

**Senate Study Bill 3003 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE  
ON EDUCATION BILL BY  
CHAIRPERSON SINCLAIR)

**A BILL FOR**

1 An Act establishing the mental health professional loan  
2 repayment program within the college student aid commission.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.117 **Mental health professional**  
2 **loan repayment program.**

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

5 a. "*Commission*" means the college student aid commission.

6 b. "*Eligible institution*" means an institution of higher  
7 learning governed by the state board of regents or an  
8 accredited private institution as defined in section 261.9.

9 c. "*Eligible loan*" means a mental health professional's  
10 total federally guaranteed Stafford loan amount under the  
11 federal family education loan program or the federal direct  
12 loan program, a mental health professional's federal grad plus  
13 loans, or a mental health professional's federal Perkins loan,  
14 including principal and interest.

15 d. "*Eligible practice area*" means a city in Iowa that is  
16 within a federal mental health shortage area, as designated by  
17 the health resources and services administration of the United  
18 States department of health and human services.

19 e. "*Mental health professional*" means a nonprescribing  
20 individual who meets all of the following qualifications:

21 (1) The individual holds at least a master's degree from  
22 an eligible institution in a mental health field, including  
23 psychology, counseling and guidance, social work, marriage and  
24 family therapy, or mental health counseling.

25 (2) The individual holds a current Iowa license if  
26 practicing in a field covered by an Iowa licensure law.

27 (3) The individual has at least two years of post-degree  
28 clinical experience, supervised by another individual in the  
29 mental health field, in assessing mental health needs and  
30 problems and in providing appropriate mental health services.

31 (4) The individual is not eligible for the rural Iowa  
32 advanced nurse practitioner and physician assistant loan  
33 repayment program established pursuant to section 261.114.

34 f. "*Part-time practice*" means at least seventy percent of  
35 a forty-hour workweek.

1     2. *Program established.* A mental health professional loan  
2 repayment program is established to be administered by the  
3 commission for purposes of providing loan repayments for mental  
4 health professionals who agree to practice in an eligible  
5 practice area and meet the requirements of this section.

6     3. *Program agreements.*

7     a. The mental health professional and the commission shall  
8 enter into a program agreement. Under the agreement, to  
9 receive loan repayments pursuant to subsection 5, a mental  
10 health professional shall agree to and shall engage in either  
11 of the following:

12     (1) Full-time practice as a mental health professional in an  
13 eligible practice area for a period of five consecutive years  
14 after entering into the agreement.

15     (2) Part-time practice as a mental health professional in an  
16 eligible practice area for a period of seven consecutive years  
17 after entering into the agreement.

18     b. A mental health professional who entered into a program  
19 agreement pursuant to paragraph "a" may apply to the commission  
20 to amend the agreement to allow the mental health professional  
21 to switch to part-time practice or full-time practice, as  
22 applicable. The commission and the mental health professional  
23 may consent to amend the agreement under which the mental  
24 health professional shall engage in part-time practice in an  
25 eligible practice area for an extended period of part-time  
26 practice determined by the commission to be proportional to  
27 the amount of full-time practice remaining under the original  
28 agreement.

29     c. The commission shall give priority to mental health  
30 professionals who are residents of Iowa and, if requested by  
31 the adjutant general, to mental health professionals who are  
32 members of the Iowa national guard.

33     4. *Satisfaction of practice obligation.*

34     a. An obligation to engage in full-time or part-time  
35 practice under a program agreement entered into pursuant to

1 subsection 3 shall be considered satisfied when any of the  
2 following conditions is met:

3 (1) The terms of the agreement are completed.

4 (2) The individual who entered into the agreement dies.

5 (3) The individual who entered into the agreement, due to a  
6 permanent disability, is unable to practice as a mental health  
7 professional.

8 *b.* If a mental health professional fails to fulfill the  
9 obligation to engage in practice in accordance with subsection  
10 3, the mental health professional shall be subject to repayment  
11 to the commission of loan repayment amounts the commission paid  
12 to the mental health professional pursuant to subsection 5 plus  
13 interest as specified by rule.

14 5. *Loan repayment amounts.* The annual amount of loan  
15 repayment the commission may make to a mental health  
16 professional who enters into a program agreement pursuant  
17 to subsection 3, if the mental health professional is in  
18 compliance with obligations under the agreement, shall be  
19 eight thousand dollars for an eligible loan. The total amount  
20 of loan repayments from the commission to a mental health  
21 professional under this subsection shall not exceed forty  
22 thousand dollars.

