

Reprinted

APR 26 1995

APPROPRIATIONS CALENDAR

HOUSE FILE 575

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 472)

(SUCCESSOR TO HSB 214)

Passed House, Date ^(P.1974) 4-27-95 Passed Senate, Date ^(P.1613) 5/3/95
 Vote: Ayes 98 Nays 1 Vote: Ayes 50 Nays 0
 Approved May 31, 1995

A BILL FOR

1 An Act establishing the Iowa hope loan program, creating an Iowa
 2 hope loan fund, and providing for other properly related
 3 matters.

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

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HOUSE FILE 575

H-4084

1 Amend House File 575 as follows:
 2 1. Page 1, line 35, by striking the word
 3 "annual".

By METCALF of Polk

H-4084 FILED APRIL 26, 1995

Adopted
4-27-95 (P. 1974)

HF 575

1 Section 1. NEW SECTION. 261.17A IOWA HOPE LOAN PROGRAM.

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

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

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

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

1 shall be paid by the community college to the state.

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

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

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

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

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

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

25 a. Complete and file an application for an Iowa hope loan.

26 b. Be responsible for the submission of the financial
27 information provided for evaluation of the applicant's need
28 for a loan, on forms provided by the commission.

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

31 7. An Iowa hope loan revolving fund is created in the
32 state treasury as a separate fund under the control of the
33 commission. All moneys deposited or paid into the fund are
34 appropriated and made available to the college student aid
35 commission to be used for loans as provided in this section.

1 The commission shall deposit payments made by Iowa hope loan
2 recipients into the Iowa hope loan fund. Notwithstanding
3 section 8.33, any balance in the fund on June 30 of each
4 fiscal year shall not revert to the general fund of the state,
5 but shall be available for the purposes of this section in
6 subsequent fiscal years.

7 EXPLANATION

8 This bill establishes the Iowa hope loan program and
9 creates an Iowa hope loan revolving fund.

10 An Iowa hope loan may be awarded to an Iowa resident who is
11 admitted and in attendance as a student in a single, twelve-
12 month or less, vocational-technical or career option program
13 in a community college in the state, who meets the eligibility
14 requirements for a Pell grant, and who is working toward
15 certification, a diploma, or a degree in a skilled occupation.
16 The bill requires that an eligible applicant shall have
17 obtained the bona fide intent of a company operating in Iowa
18 to employ the applicant or shall be currently employed by a
19 company operating in Iowa that has expressed a bona fide
20 intent to employ the applicant upon the attainment of a
21 certificate, diploma, or degree. The amount of an Iowa hope
22 loan shall not exceed the cost of tuition for the program in
23 which the student is enrolled. A student's Iowa hope loan is
24 to supplement, not supplant, any other financial aid the
25 student receives.

26 If the student discontinues attendance before the end of
27 any term after receiving payment of the loan, the entire
28 amount of any refund due that student, up to the amount of any
29 payments made under the loan, shall be paid by the institution
30 to the state.

31 The college student aid commission shall administer the
32 Iowa hope loan program. The bill requires the commission to
33 make an annual report to the governor and general assembly and
34 adopt rules for determining financial need, requiring that no
35 interest be charged for an Iowa hope loan, defining residence

1 for the purposes of the program, processing and approving
2 applications for loans, determining priority for loans, and
3 establishing procedures for repayment of a loan.

4 The bill also creates the Iowa hope loan revolving fund in
5 the state treasury. Any balance in the fund on June 30 of
6 each year shall not revert but shall be available for purposes
7 of the program.

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**HOUSE FILE 575
FISCAL NOTE**

A fiscal note for House File 575 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 575 establishes an Iowa Hope Loan Program and creates an Iowa Hope Loan Fund.

