

# Senate Study Bill 1007

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
VETERANS AFFAIRS BILL  
BY CHAIRPERSON BEALL)

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

## A BILL FOR

1 An Act establishing an Iowa veterans college loan repayment  
2 program and making an appropriation.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 1209SC 83  
5 kh/nh/8

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1 1 Section 1. NEW SECTION. 261.23A IOWA VETERANS COLLEGE  
1 2 LOAN REPAYMENT PROGRAM == FUND.  
1 3 1. An Iowa veterans college loan repayment program is  
1 4 established to be administered by the college student aid  
1 5 commission, in consultation with the department of veterans  
1 6 affairs, to encourage veterans to establish careers in Iowa.  
1 7 2. A veteran is eligible for the program if the veteran  
1 8 meets all of the following qualifications:  
1 9 a. Is a resident of this state at the time of application  
1 10 for a payment under this section and was a resident of this  
1 11 state for at least three consecutive years immediately prior  
1 12 to the time of application.  
1 13 b. Applies to the commission in a format determined by the  
1 14 commission and submits with the application proof of military  
1 15 service, and, where applicable, proof of residency and a  
1 16 statement from the United States veterans administration that  
1 17 the veteran has exhausted or is not entitled to federal  
1 18 military college loan repayment program benefits.  
1 19 c. Is employed in this state for wages by an employer.  
1 20 3. a. The amount of Iowa veterans college loan repayment  
1 21 an applicant may receive shall not exceed the following:  
1 22 (1) Eighteen thousand dollars or the remainder of the  
1 23 veteran's outstanding college debt, whichever is less, if the  
1 24 veteran was a resident of this state for not less than ten  
1 25 consecutive years immediately prior to the time of application  
1 26 for payment under this section. If the veteran qualified for  
1 27 repayment under subparagraphs (2) and (3), the amount of  
1 28 repayment the veteran is eligible for under this subparagraph  
1 29 (1) shall be reduced by an amount equivalent to the total  
1 30 amount received under subparagraphs (2) and (3).  
1 31 (2) Eight thousand dollars or the remainder of the  
1 32 veteran's outstanding college debt, whichever is less, if the  
1 33 veteran was a resident of this state for not less than five  
1 34 consecutive years immediately prior to the time of application  
1 35 for payment under this section. If the veteran qualified for  
2 1 repayment under subparagraph (3), the amount of repayment the  
2 2 veteran is eligible for under this subparagraph (2) shall be  
2 3 reduced by the amount received under subparagraph (3).  
2 4 (3) Three thousand dollars or the remainder of the  
2 5 veteran's outstanding college debt, whichever is less, if the  
2 6 veteran was a resident of this state for not less than three  
2 7 consecutive years immediately prior to the time of application  
2 8 for payment under this section.  
2 9 4. Eligible loans include the federally guaranteed loans  
2 10 under the federal family education loan program or the federal  
2 11 direct loan program, and subsidized and unsubsidized Stafford  
2 12 loans and consolidated loans, including principal and  
2 13 interest.  
2 14 5. An Iowa veterans college loan repayment fund is created  
2 15 in the state treasury as a separate fund under the control of  
2 16 the commission. The fund is created for deposit of moneys  
2 17 appropriated to or received by the commission for use under  
2 18 the program. Notwithstanding section 8.33, any balance in the

2 19 fund on June 30 of any fiscal year shall not revert to the  
2 20 general fund of the state but shall remain in the fund for  
2 21 additional loan repayment in accordance with this section.  
2 22 Notwithstanding section 12C.7, subsection 2, interest or  
2 23 earnings on moneys in the fund shall be credited to the fund.  
2 24 6. The commission shall adopt rules pursuant to chapter  
2 25 17A to administer this section.

2 26 7. For purposes of this section, "veteran" means the same  
2 27 as defined in section 35.1.

2 28 Sec. 2. COLLEGE STUDENT AID COMMISSION == IOWA VETERANS  
2 29 COLLEGE LOAN REPAYMENT PROGRAM. There is appropriated from  
2 30 the general fund of the state to the college student aid  
2 31 commission for the fiscal year beginning July 1, 2009, and  
2 32 ending June 30, 2010, the following amount, or so much thereof  
2 33 as is necessary, to be used for the purposes designated:

2 34 For purposes of the Iowa veterans college loan repayment  
2 35 program established pursuant to section 261.23A, if enacted:

3 1 ..... \$ 2,000,000

3 2 EXPLANATION

3 3 This bill establishes an Iowa veterans college loan  
3 4 repayment program to be administered by the college student  
3 5 aid commission, in consultation with the department of  
3 6 veterans affairs, to encourage veterans to establish careers  
3 7 in Iowa. The bill appropriates \$2 million for the program for  
3 8 FY 2009=2010.

3 9 A veteran is eligible for the program if the veteran is a  
3 10 resident, was a resident for not less than three years at the  
3 11 time of application, and is employed in Iowa for wages by an  
3 12 employer; and has exhausted, or is not entitled to, benefits  
3 13 under the federal military college loan repayment program.

3 14 The amount of loan repayment an applicant may receive is  
3 15 the lesser of the remainder of the veteran's outstanding  
3 16 college debt or \$3,000 for a veteran who has lived in the  
3 17 state for not less than three years, \$8,000 for a veteran who  
3 18 has lived in the state for not less than five years, and  
3 19 \$18,000 for a veteran who has lived in the state for not less  
3 20 than 10 years.

3 21 The Iowa veterans college loan repayment fund is created in  
3 22 the state treasury under the control of the commission. The  
3 23 fund is created for deposit of moneys appropriated to or  
3 24 received by the commission for use under the program. Moneys  
3 25 in the fund do not revert to the general fund at the end of a  
3 26 fiscal year but remain in the fund for additional loan  
3 27 repayment under the program. Interest or earnings on moneys  
3 28 in the fund are credited to the fund.

3 29 LSB 1209SC 83

3 30 kh/nh/8.1