

House File 853 - Introduced

HOUSE FILE _____
BY FORD

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing a minority teacher loan forgiveness program
2 to be administered by the college student aid commission, and
3 making an appropriation.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLSB 2516HH 82
6 kh/je/5

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1 1 Section 1. NEW SECTION. 261.112 MINORITY TEACHER LOAN
1 2 FORGIVENESS PROGRAM.
1 3 1. A minority teacher loan forgiveness program is
1 4 established to be administered by the college student aid
1 5 commission for minority persons who are attending, or have
1 6 successfully graduated from, an approved practitioner
1 7 preparation program as defined in section 272.1.
1 8 2. A minority person who meets the requirements of
1 9 subsection 1 shall submit an application to participate in the
1 10 program to the college student aid commission and if selected
1 11 by the commission to participate in the program, shall enter
1 12 into a contract with the commission agreeing to be employed as
1 13 a teacher as defined in section 284.2 for a minimum of four
1 14 years if the person graduates with a baccalaureate degree. A
1 15 person pursuing a master's degree from an approved
1 16 practitioner preparation program may enter into a contract
1 17 with the commission agreeing to be employed as a teacher as
1 18 defined in section 284.2 for five years.
1 19 3. Applicants are responsible for securing their own
1 20 qualified educational loans. Preference shall be given to
1 21 applicants who have secured a teaching contract in accordance
1 22 with this section or who are closest to completing an approved
1 23 practitioner preparation program.
1 24 4. a. For each year a program participant who has a
1 25 baccalaureate degree is employed as a teacher in accordance
1 26 with this section, the college student aid commission shall
1 27 make a disbursement directly to the participant equivalent to
1 28 twenty-five percent of the average educational debt for
1 29 indebted graduates for the year in which the participant
1 30 graduated with a baccalaureate degree, with that average
1 31 educational debt amount not to exceed the participant's
1 32 qualifying educational loans.
1 33 b. For each year a program participant who has a master's
1 34 degree is employed as a teacher in accordance with this
1 35 section, the college student aid commission shall make a
2 1 disbursement directly to the participant equivalent to twenty
2 2 percent of the average educational debt for indebted students
2 3 receiving a master's degree for the year in which the
2 4 participant received a master's degree, with that average
2 5 educational debt amount not to exceed the participant's
2 6 qualifying educational loans.
2 7 c. Before receiving loan repayment disbursements, the
2 8 participant shall complete and return to the college student
2 9 aid commission an affidavit of teaching employment on a form
2 10 approved by the commission. The participant shall also
2 11 provide to the commission verification that the full amount of
2 12 loan repayment disbursement received by the participant has
2 13 been applied toward the designated loans. After each
2 14 disbursement, verification shall be received by the commission
2 15 and approved prior to the next loan repayment disbursement is
2 16 made.
2 17 5. The contract entered into pursuant to subsection 2
2 18 shall stipulate that the participant repay the funds paid on
2 19 the participant's loan by the college student aid commission

2 20 for any period of time in which the participant fails to be
2 21 employed as a teacher in accordance with this section. If the
2 22 participant fails to be employed for a period of time as a
2 23 teacher in accordance with this section, the commission shall
2 24 collect from the participant the total amount paid to the
2 25 participant for that period of time under the loan forgiveness
2 26 program plus interest at a rate established by rule by the
2 27 commission. If a person required to make the repayment does
2 28 not make the required payments, the commission shall provide
2 29 for payment collection. However, the commission shall allow
2 30 waivers for all or part of the moneys owed the commission as a
2 31 result of a nonfulfillment penalty if emergency circumstances
2 32 prevented fulfillment of the contract entered into pursuant to
2 33 subsection 2.

