

House File 2577 - Introduced

HOUSE FILE 2577

BY RUNNING-MARQUARDT,
STECKMAN, B. MEYER,
ANDERSON, COHOON,
KONFRST, DONAHUE, GASKILL,
DERRY, WINCKLER, KURTH,
WILBURN, HUNTER, KURTZ,
FORBES, OURTH, McKEAN,
OLDSON, HALL, STAED,
WILLIAMS, KACENA, NIELSEN,
ABDUL-SAMAD, BEARINGER,
WOLFE, SUNDE, MATSON,
WESSEL-KROESCHELL, LENSING,
MASCHER, BROWN-POWERS,
EHLERT, BENNETT, and R.
SMITH

A BILL FOR

1 An Act establishing a loan repayment program and fund for
2 eligible individuals in high-demand jobs, including
3 certified nurse aides, child care workers, and direct care
4 workers, to be administered by the college student aid
5 commission, and making an appropriation.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.133 High-demand jobs loan
2 repayment program — fund.

3 1. *Definitions.* For purposes of this section, unless the
4 context otherwise requires:

5 a. "*Child care*" means the same as defined in section 237A.1.

6 b. "*Commission*" means the college student aid commission.

7 c. "*Direct care worker*" means the same as defined in section
8 249L.2.

9 d. "*High-demand jobs*" means jobs on the list of high-demand
10 jobs created by the workforce development board pursuant to
11 section 84A.1B, subsection 14, and also includes the following:

12 (1) Certified nurse aide.

13 (2) Child care worker.

14 (3) Direct care worker.

15 e. "*Fund*" means the high-demand jobs loan repayment fund.

16 f. "*Postsecondary institute*" means an institution of higher
17 learning under the control of the state board of regents,
18 a community college established under chapter 260C, or an
19 accredited private institution as defined in section 261.9.

20 g. "*Program*" means the high-demand jobs loan repayment
21 program.

22 h. "*Qualified student loan*" means a loan that was made,
23 insured, or guaranteed under Tit. IV of the federal Higher
24 Education Act of 1965, as amended, or under Tit. VII or VIII of
25 the federal Public Health Service Act, as amended, directly to
26 the borrower for attendance at a postsecondary institute.

27 2. *Program established.* A high-demand jobs loan repayment
28 program is established to be administered by the commission for
29 purposes of repaying the qualified student loans of eligible
30 individuals who have worked in the state for a minimum of
31 twelve consecutive months in a high-demand job after graduation
32 from a postsecondary institute.

33 3. *Application requirements.* Each applicant to the program,
34 in accordance with rules adopted by the commission, shall
35 complete all of the following requirements:

1 *a.* Submit an application and any additional information
2 required by the commission.

3 *b.* File a new application annually and submit any
4 information as required by the commission to allow the
5 commission to make a determination regarding the applicant's
6 continued eligibility for the program. An applicant must
7 continue to work in a high-demand job to remain eligible for
8 the program.

9 4. *Loan repayments.* The loan repayment funds awarded to
10 an individual under the program shall not annually exceed the
11 lesser of six thousand dollars and the total amount of the
12 individual's total qualified student loan. An individual shall
13 not be eligible for the program for more than two consecutive
14 years. The maximum aggregate of loan repayment funds under
15 the program that an individual may receive is twelve thousand
16 dollars.

17 5. *Selection criteria.* The commission shall establish
18 by rule the criteria to be used in evaluating applications
19 submitted under this section. An applicant must be a resident
20 of Iowa and must have graduated from a postsecondary institute.
21 An applicant cannot be eligible for, or participating in, any
22 other state of Iowa student loan repayment program.

23 6. *High-demand job loan repayment fund.* A high-demand job
24 loan repayment fund is created in the state treasury as a
25 separate fund under the control of the commission for deposit
26 of moneys appropriated to or received by the commission for use
27 under the program. Notwithstanding section 8.33, any balance
28 in the fund on June 30 of any fiscal year shall not revert to
29 the general fund of the state but shall remain in the fund
30 and be continuously available for loan repayments under the
31 program. Notwithstanding section 12C.7, subsection 2, interest
32 or earnings on moneys deposited in the fund shall be credited
33 to the fund.

34 7. *Rules.* The commission shall adopt rules pursuant to
35 chapter 17A to administer this section.

1 Sec. 2. COLLEGE STUDENT AID COMMISSION HIGH-DEMAND JOBS
2 LOAN REPAYMENT FUND. There is appropriated from the general
3 fund of the state to the college student aid commission for the
4 fiscal year beginning July 1, 2020, and ending June 30, 2021,
5 the following amount, or so much thereof as is necessary, to be
6 used for the purposes designated:

7 For deposit in the high-demand jobs loan repayment fund
8 created pursuant to section 261.133, as enacted by this Act:
9 \$ 5,000,000

10 EXPLANATION

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

13 This bill establishes a loan repayment program for eligible
14 individuals in high-demand jobs, including certified nurse
15 aides, child care workers, and direct care workers.

16 The bill defines high-demand jobs as the jobs that the
17 workforce development board maintains pursuant to Code section
18 84A.1B(14), as well as certified nurse aides, child care
19 workers, and direct care workers. "Child care" and "direct
20 care worker" are defined in the bill.

21 The bill establishes a high-demand jobs loan repayment
22 program (program) that is administered by the college student
23 aid commission (commission) for purposes of repaying the
24 federal student loans of qualified applicants who have
25 worked in the state for a minimum of 12 consecutive months
26 in a high-demand job after graduation from a postsecondary
27 institute. "Postsecondary institute" is defined in the bill
28 as an institution of higher learning under the control of the
29 state board of regents, a community college established under
30 Code chapter 260C, or an accredited private institution as
31 defined in Code section 261.9.

32 Applicants for the program must submit an application to
33 the commission, be a resident of Iowa, and have graduated from
34 a postsecondary institute. An applicant cannot be eligible
35 for, or participating in, any other state of Iowa student loan

1 repayment program. The commission is required to establish by
2 rule the criteria to be used in evaluating applications. An
3 individual must file a new application annually and submit any
4 information as required by the commission in order for the
5 commission to make a determination regarding the applicant's
6 continued eligibility for the program.

7 The annual loan repayment funds awarded to an individual
8 cannot exceed the lesser of \$6,000 and the total amount of
9 the individual's total qualified student loan. The total
10 aggregate amount an individual may be awarded is \$12,000 and
11 an individual cannot be eligible for the program for more than
12 two consecutive years.

13 The bill creates a high-demand job loan repayment fund
14 (fund) for deposit of moneys appropriated to or received by
15 the commission for use under the program. For the fiscal year
16 beginning July 1, 2020, \$5 million is appropriated from the
17 general fund of the state to the commission for deposit in the
18 fund. Moneys deposited in the fund do not revert to any other
19 fund of the state at the end of any fiscal year but remain in
20 the fund and are continuously available for loan repayments
21 under the program. Interest or earnings on moneys deposited in
22 the fund are credited to the fund.

23 The commission is required to adopt rules to administer the
24 program.