleges and secondary schools accrediting agency, and which offers health professional programs that are affiliated with health care systems located in Iowa.

d. Promotes equal opportunity and affirmative action efforts in the recruitment, appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the commission upon request.

e. Adopts a policy that prohibits unlawful possession, use, or distribution of controlled substances by students and employees on property owned or leased by the institution or in conjunction with activities sponsored by the institution. Each institution shall provide information about the policy to all students and employees. The policy shall include a clear statement of sanctions for violation of the policy and information about available drug or alcohol counseling and rehabilitation programs. In carrying out this policy, an institution shall provide substance abuse prevention programs for students and employees.

f. Develops and implements a written policy, which is disseminated during student registration or orientation, addressing the following four areas relating to sexual abuse:

- (1) Counseling.
- (2) Campus security.
- (3) Education, including prevention, protection, and the rights and duties of students and employees of the institution.

(4) Facilitating the accurate and prompt reporting of sexual abuse to the duly constituted law enforcement authorities.

g. (1) Adopts a policy to offer not less than the following options to a student who is a member, or the spouse of a member if the member has a dependent child, of the Iowa national guard or reserve forces of the United States and who is ordered to state military service or federal service or duty:

(a) Withdraw from the student’s entire registration and receive a full refund of tuition and mandatory fees.

(b) Make arrangements with the student’s instructors for course grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the student’s registration shall remain intact and tuition and mandatory fees shall be assessed for the courses in full.

(c) Make arrangements with only some of the student’s instructors for grades, or for incompletes that shall be completed by the student at a later date. If such arrangements are made, the registration for those courses shall remain intact and tuition and mandatory fees shall be assessed for those courses. Any course for which arrangements cannot be made for grades or incompletes shall be considered dropped and the tuition and mandatory fees for the course refunded.

(2) As used in this lettered paragraph, “*dependent child*” means the same as defined in section 260C.14, subsection 14, paragraph “b”, subparagraph (2), subparagraph division (a).

2. “*Commission*” means the college student aid commission.

3. “*Financial need*” means the difference between the student’s financial resources available, including those available from the student’s parents as determined by a completed parents’ confidential statement, and the student’s anticipated expenses while attending the accredited private institution. Financial need shall be redetermined at least annually.

4. “*Full-time resident student*” means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least twelve semester hours or the trimester equivalent of twelve semester hours. “*Course of study*” does not include correspondence courses.

5. “*Part-time resident student*” means an individual resident of Iowa who is enrolled at an accredited private institution in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours. “*Course of study*” does not include correspondence courses.

6. “*Qualified student*” means a resident student who has established financial need and who is making satisfactory progress toward graduation.

7. “*Tuition grant*” means an award by the state of Iowa to a qualified student under this division.

[C71, 73, 75, 77, 79, 81, §261.9]

87 Acts, ch 233, §455; 88 Acts, ch 1284, §22 – 24; 89 Acts, ch 319, §42; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §48; 91 Acts, ch 180, §1; 92 Acts, ch 1106, §1, 4; 2000 Acts, ch 1095, §4 – 11; 2001 Acts, ch 24, §42; 2001 Acts, ch 39, §2; 2003 Acts, ch 179, §113, 114; 2004 Acts, ch 1086, §56; 2004 Acts, ch 1175, §237, 238; 2005 Acts, ch 169, §25; 2010 Acts, ch 1169, §4; 2011 Acts, ch 36, §3

[T] Subsection 1, paragraph d amended

261.10 Who qualified.

A tuition grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited private institution and who establishes financial need.

[C71, 73, 75, 77, 79, 81, §261.10]

88 Acts, ch 1284, §25

261.11 Extent of grant.

A qualified full-time resident student may receive tuition grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified part-time resident student may receive tuition grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.11]

88 Acts, ch 1284, §26

261.12 Amount of grant.

1. The amount of a tuition grant to a qualified full-time student for the fall and spring semesters, or the trimester equivalent, shall be the amount of the student’s financial need for that period. However, a tuition grant shall not exceed the lesser of:

a. The total tuition and mandatory fees for that student for two semesters or the trimester or quarter equivalent, less the base amount determined annually by the college student aid commission, which base amount shall be within ten dollars of the average tuition for two semesters or the trimester equivalent of undergraduate study at the state universities under the board of regents, but in any event the base amount shall not be less than four hundred dollars; or

b. For the fiscal year beginning July 1, 2000, and for each following fiscal year, four thousand dollars.

2. The amount of a tuition grant to a qualified full-time student for the summer semester

or trimester equivalent shall be one-half the amount of the tuition grant the student receives under subsection 1.

3. The amount of a tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours for the fall, spring, and summer semesters, or the trimester or quarter equivalent, shall be equal to the amount of a tuition grant that would be paid to a full-time student times a number which represents the number of hours in which the part-time student is actually enrolled divided by twelve semester hours, or the trimester or quarter equivalent.

[C71, 73, 75, 77, 79, 81, §261.12]

83 Acts, ch 197, §13; 84 Acts, ch 1302, §16; 85 Acts, ch 263, §16; 88 Acts, ch 1284, §27; 89 Acts, ch 300, §3; 89 Acts, ch 319, §43; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §49; 91 Acts, ch 10, §1; 91 Acts, ch 258, §39; 95 Acts, ch 218, §21; 96 Acts, ch 1215, §36; 96 Acts, ch 1219, §4, 5; 97 Acts, ch 212, §25; 98 Acts, ch 1215, §33; 99 Acts, ch 205, §28; 2000 Acts, ch 1223, §26

261.13 Annual grant.

A tuition grant may be made annually for the fall, spring, and summer semesters or the trimester equivalent. Payments under the grant shall be allocated equally among the semesters or trimesters and shall be paid at the beginning of each semester or trimester upon certification by the accredited private institution that the student is admitted and in attendance. If the student discontinues attendance before the end of any semester or trimester after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the accredited private institution to the state.

[C71, 73, 75, 77, 79, 81, §261.13]

96 Acts, ch 1219, §6

261.14 Other aid considered.

If a student receives financial aid under any other program the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the state's total financial contribution to the student's education, including financial aid under any other state program, exceed the tuition and mandatory fees at the institution which the student attends.

[C71, 73, 75, 77, 79, 81, §261.14]

261.15 Administration by commission — rules.

The commission shall administer this program and shall:

1. Provide application forms and parents' confidential statement forms.
2. Adopt rules and regulations for determining financial need, defining tuition and mandatory fees, defining residence for the purposes of this division, processing and approving applications for tuition grants, and determining priority of grants. The commission may provide for proration of funds if the available funds are insufficient to pay all approved grants. Such proration shall take primary account of the financial need of the applicant. In determining who is a resident of Iowa, the commission's rules shall be at least as restrictive as those of the board of regents.

3. Approve and award tuition grants.

4. Make an annual report to the governor and general assembly, and evaluate the tuition grant program for the period. The commission may require the accredited private institution to promptly furnish any information which the commission may request in connection with the tuition grant program.

[C71, 73, 75, 77, 79, 81, §261.15]

261.16 Application for grants.

Each applicant, in accordance with the rules and regulations of the commission, shall:

1. Complete and file an application for a tuition grant.
2. Be responsible for the submission of the parents' confidential statement for processing,

the processed information to be returned both to the commission and to the college in which the applicant is enrolling.

3. Report promptly to the commission any information requested.
4. File a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed tuition grant will be evaluated and determined. [C71, 73, 75, 77, 79, 81, §261.16]

261.17 Vocational-technical tuition grants.

1. A vocational-technical tuition grant may be awarded to any resident of Iowa who is admitted and in attendance as a full-time or part-time student in a vocational-technical or career option program at a community college in the state, and who establishes financial need.

2. All classes, including liberal arts classes, identified by the community college as required for completion of the student's vocational-technical or career option program shall be considered a part of the student's vocational-technical or career option program for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 3, if a student is making satisfactory academic progress but the student cannot complete a vocational-technical or career option program in the time frame allowed for a student to receive a vocational-technical tuition grant as provided in subsection 3 because additional classes are required to complete the program, the student may continue to receive a vocational-technical tuition grant for not more than one additional enrollment period.

3. *a.* A qualified full-time student may receive vocational-technical tuition grants for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive vocational-technical tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study.

b. However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

4. *a.* The amount of a vocational-technical tuition grant to a qualified full-time student shall not exceed the lesser of one thousand two hundred dollars per year or the amount of the student's established financial need.

b. The amount of a vocational-technical tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a vocational-technical tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

5. A vocational-technical tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that the student is in full-time or part-time attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

6. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

7. The commission shall administer this program and shall:

a. Provide application forms for distribution to students by Iowa high schools and community colleges.

b. Adopt rules for determining financial need, defining residence for the purposes of this section, processing and approving applications for grants and determining priority for grants.

c. Approve and award grants on an annual basis.

- d. Make an annual report to the governor and general assembly.
- 8. Each applicant, in accordance with the rules established by the commission, shall:
 - a. Complete and file an application for a vocational-technical tuition grant.
 - b. Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.
 - c. Report promptly to the commission any information requested.
 - d. Submit a new application and financial statement for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

[C75, 77, 79, 81, §261.17]

83 Acts, ch 197, §14; 87 Acts, ch 233, §456; 89 Acts, ch 319, §44; 90 Acts, ch 1253, §120; 90 Acts, ch 1272, §50; 97 Acts, ch 212, §26; 98 Acts, ch 1215, §34, 35; 99 Acts, ch 205, §29, 30; 2001 Acts, 2nd Ex, ch 6, §20, 37; 2002 Acts, ch 1014, §1; 2010 Acts, ch 1061, §180

261.17A Iowa hope loan program.

1. An Iowa hope loan may be awarded to a resident of Iowa who is admitted and in attendance as a student in a single, twelve-month or less, vocational-technical or career option program in a community college in the state, who meets the eligibility requirements for a Pell grant, and who is working toward certification, a diploma, or a degree in a skilled occupation. In addition, an eligible applicant shall have obtained the bona fide intent of a company operating in Iowa to employ the applicant upon the applicant's attainment of a certificate, diploma, or degree, or shall be currently employed by a company operating in Iowa that has expressed a bona fide intent to advance the employee in employment upon the employee's attainment of a certificate, diploma, or degree.

2. A student who meets the qualifications of subsection 1 may receive an Iowa hope loan for not more than twelve months. A student shall not receive assistance for courses for which credit was previously received.

3. The amount of an Iowa hope loan shall not exceed the cost of tuition for the community college program in which the student is enrolled and attends. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the Iowa hope loan.

4. Payments under the loan shall be allocated equally among the semesters or quarters of the year upon certification by the community college that the student is in attendance in a vocational-technical or career option program, as defined under rules of the department of education. If the student discontinues attendance before the end of any term after the community college receives payment from the loan, the entire amount of any refund due that student, up to the amount of any payments made to the community college from the loan, shall be paid by the community college to the state.

5. The commission shall administer this program and shall do all of the following:

- a. Provide application forms for distribution to students by Iowa high schools and community colleges.

- b. Adopt rules for determining financial need, requiring that no interest be charged for an Iowa hope loan, defining residence for the purposes of this section, processing and approving applications for grants, determining priority for loans, and establishing procedures for the repayment of the loan. The repayment schedule shall commence not less than six months after the loan recipient successfully completes the program and is awarded a certificate, a diploma, or a degree in a skilled occupation. The repayment schedule may be suspended if the loan recipient is a full-time student in an accredited postsecondary institution.

- c. Approve and award loans on an annual basis. A student approved for a loan under the program shall enter into a payment agreement with the commission before receiving a loan under the program.

- d. Make an annual report to the governor and general assembly.

6. Each applicant, in accordance with the rules established by the commission, shall do all of the following:

- a. Complete and file an application for an Iowa hope loan.
- b. Be responsible for the submission of the financial information provided for evaluation of the applicant's need for a loan, on forms provided by the commission.

c. Report promptly to the commission any necessary information requested by the commission.

