

**Senate File 2179 - Introduced**

SENATE FILE 2179

BY DANIELSON

**A BILL FOR**

1 An Act establishing a teacher loan forgiveness match program.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.113 **Teacher loan forgiveness**  
2 **match program.**

3 1. A teacher loan forgiveness match program is established  
4 to be administered by the college student aid commission.  
5 A teacher is eligible for the program if the teacher is  
6 practicing in Iowa and is a graduate of the university of  
7 northern Iowa. For purposes of this section, "teacher" means  
8 an individual holding a practitioner's license issued under  
9 chapter 272, who is employed in a nonadministrative position in  
10 Iowa by a school district or area education agency pursuant to  
11 a contract issued by a board of directors under section 279.13.

12 2. The annual amount of teacher loan forgiveness shall not  
13 exceed the resident tuition rate established for the university  
14 of northern Iowa for the first year following the teacher's  
15 graduation from an approved practitioner preparation program,  
16 or twenty percent of the teacher's total federally guaranteed  
17 Stafford loan amount under the federal family education loan  
18 program or the federal direct loan program, including principal  
19 and interest, whichever amount is less. A teacher shall be  
20 eligible for the teacher loan forgiveness match program for not  
21 more than five years. However, practice by an eligible teacher  
22 in Iowa pursuant to subsection 1 must be completed within ten  
23 years following graduation from the approved practitioner  
24 preparation program.

25 3. If an applicant receives loan forgiveness through other  
26 sources or other forms of financial assistance, the full  
27 amount of that loan forgiveness or financial assistance shall  
28 be considered part of the applicant's financial resources  
29 available in determining the amount of the applicant's  
30 financial need for teacher loan forgiveness.

31 4. a. The director of the department of education shall  
32 establish by rule each fiscal year a scaled proportion of  
33 funding for the teacher loan forgiveness match program which  
34 shall be matched by a school district for each teacher newly  
35 employed by the school district during that fiscal year. A

1 school district's match percentage shall increase by at least  
2 two percentage points for each fiscal year a teacher remains  
3 employed by the district and a participant in the program. A  
4 school district shall only provide such funds as long as a  
5 program participant remains employed by the district.

6 *b.* In establishing by rule a proportion for matching funds  
7 by school districts pursuant to paragraph "a", the director  
8 shall consider all of the following factors and include such  
9 consideration as part of the rule:

10 (1) Moneys available in the teacher loan forgiveness match  
11 program fund.

12 (2) The number of applicants for and participants in the  
13 program.

14 (3) Teacher shortages across the state, particularly in  
15 underserved school districts and high-demand subject areas.

16 (4) The long-term financial viability of the program.

17 (5) The availability of other state or local funding sources  
18 fulfilling similar functions to the program.

19 (6) Any feedback received from school districts, program  
20 applicants and participants, the general assembly, or other  
21 interested persons.

22 5. Each applicant for the teacher loan forgiveness match  
23 program shall, in accordance with the rules of the commission,  
24 do the following:

25 *a.* Complete and file an application for teacher loan  
26 forgiveness. The individual shall be responsible for  
27 the prompt submission of any information required by the  
28 commission.

29 *b.* File a new application and submit information as  
30 required by the commission, annually, on the basis of which the  
31 applicant's eligibility for the renewed loan forgiveness will  
32 be evaluated and determined.

33 *c.* Complete and return on a form approved by the commission  
34 an affidavit of practice verifying that the applicant is a  
35 teacher practicing in Iowa.

1 6. A teacher loan forgiveness match program fund is  
2 created for deposit of moneys appropriated to or received  
3 by the college student aid commission for use under the  
4 program. Notwithstanding section 8.33, moneys deposited in  
5 the fund shall not revert to any fund of the state at the  
6 end of any fiscal year but shall remain in the fund and be  
7 continuously available for loan forgiveness under the program.  
8 Notwithstanding section 12C.7, subsection 2, interest or  
9 earnings on moneys deposited in the fund shall be credited to  
10 the fund.

11 7. The college student aid commission shall submit in a  
12 report to the general assembly by January 1, annually, the  
13 number of individuals who received loan forgiveness pursuant to  
14 this section, the amount paid to each program participant, and  
15 other information identified by the commission as indicators  
16 of outcomes from the program.

