

House File 756

Bill Text

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1 1 Section 1. Section [15.104](#), Code 1999, is amended by adding
1 2 the following new subsection:
1 3 NEW SUBSECTION. 7A. Designate annually, in consultation
1 4 with the Iowa workforce development board, targeted industries
1 5 for the recruiting our own targeted students loan repayment
1 6 program in accordance with section 261.106. The Iowa economic
1 7 development board shall consider the current demand for the
1 8 industry in Iowa and the quality of the industry in relation
1 9 to local communities. Other parameters for targeted
1 10 industries may be determined by the board, in consultation
1 11 with the Iowa workforce development board and the college
1 12 student aid commission.
1 13 Sec. 2. Section [84A.1B](#), Code 1999, is amended by adding
1 14 the following new subsection:
1 15 NEW SUBSECTION. 10. Designate annually, in consultation
1 16 with the Iowa economic development board, targeted occupations
1 17 for the recruiting our own targeted students loan repayment
1 18 program in accordance with section 261.106. The workforce
1 19 development board shall consider the current demand for the
1 20 occupation in Iowa and the quality of the occupation in
1 21 relation to local communities. Other parameters for targeted
1 22 occupations may be determined by the board, in consultation
1 23 with the Iowa economic development board and the college
1 24 student aid commission.
1 25 Sec. 3. NEW SECTION. 261.106 RECRUITING OUR OWN TARGETED
1 26 STUDENTS LOAN REPAYMENT PROGRAM.
1 27 1. For purposes of the recruiting our own targeted
1 28 students loan repayment program in this section and section
1 29 261.107, unless the context otherwise requires:
1 30 a. "Agreement" means the agreement entered into as
1 31 provided in subsection 2, paragraph "d".
1 32 b. "Commission" means the college student aid commission.
1 33 c. "Department" means the department of economic
1 34 development.
1 35 d. "Eligible business" means a business that meets the
2 1 requirements of the program as specified by rules adopted by
2 2 the commission and the Iowa economic development board.
2 3 e. "Eligible postsecondary institution" means a community
2 4 college as defined in chapter 260C, institution of higher
2 5 learning under the control of the state board of regents, or
2 6 an accredited private institution as defined in section 261.9.
2 7 f. "Student loan" means a loan, including any federal or
2 8 federally guaranteed student loan or state loan, made to a
2 9 student for which the student is under a legal obligation to
2 10 repay and which was used to pay tuition, mandatory fees, and
2 11 room and board at an eligible postsecondary institution.
2 12 g. "Targeted industry" means those industries designated
2 13 by the Iowa economic development board in accordance with
2 14 section 15.104, subsection 7A.
2 15 h. "Targeted occupation" means a technical, professional
2 16 occupation designated by the Iowa workforce development board
2 17 in accordance with section 84A.1B, subsection 10.
2 18 i. "Technical professional" means a position that requires
2 19 highly specialized knowledge or skills, usually scientific or
2 20 mathematical, or a professional managerial position requiring
2 21 specialized management or professional training which is

2 22 specific to the applicable targeted industry. "Technical
2 23 professional" includes, but is not limited to, computer
2 24 programmer, engineer, tool and die maker, educator, genetic
2 25 scientist, mold builder, and chemical research and development
2 26 specialist.

2 27 2. A recruiting our own targeted students loan repayment
2 28 program is established under the control of the commission if
2 29 the general assembly makes an appropriation for that purpose.
2 30 The purpose of the program is to offer to Iowa businesses a
2 31 tool for the recruitment of recent college graduates for
2 32 positions in a targeted industry located within Iowa. An
2 33 individual is eligible for the program if the individual is a
2 34 resident of Iowa and meets all of the following conditions:

2 35 a. Is employed in a technical professional position in a
3 1 targeted occupation by an eligible business which operates a
3 2 targeted industry for the calendar year in which the
3 3 individual was employed.

3 4 b. Attended an eligible postsecondary institution and
3 5 received from that institution a certificate, diploma, or
3 6 degree that meets the qualifications for the technical
3 7 professional position designated by the Iowa workforce
3 8 development board as a targeted occupation in accordance with
3 9 section 84A.1B, subsection 10, and who is employed in a
3 10 targeted occupation in a targeted industry operated by a
3 11 business located, or doing the majority of its business, in
3 12 Iowa.

3 13 c. Acquired a student loan for attendance at an eligible
3 14 postsecondary institution from which the certificate, diploma,
3 15 or degree identified in paragraph "b" was obtained.

3 16 d. Has entered into a student loan repayment agreement
3 17 with the eligible business and with the commission by June 30,
3 18 2004. The individual shall submit the agreement to the
3 19 department of economic development which shall review the
3 20 agreement for certification of the targeted industry and
3 21 targeted occupation. The agreement submitted shall contain a
3 22 commitment on the part of the eligible business of at least a
3 23 dollar-for-dollar match of the state moneys paid in accordance
3 24 with this section. Subsequent to review by the department,
3 25 the agreement shall be forwarded to the commission for loan
3 26 repayment servicing.

3 27 e. Graduates from an eligible postsecondary institution no
3 28 sooner than May 1, 1999.

3 29 3. An individual employed by an eligible business shall
3 30 not lose eligibility for student loan repayments under the
3 31 program solely because the Iowa economic development board,
3 32 subsequent to action on the agreement in accordance with
3 33 subsection 2, paragraph "d", ceases to identify as a targeted
3 34 industry the industry operated by the business in accordance
3 35 with section 15.104, subsection 7A.