ASSUMPTIONS:

1. The number of community college students eligible for the Program would be 3,440 each year. These individuals would meet the financial need criteria, have the required job offer or be employed with the required advancement in employment, and agree to repay the loan.
2. The amount of funds for each student to obtain a loan for tuition would be the current average cost at community colleges for students enrolled in a vocational-technical program or a career option program, or \$2,038 annually.
3. Between FY 1996 and FY 1997, tuition would increase by 5.0%.
4. One-half of the students (1,720) receiving the loan would enroll in a six-month program, reducing the per-student tuition cost to \$1,019.
5. One-half of the remaining students (860 of 1,720) would enroll only part-time in a twelve-month program, reducing the per-student tuition cost to \$1,019.
6. One-half of the remaining 1,720 estimated students (860) would enroll full-time in a 12-month program.
7. The one-half attending a six-month program would begin repaying the loan in FY 1997. Of those 1,720, one-half (860 students) would complete a program in the first half of FY 1996, take the six-month reprieve, and make monthly payments for all of FY 1997. The monthly payment is not specified, but assuming that it is \$50 per month, these recipients would pay the Revolving Fund \$516,000 in FY 1997. The other half of those attending a six-month program would complete a program in the second half of FY 1996, take the six-month reprieve, and make monthly payments for the last half of FY 1997. With a \$50 per month payment, these recipients would pay the Revolving Fund \$258,000 in FY 1997. One half of the fourth enrolled in a 12-month program (430 students of the 860) would continue in other post-secondary education programs and not begin repayment until completion several years later. The remaining one half the one fourth enrolled in a 12-month program (430 students) would take the six-month reprieve and, at \$50 per month, would pay for six months in the last half of FY 1997 to the Revolving Fund \$129,000. The fourth (860 students) enrolled only part-time would continue to be enrolled part-time and not begin repayment until completion several years later and possible further delay in repayment if continuing in other post-secondary education programs.
8. The default rate would be 5.0%.
9. The College Student Aid Commission would require an administrative

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assistant position for the Program, at an estimated annual cost of \$36,389. However, all moneys in the Loan Fund are to be used only for loans.

FISCAL EFFECT:

House File 472 is estimated to cost the State General Fund \$4,418,089 in FY 1996 and \$4,637,174 in FY 1997. However the FY 1997 cost would be reduced by the estimated amount of repayments of \$903,000 less anticipated defaults of \$45,300, for a total FY 1997 cost of \$3,779,474. It is assumed that any appropriation to this Program which may be less than the total cost would be prorated to either educational programs in a priority order or to all eligible students through the administrative rules process. (LSB 2175hz, SLL)

FILED APRIL 27, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

5-4/27/95 Ways & Means
5-5/3/95 Do Pass

HOUSE FILE 575
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 472)
(SUCCESSOR TO HSB 214)

(As Amended and Passed by the House April 27, 1995)

Passed House, (P. 2283) Date 5/3/95 Passed Senate, (P. 1613) Date 5/3/95
Vote: Ayes 96 Nays 0 Vote: Ayes 50 Nays 0
Approved May 31, 1995

A BILL FOR

1 An Act establishing the Iowa hope loan program, creating an Iowa
2 hope loan fund, and providing for other properly related
3 matters.

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

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Deleted Language *

1 Section 1. NEW SECTION. 261.17A IOWA HOPE LOAN PROGRAM.

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

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

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

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

1 paid by the community college to the state.

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

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

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

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

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

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

25 a. Complete and file an application for an Iowa hope loan.

26 b. Be responsible for the submission of the financial
27 information provided for evaluation of the applicant's need
28 for a loan, on forms provided by the commission.

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

31 7. An Iowa hope loan revolving fund is created in the
32 state treasury as a separate fund under the control of the
33 commission. All moneys deposited or paid into the fund are
34 appropriated and made available to the college student aid
35 commission to be used for loans as provided in this section.

1 The commission shall deposit payments made by Iowa hope loan
2 recipients into the Iowa hope loan fund. Notwithstanding
3 section 8.33, any balance in the fund on June 30 of each
4 fiscal year shall not revert to the general fund of the state,
5 but shall be available for the purposes of this section in
6 subsequent fiscal years.

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HOUSE FILE 575

S-3691

- 1 Amend House File 575, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 3, by inserting after line 6 the
- 4 following:
- 5 "8. Loans awarded under this section are subject
- 6 to the limitations of any appropriations made by the
- 7 general assembly and of the moneys in the revolving
- 8 fund. The amount of a loan awarded to an eligible
- 9 student shall not be less than five hundred dollars
- 10 and shall not exceed one thousand dollars. However,
- 11 if full tuition is less than five hundred dollars, the
- 12 amount of the loan shall be for not more than an
- 13 amount equal to the full tuition."
- 14 2. By renumbering as necessary.