7. An Iowa hope loan revolving fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the college student aid commission to be used for loans as provided in this section. The commission shall deposit payments made by Iowa hope loan recipients into the Iowa hope loan fund. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for the purposes of this section in subsequent fiscal years.

8. Loans awarded under this section are subject to the limitations of any appropriations made by the general assembly and of the moneys in the revolving fund. The amount of a loan awarded to an eligible student shall not be less than five hundred dollars and shall not exceed one thousand dollars. However, if full tuition is less than five hundred dollars, the amount of the loan shall be for not more than an amount equal to the full tuition.

95 Acts, ch 197, §1

261.18 Barber and cosmetology arts and sciences tuition grant program.

1. A barber and cosmetology arts and sciences tuition grant may be awarded to any resident of Iowa who establishes financial need and is admitted and in attendance as a full-time or part-time student in a course of study at an eligible school.

2. All classes identified by the barber school or school of cosmetology arts and sciences as required for completion of a course of study required for licensure as provided in section 158.8 or required for licensure as provided in section 157.10, shall be considered a part of the student's barber or cosmetology course of study for the purpose of determining the student's eligibility for a grant. Notwithstanding subsection 3, if a student is making satisfactory academic progress but the student cannot complete the course of study in the time frame allowed for a student to receive a barber and cosmetology arts and sciences tuition grant as provided in subsection 3 because additional classes are required to complete the course of study, the student may continue to receive a barber and cosmetology arts and sciences tuition grant for not more than one additional enrollment period.

3. A qualified full-time student may receive a barber and cosmetology arts and sciences tuition grant for not more than four semesters or the trimester or quarter equivalent of two full years of study. A qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent may receive barber and cosmetology arts and sciences tuition grants for not more than eight semesters or the trimester or quarter equivalent of two full years of full-time study. However, if a student resumes study after at least a two-year absence, the student may again be eligible for the specified amount of time, except that the student shall not receive assistance for courses for which credit was previously received.

4. a. The amount of a barber and cosmetology arts and sciences tuition grant to a qualified full-time student shall not exceed the lesser of one thousand two hundred dollars per year or the amount of the student's established financial need.

b. The amount of a barber and cosmetology arts and sciences tuition grant to a qualified part-time student enrolled in a course of study including at least three semester hours but fewer than twelve semester hours or the trimester or quarter equivalent shall be equal to the amount of a barber and cosmetology arts and sciences tuition grant that would be paid to a full-time student, except that the commission shall prorate the amount in a manner consistent with the federal Pell grant program proration.

5. A barber and cosmetology arts and sciences tuition grant shall be awarded on an annual basis, requiring reapplication by the student for each year. Payments under the grant shall be allocated equally among the semesters or quarters of the year upon certification by the institution that the student is in full-time or part-time attendance in a course of study at a licensed barber school or school of cosmetology arts and sciences. If the student discontinues attendance before the end of any term after receiving payment of the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the institution to the state.

6. If a student receives financial aid under any other program, the full amount of that financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period.

7. The commission shall administer this program and shall:

a. Provide application forms for distribution to students by Iowa high schools, licensed barber schools and schools of cosmetology arts and sciences, and community colleges.

b. Adopt rules for determining financial need, defining residence for the purposes of this section, processing and approving applications for grants, and determining priority for grants.

c. Approve and award grants on an annual basis.

d. Make an annual report to the governor and general assembly. The report shall include the number of students receiving assistance under this section.

8. Each applicant, in accordance with the rules established by the commission, shall:

a. Complete and file an application for a barber and cosmetology arts and sciences tuition grant.

b. Be responsible for the submission of the financial information required for evaluation of the applicant's need for a grant, on forms determined by the commission.

c. Report promptly to the commission any information requested.

d. Submit a new application and financial statement for reevaluation of the applicant's eligibility to receive a second-year renewal of the grant.

9. For purposes of this section, "*eligible school*" means a barber school licensed under section 158.7 or a school of cosmetology arts and sciences licensed under chapter 157. An eligible school shall be accredited by a national accrediting agency recognized by the United States department of education and shall meet the criteria in section 261.9, subsection 1, paragraphs "d" through "g". An eligible school shall report promptly to the commission any information requested.

2008 Acts, ch 1181, §32

261.19 Health care professional recruitment program.

1. A health care professional recruitment program is established to be administered by the college student aid commission for Des Moines university. The program shall consist of a loan repayment program for health care professionals. The commission shall regularly adjust the service requirement under each aspect of the program to provide, to the extent possible, an equal financial benefit for each period of service required.

2. A health care professional shall be eligible for the loan repayment program if the health care professional agrees to practice in an eligible rural community in this state. Des Moines university shall recruit and place health care professionals in rural communities which have agreed to provide additional funds for the recipient's loan repayment. The contract for the loan repayment shall stipulate the time period the recipient shall practice in an eligible rural community in this state. In addition, the contract shall stipulate that the recipient repay any funds paid on the recipient's loan by the commission if the recipient fails to practice in an eligible rural community in this state for the required period of time.

3. A health care professional recruitment revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by health care professional recruitment program recipients and the proceeds from the sale of osteopathic loans awarded pursuant to section 261.19, subsection 2, paragraph "b", Code 2011, into the health care professional recruitment revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the health care professional recruitment program, for loan repayment in accordance with this section, and to pay for loan or interest repayment defaults by program recipients. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

4. For purposes of this section:

a. "*Eligible rural community*" means a medically underserved rural community which agrees to match state funds provided on at least a dollar-for-dollar basis for the loan repayment of a health care professional who practices in the community.

b. "Health care professional" means a physician, physician assistant, podiatrist, or physical therapist.

5. The commission shall adopt rules pursuant to chapter 17A to administer this section.
[C77, 79, 81, §261.19]

87 Acts, ch 115, §38; 89 Acts, ch 319, §46; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §51; 97 Acts, ch 134, §1; 2000 Acts, ch 1058, §30; 2000 Acts, ch 1095, §12; 2000 Acts, ch 1223, §27; 2004 Acts, ch 1175, §91; 2009 Acts, ch 177, §26; 2011 Acts, ch 132, §12, 106

[T] Section amended

261.19A Repealed by 97 Acts, ch 134, § 2.

261.19B Osteopathic physician recruitment revolving fund. Repealed by 2011 Acts, ch 132, § 27, 106.

261.20 Scholarship and tuition grant reserve fund.

1. A scholarship and tuition grant reserve fund is created to assure that financial assistance will be available to all students who are awarded scholarships or tuition grants through programs funded under this chapter. The fund is created as a separate fund in the state treasury, and moneys in the fund shall not revert to the general fund unless, and then only to the extent that, the funds exceed the maximum allowed balance.

2. The maximum balance of the scholarship and tuition grant reserve fund is an amount equal to one percent of the funds appropriated to the scholarship and tuition grant programs under section 261.25 during the preceding fiscal year. The moneys in the fund shall be placed in separate accounts within the fund, according to the source and purpose of the original appropriation. Moneys in the various accounts shall only be used to alleviate a current fiscal year shortfall in appropriations for scholarship or tuition grant programs that have the same nature as the programs for which the moneys were originally appropriated. At the conclusion of a fiscal year, any surplus appropriations made to the commission for scholarship or tuition grant programs are appropriated to the scholarship and grant reserve fund in an amount equal to the amount of the surplus or the amount necessary to achieve the maximum balance, whichever amount is less.

3. Transfers of moneys from the scholarship and tuition grant reserve fund to appropriation accounts in which there is a current fiscal year shortfall may be made only with the prior written approval of the governor. At least two weeks before moneys are transferred from the fund, the commission shall notify the chairpersons of the standing appropriations committees of the general assembly and the co-chairpersons of the education appropriations subcommittee of the proposed transfer. The notice shall include information concerning the amount of and reason for the proposed transfer. The chairpersons shall be given at least two weeks to review and comment on the proposed transfer before the transfer can be made.

4. The commission shall annually report to the general assembly the methodology and manner in which the commission makes the determination of awards for programs for which funds are appropriated under section 261.25.

89 Acts, ch 300, §4

261.21 Repealed by 99 Acts, ch 205, § 47.

261.22 Accelerated career education grants.

1. An accelerated career education grant program is established to be administered by the college student aid commission. An individual is eligible for the grant program if the individual is a resident of this state who is enrolled at a community college as a participant in an accelerated career education program in accordance with the provisions of chapter 260G. The college student aid commission shall adopt rules pursuant to chapter 17A for determining financial need and to administer this section and shall develop and implement a method for allocating moneys based upon the need for skills and occupations for which an applied technical education is required.

2. To be eligible to receive a grant under this section, an applicant shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for an accelerated career education grant. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed grant will be evaluated and determined.

3. If a student receives financial aid from any source other than the program established under this section, the full amount of such financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for the period of the financial aid. Grant moneys received by a student in accordance with this section shall be used to pay the student's cost of attendance, which includes community college tuition and fees, materials, textbooks and supplies, transportation, room and board, dependent care during the time the person is in class, and the purchase or rental of a computer.

4. The amount of the grant shall not exceed a student's annual financial need or two thousand dollars, whichever is less. The grants shall be awarded on an annual basis. Applicants who meet the application deadline shall be ranked by the commission in order of need. The commission shall award grants to applicants in order of need beginning with applicants with the greatest need, insofar as funds permit. If a student receiving grant moneys discontinues attendance before the end of any term, the entire amount of any refund due that student, up to the amount of any payments made under the grant, shall be paid by the institution to the state for deposit in the accelerated career education grant fund.

5. An accelerated career education grant fund is created in the state treasury as a separate fund under the control of the commission. Moneys in the fund shall be used for accelerated career education grants. The fund shall consist of any moneys appropriated by the general assembly and any other moneys available to and obtained or accepted by the commission from the federal government or private sources for placement in the fund. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for the purposes of this section in subsequent fiscal years.

6. By December 15 of each year, the commission shall submit a report to the general assembly, the department of management, and the legislative services agency including, but not limited to, all of the following data:

a. The total funding of the grant program for the previous fiscal year itemized by type of funding including state, federal, or other funding. The information shall also be provided according to each community college.

b. The expenditures under the grant program and related information of the grant program including, but not limited to, all of the following:

(1) The number of participants in the accelerated career education program receiving moneys under the grant program.

(2) The number of participants in the accelerated career education program receiving moneys under the grant program who remain in the state upon completion of a program agreement.

(3) The number of participants in the accelerated career education program receiving moneys under the grant program who successfully complete a program agreement and the number who fail to successfully complete a program agreement.

c. Any other information requested by the general assembly.

2000 Acts, ch 1196, §8, 10; 2003 Acts, ch 35, §45, 49

261.23 Registered nurse and nurse educator loan forgiveness program.

1. A registered nurse and nurse educator loan forgiveness program is established to be administered by the commission. The program shall consist of loan forgiveness for eligible federally guaranteed loans for registered nurses and nurse educators who practice or teach in this state. For purposes of this section, unless the context otherwise requires, "nurse

educator” means a registered nurse who holds a master’s degree or doctorate degree and is employed as a faculty member who teaches nursing as provided in 655 IAC 2.6(152) at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

2. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

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

b. File a new application and submit information as required by the commission annually on the basis of which the applicant’s eligibility for the renewed loan forgiveness will be evaluated and determined.

c. Complete and return, on a form approved by the commission, an affidavit of practice verifying that the applicant is a registered nurse practicing in this state or a nurse educator teaching at a community college, an accredited private institution, or an institution of higher learning governed by the state board of regents.

3. a. The annual amount of registered nurse loan forgiveness for a registered nurse who completes a course of study, which leads to a baccalaureate or associate degree of nursing, diploma in nursing, or a graduate or equivalent degree in nursing, and who practices in this state, shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the registered nurse’s graduation from a nursing education program approved by the board of nursing pursuant to section 152.5, or twenty percent of the registered nurse’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A registered nurse shall be eligible for the loan forgiveness program for not more than five consecutive years.

