

House File 218 - Introduced

HOUSE FILE _____
BY WINDSCHITL, ALONS, HUSEMAN,
STRUYK, SODERBERG, BAUDLER,
DOLECHECK, WORTHAN, PETTENGILL,
DE BOEF, SANDS, MAY, KAUFMANN,
RAECKER, HELLAND, SWAIM,
ARNOLD, and DRAKE

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

A BILL FOR

1 An Act providing for the establishment of an Iowa veterans
2 college loan repayment program.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1942YH 83
5 kh/nh/8

PAG LIN

1 1 Section 1. NEW SECTION. 261.23A IOWA VETERANS COLLEGE
1 2 LOAN REPAYMENT PROGRAM == FUND.
1 3 1. If the general assembly appropriates moneys for
1 4 purposes of this section, the commission shall establish and
1 5 administer, in consultation with the department of veterans
1 6 affairs, an Iowa veterans college loan repayment program to
1 7 encourage veterans to establish careers in Iowa.
1 8 2. A veteran is eligible for the program if the veteran
1 9 meets all of the following qualifications:
1 10 a. Is a resident of this state at the time of application
1 11 for a payment under this section and was a resident of this
1 12 state for at least three consecutive years immediately prior
1 13 to the time of application.
1 14 b. Applies to the commission in a format determined by the
1 15 commission and submits with the application proof of military
1 16 service, and, where applicable, proof of residency and a
1 17 statement from the United States veterans administration that
1 18 the veteran has exhausted or is not entitled to federal
1 19 military college loan repayment program benefits.
1 20 c. Is employed in this state for wages by an employer.
1 21 3. a. The amount of Iowa veterans college loan repayment
1 22 an applicant may receive shall not exceed the following:
1 23 (1) Eighteen thousand dollars or the remainder of the
1 24 veteran's outstanding college debt, whichever is less, if the
1 25 veteran was a resident of this state for not less than ten
1 26 consecutive years immediately prior to the time of application
1 27 for payment under this section. If the veteran qualified for
1 28 repayment under subparagraphs (2) and (3), the amount of
1 29 repayment the veteran is eligible for under this subparagraph
1 30 (1) shall be reduced by an amount equivalent to the total
1 31 amount received under subparagraphs (2) and (3).
1 32 (2) Eight thousand dollars or the remainder of the
1 33 veteran's outstanding college debt, whichever is less, if the
1 34 veteran was a resident of this state for not less than five
1 35 consecutive years immediately prior to the time of application
2 1 for payment under this section. If the veteran qualified for
2 2 repayment under subparagraph (3), the amount of repayment the
2 3 veteran is eligible for under this subparagraph (2) shall be
2 4 reduced by the amount received under subparagraph (3).
2 5 (3) Three thousand dollars or the remainder of the
2 6 veteran's outstanding college debt, whichever is less, if the
2 7 veteran was a resident of this state for not less than three
2 8 consecutive years immediately prior to the time of application
2 9 for payment under this section.
2 10 4. Eligible loans include the federally guaranteed loans
2 11 under the federal family education loan program or the federal
2 12 direct loan program, and subsidized and unsubsidized Stafford
2 13 loans and consolidated loans, including principal and
2 14 interest.
2 15 5. An Iowa veterans college loan repayment fund is created

2 16 in the state treasury as a separate fund under the control of
2 17 the commission. The fund is created for deposit of moneys
2 18 appropriated to or received by the commission for use under
2 19 the program. Notwithstanding section 8.33, any balance in the
2 20 fund on June 30 of any fiscal year shall not revert to the
2 21 general fund of the state but shall remain in the fund for
2 22 additional loan repayment in accordance with this section.
2 23 Notwithstanding section 12C.7, subsection 2, interest or
2 24 earnings on moneys in the fund shall be credited to the fund.
2 25 6. The commission shall adopt rules pursuant to chapter
2 26 17A to administer this section.
2 27 7. For purposes of this section, "veteran" means a former
2 28 member of the national guard, reserve, or regular component of
2 29 the armed forces of the United States who served at least
2 30 ninety days of active duty service beginning on or after
2 31 September 11, 2001, and who was discharged under honorable
2 32 conditions.

2 33 EXPLANATION

2 34 This bill directs the college student aid commission to
2 35 establish and administer, in consultation with the department
3 1 of veterans affairs, an Iowa veterans college loan repayment
3 2 program to encourage veterans to establish careers in Iowa.

3 3 A veteran is eligible for the program if the veteran is a
3 4 resident, was a resident for not less than three years at the
3 5 time of application, and is employed in Iowa for wages by an
3 6 employer; and has exhausted, or is not entitled to, benefits
3 7 under the federal military college loan repayment program.

3 8 The amount of loan repayment an applicant may receive is
3 9 the lesser of the remainder of the veteran's outstanding
3 10 college debt or \$3,000 for a veteran who has lived in the
3 11 state for not less than three years, \$8,000 for a veteran who
3 12 has lived in the state for not less than five years, and
3 13 \$18,000 for a veteran who has lived in the state for not less
3 14 than 10 years.

3 15 The Iowa veterans college loan repayment fund is created in
3 16 the state treasury under the control of the commission. The
3 17 fund is created for deposit of moneys appropriated to or
3 18 received by the commission for use under the program. Moneys
3 19 in the fund do not revert to the general fund at the end of a
3 20 fiscal year but remain in the fund for additional loan
3 21 repayment under the program. Interest or earnings on moneys
3 22 in the fund are credited to the fund.

3 23 LSB 1942YH 83

3 24 kh/nh/8