2 34 6. A minority teacher loan forgiveness revolving fund is
2 35 created in the state treasury as a separate fund under the
3 1 control of the commission. The commission shall deposit
3 2 moneys appropriated for purposes of this section and payments
3 3 made by minority teacher loan forgiveness program participants
3 4 into the fund. Moneys credited to the fund shall be used to
3 5 supplement moneys appropriated for the minority teacher loan
3 6 forgiveness program, for loan forgiveness to eligible
3 7 participants, and to pay for loan or interest repayment
3 8 defaults by program participants. Notwithstanding section
3 9 8.33, any balance in the fund on June 30 of any fiscal year
3 10 shall not revert to the general fund of the state but shall
3 11 remain available for purposes of this section.

3 12 7. The commission shall adopt rules which provide
3 13 standards, guidelines, and procedures for the administration
3 14 of the program.

3 15 8. For purposes of this section, "minority person" means
3 16 as defined in section 261.102.

3 17 Sec. 2. COLLEGE STUDENT AID COMMISSION == GEORGE
3 18 WASHINGTON CARVER TEACHER EDUCATION PROGRAM. There is
3 19 appropriated from the general fund of the state to the college
3 20 student aid commission for the fiscal year beginning July 1,
3 21 2007, and ending June 30, 2008, the following amount, or so
3 22 much thereof as is necessary, to be used for the purposes
3 23 designated:

3 24 For deposit in the minority teacher loan forgiveness
3 25 revolving fund as provided in section 261.112, if enacted:
3 26 \$ 600,000

3 27 EXPLANATION

3 28 This bill appropriates \$600,000 from the general fund of
3 29 the state for FY 2007=2008 to the college student aid
3 30 commission to provide loan forgiveness to minority students
3 31 participating in the teacher loan forgiveness program. The
3 32 bill establishes a minority teacher loan forgiveness program
3 33 and revolving fund to be administered by the commission.

3 34 To be eligible for loan forgiveness, a teacher who is
3 35 Black, Hispanic, Asian, or a Pacific Islander, American
4 1 Indian, or an Alaskan Native American must be attending or
4 2 have successfully graduated from an approved practitioner
4 3 preparation program. "Teacher" is defined as an individual
4 4 holding a practitioner's license issued under chapter 272, who
4 5 is employed in a nonadministrative position as a teacher,
4 6 teacher librarian, preschool teacher, or counselor by a school
4 7 district or area education agency pursuant to a contract
4 8 issued by a board of directors under section 279.13.

4 9 The person must also submit an application and if selected
4 10 by the commission to participate, must enter into a contract
4 11 agreeing to be employed as a teacher in Iowa for a minimum of
4 12 four years if the person graduates with a baccalaureate
4 13 degree, or a minimum of five years if the person graduates
4 14 with a master's degree, from an approved practitioner
4 15 preparation program.

4 16 Applicants must secure their own educational loans.
4 17 Preference is to be given to applicants who have secured a
4 18 teaching contract or who are closest to completing an approved
4 19 practitioner preparation program.

4 20 For each year a program participant who has a baccalaureate
4 21 degree is employed as a teacher, the annual disbursement
4 22 amount is 25 percent of the average educational debt for
4 23 indebted graduates for the year in which the participant
4 24 graduated with a baccalaureate degree, with that debt amount
4 25 not to exceed the participant's qualifying educational loans.
4 26 For a participant who has a master's degree, the annual
4 27 disbursement amount is 20 percent of the average educational
4 28 debt for indebted graduate students, with that debt amount not
4 29 to exceed the participant's qualifying educational loans.

4 30 If the participant fails to be employed for the required

4 31 period of time as a teacher, the commission must collect from
4 32 the participant the total amount paid to the participant for
4 33 that period of time in which the participant failed to be
4 34 employed as required under the contract plus interest.
4 35 However, the commission must allow waivers for all or part of
5 1 the moneys owed if emergency circumstances prevented
5 2 fulfillment of the contract.
5 3 The revolving fund is created in the state treasury as a
5 4 separate fund under the control of the commission. Moneys in
5 5 the fund do not revert to the general fund of the state but
5 6 remain available for purposes of the program.
5 7 LSB 2516HH 82
5 8 kh:rj/je/5.1