

House File 18 - Introduced

HOUSE FILE 18

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 2019, 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 or loan repayment in the previous
6 fiscal year, the amounts paid to or on behalf of individuals
7 under sections 261.73, 261.112, and 261.116, and 261.118,
8 and the institutions from which individuals graduated, any
9 other information specified under sections 261.73, 261.112,
10 261.116, and 261.118, and that includes any proposed statutory
11 changes relating to loan forgiveness or loan repayment programs
12 administered by the commission, and the commission's findings
13 and recommendations.

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

16 1. A worker shortage loan forgiveness program is
17 established to be administered by the commission. An
18 individual is eligible for the program if the individual
19 graduated from a school district or accredited nonpublic school
20 in this state on or after January 1, 2018, is a resident of
21 the state who successfully completed a career and technical
22 education program or a career option program, or graduated
23 with an associate degree from a community college established
24 pursuant to chapter 260C or graduated with a baccalaureate
25 degree or postbaccalaureate degree from an institution of
26 higher education governed by the state board of regents or from
27 an accredited private institution, and meets either of the
28 following conditions:

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

35 b. Is employed and residing in this state and has been

1 employed and residing in this state for not less than four
2 consecutive years within five years of graduating with a
3 baccalaureate degree or postbaccalaureate degree from an
4 institution of higher learning governed by the state board of
5 regents or from an accredited private institution.

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

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

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

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

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

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

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

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

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

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

19

EXPLANATION

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

22 This bill creates a worker shortage loan forgiveness program
23 to be administered by the college student aid commission. The
24 program is open to individuals who graduated from an Iowa high
25 school in 2018 or later, are employed and reside in the state,
26 and successfully completed a career and technical education
27 program or career option program or received a degree from an
28 accredited postsecondary institution in the state.

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

1 baccalaureate degree or postbaccalaureate degree from a regents
2 university or accredited private institution.

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

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

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

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