

**House File 23 - Introduced**

HOUSE FILE 23

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. Section 261.2, subsection 8, Code 2017, is  
2 amended to read as follows:

3 8. Submit by January 15 annually a report to the general  
4 assembly which provides, by program, the number of individuals  
5 who received loan forgiveness in the previous fiscal year, the  
6 amount paid to individuals under sections 261.73, 261.112,  
7 and 261.116, and 261.118, and the institutions from which  
8 individuals graduated, ~~and that includes any other information~~  
9 specified under sections 261.73, 261.112, 261.116, and 261.118,  
10 any proposed statutory changes relating to loan forgiveness  
11 programs administered by the commission, and the commission's  
12 findings and recommendations.

13 Sec. 2. NEW SECTION. 261.118 Worker shortage loan  
14 forgiveness program.

15 1. A worker shortage loan forgiveness program is  
16 established to be administered by the commission. An  
17 individual is eligible for the program if the individual  
18 graduated from a school district or accredited nonpublic school  
19 in this state on or after January 1, 2016, is a resident of  
20 the state who successfully completed a career and technical  
21 education program or a career option program, or graduated  
22 with an associate degree from a community college established  
23 pursuant to chapter 260C or graduated with a baccalaureate  
24 degree or postbaccalaureate degree from an institution of  
25 higher education governed by the state board of regents or from  
26 an accredited private institution, and meets either of the  
27 following conditions:

28 a. Is employed and residing in this state and has been  
29 employed and residing in this state for not less than two  
30 consecutive years within three years of successfully completing  
31 a career and technical education program or a career option  
32 program or receiving an associate degree from a community  
33 college.

34 b. Is employed and residing in this state and has been  
35 employed and residing in this state for not less than four

1 consecutive years within five years of graduating with a  
2 baccalaureate degree or postbaccalaureate degree from an  
3 institution of higher learning governed by the state board of  
4 regents or from an accredited private institution.

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

7 a. Complete and file an application for worker shortage  
8 loan forgiveness. The individual shall be responsible for  
9 the prompt submission of any information required by the  
10 commission.

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

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

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

20 a. For an individual who meets the conditions of  
21 subsection 1, paragraph "a", the combined resident tuition  
22 rate established for the two years following the individual's  
23 successful program completion or graduation from the community  
24 college, or one hundred percent of the individual's total  
25 federally guaranteed Stafford loan amount under the federal  
26 family education loan program or the federal direct loan  
27 program and any private student loan issued by a lender  
28 that meets standards prescribed by the commission including  
29 principal and interest, whichever amount is less.

30 b. For an individual who meets the conditions of  
31 subsection 1, paragraph "b", the combined resident tuition  
32 rate established for institutions of higher learning governed  
33 by the state board of regents for the four years following  
34 the individual's graduation from the regents university or  
35 accredited private institution, or one hundred percent of the

1 individual's total federally guaranteed Stafford loan amount  
2 under the federal family education loan program or the federal  
3 direct loan program and any private student loan issued by  
4 a lender that meets standards prescribed by the commission  
5 including principal and interest, whichever amount is less.

6 4. The commission shall submit in a report to the general  
7 assembly by January 1, annually, the number of individuals  
8 who received loan forgiveness pursuant to this section, the  
9 postsecondary institutions from which the individuals graduated  
10 or successfully completed a career and technical education  
11 program or career option program, where in the state program  
12 participants are employed, program participants' employment  
13 classifications or types of employment, the amount paid to each  
14 program participant, and other information identified by the  
15 commission as indicators of outcomes from the program.

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

18

EXPLANATION

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The inclusion of this explanation does not constitute agreement with  
the explanation's substance by the members of the general assembly.

21 This bill creates a worker shortage loan forgiveness program  
22 to be administered by the college student aid commission. The  
23 program is open to individuals who graduated from an Iowa high  
24 school in 2016 or later, are employed and reside in the state,  
25 and successfully completed a career and technical education  
26 program or career option program or received a degree from an  
27 accredited postsecondary institution in the state.

28 The individual must also have been employed in and a resident  
29 of this state for a period of two consecutive years within  
30 three years of successfully completing a career and technical  
31 education program or career option program or receiving an  
32 associate degree from a community college, or must have been  
33 employed in and a resident of this state for a period of four  
34 consecutive years within five years of graduating with a  
35 baccalaureate degree or postbaccalaureate degree from a regents

1 university or accredited private institution.

2 In the case of an individual who attended a community  
3 college, the total amount of worker shortage loan forgiveness  
4 shall not exceed the combined resident tuition rate established  
5 for the two years following the individual's successful program  
6 completion or graduation from the community college, or 100  
7 percent of the individual's total federal loan program and  
8 private student loan amount including principal and interest,  
9 whichever amount is less.

10 In the case of an individual who attended a regents  
11 university or accredited private institution, the annual  
12 amount of worker shortage loan forgiveness shall not exceed  
13 the combined resident tuition rate established for regents  
14 universities for the four years following the individual's  
15 graduation, or 100 percent of the individual's total federal  
16 loan program and private student loan amount including  
17 principal and interest, whichever amount is less. The  
18 individual is eligible for the loan forgiveness program for not  
19 more than four consecutive years.

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

23 The bill makes corresponding changes relating to a current  
24 loan forgiveness reporting requirement.