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

4. A registered nurse and nurse educator loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

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

6. The commission shall adopt rules pursuant to chapter 17A to administer this section.

2002 Acts, ch 1131, §1; 2003 Acts, ch 108, §47; 2007 Acts, ch 214, §26; 2009 Acts, ch 118, §49, 50, 54

[SP] Implementation of 2009 amendments to subsections 1 and 2 conditioned upon availability of funding; 2009 Acts, ch 118, §54

261.24 Iowa state fair scholarship.

The Iowa state fair scholarship fund is established in the office of treasurer of state to be administered by the commission. The commission shall adopt rules pursuant to chapter 17A for the administration of this section. The rules shall provide, at a minimum, that only residents of Iowa who have actively participated in the Iowa state fair and graduated from an accredited secondary school in Iowa shall be eligible to receive an Iowa state

fair scholarship for matriculation at an eligible institution as defined in section 261.35. Notwithstanding section 12C.7, interest earned on money in the Iowa state fair scholarship fund shall be deposited into the fund and may be used by the commission only for Iowa state fair scholarship awards.

98 Acts, ch 1215, §36, 63

261.25 Appropriations — standing limited — minority student and faculty information.

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of forty-three million five hundred thirteen thousand four hundred forty-eight dollars for tuition grants.

2. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of four million dollars for tuition grants for students attending for-profit accredited private institutions located in Iowa. A for-profit institution which, effective March 9, 2005, or effective January 8, 2010, purchased an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code, shall be an eligible institution under the tuition grant program. For purposes of the tuition grant program, “*for-profit accredited private institution*” means an accredited private institution which is not exempt from taxation under section 501(c)(3) of the Internal Revenue Code but which otherwise meets the requirements of section 261.9, subsection 1, paragraph “b”, and whose students were eligible to receive tuition grants in the fiscal year beginning July 1, 2003.

3. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million two hundred fifty thousand one hundred eighty-five dollars for vocational-technical tuition grants.

4. This section shall not be construed to be a limitation on any of the amounts which may be appropriated by the general assembly for any program enumerated in this section.

5. In the case of a qualified student who was enrolled in an accredited private institution that was exempt from taxation under section 501(c) of the Internal Revenue Code and that was purchased by a for-profit institution effective January 8, 2010, and such qualified student continues to be enrolled in the eligible institution in succeeding years, the student shall continue to be eligible to receive funds under subsection 1 without a change in the student’s qualification status.

[C77, 79, 81, §261.25]

83 Acts, ch 197, §15; 85 Acts, ch 263, §17; 87 Acts, ch 233, §458; 88 Acts, ch 1003, §2; 88 Acts, ch 1284, §13, 28; 89 Acts, ch 319, §47, 48; 90 Acts, ch 1253, §122; 90 Acts, ch 1272, §54; 91 Acts, ch 180, §3; 91 Acts, ch 260, §908; 91 Acts, ch 267, §218; 92 Acts, ch 1246, §30; 93 Acts, ch 179, §21; 94 Acts, ch 1193, §19, 20; 95 Acts, ch 218, §22; 96 Acts, ch 1215, §38; 97 Acts, ch 212, §27; 98 Acts, ch 1215, §37, 38; 99 Acts, ch 205, §31, 32; 2000 Acts, ch 1095, §14; 2000 Acts, ch 1223, §28; 2002 Acts, ch 1171, §85; 2002 Acts, 2nd Ex, ch 1003, §93, 95; 2003 Acts, ch 35, §45, 49; 2003 Acts, ch 182, §13; 2004 Acts, ch 1175, §93; 2005 Acts, ch 169, §26, 27; 2006 Acts, ch 1180, §18, 19; 2006 Acts, ch 1182, §43; 2007 Acts, ch 214, §27; 2008 Acts, ch 1181, §33; 2009 Acts, ch 177, §27; 2010 Acts, ch 1183, §23, 24, 43; 2011 Acts, ch 36, §4; 2011 Acts, ch 132, §13, 106

[T] Subsections 1 – 3 amended

[T] Subsection 5 stricken and former subsection 6 renumbered as 5

261.26 and 261.27 Repealed by 95 Acts, ch 70, § 3.

261.28 through 261.34 Reserved.

DIVISION III

IOWA GUARANTEED LOAN PROGRAM

261.35 Definitions.

As used in this division, unless the context otherwise requires:

1. “*Commission*” means the college student aid commission of the state of Iowa.
2. “*Eligible borrower*” means a person, or the parent of a person, who is enrolled or will be enrolled at an eligible institution. All eligible borrowers must meet the eligibility requirements established by the commission.
3. “*Eligible institution*” means any postsecondary educational institution which meets the requirements of the provisions of the Higher Education Act of 1965 for student participation in the federal interest subsidy program and the requirements prescribed by rule of the commission.
4. “*Eligible lender*” means a financial or credit institution, insurance company or other approved lender which meets the standards prescribed by the commission and has executed a lender participation agreement with the commission.
5. “*Higher Education Act of 1965*” means the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. § 1071 et seq.
[C79, 81, §261.35; 81 Acts, ch 8, §12, ch 85, §1]
86 Acts, ch 1246, §25; 89 Acts, ch 300, §5; 90 Acts, ch 1253, §122; 2006 Acts, ch 1180, §20

261.36 Powers.

The commission shall have necessary powers to carry out its purposes and duties under this division, including but not limited to the power to:

1. Sue and be sued in its own name.
2. Incur and discharge debts including the payment of any defaulted loan obligations which have been guaranteed by the commission.
3. Make and execute agreements, contracts and other instruments with any public or private person or agency including the United States secretary of education.
4. Guarantee loans made by eligible lenders to eligible borrowers who are, or whose children are, enrolled or will be enrolled at eligible institutions as at least half-time students as defined by the commission.
5. Approve educational institutions as eligible institutions upon their meeting the requirements established by the commission.
6. Approve financial or credit institutions, insurance companies or other lenders as eligible lenders upon their meeting the standards established by the commission for making guaranteed loans.
7. Accept appropriations, gifts, grants, loans or other aid from public or private persons or agencies including the United States secretary of education.
8. Implement various means of encouraging maximum lender participation in the Iowa guaranteed loan program.
[C71, 73, 75, 77, §261.5, 261.6; C79, 81, §261.36; 81 Acts, ch 8, §13]
83 Acts, ch 101, §61; 89 Acts, ch 300, §26; 90 Acts, ch 1168, §36

261.37 Duties.

The duties of the commission under this division shall be as follows:

1. To review the Iowa guaranteed loan program.
2. To review and make disposition of all applications for the guarantee of student loans.
3. Collect an insurance premium of not more than the amount authorized by the federal Higher Education Act of 1965. The premium shall be collected by the lender upon the disbursement of the loan and shall be remitted promptly to the commission.
4. To enter into all necessary agreements with the United States secretary of education as required for the purpose of receiving full benefit of the state program incentives offered pursuant to the Higher Education Act of 1965.
5. To adopt rules pursuant to chapter 17A to implement the provisions of this division including establishing standards for educational institutions, lenders, and individuals to become eligible institutions, lenders, and borrowers. Notwithstanding any contrary provisions in chapter 537, the rules and standards established shall be consistent with the requirements provided in the Higher Education Act of 1965.
6. To reimburse eligible lenders for the amount authorized by the federal Higher Education Act of 1965 on defaulted loans guaranteed by the commission upon receipt of

written notice of the default accompanied by evidence that the lender has exercised the required degree of diligence in efforts to collect the loan.

7. To establish an effective system for the collection of delinquent loans, including the adoption of an agreement with the department of administrative services to set off against a defaulter's income tax refund or rebate the amount that is due because of a default on a guaranteed or parental loan made under this division. The commission shall adopt rules under chapter 17A necessary to assist the department of administrative services in the implementation of the student loan setoff program as established under section 8A.504. The commission shall apply administrative wage garnishment procedures authorized under the federal Higher Education Act of 1965, as amended and codified in 20 U.S.C. § 1071 et seq., for all delinquent loans, including loans authorized under section 261.38, when a defaulter who is financially capable of paying fails to voluntarily enter into a reasonable payment agreement. In no case shall the commission garnish more than the amount authorized by federal law for all loans being collected by the commission, including those authorized under section 261.38.

8. To develop and disseminate informational and educational materials to lenders, postsecondary institutions and borrowers. The commission shall provide applicants, as deemed necessary by the commission, with information about the past default rates of borrowers, enrollment, and placement statistics by postsecondary institution.

9. To develop all forms necessary to the proper administration of the guaranteed student loan program and provide supplies of such forms to participating lenders and postsecondary institutions.

10. To report annually to the governor and the general assembly on the status of the guaranteed student loan program.

11. To implement all possible assistance to eligible lenders for the purpose of easing the workload entailed in participation in the guaranteed student loan program.

[C79, 81, §261.37; 81 Acts, ch 8, §14; 82 Acts, ch 1057, §1]

83 Acts, ch 101, §62; 87 Acts, ch 233, §459; 88 Acts, ch 1284, §29; 89 Acts, ch 300, §6; 90 Acts, ch 1168, §37; 96 Acts, ch 1158, §1; 2003 Acts, ch 145, §228; 2004 Acts, ch 1145, §3

261.38 Loan reserve and agency operating accounts.

1. The commission shall establish a loan reserve account and an agency operating account as authorized by the federal Higher Education Act of 1965. The commission shall credit to these accounts all moneys provided for the state student loan program by the United States, the state of Iowa, or any of their agencies, departments or instrumentalities, as well as any funds accruing to the program which are not required for current administrative expenses. The commission may expend moneys in the loan reserve and agency operating accounts as authorized by the federal Higher Education Act of 1965.

2. The payment of any funds for the default on a guaranteed student loan shall be solely from the loan reserve and agency operating accounts. The general assembly shall not be obligated to appropriate any moneys to pay for any defaults or to appropriate any moneys to be credited to the loan reserve account. The commission shall not give or lend the credit of the state of Iowa.

3. Notwithstanding section 8.33, funds on deposit in the loan reserve and operating accounts shall not revert to the state general fund at the close of any fiscal year.

4. The treasurer of state shall invest any funds, including those in the loan reserve and operating accounts, and, notwithstanding section 12C.7, the interest income earned shall be credited back to the appropriate account.

5. a. The commission may enter into agreements with the Iowa student loan liquidity corporation in order to increase access for students to education loan programs that the commission determines meet the education needs of Iowa residents. The agreements shall permit the establishment, funding, and operation of alternative education loan programs, as described in section 144(b)(1)(B) of the Internal Revenue Code of 1986 as amended, as defined in section 422.3, in addition to programs permitted under the federal Higher Education Act of 1965. In accordance with those agreements, the Iowa student loan liquidity corporation may issue bonds, notes, or other obligations to the public and others for the

purpose of funding the alternative education loan programs. This authority to issue bonds, notes, or other obligations shall be in addition to the authority established in the articles of incorporation and bylaws of the Iowa student loan liquidity corporation.

b. Bonds, notes, or other obligations issued by the Iowa student loan liquidity corporation are not an obligation of this state or any political subdivision of this state within the meaning of any constitutional or statutory debt limitations, but are special obligations of the Iowa student loan liquidity corporation, and the corporation shall not pledge the credit or taxing power of this state or any political subdivision of this state, or make its debts payable out of any of the moneys except those of the corporation.