17 8. The college student aid commission and the department of  
18 education shall jointly adopt rules pursuant to chapter 17A to  
19 administer this section.

20 Sec. 2. STATE MANDATE FUNDING SPECIFIED. In accordance  
21 with section 25B.2, subsection 3, the state cost of requiring  
22 compliance with any state mandate included in this Act shall  
23 be paid by a school district from state school foundation aid  
24 received by the school district under section 257.16. This  
25 specification of the payment of the state cost shall be deemed  
26 to meet all of the state funding-related requirements of  
27 section 25B.2, subsection 3, and no additional state funding  
28 shall be necessary for the full implementation of this Act  
29 by and enforcement of this Act against all affected school  
30 districts.

31 EXPLANATION

32 This bill establishes a teacher loan forgiveness match  
33 program to be administered by the college student aid  
34 commission. A teacher is eligible for the program if the  
35 teacher is practicing in Iowa and is a graduate of the

1 university of northern Iowa. For purposes of the bill,  
2 "teacher" is defined as an individual holding a practitioner's  
3 license issued under Code chapter 272, who is employed in a  
4 nonadministrative position in Iowa by a school district or area  
5 education agency pursuant to a contract issued by a board of  
6 directors under Code section 279.13.

7 The bill provides that the annual amount of teacher loan  
8 forgiveness shall not exceed the resident tuition rate  
9 established for the university of northern Iowa for the first  
10 year following the teacher's graduation from an approved  
11 practitioner preparation program, or 20 percent of the  
12 teacher's total federally guaranteed Stafford loan amount  
13 under the federal family education loan program or the federal  
14 direct loan program, whichever amount is less. The bill  
15 provides that a teacher shall be eligible for the teacher loan  
16 forgiveness match program for not more than five years. The  
17 bill provides that practice by an eligible teacher in Iowa must  
18 be completed within 10 years following graduation from the  
19 approved practitioner preparation program.

20 The bill provides that if an applicant receives loan  
21 forgiveness through other sources or other forms of financial  
22 assistance, the full amount of that loan forgiveness or  
23 financial assistance shall be considered part of the  
24 applicant's financial resources available in determining the  
25 amount of the applicant's financial need for loan forgiveness  
26 assistance.

27 The bill requires the director of the department of  
28 education to establish by rule each fiscal year a scaled  
29 proportion of funding for the teacher loan forgiveness match  
30 program which shall be matched by a school district for each  
31 teacher newly employed by the school district during that  
32 fiscal year. The bill provides that a school district's match  
33 percentage shall increase by at least 2 percentage points for  
34 each fiscal year a teacher remains employed by the district  
35 and a participant in the program. The bill provides that a

1 school district shall only provide such funds as long as a  
2 program participant remains employed by the district. The bill  
3 provides that in establishing by rule a proportion for matching  
4 funds by school districts, the director must consider various  
5 factors and include such consideration as part of the rule.

6 The bill establishes requirements for applicants for the  
7 teacher loan forgiveness match program, including completing  
8 and filing an initial application for teacher loan forgiveness  
9 and other required information, filing a new application  
10 and other required information annually, and completing and  
11 returning an affidavit of practice verifying that the applicant  
12 is a teacher practicing in Iowa.

13 The bill creates a teacher loan forgiveness match program  
14 fund for deposit of moneys appropriated to or received by the  
15 college student aid commission for use under the program.

16 The bill requires the college student aid commission to  
17 submit an annual report on the teacher loan forgiveness match  
18 program to the general assembly by January 1 stating the number  
19 of individuals who received loan forgiveness pursuant to this  
20 section, the amount paid to each program participant, and  
21 other information identified by the commission as indicators  
22 of outcomes from the program.

23 The bill directs the college student aid commission and the  
24 department of education to adopt rules to administer the bill.

25 The bill may include a state mandate as defined in Code  
26 section 25B.3. The bill requires that the state cost of  
27 any state mandate included in the bill be paid by a school  
28 district from state school foundation aid received by the  
29 school district under Code section 257.16. The specification  
30 is deemed to constitute state compliance with any state mandate  
31 funding-related requirements of Code section 25B.2. The  
32 inclusion of this specification is intended to reinstate the  
33 requirement of political subdivisions to comply with any state  
34 mandates included in the bill.