By JOHNIE HAMMOND

S-3691 FILED MAY 3, 1995
ADOPTED

P. 1613

SENATE AMENDMENT TO HOUSE FILE 575

H-4223

- 1 Amend House File 575, as amended, passed, and
- 2 reprinted by the House, as follows:
- 3 1. Page 3, by inserting after line 6 the
- 4 following:
- 5 "8. Loans awarded under this section are subject
- 6 to the limitations of any appropriations made by the
- 7 general assembly and of the moneys in the revolving
- 8 fund. The amount of a loan awarded to an eligible
- 9 student shall not be less than five hundred dollars
- 10 and shall not exceed one thousand dollars. However,
- 11 if full tuition is less than five hundred dollars, the
- 12 amount of the loan shall be for not more than an
- 13 amount equal to the full tuition."
- 14 2. By renumbering as necessary.

RECEIVED FROM THE SENATE

H-4223 FILED MAY 3, 1995

CONCURRED *(P. 2281)*

McCoy, Chair
Larson
Cormack
Nelson, B.
Baker

HSB 214
ECONOMIC DEVELOPMENT

HOUSE FILE 472 + 575
BY (PROPOSED COMMITTEE ON
ECONOMIC DEVELOPMENT BILL
BY CHAIRPERSON LARSON)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing the Iowa hope loan program, creating an Iowa
2 hope loan fund, allocating gaming revenues and making an
3 appropriation, and providing for other properly related
4 matters.

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

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1 Section 1. Section 99D.17, Code 1995, is amended to read
2 as follows:

3 99D.17 USE OF FUNDS.

4 Funds Except as provided in section 261.17A, subsection 8,
5 funds received pursuant to sections 99D.14 and 99D.15 shall be
6 deposited in the general fund of the state and shall be
7 subject to the requirements of section 8.60. These funds
8 shall first be used to the extent appropriated by the general
9 assembly. The commission is subject to the budget
10 requirements of chapter 8 and the applicable auditing
11 requirements and procedures of chapter 11.

12 Sec. 2. Section 99F.4, subsection 2, Code 1995, is amended
13 to read as follows:

14 2. To license qualified sponsoring organizations, to
15 license the operators of excursion gambling boats, to identify
16 occupations within the excursion gambling boat operations
17 which require licensing, and to adopt standards for licensing
18 the occupations including establishing fees for the
19 occupational licenses and licenses for qualified sponsoring
20 organizations. The fees shall be paid to the commission and
21 deposited in the general fund of the state. All revenue
22 received by the commission under this chapter from license
23 fees and admission fees, except for those revenues deposited
24 in the Iowa hope loan revolving fund as provided in section
25 261.17A, subsection 8, shall be deposited in the general fund
26 of the state and shall be subject to the requirements of
27 section 8.60.

28 Sec. 3. Section 99F.11, subsection 4, Code 1995, is
29 amended to read as follows:

30 4. The Except for those revenues deposited in the Iowa
31 hope loan revolving fund as provided in section 261.17A,
32 subsection 8, the remaining amount of the adjusted gross
33 receipts tax shall be credited to the general fund of the
34 state.

35 Sec. 4. NEW SECTION. 261.17A IOWA HOPE LOAN PROGRAM.

1 1. An Iowa hope loan may be awarded to a resident of Iowa
2 who is admitted and in attendance as a student in a
3 vocational-technical or career option program in a community
4 college in the state, whose financial resources are no more
5 than twenty percent above the eligibility level for a Pell
6 grant, and who is working toward certification, a diploma, or
7 a degree in a skilled occupation.

8 2. A student who meets the qualifications of subsection 1
9 may receive Iowa hope loans for not more than the equivalent
10 of two full years of study. A student shall not receive
11 assistance for courses for which credit was previously
12 received.

13 3. The amount of an Iowa hope loan shall not exceed the
14 cost of tuition, fees, and books required for the community
15 college program in which the student is enrolled and attends.
16 As used in this paragraph, "books" may also include book
17 substitutes, including reusable workbooks, loose-leaf or bound
18 manuals, and computer software materials used as book
19 substitutes. If a student receives financial aid under any
20 other program, the full amount of that financial aid shall be
21 considered part of the student's financial resources available
22 in determining the amount of the Iowa hope loan.