[C71, 73, 75, 77, §261.5, 261.8; C79, 81, §261.38]

86 Acts, ch 1246, §26, 27; 89 Acts, ch 300, §7; 90 Acts, ch 1253, §122; 91 Acts, ch 180, §4, 5; 92 Acts, ch 1246, §31; 99 Acts, ch 205, §33 – 37; 2010 Acts, ch 1061, §180

261.39 Transfer of funds and assets.

All moneys which are to be refunded to the state under the contract with United Student Aid Funds, Incorporated, involving the Iowa guaranteed student loan program in effect prior to July 1, 1978, shall be refunded to the commission and shall be credited to the loan reserve account except those funds which must be repaid to the United States government.

All assets and liabilities of the student loan program established pursuant to sections 261.5 to 261.8, Code 1977, and existing on July 1, 1978, are assets and liabilities of the Iowa guaranteed loan program established pursuant to this chapter.

[C79, 81, §261.39]

89 Acts, ch 300, §26; 90 Acts, ch 1168, §38

261.40 Repealed by 91 Acts, ch 180, § 9.

261.41 Account dissolved — balance to general fund.

The loan program and the loan reserve account established by this division shall not be dissolved until all guaranteed loans have been repaid by the borrower or, if in default, by the commission. Upon dissolution of the loan program, all the property and moneys of the program and in the loan reserve account not owed to the federal government shall be transferred to the state general fund.

[C79, 81, §261.41]

261.42 Short title.

This division shall be known and may be cited as the “*Iowa Guaranteed Loan Program*”.

[C79, 81, §261.42]

89 Acts, ch 300, §8; 90 Acts, ch 1168, §39

261.43 Actions not barred.

No lapse of time shall be a bar to any action to recover on any loan guaranteed by the commission.

89 Acts, ch 300, §9

261.43A Security interest in education loans.

A nonprofit organization qualifying for tax-exempt status under the Internal Revenue Code, as defined in section 422.3, that provides or acquires education loans in the organization’s normal course of business shall, notwithstanding any contrary provision of chapter 554 or other state law, establish and perfect a security interest and establish priority over other security interests in such education loans by filing in the same manner as provided for perfecting a security interest in a student loan pursuant to 20 U.S.C. § 1082(m)(1)(E). This section applies to education loans provided under this chapter by such nonprofit organizations and other education loans provided by such nonprofit organizations.

2002 Acts, ch 1021, §1

DIVISION IV
GUARANTEED LOAN PAYMENT PROGRAM

261.44 Guaranteed loan payment program.

A guaranteed loan payment program is established to be administered by the commission. The purpose of the program is to assist individuals to enter professions in areas of employment critical to the welfare of the citizens of the state. The commission shall adopt rules pursuant to chapter 17A to provide for the administration of the program. Moneys appropriated for the program shall be used to repay loans to students demonstrating the greatest financial need and shall not be prorated among all qualified applicants.

89 Acts, ch 300, §10; 90 Acts, ch 1272, §56

261.45 Repealed by 96 Acts, ch 1215, § 59.

261.46 and 261.47 Repealed by 95 Acts, ch 70, § 3.

261.48 Minority teacher loan payments.

1. An individual is eligible for reimbursement payments under the guaranteed loan payment program if the individual meets all of the following conditions:

a. Is a teacher employed on a full-time basis under sections 279.13 through 279.19 in a school district in this state, is a teacher in an approved nonpublic school in this state, or is a licensed teacher at the Iowa braille and sight saving school or the Iowa school for the deaf.

b. Is a member of a minority.

c. Has never defaulted on a loan guaranteed by the commission.

d. Has an outstanding debt with an eligible lender under the Iowa guaranteed student loan program or the Iowa supplemental loans for students program, has parents with an outstanding debt with an eligible lender under the Iowa PLUS loan program, or has an outstanding debt under the Stafford loan program, the supplemental loans for students program, or the PLUS loan program.

e. Graduated from college after January 1, 1989.

2. The maximum annual reimbursement payment to an eligible teacher under this section for loan repayments made during a school year is one thousand dollars or the remainder of the teacher's loan, whichever is less. Total payments under this section for an eligible teacher are limited to a six-year period and shall not exceed six thousand dollars. If a teacher fails to complete a year of employment on a full-time basis as provided in subsection 1, paragraph "a", the teacher shall not be reimbursed for loan payments made during that school year. If the number of eligible applicants exceeds the funding available, the commission may accept applicants based on academic scholarship.

3. The commission may sign contracts with eligible students at or after the time of loan origination to assure loan repayment.

89 Acts, ch 300, §14; 96 Acts, ch 1215, §39; 2010 Acts, ch 1061, §92

261.49 and 261.50 Repealed by 95 Acts, ch 70, § 3.

DIVISION V
GRADUATE STUDENT FINANCIAL
ASSISTANCE PROGRAM

261.51 and 261.52 Repealed by 89 Acts, ch 319, § 83.

261.52A Repealed by 96 Acts, ch 1215, § 59.

261.53 Repealed by 89 Acts, ch 319, § 83.

261.54 Repayment of science and mathematics loans.

Repayment of a loan made under the science and mathematics loan program prior to July 1, 1988, shall begin one year after the recipient completes the educational program for which tuition and fees were received except as otherwise provided in this section. If a recipient submits evidence to the commission that the recipient was employed as a teacher of one or more science or mathematics courses or as an elementary teacher teaching science and mathematics in a public school district or nonpublic school in this state or at the Iowa braille and sight saving school or the Iowa school for the deaf during that year, fifty percent of the amount of the loan is canceled. If the recipient continues employment as a teacher of science or mathematics courses or as an elementary teacher teaching science and mathematics during the next succeeding school year and submits evidence to the commission of the continuation of teaching employment, the recipient is not required to commence repayment during that school year and at the end of that school year the remaining fifty percent of the loan is canceled.

There is created a science and mathematics loan repayment fund for deposit of payments made by recipients. Payments made by recipients of the loans shall be used to supplement moneys appropriated to the guaranteed loan payment program. Any funds remaining on June 30 of a fiscal year shall be transferred from the fund created in this section to the general fund of the state.

The interest rate collected on the loan shall be equal to the interest rate being collected by an eligible lender under the guaranteed loan payment program.

The commission shall prescribe by rule the terms of repayment which shall provide for monthly payments of principal and interest of not less than seventy-five dollars.

83 Acts, ch 184, §9, 15; 84 Acts, ch 1044, §1; 84 Acts, ch 1060, §2; 85 Acts, ch 263, §23; 89 Acts, ch 300, §17; 89 Acts, ch 319, §49

261.55 through 261.60 Reserved.

DIVISION VI

SUPPLEMENTAL GRANT PROGRAM

261.61 through 261.63 Repealed by 88 Acts, ch 1003, § 5 – 7.

261.64 through 261.70 Reserved.

DIVISION VII

CHIROPRACTIC GRADUATE STUDENT FORGIVABLE LOAN PROGRAM

261.71 Chiropractic graduate student forgivable loans.

1. A chiropractic graduate student forgivable loan program is established, to be administered by the college student aid commission for resident graduate students who are enrolled at Iowa chiropractic colleges and universities. A resident graduate student attending an Iowa chiropractic college or university is eligible for loan forgiveness under the program if the student meets all of the following conditions:

- a. The student graduates from an Iowa chiropractic college or university that meets the requirements for approval under section 151.4.
- b. The student has completed a chiropractic residency program.
- c. The student agrees to practice in an underserved area in the state of Iowa for a period of time to be determined by the commission at the time the loan is awarded.
- d. The student has received a loan from moneys appropriated to the college student aid commission for this program.

2. The contract for the loan repayment shall stipulate the time period the chiropractor shall practice in an underserved area in this state. In addition, the contract shall stipulate that the chiropractor repay any funds paid on the chiropractor's loan by the commission if the chiropractor fails to practice in an underserved area in this state for the required period of time. Forgivable loans made to eligible students shall not become due, for repayment purposes, until one year after the student has graduated. A loan that has not been forgiven may be sold to a bank, savings and loan association, credit union, or nonprofit agency eligible to participate in the guaranteed student loan program under the federal Higher Education Act of 1965, 20 U.S.C. § 1071 et seq., by the commission when the loan becomes due for repayment.

3. For purposes of this section "*graduate student*" means a student who has completed at least ninety semester hours, or the trimester or quarter equivalent, of postsecondary course work at a public higher education institution or at an accredited private institution, as defined under section 261.9. "*Underserved area*" means a geographical area included on the Iowa governor's health practitioner shortage area list, which is compiled by the center for rural health and primary care of the Iowa department of public health. The commission shall adopt rules, consistent with rules used for students enrolled in higher education institutions under the control of the state board of regents, for purposes of determining Iowa residency status of graduate students under this section. The commission shall also adopt rules which provide standards, guidelines, and procedures for the receipt, processing, and administration of student applications and loans under this section.

95 Acts, ch 218, §23; 96 Acts, ch 1158, §2, 3; 99 Acts, ch 205, §38, 39

261.72 Chiropractic loan revolving fund.

A chiropractic loan revolving fund is created in the state treasury as a separate fund under the control of the commission. The commission shall deposit payments made by chiropractic loan recipients and the proceeds from the sale of chiropractic loans, less costs of collection of delinquent chiropractic loans, into the chiropractic loan revolving fund. Moneys credited to the fund shall be used to supplement moneys appropriated for the chiropractic graduate student forgivable loan program, for loan forgiveness to eligible chiropractic physicians, and to pay for loan or interest repayment defaults by eligible chiropractic physicians. Notwithstanding section 8.33, any balance in the fund on June 30 of any fiscal year shall not revert to the general fund of the state.

96 Acts, ch 1158, §4

[SP] Allocation to chiropractic loan forgiveness program; 2010 Acts, ch 1183, §4; 2011 Acts, ch 132, §3, 100, 106

[T] Section not amended; footnote revised

261.73 Chiropractic loan forgiveness program.

1. A chiropractic loan forgiveness program is established to be administered by the commission. A chiropractor is eligible for the program if the chiropractor is a resident of this state, is licensed to practice under chapter 151, and is engaged in the practice of chiropractic in this state.

2. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for chiropractic loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

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

c. Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant meets the eligibility requirements of subsection 1.

3. The annual amount of chiropractic loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the chiropractor's graduation from a college of chiropractic approved by the board of chiropractic in accordance with section 151.4, or twenty percent of the chiropractor's total federally guaranteed Stafford loan amount under

the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A chiropractor shall be eligible for the loan forgiveness program for not more than five consecutive years.

4. A chiropractic loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the chiropractic loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

5. The commission shall adopt rules pursuant to chapter 17A to administer this section.
2008 Acts, ch 1181, §34

261.74 through 261.80 Reserved.

DIVISION VIII

WORK-STUDY PROGRAM

261.81 Work-study program.

The Iowa college work-study program is established to stimulate and promote the part-time employment of students attending Iowa postsecondary educational institutions, and the part-time or full-time summer employment of students registered for classes at Iowa postsecondary institutions during the succeeding school year, who are in need of employment earnings in order to pursue postsecondary education. The program shall be administered by the commission. The commission shall adopt rules under chapter 17A to carry out the program. The employment under the program shall be employment by the postsecondary education institution itself or work in a public agency or private nonprofit organization under a contract between the institution or the commission and the agency or organization. The work shall not result in the displacement of employed workers or impair or affect existing contracts for services. Moneys used by an institution for the work-study program shall supplement and not supplant jobs and existing financial aid programs provided for students through the institution.

85 Acts, ch 219, §1; 88 Acts, ch 1284, §31; 89 Acts, ch 300, §18; 89 Acts, ch 319, §50; 91 Acts, ch 180, §6; 95 Acts, ch 70, §2

261.81A Iowa heritage corps.

An Iowa heritage corps is created. The objectives of the corps are to promote public appreciation of Iowa's natural and cultural heritage, promote the economic development of Iowa tourism, and provide meaningful and productive service and research opportunities for students enrolled in public and private colleges and universities in the state. The corps shall provide opportunities in the areas of historical and cultural preservation and education, community improvement, public policy research, and tourism. The corps shall provide participants with an opportunity to explore careers, gain work experience and college credit, and to contribute to the general welfare of their communities and state.