4 1 4. An individual is ineligible for the student loan
4 2 repayment program and any agreement entered into as specified
4 3 in subsection 2 is null and void if the individual accepts
4 4 employment outside of the state of Iowa or in an industry not
4 5 identified by the Iowa economic development board as a
4 6 targeted industry in accordance with section 15.104,
4 7 subsection 7A, except as provided in subsection 3. If the
4 8 individual accepts employment in a similar targeted occupation
4 9 in an industry operated by another eligible business, the
4 10 individual shall continue to be eligible for loan repayments
4 11 if the individual, eligible business, and commission comply
4 12 with subsection 2, paragraph "d".

4 13 5. The commission shall make loan repayments on behalf of
4 14 an individual who meets the qualifications of subsection 2 in
4 15 the amount of twenty-five percent of the individual's total
4 16 loan amount, including principal and interest, or two thousand
4 17 five hundred dollars, whichever is less, for every two years
4 18 in which the individual remains an Iowa resident and is

4 19 employed in Iowa in a targeted occupation in a targeted
4 20 industry by an eligible business. However, the loan amount
4 21 shall also be limited by the amount of employer match
4 22 provided. The maximum amount of repayment allowed by the
4 23 commission shall be equal to the amount the eligible business
4 24 pays to the commission on behalf of the individual. The
4 25 maximum period for which loan repayments can be made on behalf
4 26 of an individual who meets the requirements of this section is
4 27 eight years.

4 28 6. The commission shall adopt rules pursuant to chapter
4 29 17A to administer this section and section 261.107.

4 30 7. It is the intent of the general assembly to
4 31 appropriate, commencing with the fiscal year beginning July 1,
4 32 2001, an amount from the general fund of the state sufficient
4 33 to provide for loan repayments for not more than one thousand
4 34 students under this section.

4 35 Sec. 4. NEW SECTION. 261.107 PROGRAM FUND.

5 1 A recruiting our own targeted students loan repayment fund
5 2 is created for deposit of payments by eligible businesses to
5 3 the commission and for the deposit of moneys appropriated by
5 4 the general assembly. Moneys in the fund shall be distributed
5 5 by the commission upon the receipt of agreements as provided
5 6 for in section 261.106, subsection 2, paragraph "d". If the
5 7 fund is depleted during a fiscal year, agreements shall not be
5 8 serviced until the subsequent fiscal year. For each fiscal
5 9 year in which moneys are appropriated for purposes of this
5 10 section, not more than one hundred fifty thousand dollars may
5 11 be distributed among the commission, the department of
5 12 economic development, and the department of workforce
5 13 development for administrative purposes.

5 14 Sec. 5. EFFECTIVE DATE. This Act, being deemed of
5 15 immediate importance, takes effect upon enactment.

5 16 EXPLANATION

5 17 This bill creates a recruiting our own targeted students
5 18 loan repayment program and fund under the control of the
5 19 college student aid commission if the general assembly makes
5 20 an appropriation for that purpose. The purpose of the program
5 21 is to offer to Iowa businesses a tool for the recruitment of
5 22 recent college graduates for positions in a targeted industry
5 23 located within Iowa. The bill states legislative intent that
5 24 beginning with fiscal year 2001-2002, the general assembly
5 25 will appropriate funds sufficient to provide for loan
5 26 repayments for not more than 1,000 students.

5 27 The program is intended to provide for the payment of
5 28 student loans for residents of Iowa who have received a
5 29 certificate, diploma, or degree from an accredited
5 30 postsecondary institution in Iowa on or after May 1, 1999, and
5 31 who work in the state in a targeted occupation and industry
5 32 for between two to eight years. However, the amount of loan
5 33 repayment is limited to 25 percent of the individual's total
5 34 loan amount, including principal and interest, or \$2,500,
5 35 whichever is less, for every two years in which the individual
6 1 remains an Iowa resident and is employed in Iowa in a targeted
6 2 occupation in a targeted industry by an eligible business.
6 3 The loan amount is further dependent on the amount of match
6 4 funds provided by the eligible business.

6 5 The individual must enter into a student loan repayment
6 6 agreement with the eligible business and with the commission
6 7 by June 30, 2004. The agreement submitted must contain a
6 8 commitment on the part of the eligible business of at least a
6 9 \$1-for-\$1 match of the state loan repayment moneys paid.

6 10 The Iowa workforce development board is directed to
6 11 designate annually, in consultation with the Iowa economic
6 12 development board, targeted occupations for the program, while
6 13 the Iowa economic development board is directed to designate
6 14 annually, in consultation with the Iowa workforce development
6 15 board, targeted industries for the program. If the Iowa

6 16 economic development board ceases to designate as a targeted
6 17 industry an industry in which an individual participating in
6 18 the program is employed, the individual shall not lose
6 19 eligibility solely for that reason.

6 20 An individual is ineligible for the program and any program
6 21 agreement entered into is null and void if the individual
6 22 accepts employment outside of the state of Iowa or in an
6 23 industry not identified as a targeted industry. If the
6 24 individual accepts employment in a similar targeted occupation
6 25 in an industry operated by another eligible business, the
6 26 individual remains eligible for the program if the individual
6 27 enters into an agreement with the new employer.

6 28 For each fiscal year in which moneys are appropriated for
6 29 purposes of the program, not more than \$150,000 may be
6 30 distributed among the commission, the department of economic
6 31 development, and the department of workforce development for
6 32 administrative purposes.

6 33 The bill takes effect upon enactment.

6 34 LSB 1318HZ 78

6 35 kh/cf/24