23 4. An Iowa hope loan shall be awarded on an annual basis,
24 requiring reapplication by the student for each year.
25 Payments under the loan shall be allocated equally among the
26 semesters or quarters of the year upon certification by the
27 community college that the student is in attendance in a
28 vocational-technical or career option program, as defined
29 under rules of the department of education. If the student
30 discontinues attendance before the end of any term after the
31 community college receives payment from the loan, the entire
32 amount of any refund due that student, up to the amount of any
33 payments made to the community college from the annual loan,
34 shall be paid by the community college to the state.

35 5. The commission shall administer this program and shall

1 do all of the following:

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

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

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

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

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

23 a. Complete and file an application for an Iowa hope loan.

24 b. Be responsible for the submission of the financial
25 information provided for evaluation of the applicant's need
26 for a loan, on forms provided by the commission.

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

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

32 7. An Iowa hope loan revolving fund is created in the
33 state treasury as a separate fund under the control of the
34 commission. All moneys deposited or paid into the fund are
35 appropriated and made available to the college student aid

1 commission to be used for loans as provided in this section.
2 The commission shall deposit payments made by Iowa hope loan
3 recipients into the Iowa hope loan fund. Notwithstanding
4 section 8.33, any balance in the fund on June 30 of each
5 fiscal year shall not revert to the general fund of the state,
6 but shall be available for the purposes of this section in
7 subsequent fiscal years.

8 8. Notwithstanding sections 99D.17, 99F.4, and 99F.11, in
9 each fiscal year, state revenues received pursuant to chapters
10 99D and 99F that exceed state revenues received from those
11 sources in the fiscal year ending June 30, 1994, shall be
12 deposited in the Iowa hope loan fund.

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EXPLANATION

14 This bill establishes the Iowa hope loan program, creates
15 an Iowa hope loan revolving fund, and requires that pari-
16 mutuel wagering and excursion boat and racetrack revenues
17 received by the state, which exceed state revenues received
18 from those sources in the fiscal year ending June 30, 1994, be
19 deposited in the Iowa hope loan revolving fund for use by the
20 college student aid commission for purposes of the Iowa hope
21 loan program.

22 An Iowa hope loan may be awarded to an Iowa resident who is
23 admitted and in attendance as a student in a vocational-
24 technical or career option program in a community college in
25 the state, whose financial resources are no more than 20
26 percent above the eligibility level for a Pell grant, and who
27 is working toward certification, a diploma, or a degree in a
28 skilled occupation. The amount of an Iowa hope loan shall not
29 exceed the cost of tuition, fees, and books required for the
30 program in which the student is enrolled. A student's Iowa
31 hope loan is to supplement, not supplant, any other financial
32 aid the student receives.

33 An Iowa hope loan is awarded annually. If the student
34 discontinues attendance before the end of any term after
35 receiving payment of the loan, the entire amount of any refund

1 due that student, up to the amount of any payments made under
2 the annual loan, shall be paid by the institution to the
3 state.

4 The college student aid commission shall administer the
5 Iowa hope loan program. The bill requires the commission to
6 make an annual report to the governor and general assembly,
7 and adopt rules for determining financial need, requiring that
8 no interest be charged for an Iowa hope loan, defining
9 residence for the purposes of the program, processing and
10 approving applications for loans, determining priority for
11 loans, and establishing procedures for repayment of a loan.

12 The bill also creates the Iowa hope loan revolving fund in
13 the state treasury. Each fiscal year, state revenues received
14 pursuant to chapters 99D and 99F of the Code, relating to
15 pari-mutuel wagering and excursion boats and racetracks, that
16 exceed state revenues received from those sources in the
17 fiscal year ending June 30, 1994, shall be deposited in the
18 Iowa hope loan revolving fund, along with the payments made by
19 Iowa hope loan recipients, and made available to the
20 commission for the purposes of the Iowa hope loan program.
21 Any balance in the fund on June 30 of each year shall not
22 revert but shall be available for purposes of the program.

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HOUSE FILE 575

AN ACT

ESTABLISHING THE IOWA HOPE LOAN PROGRAM, CREATING AN IOWA HOPE LOAN FUND, AND PROVIDING FOR OTHER PROPERLY RELATED MATTERS.

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

Section 1. NEW SECTION. 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.

RON J. CORBETT
Speaker of the House

LEONARD L. BOSWELL
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 575, Seventy-sixth General Assembly.

ELIZABETH ISAACSON
Chief Clerk of the House

Approved  , 1995

TERRY E. BRANSTAD
Governor