The commission shall solicit participation in the Iowa heritage corps and cooperate with museums, historical organizations, public and nonprofit agencies, and community development organizations in the development of pilot projects for internship positions to be included in the work-study program under section 261.81 and shall allocate moneys to participating museums, organizations, and agencies for the employment of the students under a pilot project. The internships shall include programs which increase public awareness of, and appreciation for, Iowa's natural and cultural heritage. A public or private person using interns under the corps for a pilot project shall contribute to the eligible postsecondary institution in which the intern is enrolled the cost of tuition for credits earned

by the intern and all costs for materials, supplies, travel, and other work-related expenses of the project.

89 Acts, ch 319, §51

261.82 Duties of college student aid commission.

The college student aid commission shall:

1. Enter into agreements with eligible postsecondary education institutions for participation in the program.
 2. Allocate funds to participating postsecondary education institutions if funds are available to the commission for that purpose.
 3. Allocate work-study moneys appropriated to the commission to museums, historical organizations, public and nonprofit agencies, and community development organizations for pilot projects for internships for the Iowa heritage corps.
 4. Review reports from participating postsecondary education institutions.
 5. Conduct program reviews and audits of participating postsecondary education institutions.
 6. Accept gifts, grants, and other aid from public and private persons or agencies.
- 85 Acts, ch 219, §2; 89 Acts, ch 319, §52; 90 Acts, ch 1253, §122

261.83 Eligibility and duties of institutions.

1. An eligible postsecondary education institution is an institution of higher education under the state board of regents, a community college, or an accredited private institution as defined in section 261.9, subsection 1. The commission may enter into an agreement with an eligible postsecondary education institution under which the commission will make grants to the institution for the work-study program.
 2. The participating institution shall:
 - a. File the proper forms with the commission for participation in the program.
 - b. Develop jobs that meet the requirements of the Iowa college work-study program. To the extent possible, the job should complement the student's educational program and career goal.
 - c. Supervise and evaluate employment and maintain the records required by the commission.
 - d. Participate in the federal work-study program.
- 85 Acts, ch 219, §3; 90 Acts, ch 1253, §121; 2010 Acts, ch 1061, §180

261.84 Student eligibility.

In order to be eligible, a student must:

1. Be a citizen of the United States and a resident of this state.
 2. Be enrolled and making satisfactory academic progress or accepted for enrollment at an eligible postsecondary institution on a half-time or greater basis.
 3. Demonstrate financial need. A student's need shall be determined on the basis of a need analysis system approved for use by the commission or under the federal work-study program.
 4. Have not defaulted on an Iowa guaranteed loan payment or on a loan guaranteed by the federal government.
- 85 Acts, ch 219, §4; 89 Acts, ch 300, §19, 26

261.85 Appropriation.

1. There is appropriated from the general fund of the state to the commission for each fiscal year the sum of two million seven hundred fifty thousand dollars for the work-study program.
2. From moneys appropriated in this section, one million five hundred thousand dollars shall be allocated to institutions of higher education under the state board of regents and community colleges and the remaining dollars appropriated in this section shall be allocated

by the commission on the basis of need as determined by the portion of the federal formula for distribution of work-study funds that relates to the current need of institutions.

87 Acts, ch 233, §463; 88 Acts, ch 1284, §32; 89 Acts, ch 319, §58; 90 Acts, ch 1272, §58; 91 Acts, ch 260, §909; 91 Acts, ch 267, §219; 92 Acts, ch 1246, §33; 93 Acts, ch 179, §22; 95 Acts, ch 218, §24; 2000 Acts, ch 1223, §29

[SP] State funding for 2011-2012 and 2012-2013 fiscal years eliminated; 2011 Acts, ch 132, §4, 101, 106

[T] Section not amended; footnote revised

DIVISION IX

NATIONAL GUARD EDUCATIONAL ASSISTANCE

261.86 National guard educational assistance program.

1. A national guard educational assistance program is established to be administered by the college student aid commission for members of the Iowa national guard who are enrolled as undergraduate students in a community college, an institution of higher learning under the state board of regents, or an accredited private institution. The college student aid commission shall adopt rules pursuant to chapter 17A to administer this section. An individual is eligible for the national guard educational assistance program if the individual meets all of the following conditions:

a. Is a resident of the state and a member of an Iowa army or air national guard unit while receiving educational assistance pursuant to this section.

b. Satisfactorily completed required initial active duty training.

c. Maintains satisfactory performance of duty upon return from initial active duty training, including attending a minimum ninety percent of scheduled drill dates and attending annual training.

d. Is enrolled as an undergraduate student in a community college as defined in section 260C.2, an institution of higher learning under the control of the board of regents, or an accredited private institution as defined in section 261.9, and is maintaining satisfactory academic progress.

e. Provides proper notice of national guard status to the community college or institution at the time of registration for the term in which tuition benefits are sought.

f. Submits an application to the adjutant general of Iowa, on forms prescribed by the adjutant general, who shall determine eligibility and whose decision is final.

2. Educational assistance paid pursuant to this section shall not exceed the resident tuition rate established for institutions of higher learning under the control of the state board of regents. If the amount appropriated in a fiscal year for purposes of this section is insufficient to provide educational assistance to all national guard members who apply for the program and who are determined by the adjutant general to be eligible for the program, the adjutant general shall, in coordination with the commission, determine the distribution of educational assistance. However, educational assistance paid pursuant to this section shall not be less than fifty percent of the resident tuition rate established for institutions of higher learning under the control of the state board of regents or fifty percent of the tuition rate at the institution attended by the national guard member, whichever is lower. Neither eligibility nor educational assistance determinations shall be based upon a national guard member's unit, the location at which drills are attended, or whether the eligible individual is a member of the Iowa army or air national guard.

3. An eligible member of the national guard, attending an institution as provided in subsection 1, paragraph "d", as a full-time student, shall not receive educational assistance under this section for more than eight semesters, or if attending as a part-time student for not more than sixteen semesters, of undergraduate study, or the trimester or quarter equivalent. A national guard member who has met the educational requirements for a baccalaureate degree is ineligible for educational assistance under this section.

4. The eligibility of applicants and amounts of educational assistance to be paid shall

be certified by the adjutant general of Iowa to the college student aid commission, and all amounts that are or become due to a community college, accredited private institution, or institution of higher learning under the control of the state board of regents under this section shall be paid to the college or institution by the college student aid commission upon receipt of certification by the president or governing board of the educational institution as to accuracy of charges made, and as to the attendance and academic progress of the individual at the educational institution. The college student aid commission shall maintain an annual record of the number of participants and the dollar value of the educational assistance provided.

5. For purposes of this section, unless otherwise required, “*educational assistance*” means the same as “*cost of attendance*” as defined in Tit. IV, pt. B, of the federal Higher Education Act of 1965 as amended.

6. Notwithstanding section 8.33, until one year after the date the president of the United States or the Congress of the United States declares a cessation of hostilities ending operation Iraqi freedom, operation new dawn, and operation enduring freedom, funds appropriated for purposes of this section which remain unencumbered or unobligated at the close of the fiscal year for which the funds were appropriated shall not revert but shall be available for expenditure for the following fiscal year for purposes of this section.

99 Acts, ch 205, §40; 2000 Acts, ch 1095, §15; 2003 Acts, ch 182, §14, 22; 2010 Acts, ch 1061, §180; 2011 Acts, ch 48, §1, 2

[SP] 2011 amendment to subsection 6 takes effect April 13, 2011, and applies retroactively to September 1, 2010; 2011 Acts, ch 48, §2

[T] Subsection 6 amended

DIVISION X

ALL IOWA OPPORTUNITY SCHOLARSHIPS

261.87 All Iowa opportunity scholarship program and fund.

1. *Definitions.* As used in this division, unless the context otherwise requires:

- a. “*Commission*” means the college student aid commission.
- b. “*Eligible institution*” means a community college established under chapter 260C or an institution of higher learning governed by the state board of regents.
- c. “*Financial need*” means the difference between the student’s financial resources available, including those available from the student’s parents as determined by a completed parents’ confidential statement, and the student’s anticipated expenses while attending an eligible institution.
- d. “*Full-time resident student*” means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least twelve semester hours or the trimester or quarter equivalent.
- e. “*Part-time resident student*” means an individual resident of Iowa who is enrolled at an eligible institution in a program of study including at least three semester hours or the trimester or quarter equivalent.
- f. “*Qualified student*” means a resident student who has established financial need and who is meeting all program requirements.

2. *Program — eligibility.* An all Iowa opportunity scholarship program is established to be administered by the commission. The awarding of scholarships under the program is subject to appropriations made by the general assembly. A person who meets all of the following requirements is eligible for the program:

- a. Is a resident of Iowa and a citizen of the United States or a lawful permanent resident.
- b. Achieves a cumulative high school grade point average of at least two point five on a four-point grade scale, or its equivalent if another grade scale is used.
- c. Applies in a timely manner for admission to an eligible institution and is accepted for admission.
- d. Applies in a timely manner for any federal or state student financial assistance available to the student to attend an eligible institution.

e. Files a new application and parents' confidential statement, as applicable, annually on the basis of which the applicant's eligibility for a renewed scholarship will be evaluated and determined.

f. Maintains satisfactory academic progress during each term for which a scholarship is awarded.

g. Begins enrollment at an eligible institution within two academic years of graduation from high school and continuously receives awards as a full-time or part-time student to maintain eligibility. However, the student may defer participation in the program for up to two years in order to pursue obligations that meet conditions established by the commission by rule or to fulfill military obligations.

3. *Extent of scholarship.*

a. A qualified student at a two-year eligible institution may receive scholarships for not more than the equivalent of four full-time semesters of undergraduate study, or the trimester or quarter equivalent.

b. A qualified student at a four-year eligible institution may receive scholarships for not more than the equivalent of two full-time semesters of undergraduate study, or the trimester or quarter equivalent.

c. Scholarships awarded pursuant to this section shall not exceed the student's financial need, as determined by the commission, the average resident tuition rate and mandatory fees established for institutions of higher learning governed by the state board of regents, or the resident tuition and mandatory fees charged for the program of enrollment by the eligible institution at which the student is enrolled, whichever is least.

4. *Discontinuance of attendance — remittance.* If a student receiving a scholarship pursuant to this section discontinues attendance before the end of any academic term, the entire amount of any refund due to the student, up to the amount of any payments made by the state, shall be remitted by the eligible institution to the commission. The commission shall deposit refunds paid to the commission in accordance with this subsection into the fund established pursuant to subsection 5.

5. *Fund established.* An all Iowa opportunity scholarship fund is created in the state treasury as a separate fund under the control of the commission. All moneys deposited or paid into the fund are appropriated and made available to the commission to be used for scholarships for students meeting the requirements of this section. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this section in subsequent fiscal years.

2007 Acts, ch 214, §28; 2009 Acts, ch 177, §28

[SP] Program to be expanded for FY 2011-2012 and FY 2012-2013 to include accredited private institutions if funds appropriated exceed \$500,000; 2011 Acts, ch 132, §2, 98, 106

[T] Section not amended; footnote revised

261.88 through 261.91 Reserved.

DIVISION XI

IOWA GRANT PROGRAM

261.92 Definitions.

When used in this division, unless the context otherwise requires:

1. *"Accredited higher education institution"* means a public institution of higher learning located in Iowa which is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements as of April 1, 1969, or an institution of higher learning located in Iowa which is operated privately and not controlled or administered by any state agency or any subdivision of the state, and which meets the following requirements:

a. Is accredited by the north central association of colleges and secondary schools accrediting agency based on their requirements as of April 1, 1969, and,

b. Promotes equal opportunity and affirmative action efforts in the recruitment,

appointment, assignment, and advancement of personnel at the institution and provides information regarding such efforts to the commission upon request.

