
BUDGET UNIT BRIEF – FY 2025

Fiscal Services Division

July 1, 2024



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

Health Care-Related Loan Program

Purpose

During the 2018 Legislative Session, [SF 2415](#) (Education Appropriations Act) established the Health Care Loan Repayment Program to provide repayment of qualified loans of registered nurses, advanced registered nurse practitioners (ARNPs), physician assistants (PAs), and nurse educators who practice full-time in a service commitment area or teach in Iowa. The new Program replaced the existing Registered Nurse and Nurse Educator Loan Forgiveness Program and the Rural Iowa ARNP and PA Loan Repayment Program. During the 2022 Legislative Session, [SF 2383](#) (Workforce Omnibus Act) renamed the Program to the current Health Care Award Program. Changes included adding eligibility to part-time nurses who also practice as a nurse educator, opening private loans to be considered in the award, removing the eligibility for refinanced loans to be considered, and removing the 20.0% cap on debt repayment per year awarded.

The Health Care Award Program appropriation was transferred to the Iowa Department of Education from the previously independent College Student Aid Commission during the 2023 Legislative Session in [SF 514](#) (State Government Alignment Act).

Application and Selection Criteria

Applicants for loan forgiveness under the Program must file an affidavit of practice verifying that the applicant is a registered nurse, an ARNP, or a PA who is practicing full-time in a service commitment area in Iowa or is a nurse educator who is teaching at an eligible Iowa college or university during the entire year. A service commitment area is defined as a city in Iowa with a population of less than 26,000 that is located more than 20 miles from a city with a population of 50,000 or more.

The program seeks to award an equal number of ARNPs, nurse educators, PAs, and registered nurses as funds are available. An applicant who is a member of the Iowa National Guard is exempt from the service commitment area requirement but must submit an affidavit verifying that the applicant is practicing full-time in Iowa.

The College Student Aid Commission is required to establish selection criteria by adoption of administrative rules. Priority must be given to applicants who are residents of Iowa and, if requested by the Adjutant General, to applicants who are members of the Iowa National Guard, and finally to non-Iowa residents.

Loan Repayment Amounts

The annual amount of loan repayment provided to a recipient cannot exceed \$6,000, and a recipient is eligible for loan repayment for no more than five consecutive years. Payments are issued as a lump-sum payment to the awardee and are considered taxable income.

Funding

The Health Care Award Program is funded through a General Fund appropriation made in the Education Appropriations Subcommittee.

More Information

College Student Aid Commission: www.iowacollegeaid.gov
LSA Staff Contact: Michael Peters (515.281.6934) michael.peters@legis.iowa.gov

Related Statutes and Administrative Rules

Iowa Code section [261.116](#)

Iowa Administrative Code [283—26](#)

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