23 6. *Refinanced loans.* A mental health professional who  
24 receives a loan repayment pursuant to subsection 5 and who  
25 refinances an eligible loan by obtaining a private educational  
26 loan may continue to receive loan repayment under this section  
27 if the amount of loan repayment does not exceed the lesser of  
28 the amount specified in subsection 5 or the balance of the loan  
29 repayment amount the mental health professional qualified to  
30 receive with the eligible loan.

31 7. *Mental health professional loan repayment fund.* A mental  
32 health professional loan repayment fund is created for deposit  
33 of moneys appropriated to or received by the commission for use  
34 under the mental health professional loan repayment program.  
35 Notwithstanding section 8.33, moneys deposited in the mental

1 health professional loan repayment fund shall not revert to any  
2 fund of the state at the end of any fiscal year but shall remain  
3 in the mental health professional loan repayment fund and be  
4 continuously available for loan repayment under the program.  
5 Notwithstanding section 12C.7, subsection 2, interest or  
6 earnings on moneys deposited in the mental health professional  
7 loan repayment fund shall be credited to the fund.

8 8. *Report.* The commission shall submit in a report to the  
9 general assembly by January 1, annually, the number of mental  
10 health professionals who received loan repayment pursuant to  
11 this section, where the mental health professionals practiced,  
12 the amount paid to each mental health professional, and other  
13 information identified by the commission as indicators of  
14 outcomes of the program.

15 9. *Rules.* The commission shall adopt rules pursuant to  
16 chapter 17A to administer this section.

17 EXPLANATION

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

20 This bill establishes the mental health professional loan  
21 repayment program within the college student aid commission.

22 The bill defines "commission", "eligible institution",  
23 "eligible loan", "eligible practice area", "mental health  
24 professional", and "part-time practice".

25 The bill provides that the commission is to administer the  
26 mental health professional loan repayment program for purposes  
27 of providing loan repayments for mental health professionals  
28 who agree to practice in an eligible practice area.

29 The bill requires a mental health professional and the  
30 commission to enter into a program agreement. The bill  
31 provides that, in order for the mental health professional to  
32 receive loan repayments, the mental health professional shall  
33 agree to engage in either full-time practice in an eligible  
34 practice area for a period of five consecutive years or  
35 part-time practice in an eligible practice area for a period of

1 seven consecutive years. The bill authorizes the mental health  
2 professional and the commission to amend the agreement to allow  
3 a mental health professional to switch to full-time practice or  
4 part-time practice. The bill requires the commission to give  
5 priority to mental health professionals who are residents of  
6 Iowa and to mental health professionals who are members of the  
7 Iowa national guard.

8 The bill provides that a mental health professional's  
9 obligation to engage in full-time or part-time practice under a  
10 program agreement shall be considered satisfied when the terms  
11 of the agreement are completed; the individual who entered into  
12 the agreement dies; or the individual who entered into the  
13 agreement, due to a permanent disability, is unable to practice  
14 as a mental health professional. The bill also provides that  
15 if a mental health professional fails to fulfill the obligation  
16 to engage in practice, the mental health professional shall  
17 be subject to repayment to the commission of loan repayment  
18 amounts the commission paid to the mental health professional  
19 plus interest.

20 The bill limits the annual amount of loan repayment a mental  
21 health professional may receive to \$8,000 for an eligible  
22 loan. The bill provides that the total loan repayments from  
23 the commission to a mental health professional shall not exceed  
24 \$40,000.

25 The bill provides that a mental health professional who  
26 receives a loan repayment and who refinances an eligible loan  
27 by obtaining a private educational loan may continue to receive  
28 loan repayment in certain specified circumstances.

29 The bill creates the mental health professional loan  
30 repayment fund to support loan repayments under the mental  
31 health professional loan repayment program. The bill provides  
32 that, notwithstanding Code section 8.33, moneys deposited in  
33 the fund shall not revert to any fund of the state at the end of  
34 any fiscal year. The bill also provides that, notwithstanding  
35 Code section 12C.7, subsection 2, interest or earnings on

1 moneys deposited in the fund shall be credited to the fund.

2 The bill requires the commission to submit a report to the  
3 general assembly by January 1, annually, describing the number  
4 of mental health professionals who received loan repayment,  
5 where the mental health professionals practiced, the amount  
6 paid to each mental health professional, and other information  
7 identified by the commission as indicators of outcomes of the  
8 program.

9 The bill requires the commission to adopt rules to  
10 administer the mental health professional loan repayment  
11 program.