2. “*Commission*” means the college student aid commission.

3. “*Financial need*” means the difference between the student’s financial resources available, including those available from the student’s parents as determined by a completed parents’ confidential statement, and the student’s anticipated expenses while attending the accredited higher education institution. Financial need shall be redetermined at least annually.

4. “*Full-time resident student*” means an individual resident of Iowa who is enrolled at an accredited higher education institution in a course of study including at least twelve semester hours or the trimester equivalent of twelve semester hours or the quarter equivalent of twelve semester hours. “*Course of study*” does not include correspondence courses.

5. “*Grant*” means an award by the state of Iowa to an accredited higher education institution for a qualified resident student under the Iowa grant program.

6. “*Part-time resident student*” means an individual resident of Iowa who is enrolled at an accredited higher education institution in a course of study including at least three semester hours or the trimester or the four quarter equivalent of three semester hours. “*Course of study*” does not include correspondence courses.

7. “*Qualified student*” means a resident student who has established financial need and who is making satisfactory progress toward graduation.

90 Acts, ch 1272, §59; 2000 Acts, ch 1095, §16; 2011 Acts, ch 36, §5

[T] Subsection 1, paragraph b amended

261.93 Program established — who qualified.

An Iowa grant program is established.

A grant may be awarded to a resident of Iowa who is admitted and in attendance as a full-time or part-time resident student at an accredited higher education institution and who establishes financial need. Grants awarded shall be distributed to the appropriate accredited higher education institution for payment of educational expenses, including tuition, room, board, and mandatory fees, with any balance to be distributed to the student for whom the grant is awarded.

90 Acts, ch 1272, §60

261.93A Appropriation — percentages.

Of the funds appropriated to the college student aid commission to be allocated for the Iowa grant program for each fiscal year, thirty-seven and six-tenths percent shall be reserved for students attending regents institutions, twenty-five and nine-tenths percent shall be reserved for students attending community colleges, and thirty-six and five-tenths percent shall be reserved for students attending private colleges and universities. Funds appropriated for the Iowa grant program shall be used to supplement, not supplant, funds appropriated for other existing programs at the eligible institutions.

91 Acts, ch 267, §233

261.94 Extent of grant.

A qualified full-time resident student may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent. A qualified part-time resident student may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent.

90 Acts, ch 1272, §61

261.95 Amount of grant.

1. The amount of a grant to a qualified full-time student for an academic year shall be the lesser of the student’s financial need for that period or up to one thousand dollars.

2. The amount of a grant to a qualified part-time student enrolled in a course of study shall be equal to the average amount of a grant to a full-time student times a number which

represents twenty-four semester hours, or the trimester or quarter equivalent, divided by the number of hours in which the part-time student is actually enrolled.

3. A grant may be made annually for both the fall and spring semesters or the trimester equivalent. Payments under the grant shall be allocated equally among the semesters or trimesters and shall be paid at the beginning of each semester or trimester, upon certification by the accredited higher education institution that the student is admitted and in attendance. If the student discontinues attendance before the end of the semester or trimester after receiving payment under the grant, the entire amount of any refund due that student, up to the amount of any payments made under the annual grant, shall be paid by the accredited higher education institution to the state.

4. If a student receives financial aid under any other program except a federal, state, or institutional work-study program, the full amount of the other financial aid shall be considered part of the student's financial resources available in determining the amount of the student's financial need for that period. In no case may the total financial aid for the student's education, including financial aid under any other state program, exceed the student's financial need at the institution which the student attends.

90 Acts, ch 1272, §62

261.96 Administration by commission — rules.

The commission shall administer this program and shall:

1. Provide application forms and parents' confidential statement forms.

2. Adopt rules and regulations for determining financial need, defining tuition and mandatory fees, defining residence for the purposes of the Iowa grant program, determining grant award amounts on the basis of student need, processing and approving applications for grants, and determining priority of grants. If resources are insufficient to award grants to all eligible applicants, the commission shall give priority to students who have the greatest demonstrated financial need. In determining who is a resident of Iowa, the commission's rules shall be at least as restrictive as those of the board of regents.

3. Approve and award grants.

4. Make an annual report to the governor and general assembly, and evaluate the Iowa grant program for the period. The commission may require the accredited higher education institution to promptly furnish any information which the commission may request in connection with the Iowa grant program.

90 Acts, ch 1272, §63

261.97 Application for grants.

Each applicant, in accordance with the rules of the commission, shall:

1. Complete and file an application for a grant.

2. Be responsible for the submission of the parents' confidential statement for processing, the processed information to be returned both to the commission and to the accredited higher education institution in which the applicant is enrolling.

3. Report promptly to the commission any information requested.

4. File a new application and parents' confidential statement annually on the basis of which the applicant's eligibility for a renewed grant will be evaluated and determined.

90 Acts, ch 1272, §64

261.98 Repealed by 95 Acts, ch 70, § 3.

261.99 and 261.100 Reserved.

DIVISION XII
MINORITY ACADEMIC GRANTS
FOR ECONOMIC SUCCESS

261.101 Legislative intent.

The general assembly finds that the failure of many young Iowans to complete their education limits their opportunity for a life of fulfillment and hinders the state's efforts to provide a well-trained workforce for business and industry in Iowa. The general assembly also declares that it is the policy of this state to apply positive measures to ensure that equal opportunities exist for minority persons to pursue their educational goals. Therefore, the "Iowa Minority Academic Grants for Economic Success" program is established to provide additional funding to the state board of regents institutions, community colleges, and accredited private institutions in order to encourage resident minority students to remain in Iowa, to attend community colleges, private colleges, and universities in Iowa, and to assure that a limited family income will not be a barrier for a minority person to pursue a postsecondary education.

89 Acts, ch 319, §53; 90 Acts, ch 1253, §14

261.102 Definitions.

1. "Accredited private institution" means an institution of higher education as defined in section 261.9, subsection 1.

2. "Commission" means the college student aid commission.

3. "Financial need" means the difference between the student's financial resources, including resources available from the student's parents and the student, as determined by a completed parents' financial statement and including any noncampus-administered federal or state grants and scholarships, and the student's estimated expenses while attending the institution. A student shall accept all available federal and state grants and scholarships before being considered eligible for grants under the Iowa minority academic grants for economic success program. Financial need shall be reconsidered on at least an annual basis.

4. "Full-time student" means an individual who is enrolled at an accredited private institution, community college, or board of regents' university for at least twelve semester hours or the trimester or quarter equivalent.

5. "Minority person" means an individual who is African American, Hispanic, Asian, or a Pacific Islander, American Indian, or an Alaskan Native American.

6. "Part-time student" means an individual who is enrolled at an accredited private institution, community college, or board of regents' university in a course of study including at least three semester hours or the trimester or quarter equivalent of three semester hours.

7. "Program" means the Iowa minority academic grants for economic success program established in this division.

89 Acts, ch 319, §54; 90 Acts, ch 1253, §15, 122; 2009 Acts, ch 41, §103

261.103 Program qualifications.

1. A grant under the program may be awarded to any minority person who is a resident of Iowa, who is accepted for admission or is attending a board of regents' university, community college, or an accredited private institution, and who demonstrates financial need. Applicants who receive vouchers under section 262.92 shall be given priority in receiving grants under the program, but an applicant shall not be denied a grant because the applicant does not hold vouchers under the program in section 262.92. For the fiscal year commencing July 1, 1990, and in subsequent years, grants shall be awarded to all minority persons, with priority to be given to those minority persons who are residents of Iowa.

2. Full-time students may receive grants for not more than eight semesters of undergraduate study or the trimester or quarter equivalent of eight semesters of undergraduate study. Part-time students may receive grants for not more than sixteen semesters of undergraduate study or the trimester or quarter equivalent of sixteen semesters of undergraduate study.

3. The amount of the grant shall not exceed a student's yearly financial need or three thousand five hundred dollars, whichever is less. If the student is attending or seeking to enroll in an accredited private institution, fifty percent of the amount of the grant shall be provided by the accredited private institution and fifty percent shall be provided by the commission from state funds appropriated for that purpose.

4. Grants shall be awarded on an annual basis and shall be credited by the institution against the student's tuition, fees, room, and board, at the beginning of each semester, trimester, or quarter in equal installments upon certification by the institution that the student is admitted and attending the institution.

5. If a student receiving a grant under the program discontinues attendance before the end of any academic period, but after receiving payment of grant moneys for the academic period, the entire amount of any refund due the student, up to the amount of any payments made by the state, shall be remitted by the private institution to the commission.

89 Acts, ch 319, §55; 89 Acts, ch 322, §8; 90 Acts, ch 1253, §16

261.104 Powers of the commission.

In administering the program for the community colleges and the private institutions, the commission shall:

1. Provide application forms to students enrolled and attending or seeking to enroll and attend community colleges or accredited private institutions.

2. Develop and provide confidential financial statement forms to the parents or guardians of students applying for grants under this program.

3. Approve and award grants to community colleges and accredited private institutions under the program.

4. Adopt rules for determining financial need and residency for the purpose of awarding grants to qualified students, and any other rules necessary for the administration of the program.

5. Report annually to the governor and the general assembly on the progress and implementation of the program.

6. Require postsecondary institutions that receive moneys from students awarded grants under the program to furnish any information necessary for the implementation or administration of the program.

7. Solicit and receive private contributions and federal grants available for purposes of the program.

8. Maintain records on the recipients of vouchers under section 262.92 and adopt rules to provide for the giving of priority to students holding vouchers under that section.

9. Administer funds appropriated for the Iowa minority academic grants for economic success program to carry out the duties of the commission.

10. Provide for the proration of funds among qualified applicants if funds available are insufficient to pay all approved grants.

89 Acts, ch 319, §56; 90 Acts, ch 1253, §17

261.105 Duties of applicant.

An applicant for a grant under the program shall:

1. Complete and file an application for a grant on forms provided by the commission or regents institutions.

2. Submit the financial information required for evaluation of the applicant's financial need for a grant.

3. Comply with rules and information requests of the commission or regents institutions made in relation to the program.

89 Acts, ch 319, §57

261.106 through 261.110 Reserved.

DIVISION XIII
TEACHER SHORTAGE
FORGIVABLE LOAN AND
LOAN FORGIVENESS PROGRAMS

261.111 Teacher shortage forgivable loan program.

1. A teacher shortage forgivable loan program is established to be administered by the college student aid commission. An individual is eligible for the forgivable loan program if the individual is a resident of this state who is enrolled as a sophomore, junior, senior, or graduate student in an approved practitioner preparation program in a designated area in which teacher shortages are anticipated at an institution of higher learning under the control of the state board of regents or an accredited private institution as defined in section 261.9.

2. The director of the department of education shall annually designate the areas in which teacher shortages are anticipated. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas and predict future shortage areas.

3. Each applicant shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for a teacher shortage forgivable loan. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant's eligibility for the renewed forgivable loan will be evaluated and determined.

4. Forgivable loans to eligible students shall not become due until after the student graduates or leaves school. The individual's total loan amount, including principal and interest, shall be reduced by twenty percent for each year in which the individual remains an Iowa resident and is employed in Iowa by a school district or an accredited nonpublic school as a practitioner in the teacher shortage area for which the loan was approved. If the commission determines that the person does not meet the criteria for forgiveness of the principal and interest payments, the commission shall establish a plan for repayment of the principal and interest over a ten-year period. If a person required to make the repayment does not make the required payments, the commission shall provide for payment collection.

5. The annual amount of a teacher shortage forgivable loan shall not exceed the resident tuition rate established for institutions of higher education governed by the state board of regents, or the amount of the student's established financial need, whichever is less.

6. The commission shall prescribe by rule the interest rate for the forgivable loan.

7. A teacher shortage forgivable loan repayment fund is created for deposit of payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program and any other moneys appropriated to or received by the commission for deposit in the fund. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to the general fund of the state at the end of any fiscal year but shall remain in the forgivable loan repayment fund and be continuously available to make additional loans under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

8. For purposes of this section, unless the context otherwise requires, "*teacher*" means the same as defined in section 272.1.

