

**Senate File 278 - Introduced**

SENATE FILE 278

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**A BILL FOR**

1 An Act requiring community colleges and institutions of higher  
2 learning governed by the state board of regents to offer to  
3 certain students financial literacy programs designed to  
4 reduce student loan debt.

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

1 Section 1. Section 260C.14, Code 2019, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 25. Develop and offer to any student who  
4 obtains an educational loan under Tit. IV of the federal Higher  
5 Education Act of 1965, as amended, or any private educational  
6 loan, a financial literacy program that is free to the student  
7 and meets the unique needs of the student. The program shall  
8 include but not be limited to a review of each student's  
9 spending habits, borrowing history, financial aid package, and  
10 projected repayment of the student's total educational loan  
11 amount; classroom activities and discussions of budgeting,  
12 investing, credit, and identity protection; private loan  
13 counseling; counseling specific to transfer students; and grant  
14 counseling. Each community college financial aid office shall  
15 work to establish a campus-wide culture of financial literacy.

16 Sec. 2. Section 262.9, Code 2019, is amended by adding the  
17 following new subsection:

18 NEW SUBSECTION. 39. Require each institution of higher  
19 learning governed by the board to develop and offer to any  
20 student enrolled in the institution who obtains an educational  
21 loan under Tit. IV of the federal Higher Education Act of  
22 1965, as amended, or any private educational loan, a financial  
23 literacy program that is free to the student and meets the  
24 unique needs of the student. The program shall include but  
25 not be limited to a review of each student's spending habits,  
26 borrowing history, financial aid package, and projected  
27 repayment of the student's total educational loan amount;  
28 classroom activities and discussions of budgeting, investing,  
29 credit, and identity protection; private loan counseling;  
30 counseling specific to transfer students; and grant counseling.  
31 Each institution's financial aid office shall work to establish  
32 a campus-wide culture of financial literacy.

33 Sec. 3. STATE MANDATE FUNDING SPECIFIED. In accordance  
34 with section 25B.2, subsection 3, the state cost of requiring  
35 compliance with any state mandate included in this Act shall

1 be moneys appropriated for general state financial aid to  
2 merged areas and any other state and federal moneys received  
3 for administration or student support, which shall be deemed  
4 to meet all the state funding-related requirements of section  
5 25B.2, subsection 3, and no specific state funding shall  
6 be necessary for the full implementation of this Act by  
7 and enforcement of this Act against all affected political  
8 subdivisions.

9 EXPLANATION

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

12 This bill directs the boards of directors of community  
13 colleges and the state board of regents to require the  
14 institutions governed by the boards to develop and offer a  
15 financial literacy program to any student who obtains an  
16 educational loan.

17 The program must be free to the student and meet the unique  
18 needs of the student, and must include but not be limited  
19 to a review of the student's spending habits, borrowing  
20 history, financial aid package, and projected repayment of the  
21 student's total educational loan amount; classroom activities  
22 and discussions of budgeting, investing, credit, and identity  
23 protection; private loan counseling; counseling specific to  
24 transfer students; and grant counseling. Each institution's  
25 financial aid office shall work to establish a campus-wide  
26 culture of financial literacy.

27 The bill may include a state mandate as defined in Code  
28 section 25B.3. The bill provides that the state cost of  
29 requiring compliance with any state mandate included in  
30 the bill shall be moneys appropriated for general state  
31 financial aid to merged areas and any other state and federal  
32 moneys received for administration or student support. The  
33 specification is deemed to constitute state compliance with  
34 any state mandate funding-related requirements of Code section  
35 25B.2. The inclusion of this specification is intended to

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1 reinstate the requirement of political subdivisions to comply  
2 with any state mandates included in the bill.