

AN ACT

RELATING TO PROGRAMS AND ACCOUNTS ADMINISTERED BY THE COLLEGE  
STUDENT AID COMMISSION.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 8A.504, subsection 1, paragraph c, subparagraph (2), Code 2014, is amended to read as follows:

(2) An amount that is due because of a default on a ~~guaranteed student or parental~~ loan under chapter 261.

Sec. 2. Section 8A.504, subsection 4, Code 2014, is amended to read as follows:

4. The director shall have the authority to enter into reciprocal agreements with the departments of revenue of other states that have enacted legislation that is substantially equivalent to the setoff procedure provided in this section for the recovery of an amount due because of a default on a ~~guaranteed student or parental~~ loan under chapter 261. A reciprocal agreement shall also be approved by the college student aid commission. The agreement shall authorize the department to provide by rule for the setoff of state income tax refunds or rebates of defaulters from states with which Iowa has a reciprocal agreement and to provide for sending lists of names of Iowa defaulters to the states with which Iowa has a reciprocal agreement for setoff of that state's income tax refunds.

Sec. 3. Section 261.9, unnumbered paragraph 1, Code 2014, is amended to read as follows:

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

Sec. 4. Section 261.37, subsection 7, Code 2014, is amended to read as follows:

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.

Sec. 5. Section 261.38, subsections 1, 3, and 4, Code 2014, are amended to read as follows:

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~~ the agency operating account 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~~ account as authorized by the federal Higher Education Act of 1965.

3. Notwithstanding section 8.33, funds on deposit in the ~~loan reserve and~~ agency operating accounts account 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~~ agency operating accounts account, and, notwithstanding section 12C.7, the interest income earned shall be credited back to the appropriate agency

operating account.

Sec. 6. Section 261.38, subsection 2, Code 2014, is amended by striking the subsection.

Sec. 7. Section 261.113, subsection 3, unnumbered paragraph 1, Code 2014, is amended to read as follows:

A program agreement shall be entered into by an eligible student and the commission ~~when~~ during the eligible student ~~begins the curriculum~~ student's final year of study leading to a doctor of medicine or osteopathy degree. Under the agreement, to receive loan repayments pursuant to subsection 5, an eligible student shall agree to and shall fulfill all of the following requirements:

Sec. 8. Section 261.113, subsection 3, paragraph d, Code 2014, is amended to read as follows:

d. Within nine months of graduating from the residency program and receiving a permanent license in accordance with paragraph "b", engage in the full-time practice of medicine and surgery or osteopathic medicine and surgery specializing in family medicine, pediatrics, psychiatry, internal medicine, or general surgery for a period of ~~sixty~~ five consecutive ~~months~~ years in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

Sec. 9. Section 261.113, subsection 5, Code 2014, is amended to read as follows:

5. *Loan repayment amounts.*

a. The amount of loan repayment an eligible student who enters into an agreement pursuant to subsection 3 shall receive if in compliance with obligations under the agreement shall not exceed fifty thousand dollars annually for an eligible loan. Payments under this section may be made for each year of eligible practice during a period of five consecutive ~~five-year~~ period ~~years~~ and shall not exceed a total of two hundred thousand dollars.

b. The commission shall not enter into more than twenty program agreements annually. ~~Fifty percent of the~~ The percentage of agreements shall be entered into by students attending ~~each university described in subsection 2~~ eligible universities shall be evenly divided. However, if there are fewer ~~than ten eligible student~~ applicants at one eligible university, eligible student applicants enrolled in ~~the~~ other

~~university~~ eligible universities may be awarded the remaining agreements.

Sec. 10. Section 261.113, subsection 11, paragraph a, Code 2014, is amended to read as follows:

a. *"Eligible loan"* means the physician's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the recipient's federal grad plus loans, or the recipient's federal Perkins loan, including principal and interest.

Sec. 11. Section 261.114, subsection 3, unnumbered paragraph 1, Code 2014, is amended to read as follows:

A program agreement shall be entered into by an eligible student and the commission when the eligible student begins the curriculum final year of study in an academic program leading to ~~a doctorate of nursing practice degree or a masters of physician assistant studies degree~~ eligibility for licensure as a nurse practitioner or physician assistant. Under the agreement, to receive loan repayments pursuant to subsection 5, an eligible student shall agree to and shall fulfill all of the following requirements:

Sec. 12. Section 261.114, subsection 3, paragraphs a and b, Code 2014, are amended to read as follows:

a. Receive ~~a doctorate of nursing practice degree or a masters of physician assistant studies degree from an eligible university and obtain~~ graduate-level credential qualifying the credential recipient for a license to practice as an advanced registered nurse practitioner pursuant to chapter 152 or physician assistant pursuant to chapter 148C.

b. Within nine months of receiving a degree and obtaining a license in accordance with paragraph "a", engage in the full-time practice as an advanced registered nurse practitioner or physician assistant for a period of ~~sixty~~ five consecutive ~~months~~ years in the service commitment area specified under subsection 6, unless the loan repayment recipient receives a waiver from the commission to complete the months of practice required under the agreement in another service commitment area pursuant to subsection 6.

Sec. 13. Section 261.114, subsection 5, paragraphs a and b, Code 2014, are amended to read as follows:

a. The amount of loan repayment an eligible student who enters into an agreement pursuant to subsection 3 shall receive ~~upon fulfilling the requirements of subsection 3~~ if in compliance with obligations under the agreement shall be not

~~more than~~ exceed five thousand dollars annually for an eligible loan. Payments under this section ~~are limited to~~ may be made for each year of eligible practice during a four-year period of five consecutive years and shall not exceed a total of twenty thousand dollars.

b. The commission shall not enter into more than fifteen program agreements annually, with the exception of agreements providing for additional loan repayment with surplus funds in accordance with subsection 7.

Sec. 14. Section 261.114, subsection 11, paragraphs a and b, Code 2014, are amended to read as follows:

a. "Eligible loan" means the loan repayment recipient's total federally guaranteed Stafford loan amount under the federal family education loan program or the federal direct loan program, the recipient's federal grad plus loans, or the recipient's federal Perkins loan, including principal and interest.

b. "Eligible university" means ~~either the state university of Iowa a college of medicine or Des Moines university — osteopathic medical center~~ that meets the requirements of section 261.2, subsection 11, and is 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.

Sec. 15. REPEAL. Sections 261.17A, 261.22, 261.39, 261.41, 261.44, 261.48, 261.54, 261.81A, and 261.82, Code 2013, are repealed.

Sec. 16. CODE EDITOR DIRECTIVES.

1. The Code editor shall do all of the following:

a. Create three new parts in chapter 261 as follows:

(1) Part 1 shall be entitled "Iowa Tuition Grants" and shall include sections 261.9 through 261.16.

(2) Part 2 shall be entitled "Vocational-Technical Tuition Grants" and shall include section 261.17.

(3) Part 3 shall be entitled "Administration" and shall include sections 261.20 and 261.25.

b. (1) Transfer and renumber sections 261.18, 261.19, 261.23, and 261.24 as follows:

(a) Section 261.18 as section 261.61.

(b) Section 261.19 as section 261.115.

(c) Section 261.23 as section 261.116.

(d) Section 261.24 as section 261.62.

(2) Correct internal references as necessary.

2. The Code editor may renumber sections within division

II of chapter 261 and shall correct internal references as necessary.

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PAM JOCHUM  
President of the Senate

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KRAIG PAULSEN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2257, Eighty-fifth General Assembly.

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MICHAEL E. MARSHALL  
Secretary of the Senate

Approved \_\_\_\_\_, 2014

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TERRY E. BRANSTAD  
Governor