9. The commission shall submit in a report to the general assembly by January 1, annually, the number of students who received forgivable loans pursuant to this section, which institutions the students were enrolled in, and the amount paid to each of the institutions on behalf of the students who received forgivable loans pursuant to this section and the total amount of loans outstanding, including a schedule of years remaining on the outstanding loans.

98 Acts, ch 1215, §39; 99 Acts, ch 205, §41; 2006 Acts, ch 1180, §21, 22; 2007 Acts, ch 214, §29, 30

261.112 Teacher shortage loan forgiveness program.

1. A teacher shortage loan forgiveness program is established to be administered by the commission. A teacher is eligible for the program if the teacher is practicing in a teacher shortage area as designated by the department of education pursuant to subsection 2. For purposes of this section, “teacher” means an individual holding a practitioner’s license issued under chapter 272, who is employed in a nonadministrative position in a designated shortage area by a school district or area education agency pursuant to a contract issued by a board of directors under section 279.13.

2. The director of the department of education shall annually designate the geographic or subject areas experiencing teacher shortages. The director shall periodically conduct a survey of school districts, accredited nonpublic schools, and approved practitioner preparation programs to determine current shortage areas.

3. Each applicant for loan forgiveness shall, in accordance with the rules of the commission, do the following:

a. Complete and file an application for teacher shortage loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commission.

b. File a new application and submit information as required by the commission annually on the basis of which the applicant’s eligibility for the renewed loan forgiveness will be evaluated and determined.

c. Complete and return on a form approved by the commission an affidavit of practice verifying that the applicant is a teacher in an eligible teacher shortage area.

4. The annual amount of teacher shortage loan forgiveness shall not exceed the resident tuition rate established for institutions of higher learning governed by the state board of regents for the first year following the teacher’s graduation from an approved practitioner preparation program, or twenty percent of the teacher’s total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, including principal and interest, whichever amount is less. A teacher shall be eligible for the loan forgiveness program for not more than five years. However, practice by an eligible teacher in a teacher shortage area pursuant to subsection 1 must be completed within ten years following graduation from the approved practitioner preparation program.

5. A teacher shortage loan forgiveness repayment fund is created for deposit of moneys appropriated to or received by the commission for use under the program. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan forgiveness repayment fund and be continuously available for loan forgiveness under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

6. The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received loan forgiveness pursuant to this section, which shortage areas the teachers taught in, the amount paid to each program participant, and other information identified by the commission as indicators of outcomes from the program.

7. The commission shall adopt rules pursuant to chapter 17A to administer this section.

2007 Acts, ch 214, §31; 2011 Acts, ch 36, §6

[T] Subsection 4 amended

DIVISION XIV

RESERVED

261.113 through 261.120 Reserved.

DIVISION XV

LICENSING SANCTIONS

[P] Authority of licensing boards or authorities to act against licensees who default on repayment or service obligations under federal or state educational loan or service-conditional scholarship programs; see §272C.4, subsection 10

261.121 Notice to individual of potential sanction of license.

1. The commission may initiate action to deny, revoke, or suspend any license authorized by the laws of this state, as defined in section 252J.1, to any person who has defaulted on an obligation owed to or collected by the commission as provided in this section and sections 261.122 through 261.127.

2. The commission shall proceed in accordance with this section and sections 261.122 through 261.127 only if notice is served on an individual by restricted certified mail addressed to the individual at the individual's last known address or principal place of business. The return post office receipt signed by the individual shall be proof of notice.

3. The notice shall include all of the following:

a. The address and telephone number of the commission and the individual's file number.
b. A statement that the individual is in default on an obligation owed to or collected by the commission.

c. A statement that the individual may request a conference with the commission to contest the action.

d. A statement that if, within twenty days of service of notice on the individual, the individual fails to contact the commission to schedule a conference or pay the total amount of delinquent obligation owed, the commission shall issue a certificate of noncompliance bearing the individual's name, social security number, and file number to any appropriate licensing authority, certifying that the individual is in default on an obligation owed to or collected by the commission.

e. A statement that in order to stay the issuance of a certificate of noncompliance, the request for a conference shall be in writing and shall be received by the commission within twenty days of service of notice on the individual.

f. The names of the licensing authorities to which the commission intends to issue a certificate of noncompliance.

g. A statement that if the commission issues a certificate of noncompliance to an appropriate licensing authority, the licensing authority shall initiate proceedings to refuse to issue or renew, or to suspend or revoke, the individual's license, unless the commission provides the licensing authority with a withdrawal of a certificate of noncompliance.

98 Acts, ch 1081, §1; 2010 Acts, ch 1061, §93

261.122 Conference.

1. An individual may schedule a conference with the commission following service of notice pursuant to section 261.121 or at any time after notice of suspension, revocation, denial of issuance, or nonrenewal of a license from a licensing authority, to challenge the commission's actions under sections 261.121 through 261.127.

2. The request for a conference shall be made to the commission, in writing, and, if requested after service of notice pursuant to this section, shall be received by the commission within twenty days following service of notice.

3. The commission shall notify the individual of the date, time, and location of the conference by regular mail, with the date of the conference to be no earlier than ten days following issuance of notice of the conference by the commission. If the individual fails to appear at the conference, the commission shall issue a certificate of noncompliance if not already issued.

4. The commission shall grant the individual a stay of the issuance of a certificate of noncompliance upon receiving a timely written request for a conference, and if a certificate of noncompliance has previously been issued, shall issue a stay of action on the certificate.

The commission shall issue a withdrawal of a certificate of noncompliance as a result of the conference if the individual enters into a written agreement with the commission to repay the obligation.

5. Following the conference, the commission shall issue a certificate of noncompliance, if not already issued, unless any of the following applies:

a. The commission finds a mistake in the identity of the individual.

b. The individual enters into a written agreement with the commission to comply with a repayment plan agreed to by the commission and the individual as a result of the conference, or to comply with the existing contract, or the individual pays the total amount of the delinquent obligation due.

c. Issuance of a certificate of noncompliance is not appropriate under other criteria established in accordance with rules adopted by the commission pursuant to chapter 17A.

6. If the individual does not timely request a conference or pay the total amount of delinquent obligation owed within twenty days of service of notice pursuant to section 261.121, the commission shall issue a certificate of noncompliance.

98 Acts, ch 1081, §2

261.123 Written agreement.

1. An individual served with notice pursuant to section 261.121 may enter into a written agreement with the commission for payment of the obligation owed by the individual. The agreement shall take into consideration the individual's ability to pay and other criteria established by rule of the commission. The written agreement shall include all of the following:

a. The method, amount, and dates of payments by the individual.

b. A statement that upon breach of the written agreement by the individual, the commission shall issue a certificate of noncompliance to any appropriate licensing authority.

c. A written agreement entered into pursuant to this subsection does not preclude any other remedy provided by law.

2. If the individual enters into a written agreement with the commission following issuance of a certificate of noncompliance, the commission shall issue a withdrawal of the certificate of noncompliance and shall forward a copy of the withdrawal by regular mail to the individual and any appropriate licensing authority.

98 Acts, ch 1081, §3

261.124 Decision of the commission.

1. The commission shall issue a written decision in regard to an individual served with notice pursuant to section 261.121, if any of the following occurs:

a. The individual fails to appear at a scheduled conference under section 261.122.

b. A conference is held under section 261.122.

c. The individual fails to comply with a written agreement entered into by the individual and the commission under section 261.123.

2. The commission shall send a copy of the written decision to the individual by regular mail at the individual's most recent address of record or principal place of business.

3. If the commission issues a certificate of noncompliance or withdraws a certificate of noncompliance, a copy of the certificate or of the withdrawal shall be attached to the written decision as applicable.

4. The written decision shall state all of the following:

a. That a copy of the certificate of noncompliance or withdrawal of the certificate of noncompliance has been provided to the licensing authorities named in the notice provided pursuant to section 261.121.

b. That upon receipt of a certificate of noncompliance, the licensing authority shall initiate proceedings to suspend, revoke, deny issuance, or deny renewal of a license, unless the licensing authority is provided with a withdrawal of the certificate of noncompliance from the commission.

c. If the decision is not to withdraw a certificate of noncompliance, that in order to obtain a withdrawal of a certificate of noncompliance from the commission, the individual shall enter

into a written agreement with the commission, comply with an existing written agreement with the commission, or pay the total amount of delinquent obligation owed.

d. If the written decision includes a certificate of noncompliance, that all of the following apply:

(1) The individual may request a hearing as provided in section 261.127, before the district court in the county of the individual's residence, by filing a written application to the court challenging the issuance of the certificate of noncompliance by the commission and sending a copy of the application to the commission within the time period specified in section 261.127.

(2) The individual may retain an attorney at the individual's own expense to represent the individual at the hearing.

(3) The scope of review of the district court shall be limited to demonstration of a mistake of fact related to the delinquency of the individual.

5. If the commission issues a certificate of noncompliance, the commission shall only issue a withdrawal of the certificate of noncompliance if any of the following applies:

a. The commission or the court finds a mistake in the identity of the individual.

b. The commission or the court finds a mistake in determining the amount of a delinquent obligation.

c. The individual enters into a written agreement with the commission to comply with an obligation, the individual complies with an existing written agreement to comply with an obligation, or the individual pays the total amount of delinquent obligation owed.

d. Issuance of a withdrawal of the certificate of noncompliance is appropriate under other criteria in accordance with rules adopted by the commission pursuant to chapter 17A.

98 Acts, ch 1081, §4

261.125 Certificate of noncompliance — certification to licensing authority.

1. If an individual fails to respond to the notice of potential license sanction provided pursuant to section 261.121 or the commission issues a written decision under section 261.124 which states that the individual is not in compliance, the commission shall certify, in writing, to any appropriate licensing authority that the individual is not in compliance and shall include a copy of the certificate of noncompliance.

2. The certificate of noncompliance shall contain the individual's name, social security number, and file number.

3. The certificate of noncompliance shall require all of the following:

a. That the licensing authority initiate procedures for the revocation or suspension of the individual's license, or for the denial of the issuance or renewal of a license using the licensing authority's procedures.

b. That the licensing authority provide notice to the individual, as provided in section 261.126, of the intent to suspend, revoke, deny issuance, or deny renewal of a license including the effective date of the action. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual.

98 Acts, ch 1081, §5

261.126 Requirements and procedures of licensing authority.

1. A licensing authority shall maintain records of licensees by name, current known address, and social security number.

2. In addition to other grounds for suspension, revocation, or denial of issuance or renewal of a license, a licensing authority shall include in rules adopted by the licensing authority as grounds for suspension, revocation, or denial of issuance or renewal of a license, the receipt of a certificate of noncompliance from the commission.

3. The supreme court shall prescribe rules for admission of persons to practice as attorneys and counselors pursuant to chapter 602, article 10, which include provisions, as specified in this chapter, for the denial, suspension, or revocation of the admission for failure to repay an obligation owed to or collected by the commission.

4. a. A licensing authority that is issued a certificate of noncompliance shall initiate procedures for the suspension, revocation, or denial of issuance or renewal of licensure to an

individual. The licensing authority shall utilize existing rules and procedures for suspension, revocation, or denial of the issuance or renewal of a license.

b. In addition, the licensing authority shall provide notice to the individual of the licensing authority's intent to suspend, revoke, or deny issuance or renewal of a license under this chapter. The suspension, revocation, or denial shall be effective no sooner than thirty days following provision of notice to the individual. The notice shall state all of the following:

(1) The licensing authority intends to suspend, revoke, or deny issuance or renewal of an individual's license due to the receipt of a certificate of noncompliance from the commission.

