

House File 27 - Introduced

HOUSE FILE 27

BY HUNTER

A BILL FOR

1 An Act establishing a worker shortage loan forgiveness program
2 to be administered by the college student aid commission.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.110 Worker shortage loan
2 forgiveness program.

3 1. A worker shortage loan forgiveness program is
4 established to be administered by the commission. An
5 individual is eligible for the program if the individual
6 graduated from a school district or accredited nonpublic school
7 in this state on or after January 1, 2012, is a resident of
8 the state who successfully completed a vocational-technical or
9 career option program or graduated with an associate degree
10 from a community college established pursuant to chapter 260C
11 or graduated with a baccalaureate degree or postbaccalaureate
12 degree from an institution of higher education governed by
13 the state board of regents or from an accredited private
14 institution, and meets either of the following conditions:

15 a. Is employed and residing in this state and has been
16 employed and residing in this state for not less than two
17 consecutive years within three years of successfully completing
18 a vocational-technical or career option program or achieving an
19 associate degree from a community college.

20 b. Is employed and residing in this state and has been
21 employed and residing in this state for not less than four
22 consecutive years within five years of graduating with a
23 baccalaureate degree or postbaccalaureate degree from an
24 institution of higher education governed by the state board of
25 regents or from an accredited private institution.

26 2. Each applicant for loan forgiveness shall, in accordance
27 with the rules of the commission, do the following:

28 a. Complete and file an application for worker shortage
29 loan forgiveness. The individual shall be responsible for
30 the prompt submission of any information required by the
31 commission.

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

1 c. Complete and return on a form approved by the commission
2 an affidavit of eligibility verifying that the applicant meets
3 the requirements of subsection 1.

4 3. The annual amount of worker shortage loan forgiveness
5 shall not exceed the following:

6 a. For an individual who meets the conditions of
7 subsection 1, paragraph "a", the combined resident tuition
8 rate established for the two years following the individual's
9 successful program completion or graduation from the community
10 college, or one hundred percent of the individual's total
11 federally guaranteed Stafford loan amount under the federal
12 family education loan program or the federal direct loan
13 program and any private student loan issued by a lender
14 that meets standards prescribed by the commission including
15 principal and interest, whichever amount is less.

16 b. For an individual who meets the conditions of
17 subsection 1, paragraph "b", the combined resident tuition
18 rate established for institutions of higher learning governed
19 by the state board of regents for the four years following
20 the individual's graduation from the regents university or
21 accredited private institution, or one hundred percent of the
22 individual's total federally guaranteed Stafford loan amount
23 under the federal family education loan program or the federal
24 direct loan program and any private student loan issued by
25 a lender that meets standards prescribed by the commission
26 including principal and interest, whichever amount is less.

27 4. The commission shall submit in a report to the general
28 assembly by January 1, annually, the number of individuals
29 who received loan forgiveness pursuant to this section, the
30 postsecondary institutions from which the individuals graduated
31 or successfully completed a vocational-technical or career
32 options program, where in the state program participants are
33 employed, program participants' employment classifications
34 or types of employment, the amount paid to each program
35 participant, and other information identified by the commission

1 as indicators of outcomes from the program.

2 5. The commission shall adopt rules pursuant to chapter 17A
3 to administer this section.

4 EXPLANATION

5 This bill creates a worker shortage loan forgiveness program
6 to be administered by the college student aid commission. The
7 program is open to individuals who graduated from an Iowa
8 high school in 2012 or later, are employed and reside in the
9 state, and successfully completed a vocational-technical or
10 career option program or received a degree from an accredited
11 postsecondary institution in the state.

12 The individual must also have been employed in and a resident
13 of this state for a period of two consecutive years within
14 three years of successfully completing a vocational-technical
15 or career option program or achieving an associate degree
16 from a community college, or must have been employed in and
17 a resident of this state for a period of four consecutive
18 years within five years of graduating with a baccalaureate
19 degree or postbaccalaureate degree from a regents university or
20 accredited private institution.

21 In the case of an individual who attended a community
22 college, the total amount of worker shortage loan forgiveness
23 shall not exceed the combined resident tuition rate established
24 for the two years following the individual's successful program
25 completion or graduation from the community college, or 100
26 percent of the individual's total federal loan program and
27 private student loan amount including principal and interest,
28 whichever amount is less.

29 In the case of an individual who attended a regents
30 university or accredited private institution, the annual
31 amount of worker shortage loan forgiveness shall not exceed
32 the combined resident tuition rate established for regents
33 universities for the four years following the individual's
34 graduation, or 100 percent of the individual's total federal
35 loan program and private student loan amount including

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1 principal and interest, whichever amount is less. The
2 individual is eligible for the loan forgiveness program for not
3 more than four consecutive years.

4 The bill requires the commission to submit a report to the
5 general assembly by January 1, annually, with information
6 identified as indicators of outcomes from the program.