

FEB 13 1998  
APPROPRIATIONS

HOUSE FILE 2258  
BY WARNSTADT, WHITEAD,  
and COHOON

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act creating and making an appropriation for a teacher loan  
2 payment program.

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

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*HF 2258*

1 Section 1. COLLEGE STUDENT AID COMMISSION. There is  
2 appropriated from the general fund of the state to the college  
3 student aid commission for the fiscal year beginning July 1,  
4 1998, and ending June 30, 1999, the following amount, or so  
5 much thereof as is necessary, to be used for the purposes  
6 designated:

7 For teacher loan payments pursuant to section 261.44A:  
8 ..... \$ 500,000

9 Sec. 2. NEW SECTION. 261.44A TEACHER LOAN PAYMENT  
10 PROGRAM.

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

14 1. Received a baccalaureate degree after January 1, 1998,  
15 and is a teacher employed on a full-time basis under sections  
16 279.13 through 279.19 in a school district in this state, is a  
17 teacher in an accredited nonpublic school in this state, or is  
18 a licensed teacher at the Iowa braille and sight saving school  
19 or the Iowa school for the deaf.

20 2. As of the beginning of a school year, has an  
21 outstanding debt with an eligible lender under the Iowa  
22 guaranteed loan program or Iowa supplemental loans for  
23 students program, or has parents with an outstanding debt with  
24 an eligible lender under the PLUS loan program.

25 3. Has never defaulted on a loan guaranteed by the  
26 commission or by the federal government.

27 4. Teaches in an area the board of educational examiners,  
28 in consultation with the college student aid commission, has  
29 designated as a teacher shortage area.

30 The maximum annual reimbursement payment to an eligible  
31 teacher for loan payments made during a school year is one  
32 thousand five hundred dollars or the remainder of the  
33 teacher's loan, whichever is less. Total payments for an  
34 eligible teacher shall not exceed seven thousand five hundred  
35 dollars. If a teacher fails to complete a year of teaching in

1 a teacher-shortage area designated under subsection 4, the  
2 teacher shall not be reimbursed for loan payments made during  
3 that school year.

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

7 EXPLANATION

8 This bill creates a teacher loan payment program and  
9 appropriates \$500,000 from the state general fund to the  
10 college student aid commission for purposes of the program.

11 The bill provides that a person is eligible for  
12 reimbursement payments under the guaranteed loan payment  
13 program if the individual received a four-year degree after  
14 January 1, 1998; is a full-time teacher at an accredited  
15 school; has an outstanding debt with an eligible lender under  
16 the Iowa guaranteed loan program or the Iowa supplemental  
17 loans for students program, or whose parents have an  
18 outstanding debt in the PLUS program; has never defaulted on a  
19 college student aid commission loan or federal loan; and  
20 teaches in an area the board of educational examiners, in  
21 consultation with the college student aid commission, has  
22 designated a teacher shortage area.

23 The maximum annual amount of reimbursement under the bill  
24 is \$1,500 or the remainder of the teacher's loan, whichever is  
25 less. Total payments are limited to \$7,500. If the teacher  
26 fails to finish the year of instruction in a designated  
27 teacher-shortage area, no reimbursements shall be made to the  
28 teacher for that year.

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