(2) The individual must contact the commission to schedule a conference or to otherwise obtain a withdrawal of a certificate of noncompliance.

(3) Unless the commission furnishes a withdrawal of a certificate of noncompliance to the licensing authority within thirty days of the issuance of the notice under this section, the individual's license shall be revoked, suspended, or denied.

(4) If the licensing authority's rules and procedures conflict with the additional requirements of this section, the requirements of this section shall apply. Notwithstanding section 17A.18, the individual does not have a right to a hearing before the licensing authority to contest the authority's actions under this chapter, but may request a court hearing pursuant to section 261.127 within thirty days of the provision of notice under this section.

5. If the licensing authority receives a withdrawal of a certificate of noncompliance from the commission, the licensing authority shall immediately reinstate, renew, or issue a license if the individual is otherwise in compliance with licensing requirements established by the licensing authority.

98 Acts, ch 1081, §6; 2010 Acts, ch 1061, §180

261.127 District court hearing.

1. Following the issuance of a written decision by the commission under section 261.124, which includes the issuance of a certificate of noncompliance, or following provision of notice to the individual by a licensing authority pursuant to section 261.126, an individual may seek review of the decision and request a hearing before the district court in the individual's county of residence by filing an application with the district court and sending a copy of the application to the commission by regular mail. An application shall be filed to seek review of the decision by the commission or following issuance of notice by the licensing authority no later than thirty days after the issuance of the notice pursuant to section 261.126. The clerk of the district court shall schedule a hearing and mail a copy of the order scheduling the hearing to the individual and the commission and shall also mail a copy of the order to the licensing authority, if applicable. The commission shall certify a copy of its written decision and certificate of noncompliance, indicating the date of issuance, and the licensing authority shall certify a copy of a notice issued pursuant to section 261.126, to the court prior to the hearing.

2. The filing of an application pursuant to this section shall automatically stay the actions of a licensing authority pursuant to section 261.126. The hearing on the application shall be scheduled and held within thirty days of the filing of the application. However, if the individual fails to appear at the scheduled hearing, the stay shall be lifted and the licensing authority shall continue procedures pursuant to section 261.126.

3. The scope of review by the district court shall be limited to demonstration of a mistake of fact relating to the delinquency of the individual.

4. If the court finds that the commission was in error in issuing a certificate of noncompliance, or in failing to issue a withdrawal of a certificate of noncompliance, the commission shall issue a withdrawal of a certificate of noncompliance to the appropriate licensing authority.

98 Acts, ch 1081, §7

DIVISION XVI
HEALTH CARE PROFESSIONAL
INCENTIVE PAYMENT PROGRAM

261.128 Health care professional incentive payment program — repeal.

1. The commission shall establish a health care professional incentive payment program to recruit and retain health care professionals in this state. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses now initiative account created in section 135.175.

2. The commission shall administer the incentive payment program with the assistance of Des Moines university — osteopathic medical center.

3. The commission, with the assistance of Des Moines university — osteopathic medical center, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the health care professional incentive payment program. The rules adopted shall address all of the following:

a. Eligibility and qualification requirements for a health care professional, a community, and a health care employer to participate in the incentive payment program. Any community in the state and all health care specialties shall be considered for participation. However, health care employers located in and communities that are designated as medically underserved areas or populations or that are designated as health professional shortage areas by the health resources and services administration of the United States department of health and human services shall have first priority in the awarding of incentive payments.

(1) To be eligible, a health care professional at a minimum must not have any unserved obligations to a federal, state, or local government or other entity that would prevent compliance with obligations under the agreement for the incentive payment; must have a current and unrestricted license to practice the professional's respective profession; and must be able to begin full-time clinical practice upon signing an agreement for an incentive payment.

(2) To be eligible, a community must provide a clinical setting for full-time practice of a health care professional and must provide a fifty thousand dollar matching contribution for a physician and a fifteen thousand dollar matching contribution for any other health care professional to receive an equal amount of state matching funds.

(3) To be eligible, a health care employer must provide a clinical setting for a full-time practice of a health care professional and must provide a fifty thousand dollar matching contribution for a physician and a fifteen thousand dollar matching contribution for any other health care professional to receive an equal amount of state matching funds.

b. The process for awarding incentive payments. The commission shall receive recommendations from the department of public health regarding selection of incentive payment recipients. The process shall require each recipient to enter into an agreement with the commission that specifies the obligations of the recipient and the commission prior to receiving the incentive payment.

c. Public awareness regarding the program including notification of potential health care professionals, communities, and health care employers about the program and dissemination of applications to appropriate entities.

d. Measures regarding all of the following:

(1) The amount of the incentive payment and the specifics of obligated service for an incentive payment recipient. An incentive payment recipient shall agree to provide service in full-time clinical practice for a minimum of four consecutive years. If an incentive payment recipient is sponsored by a community or health care employer, the obligated service shall be provided in the sponsoring community or health care employer location. An incentive payment recipient sponsored by a health care employer shall agree to provide health care services as specified in an employment agreement with the sponsoring health care employer.

(2) Determination of the conditions of the incentive payment applicable to an incentive payment recipient. At the time of approval for participation in the program, an incentive

payment recipient shall be required to submit proof of indebtedness incurred as the result of obtaining loans to pay for educational costs resulting in a degree in health sciences. For the purposes of this subparagraph, “*indebtedness*” means debt incurred from obtaining a government or commercial loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate, undergraduate, or associate education of a health care professional.

(3) Enforcement of the state’s rights under an incentive payment agreement, including the commencement of any court action. A recipient who fails to fulfill the requirements of the incentive payment agreement is subject to repayment of the incentive payment in an amount equal to the amount of the incentive payment. A recipient who fails to meet the requirements of the incentive payment agreement may also be subject to repayment of moneys advanced by a community or health care employer as provided in any agreement with the community or employer.

(4) A process for monitoring compliance with eligibility requirements, obligated service provisions, and use of funds by recipients to verify eligibility of recipients and to ensure that state, federal, and other matching funds are used in accordance with program requirements.

(5) The use of the funds received. Any portion of the incentive payment that is attributable to federal funds shall be used as required by the federal entity providing the funds. Any portion of the incentive payment that is attributable to state funds shall first be used toward payment of any outstanding loan indebtedness of the recipient. The remaining portion of the incentive payment shall be used as specified in the incentive payment agreement.

4. A recipient is responsible for reporting on federal income tax forms any amount received through the program, to the extent required by federal law. Incentive payments received through the program by a recipient in compliance with the requirements of the incentive payment program are exempt from state income taxation.

5. This section is repealed June 30, 2014.

2009 Acts, ch 118, §51, 54; 2010 Acts, ch 1147, §9, 13

[SP] Implementation of section, and 2010 amendments thereto, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13

DIVISION XVII

IOWA NEEDS NURSES NOW INITIATIVE

261.129 Iowa needs nurses now initiative — repeal.

1. *Nurse educator incentive payment program.*

a. The commission shall establish a nurse educator incentive payment program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses now initiative account created in section 135.175. For the purposes of this subsection, “*nurse educator*” means a registered nurse who holds a master’s degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

b. The program shall consist of incentive payments to recruit and retain nurse educators. The program shall provide for incentive payments of up to twenty thousand dollars for a nurse educator who remains teaching in a qualifying teaching position for a period of not less than four consecutive academic years.

c. The nurse educator and the commission shall enter into an agreement specifying the obligations of the nurse educator and the commission. If the nurse educator leaves the qualifying teaching position prior to teaching for four consecutive academic years, the nurse educator shall be liable to repay the incentive payment amount to the state, plus interest as specified by rule. However, if the nurse educator leaves the qualifying teaching position

involuntarily, the nurse educator shall be liable to repay only a pro rata amount of the incentive payment based on incompleting years of service.

d. The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator incentive payment program. The rules shall include provisions specifying what constitutes a qualifying teaching position.

2. *Nursing faculty fellowship program.*

a. The commission shall establish a nursing faculty fellowship program to provide funds to nursing schools in the state, including but not limited to nursing schools located at community colleges, for fellowships for individuals employed in qualifying positions on the nursing faculty. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and the Iowa needs nurses now initiative account created in section 135.175. The program shall be designed to assist nursing schools in filling vacancies in qualifying positions throughout the state.

b. The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, and in cooperation with nursing schools throughout the state, shall develop a distribution formula which shall provide that no more than thirty percent of the available moneys are awarded to a single nursing school. Additionally, the program shall limit funding for a qualifying position in a nursing school to no more than ten thousand dollars per year for up to three years.

c. The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A to administer the program. The rules shall include provisions specifying what constitutes a qualifying position at a nursing school.

d. In determining eligibility for a fellowship, the commission shall consider all of the following:

- (1) The length of time a qualifying position has gone unfilled at a nursing school.
- (2) Documented recruiting efforts by a nursing school.
- (3) The geographic location of a nursing school.
- (4) The type of nursing program offered at the nursing school, including associate, bachelor's, master's, or doctoral degrees in nursing, and the need for the specific nursing program in the state.

3. *Nurse educator scholarship program.*

a. The commission shall establish a nurse educator scholarship program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and the Iowa needs nurses now initiative account created in section 135.175. The goal of the nurse educator scholarship program is to address the waiting list of qualified applicants to Iowa's nursing schools by providing incentives for the training of additional nursing educators. For the purposes of this subsection, "nurse educator" means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

b. The program shall consist of scholarships to further advance the education of nurses to become nurse educators. The program shall provide for scholarship payments in an amount established by rule for students who are preparing to teach in qualifying teaching positions.

c. The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator scholarship program. The rules shall include provisions specifying what constitutes a qualifying teaching position and the amount of any scholarship.

4. *Nurse educator scholarship-in-exchange-for-service program.*

a. The commission shall establish a nurse educator scholarship-in-exchange-for-service program. Funding for the program may be provided through the health care workforce shortage fund or the health care professional and Iowa needs nurses

now initiative account created in section 135.175. The goal of the nurse educator scholarship-in-exchange-for-service program is to address the waiting list of qualified applicants to Iowa's nursing schools by providing incentives for the education of additional nursing educators. For the purposes of this subsection, "*nurse educator*" means a registered nurse who holds a master's degree or doctorate degree and is employed as a faculty member who teaches nursing in a nursing education program as provided in 655 IAC 2.6 at a community college, an accredited private institution, or an institution of higher education governed by the state board of regents.

b. The program shall consist of scholarships to further advance the education of nurses to become nurse educators. The program shall provide for scholarship-in-exchange-for-service payments in an amount established by rule for students who are preparing to teach in qualifying teaching positions for a period of not less than four consecutive academic years.

c. The scholarship-in-exchange-for-service recipient and the commission shall enter into an agreement specifying the obligations of the applicant and the commission. If the nurse educator leaves the qualifying teaching position prior to teaching for four consecutive academic years, the nurse educator shall be liable to repay the scholarship-in-exchange-for-service amount to the state plus interest as specified by rule. However, if the nurse educator leaves the qualified teaching position involuntarily, the nurse educator shall be liable to repay only a pro rata amount of the scholarship based on incomplete years of service.

d. The receipt of a nurse educator scholarship-in-exchange-for-service shall not impact eligibility of an individual for other financial incentives including but not limited to loan forgiveness programs.

e. The commission, in consultation with the department of public health, the board of nursing, the department of education, and the Iowa nurses association, shall adopt rules pursuant to chapter 17A relating to the establishment and administration of the nurse educator scholarship-in-exchange-for-service program. The rules shall include the provisions specifying what constitutes a qualifying teaching position and the amount of any scholarship-in-exchange-for-service.

5. *Repeal.* This section is repealed June 30, 2014.

2009 Acts, ch 118, §52, 54; 2010 Acts, ch 1147, §10, 13

[SP] Implementation of section, and 2010 amendments thereto, conditioned upon availability of funding; 2009 Acts, ch 118, §54; 2010 Acts, ch 1147, §13