

May 5, 1965.

Placed on Calendar.

Senate File 577

By APPROPRIATIONS COMMITTEE.

Passed Senate, Date 5/6.....

Passed House, Date 5/17.....

Vote: Ayes 52..... Nays 0.....

Vote: Ayes 70..... Nays 41.....

Approved May 21, 1965.....

# A BILL FOR

*Appropriations 5/7  
pass 5/11  
motion to reconsider filed 5/17  
motion failed 5/18*

An Act to amend chapter nine (9) of the Acts of the Extraordinary Session of the Sixtieth General Assembly, to provide for a state supported and administered scholarship program under the higher education facilities commission and to make an appropriation therefor.

*Be It Enacted by the General Assembly of the State of Iowa:*

1 Section 1. Chapter nine (9) of the Acts of the Extraordinary  
2 Session of the Sixtieth General Assembly is amended by adding to  
3 section two (2) the following paragraph:

4 "4. Prepare and administer a state plan for state supported  
5 and administered scholarship program. Said state plan shall  
6 provide for scholarships based on ability and need to deserving  
7 students of Iowa, matriculating in Iowa universities or colleges."

1 Sec. 2. There is hereby appropriated from the general fund  
2 of the state of Iowa, for the biennium beginning July 1, 1965, and  
3 ending June 30, 1967, to the higher education facilities commission,  
4 the sum of five hundred thousand (500,000) dollars, or so much  
5 thereof as may be necessary, to finance the scholarship awarded  
6 by the higher education facilities commission.

1 Sec. 3. Chapter eight (8), Code 1962, shall apply to this  
2 Act, except that section eight point five (8.5), Code 1962, shall  
3 not be applicable.

SENATE FILE 577

- 1 Amend Senate File 577 as follows:
- 2 1. In section 1, line 5, insert after the word
- 3 "scholarship" the words "and loan".
- 4 2. In section 1, line 6, and in section 2, line 5,
- 5 insert after the word "scholarships" the words "and loans".

Filed *Withdrawn 5/7*  
May 6, 1965.

~~RICKERT~~ of Louisa-Muscatine.

SENATE FILE 577

- 1 Amend Senate File 577 by striking the period (.) at the
- 2 end of line seven (7) of section one (1) and inserting in lieu
- 3 thereof the following: "or private business schools."

Filed *Withdrawn 5/17*  
May 11, 1965.

WILSON of Black Hawk.

SENATE FILE 577

- 1 Amend Senate File 577 as follows:
- 2 1. By adding at the end of line seven (7) of
- 3 section one (1) the following: "No scholarship to any
- 4 student may exceed six hundred (600) dollars in any one (1)
- 5 year and the maximum any student may borrow from the fund
- 6 is four thousand two hundred (4,200) dollars."

Filed and lost  
May 17, 1965.

TIEDEN of Clayton.

SENATE FILE 577

- 1 Amend Senate File 577 by striking the period and quotation
- 2 marks in line seven (7) of section one (1) and adding the following:  
"and other
- 3 universities or colleges located nearer to the Iowa place of
- 4 residence of the recipient than the nearest tax supported
- 5 Iowa college or university offering comparable college
- 6 instruction."

Filed and lost *(42-66)*  
May 17, 1965.

BREMMER of Pottawattamie.  
ROBINSON of Audubon-Guthrie.

SENATE FILE 577

- 1 Amend Senate File 577 by striking the period (.) at the
- 2 end of line seven (7) of section one (1) and inserting in lieu
- 3 thereof the following: "or private business schools and public
- 4 or private junior colleges."

Filed and lost *Withdrawn*  
May 17, 1965.

WILSON of Black Hawk.

1 Amend Senate File 577 as follows:

2 1. Amend the title by striking from line three (3) the word  
3 "scholarship" and inserting in lieu thereof the words "educational  
4 loan".

5 2. Further amend by striking all after the enacting clause  
6 and inserting in lieu thereof the following:

7 Section 1. Chapter nine (9), Acts of the Sixtieth General  
8 Assembly in Extraordinary Session, is hereby amended as follows:

9 1. By adding to section two (2) the following new subsections:

10 "4. Prepare and administer a state plan for state supported  
11 and administered educational loan program. Said state plan shall  
12 provide for loans based on ability and need to deserving students  
13 of Iowa, matriculating in Iowa universities or colleges.

