

House Study Bill 74

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 1, 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 state loan, made to a student for which the student is under a
2 9 legal obligation to repay and which was used to pay tuition,
2 10 mandatory fees, and room and board at an eligible
2 11 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, 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, educator, genetic scientist, and
2 25 chemical research and development specialist.

2 26 2. A recruiting our own targeted students loan repayment
2 27 program is established under the control of the commission if
2 28 the general assembly makes an appropriation for that purpose.
2 29 The purpose of the program is to offer to Iowa businesses a
2 30 tool for the recruitment of recent college graduates for
2 31 positions in a targeted industry located within Iowa. An
2 32 individual is eligible for the program if the individual is a
2 33 resident of Iowa and meets all of the following conditions:

2 34 a. Is employed in a technical professional position in a
2 35 targeted occupation by an eligible business which operates a
3 1 targeted industry for the calendar year in which the
3 2 individual was employed.

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

3 12 c. Acquired a student loan for attendance at an eligible
3 13 postsecondary institution from which the certificate, diploma,
3 14 or degree identified in paragraph "b" was obtained.

3 15 d. Has entered into a student loan repayment agreement
3 16 with the eligible business and with the commission. The
3 17 individual shall submit the agreement to the department of
3 18 economic development which shall review the agreement for
3 19 certification of the targeted industry and targeted
3 20 occupation. The agreement submitted shall contain a
3 21 commitment on the part of the eligible business of at least a
3 22 dollar-for-dollar match of the state moneys paid in accordance
3 23 with this section. Subsequent to review by the department,
3 24 the agreement shall be forwarded to the commission for loan
3 25 repayment servicing.

3 26 3. An individual employed by an eligible business shall
3 27 not lose eligibility for student loan repayments under the
3 28 program solely because the Iowa economic development board,
3 29 subsequent to action on the agreement in accordance with
3 30 subsection 2, paragraph "d", ceases to identify as a targeted
3 31 industry the industry operated by the business in accordance
3 32 with section 15.104, subsection 7A.

3 33 4. An individual is ineligible for the student loan
3 34 repayment program and any agreement entered into as specified
3 35 in subsection 2 is null and void if the individual accepts
4 1 employment outside of the state of Iowa or in an industry not
4 2 identified by the Iowa economic development board as a
4 3 targeted industry in accordance with section 15.104,
4 4 subsection 7A, except as provided in subsection 3. If the
4 5 individual accepts employment in a similar targeted occupation
4 6 in an industry operated by another eligible business, the
4 7 individual shall continue to be eligible for loan repayments
4 8 if the individual, eligible business, and commission comply
4 9 with subsection 2, paragraph "d".

4 10 5. The commission shall make loan repayments on behalf of
4 11 an individual who meets the qualifications of subsection 2 in
4 12 the amount of twenty-five percent of the individual's total
4 13 loan amount, including principal and interest, or two thousand
4 14 five hundred dollars, whichever is less, for every two years
4 15 in which the individual remains an Iowa resident and is
4 16 employed in Iowa in a targeted occupation in a targeted
4 17 industry by an eligible business. However, the loan amount
4 18 shall also be limited by the amount of employer match

4 19 provided. The maximum amount of repayment allowed by the
4 20 commission shall be equal to the amount the eligible business
4 21 pays to the commission on behalf of the individual. The
4 22 maximum period for which loan repayments can be made on behalf
4 23 of an individual who meets the requirements of this section is
4 24 eight years.

4 25 6. The commission shall adopt rules pursuant to chapter
4 26 17A to administer this section and section 261.107.

4 27 Sec. 4. NEW SECTION. 261.107 PROGRAM FUND.

4 28 A recruiting our own targeted students loan repayment fund
4 29 is created for deposit of payments by eligible businesses to
4 30 the commission and for the deposit of moneys appropriated by
4 31 the general assembly. Moneys in the fund shall be distributed
4 32 by the commission upon the receipt of agreements as provided
4 33 for in subsection 2, paragraph "d". If the fund is depleted
4 34 during a fiscal year, agreements shall not be serviced until
4 35 the subsequent fiscal year. For each fiscal year in which
5 1 moneys are appropriated for purposes of this section, not more
5 2 than one hundred fifty thousand dollars may be distributed
5 3 among the commission, the department of economic development,
5 4 and the department of workforce development for administrative
5 5 purposes. Notwithstanding section 8.33, moneys deposited in
5 6 the loan repayment fund shall not revert to the general fund
5 7 of the state at the end of any fiscal year but shall remain in
5 8 the loan repayment fund and be continuously available to make
5 9 additional loan repayments under the program. Notwithstanding
5 10 section 12C.7, subsection 2, interest or earnings on moneys in
5 11 the fund shall be credited to the fund.

5 12 EXPLANATION

5 13 This bill creates a recruiting our own targeted students
5 14 loan repayment program and fund under the control of the
5 15 college student aid commission if the general assembly makes
5 16 an appropriation for that purpose. The purpose of the program
5 17 is to offer to Iowa businesses a tool for the recruitment of
5 18 recent college graduates for positions in a targeted industry
5 19 located within Iowa.

5 20 The program is intended to provide for the payment of
5 21 student loans for residents of Iowa who have received a
5 22 certificate, diploma, or degree from an accredited
5 23 postsecondary institution in Iowa, and who work in the state
5 24 in a targeted occupation and industry for between two to eight
5 25 years. However, the amount of loan repayment is limited to 25
5 26 percent of the individual's total loan amount, including
5 27 principal and interest, or \$2,500, whichever is less, for
5 28 every two years in which the individual remains an Iowa
5 29 resident and is employed in Iowa in a targeted occupation in a
5 30 targeted industry by an eligible business. The loan amount is
5 31 further dependent on the amount of match funds provided by the
5 32 eligible business.

5 33 The individual must enter into a student loan repayment
5 34 agreement with the eligible business and with the commission.
5 35 The agreement submitted must contain a commitment on the part
6 1 of the eligible business of at least a \$1-for-\$1 match of the
6 2 state loan repayment moneys paid.

6 3 The Iowa workforce development board is directed to
6 4 designate annually, in consultation with the Iowa economic
6 5 development board, targeted occupations for the program, while
6 6 the Iowa economic development board is directed to designate
6 7 annually, in consultation with the Iowa workforce development
6 8 board, targeted industries for the program. If the Iowa
6 9 economic development board ceases to designate as a targeted
6 10 industry an industry in which an individual participating in
6 11 the program is employed, the individual shall not lose
6 12 eligibility solely for that reason.

6 13 An individual is ineligible for the program and any program
6 14 agreement entered into is null and void if the individual
6 15 accepts employment outside of the state of Iowa or in an

6 16 industry not identified as a targeted industry. If the
6 17 individual accepts employment in a similar targeted occupation
6 18 in an industry operated by another eligible business, the
6 19 individual remains eligible for the program if the individual
6 20 enters into an agreement with the new employer.

6 21 For each fiscal year in which moneys are appropriated for
6 22 purposes of the program, not more than \$150,000 may be
6 23 distributed among the commission, the department of economic
6 24 development, and the department of workforce development for
6 25 administrative purposes. Moneys remaining in the fund at the
6 26 end of any fiscal year carry over to be continuously available
6 27 to make additional loan repayments under the program.

6 28 Interest or earnings on moneys in the fund shall be credited
6 29 to the fund.

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