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EDUCATION

HOUSE FILE

*548*

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

A BILL FOR

1 An Act establishing a practitioner shortage forgivable loan  
2 program and fund to replace the industrial technology  
3 forgivable loan program and fund, making an appropriation, and  
4 providing an effective date.

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

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*HF 548*

1 Section 1. Section 261.25, subsection 4, Code 1999, is  
2 amended to read as follows:

3 4. There is appropriated from the general fund of the  
4 state to the commission for each fiscal year the sum of ninety  
5 two hundred fifty thousand dollars for the industrial  
6 technology practitioner shortage forgivable loan program  
7 established in section 261.111.

8 Sec. 2. Section 261.111, Code 1999, is amended by striking  
9 the section and inserting in lieu thereof the following:

10 261.111 PRACTITIONER SHORTAGE FORGIVABLE LOAN PROGRAM.

11 1. A practitioner shortage forgivable loan program is  
12 established to be administered by the college student aid  
13 commission. An individual is eligible for the forgivable loan  
14 program if the individual is a resident of this state who is  
15 enrolled as a sophomore, junior, senior, or graduate student  
16 in an approved practitioner preparation program, in a  
17 designated professional area in which practitioner shortages  
18 are anticipated, at an institution of higher learning under  
19 the control of the state board of regents or an accredited  
20 private institution as defined in section 261.9.

21 2. The director of the department of education shall  
22 annually designate the professional areas in which  
23 practitioner shortages are anticipated. The director shall  
24 periodically conduct a survey of school districts, accredited  
25 nonpublic schools, and approved practitioner preparation  
26 programs to determine current shortage areas and predict  
27 future shortage areas.

28 3. Each applicant shall, in accordance with the rules of  
29 the commission, do the following:

30 a. Complete and file an application for a practitioner  
31 shortage forgivable loan. The individual shall be responsible  
32 for the submission of any financial information required by  
33 the commission.

34 b. Report promptly to the commission any information  
35 requested.

1 c. File a new application and submit financial information  
2 as required by the commission annually on the basis of which  
3 the applicant's eligibility for a renewed forgivable loan will  
4 be evaluated and determined.

5 4. Forgivable loans to eligible students shall not become  
6 due until after the student graduates or leaves school. The  
7 individual's total loan amount, including principal and  
8 interest, shall be reduced by twenty percent for each year in  
9 which the individual remains an Iowa resident and is employed  
10 in Iowa by a school district or an accredited nonpublic school  
11 as a practitioner in a professional shortage area. If the  
12 commission determines that the person does not meet the  
13 criteria for forgiveness of the principal and interest  
14 payments, the commission shall establish a plan for repayment  
15 of the principal and interest over a ten-year period. If a  
16 person does not make the payments as required, the commission  
17 shall provide for payment collection.

18 5. The amount of a practitioner shortage forgivable loan  
19 shall not exceed three thousand dollars annually, or the  
20 amount of the student's established financial need, whichever  
21 is less.

22 6. The commission shall prescribe by rule the interest  
23 rate for the forgivable loan.

24 7. A practitioner shortage forgivable loan repayment fund  
25 is created for deposit of payments made by forgivable loan  
26 recipients who do not fulfill the conditions of the forgivable  
27 loan program. Notwithstanding section 8.33, moneys deposited  
28 in the fund shall not revert to the general fund of the state  
29 at the end of any fiscal year but shall remain in the  
30 forgivable loan repayment fund and be continuously available  
31 to make additional loans under the program. Notwithstanding  
32 section 12C.7, subsection 2, interest or earnings on moneys  
33 deposited in the loan repayment fund shall be credited to the  
34 fund.

35 8. For purposes of this section, unless the context



1 practitioner shortages are anticipated, at a regents  
2 university, or an accredited private institution.

3 The bill requires the director of the department of  
4 education to annually designate the professional areas in  
5 which practitioner shortages are anticipated and to  
6 periodically conduct a survey of school districts, accredited  
7 nonpublic schools, and approved practitioner preparation  
8 programs to determine current shortage areas and predict  
9 future shortage areas.

10 Forgivable loans to eligible students shall not become due  
11 until after the student graduates or leaves school. The  
12 individual's total loan amount, including principal and  
13 interest, shall be reduced by 20 percent for each year in  
14 which the individual remains an Iowa resident and is employed  
15 in Iowa by a school district or an accredited nonpublic school  
16 as a practitioner in a professional shortage area. If the  
17 commission determines that the person does not meet the  
18 criteria for forgiveness of the principal and interest  
19 payments, the commission shall establish a plan for repayment  
20 of the principal and interest over a 10-year period. If a  
21 person does not make the required payments, the commission  
22 shall provide for payment collection.

23 The amount of a practitioner shortage forgivable loan shall  
24 not exceed \$3,000 annually, or the amount of the student's  
25 established financial need, whichever is less. The commission  
26 is directed to prescribe by rule the interest rate for the  
27 forgivable loan.

28 A practitioner shortage forgivable loan repayment fund is  
29 created for deposit of payments made by forgivable loan  
30 recipients who do not fulfill the conditions of the forgivable  
31 loan program. Moneys deposited in the forgivable loan  
32 repayment fund shall carryover to be continuously available to  
33 make additional loans under the program.

34 The bill also includes a provision that directs that the  
35 moneys remaining from the FY 1998-1999 appropriation for the

1 industrial technology forgivable loan program to be used to  
2 promote the practitioner shortage forgivable loan program and,  
3 if enacted, the Iowa worker retraining forgivable loan  
4 program. This provision takes effect upon enactment.

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