14 "5. Formulate rules, regulations, forms, and procedures neces-  
15 sary for the effective administration of this Act."

16 2. By adding thereto the following new sections:

17 1. "When used in this Act, unless the context otherwise re-  
18 quires:

19 1. 'Approved Iowa high school' means any high school, public  
20 or private, located in Iowa and meeting the requirements for  
21 approval as shall be required by law.

22 2. 'Institution of higher learning' includes any public or  
23 private school granting a recognized baccalaureate or professional  
24 degree and junior colleges or other schools which offer terminal  
25 courses and meet the standards required by the rules and regula-  
26 tions of the committee."

27 2. "There is hereby established an educational loan fund to  
28 be administered by the higher education facilities commission."

29 3. "Any student who is a graduate of an approved Iowa high  
30 school enrolled or is planning to enroll in any institution of  
31 higher learning located in Iowa and who is pursuing or plans to  
32 pursue a course of study leading to a recognized baccalaureate or  
33 professional degree or completion of a terminal course in such  
34 institution shall be eligible to apply for a loan from the educa-  
35 tional loan fund."

36 4. "No loan to any student may exceed six hundred (600) dollars  
37 in any one (1) year and the maximum any student may borrow from  
38 the fund is four thousand two hundred (4,200) dollars."

39 5. "The commission shall award loans to applicants on the  
40 basis of financial need, scholarship achievements, and general  
41 ability."

42 6. "The number of loans made to the students of any one (1)  
43 institution shall not exceed, as a percentage of total loans made,  
44 the number that the total student body of the institution bears to  
45 the total student body at all institutions of higher learning in  
46 the state."

47 7. "In order to receive a loan, a student shall be required  
48 to enter into a written agreement to repay all sums plus interest  
49 loaned to him under the authority of this Act within five (5)  
50 years. Payments shall be made in installments, the first (1st)  
51 to be due eighteen (18) months after a student completes his  
52 course of study or leaves school. Any contract entered into under

53 authority of this Act by any minor shall not be subject to dis-  
54 affirmance by the minor."

55 8. "Loans made under authority of this Act shall be noninterest  
56 bearing until six (6) months after the borrow completes his  
57 course of study or leaves school. Interest shall thereafter be at  
58 a rate of three (3) percent per annum. The commission may extend  
59 or renegotiate repayment contracts when the borrower is in another  
60 school within the state, is in school outside the state, or when  
61 enforcement of the original contract will work a hardship upon  
62 the borrower."

63 9. "Any recipient of a loan from the educational loan fund  
64 who accepts full-time employment in the state following completion  
65 of his course of study or upon leaving school shall be forgiven  
66 ten (10) percent of the total loan amount for each year in which  
67 he remains in Iowa in full-time employment, but the maximum for-  
68 givenness shall be not more than fifty (50) percent of the recip-  
69 ient's indebtedness to the educational loan fund."

70 10. "A maximum of five hundred thousand (500,000) dollars  
71 shall be appropriated in any one (1) year for the educational  
72 loan fund, and the maximum that may be loaned in any one (1)  
73 year shall be two million (2,000,000) dollars, but no appropria-  
74 tion shall be larger than required to bring the funds in the  
75 educational loan fund available for lending up to two million  
76 (2,000,000) dollars."

77 Sec. 2. There is hereby appropriated from the general fund  
78 of the state of Iowa, for the biennium beginning July 1, 1965,  
79 and ending June 30, 1967, to the educational loan fund, the sum  
80 of five hundred thousand (500,000) dollars, or so much thereof  
81 as may be necessary, to finance educational loans approved by  
82 the higher education facilities commission.

83 Sec. 3. Chapter eight (8) Code 1962, shall apply to this  
84 Act, except that section eight point five (8.5), Code 1962, shall  
85 not be applicable.

Filed  
May 13, 1965.

*could not get name 5/17*

BRINCK of Lee.