

# House File 668 - Introduced

HOUSE FILE \_\_\_\_\_  
BY MASCHER and UPMEYER

(COMPANION TO LSB 2630SS  
BY BEALL)

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

## A BILL FOR

1 An Act relating to forgivable loans for individuals enrolled in  
2 approved nursing education programs.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2630HH 82  
5 kh/gg/14

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1 1 Section 1. Section 261.23, subsection 1, Code 2007, is  
1 2 amended to read as follows:  
1 3 1. A registered nurse recruitment program is established  
1 4 to be administered by the college student aid commission. The  
1 5 program shall consist of a forgivable loan program and a  
1 6 tuition scholarship program for students and a loan repayment  
1 7 program for registered nurses. The commission shall regularly  
1 8 adjust the registered nurse service requirement under each  
1 9 aspect of the program to provide, to the extent possible, an  
1 10 equal financial benefit for each period of service required.  
1 11 ~~From funds appropriated for purposes of the program by the~~  
1 12 ~~general assembly, the commission shall pay a fee to schools of~~  
1 13 ~~nursing, accredited by the board of nursing, for the~~  
1 14 ~~administration of the program. A portion of the fee shall be~~  
1 15 ~~based upon the number of registered nurses recruited under~~  
1 16 ~~subsection 4.~~

1 17 Sec. 2. NEW SECTION. 261.23A NURSE EDUCATOR FORGIVABLE  
1 18 LOAN PROGRAM.  
1 19 1. A nurse educator forgivable loan program is established  
1 20 to be administered by the commission.  
1 21 2. An individual is eligible for the program if the  
1 22 individual is an Iowa resident; is a registered nurse seeking  
1 23 to become qualified as a nurse educator in Iowa; is enrolled  
1 24 on a full-time or part-time basis in a postbaccalaureate  
1 25 course of study in an advanced formal academic nursing  
1 26 education program approved by the board of nursing pursuant to  
1 27 section 152.5, and offered by an accredited private  
1 28 institution or an institution of higher education governed by  
1 29 the state board of regents; and agrees to teach in an  
1 30 accredited private institution or an institution of higher  
1 31 education governed by the state board of regents.  
1 32 3. Each applicant shall, in accordance with the rules of  
1 33 the commission, do the following:  
1 34 a. Complete and file an application for a nurse educator  
1 35 forgivable loan. The individual shall be responsible for the  
2 1 prompt submission of any information required by the  
2 2 commission.  
2 3 b. File a new application and submit information as  
2 4 required by the commission annually on the basis of which the  
2 5 applicant's eligibility for the renewed forgivable loan will  
2 6 be evaluated and determined.  
2 7 4. Forgivable loans to eligible individuals shall not  
2 8 become due until after the individual graduates or leaves  
2 9 school. The individual's total loan amount, including  
2 10 principal and interest, shall be reduced by twenty percent for  
2 11 each year in which the individual remains an Iowa resident and  
2 12 is employed in Iowa as a nurse educator. If the commission  
2 13 determines that the individual does not meet the criteria for  
2 14 forgiveness of the principal and interest payments, the  
2 15 commission shall establish a plan for repayment of the  
2 16 principal and interest over a ten-year period. If the  
2 17 individual does not make the payments as required, the

2 18 commission shall provide for payment collection.  
2 19 5. The annual amount of a nurse educator forgivable loan  
2 20 shall not exceed the resident tuition rate established for  
2 21 institutions of higher education governed by the state board  
2 22 of regents, or the amount of the student's established  
2 23 financial need, whichever is less.  
2 24 6. The commission shall prescribe by rule the interest  
2 25 rate for the forgivable loan.  
2 26 7. A nurse educator forgivable loan repayment fund is  
2 27 created for deposit of payments made by forgivable loan  
2 28 recipients who do not fulfill the conditions of the forgivable  
2 29 loan program and any other moneys appropriated to or received  
2 30 by the commission for deposit in the fund. Notwithstanding  
2 31 section 8.33, moneys deposited in the fund shall not revert to  
2 32 the general fund of the state at the end of any fiscal year  
2 33 but shall remain in the forgivable loan repayment fund and be  
2 34 continuously available to make additional loans under the  
2 35 program. Notwithstanding section 12C.7, subsection 2,  
3 1 interest or earnings on moneys deposited in the fund shall be  
3 2 credited to the fund.  
3 3 8. For purposes of this section, unless the context  
3 4 otherwise requires, "nurse educator" means a registered nurse  
3 5 who holds a master's degree or doctorate degree, or is a  
3 6 certified clinical nurse specialist, and is employed by a  
3 7 faculty member who teaches nursing as provided in 655 IAC  
3 8 2.6(152) at an accredited private institution or an  
3 9 institution of higher education governed by the state board of  
3 10 regents.  
3 11 9. The commission shall submit in a report to the general  
3 12 assembly by January 1, annually, the number of individuals who  
3 13 received forgivable loans pursuant to this section, which  
3 14 institutions the individuals were enrolled in, and the amount  
3 15 paid to each of the institutions on behalf of the individuals  
3 16 who received forgivable loans pursuant to this section.  
3 17 10. The commission shall adopt rules pursuant to chapter  
3 18 17A to administer this section.

3 19 EXPLANATION

3 20 This bill strikes language that requires the college  
3 21 student aid commission to pay a fee to schools of nursing for  
3 22 administration of the registered nurse recruitment program,  
3 23 and establishes a nurse educator forgivable loan program to be  
3 24 administered by the commission for purposes of providing  
3 25 forgivable loans to registered nurses who are seeking to  
3 26 become qualified as a nurse educator in Iowa, are enrolled on  
3 27 a full-time or part-time basis in a postbaccalaureate course  
3 28 of study in an approved advanced formal academic nursing  
3 29 education program, and agree to teach in an accredited private  
3 30 postsecondary institution or state university. For each year  
3 31 the individual is a resident of Iowa and is employed as a  
3 32 nurse educator by an accredited Iowa college or university, 20  
3 33 percent of the individual's loan amount is forgiven.

3 34 The annual amount of a forgivable loan is limited to no  
3 35 more than the resident tuition rate established for state  
4 1 universities, or the amount of the student's established  
4 2 financial need, whichever is less.

4 3 If the loan recipient does not meet the criteria for  
4 4 forgiveness of the principal and interest payments, the  
4 5 commission shall establish a plan for repayment of the  
4 6 principal and interest over a 10-year period. If the  
4 7 individual does not make the payments as required, the  
4 8 commission is authorized to provide for payment collection.

4 9 A nurse educator forgivable loan repayment fund is created  
4 10 for deposit of payments made by forgivable loan recipients who  
4 11 do not fulfill the conditions of the forgivable loan program.  
4 12 Moneys in the fund do not revert to the state's general fund,  
4 13 but remain in the fund to be continuously available to make  
4 14 additional loans under the program.

4 15 The commission must submit in a report to the general  
4 16 assembly by January 1, annually, the number of individuals who  
4 17 received forgivable loans, which institutions the individuals  
4 18 were enrolled in, and the amount paid to each of the  
4 19 institutions on behalf of the individuals who received  
4 20 forgivable loans.

4 21 LSB 2630HH 82

4 22 kh:nh/gg/14