Senate File 365 - Introduced

SENATE FILE _____
BY BEALL

(COMPANION TO LSB 2630HH
BY MASCHER)

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

A BILL FOR

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

PAG LIN

Section 1. Section 261.23, subsection 1, Code 2007, is amended to read as follows:

1. A registered nurse recruitment program is established to be administered by the college student aid commission. The program shall consist of a forgivable loan program and a tuition scholarship program for students and a loan repayment program for registered nurses. The commission shall regularly adjust the registered nurse service requirement under each aspect of the program to provide, to the extent possible, an equal financial benefit for each period of service required. ~~From funds appropriated for purposes of the program by the general assembly, the commission shall pay a fee to schools of nursing, accredited by the board of nursing, for the administration of the program. A portion of the fee shall be based upon the number of registered nurses recruited under subsection 4.~~

Sec. 2. NEW SECTION. 261.23A NURSE EDUCATOR FORGIVABLE LOAN PROGRAM.

1. A nurse educator forgivable loan program is established to be administered by the commission.

2. An individual is eligible for the program if the individual is an Iowa resident; is a registered nurse seeking to become qualified as a nurse educator in Iowa; is enrolled on a full=time or part=time basis in a postbaccalaureate course of study in an advanced formal academic nursing education program approved by the board of nursing pursuant to section 152.5, and offered by an accredited private institution or an institution of higher education governed by the state board of regents; and agrees to teach in an accredited private institution or an institution of higher education governed by the state board of regents.

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

a. Complete and file an application for a nurse educator forgivable loan. The individual shall be responsible for the prompt submission of any information required by the commission.

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

4. Forgivable loans to eligible individuals shall not become due until after the individual graduates or leaves school. The individual's total loan amount, including principal and interest, shall be reduced by twenty percent for each year in which the individual remains an Iowa resident and is employed in Iowa as a nurse educator. If the commission determines that the individual does not meet the criteria for forgiveness of the principal and interest payments, the commission shall establish a plan for repayment of the principal and interest over a ten=year period. If the individual does not make the payments as required, the

commission shall provide for payment collection.

5. The annual amount of a nurse educator forgivable loan shall not exceed the resident tuition rate established for institutions of higher education governed by the state board of regents, or the amount of the student's established financial need, whichever is less.

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

7. A nurse educator forgivable loan repayment fund is created for deposit of payments made by forgivable loan recipients who do not fulfill the conditions of the forgivable loan program and any other moneys appropriated to or received by the commission for deposit in the fund. Notwithstanding section 8.33, moneys deposited in the fund shall not revert to the general fund of the state at the end of any fiscal year but shall remain in the forgivable loan repayment fund and be continuously available to make additional loans under the program. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the fund shall be credited to the fund.

8. For purposes of this section, unless the context otherwise requires, "nurse educator" means a registered nurse who holds a master's degree or doctorate degree, or is a certified clinical nurse specialist, and is employed by a faculty member who teaches nursing as provided in 655 IAC 2.6(152) at an accredited private institution or an institution of higher education governed by the state board of regents.

9. The commission shall submit in a report to the general assembly by January 1, annually, the number of individuals who received forgivable loans pursuant to this section, which institutions the individuals were enrolled in, and the amount paid to each of the institutions on behalf of the individuals who received forgivable loans pursuant to this section.

10. The commission shall adopt rules pursuant to chapter 17A to administer this section.

EXPLANATION

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

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

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

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

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

LSB 2630SS 82
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