

**House File 634 - Reprinted**

HOUSE FILE 634

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO HF 595)

(SUCCESSOR TO HSB 79)

(As Amended and Passed by the House April 18, 2017)

**A BILL FOR**

1 An Act relating to educational assistance programs administered  
2 by the department of public health or the college student  
3 aid commission for nurses, physician assistants, advanced  
4 registered nurse practitioners, and nurse educators.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 135.175A Iowa needs nurses now  
2 initiative — fund.

3 1. *Nurse educator incentive payment program.*

4 a. The department shall establish a nurse educator incentive  
5 payment program. For the purposes of **this subsection**, “*nurse*  
6 *educator*” means a registered nurse who holds a master’s degree  
7 or doctorate degree and is employed as a faculty member who  
8 teaches nursing in a nursing education program as provided in  
9 rules adopted by the board of nursing at a community college,  
10 an accredited private institution, or an institution of higher  
11 education governed by the state board of regents.

12 b. The program shall consist of incentive payments to  
13 recruit and retain nurse educators. The program shall provide  
14 for incentive payments of up to twenty thousand dollars for a  
15 nurse educator who remains teaching in a qualifying teaching  
16 position for a period of not less than four consecutive  
17 academic years.

18 c. The nurse educator and the department shall enter into an  
19 agreement specifying the obligations of the nurse educator and  
20 the department. If the nurse educator leaves the qualifying  
21 teaching position prior to teaching for four consecutive  
22 academic years, the nurse educator shall be liable to repay  
23 the incentive payment amount to the state, plus interest as  
24 specified by rule. However, if the nurse educator leaves  
25 the qualifying teaching position involuntarily, the nurse  
26 educator shall be liable to repay only a pro rata amount of the  
27 incentive payment based on incompleting years of service.

28 d. The department, in consultation with the board of  
29 nursing, the department of education, and the Iowa nurses  
30 association, shall adopt rules pursuant to **chapter 17A** relating  
31 to the establishment and administration of the nurse educator  
32 incentive payment program. The rules shall include provisions  
33 specifying what constitutes a qualifying teaching position.

34 2. *Nursing faculty fellowship program.*

35 a. The department shall establish a nursing faculty

1 fellowship program to provide funds to nursing schools in the  
2 state, including but not limited to nursing schools located at  
3 community colleges, for fellowships for individuals employed in  
4 qualifying positions on the nursing faculty. The program shall  
5 be designed to assist nursing schools in filling vacancies in  
6 qualifying positions throughout the state.

7     *b.* The department, in consultation with the board of  
8 nursing, the department of education, and the Iowa nurses  
9 association, and in cooperation with nursing schools throughout  
10 the state, shall develop a distribution formula which shall  
11 provide that no more than thirty percent of the available  
12 moneys are awarded to a single nursing school. Additionally,  
13 the program shall limit funding for a qualifying position in a  
14 nursing school to no more than ten thousand dollars per year  
15 for up to three years.

16     *c.* The department, in consultation with the board of  
17 nursing, the department of education, and the Iowa nurses  
18 association, shall adopt rules pursuant to [chapter 17A](#) to  
19 administer the program. The rules shall include provisions  
20 specifying what constitutes a qualifying position at a nursing  
21 school.

22     *d.* In determining eligibility for a fellowship, the  
23 department shall consider all of the following:

24         (1) The length of time a qualifying position has gone  
25 unfilled at a nursing school.

26         (2) Documented recruiting efforts by a nursing school.

27         (3) The geographic location of a nursing school.

28         (4) The type of nursing program offered at the nursing  
29 school, including associate, bachelor's, master's, or doctoral  
30 degrees in nursing, and the need for the specific nursing  
31 program in the state.

32     3. *Nurse educator scholarship program.*

33     *a.* The department shall establish a nurse educator  
34 scholarship program. The goal of the nurse educator  
35 scholarship program is to address the waiting list of qualified

1 applicants to Iowa's nursing schools by providing incentives  
2 for the training of additional nursing educators. For the  
3 purposes of [this subsection](#), "nurse educator" means a registered  
4 nurse who holds a master's degree or doctorate degree and is  
5 employed as a faculty member who teaches nursing in a nursing  
6 education program as provided in rules adopted by the board  
7 of nursing at a community college, an accredited private  
8 institution, or an institution of higher education governed by  
9 the state board of regents.

10 *b.* The program shall consist of scholarships to further  
11 advance the education of nurses to become nurse educators. The  
12 program shall provide for scholarship payments in an amount  
13 established by rule for students who are preparing to teach in  
14 qualifying teaching positions.

15 *c.* The department, in consultation with the board of  
16 nursing, the department of education, and the Iowa nurses  
17 association, shall adopt rules pursuant to [chapter 17A](#) relating  
18 to the establishment and administration of the nurse educator  
19 scholarship program. The rules shall include provisions  
20 specifying what constitutes a qualifying teaching position and  
21 the amount of any scholarship.

22 *4. Nurse educator scholarship-in-exchange-for-service*  
23 *program.*

24 *a.* The department shall establish a nurse educator  
25 scholarship-in-exchange-for-service program. The goal of the  
26 nurse educator scholarship-in-exchange-for-service program is  
27 to address the waiting list of qualified applicants to Iowa's  
28 nursing schools by providing incentives for the education  
29 of additional nursing educators. For the purposes of this  
30 subsection, "nurse educator" means a registered nurse who holds  
31 a master's degree or doctorate degree and is employed as a  
32 faculty member who teaches nursing in a nursing education  
33 program as provided in rules adopted by the board of nursing  
34 at a community college, an accredited private institution, or  
35 an institution of higher education governed by the state board

1 of regents.

2     **b.** The program shall consist of scholarships to further  
3 advance the education of nurses to become nurse educators. The  
4 program shall provide for scholarship-in-exchange-for-service  
5 payments in an amount established by rule for students who  
6 are preparing to teach in qualifying teaching positions for a  
7 period of not less than four consecutive academic years.

8     **c.** The scholarship-in-exchange-for-service recipient  
9 and the department shall enter into an agreement specifying  
10 the obligations of the applicant and the department.  
11 If the nurse educator leaves the qualifying teaching  
12 position prior to teaching for four consecutive academic  
13 years, the nurse educator shall be liable to repay the  
14 scholarship-in-exchange-for-service amount to the state plus  
15 interest as specified by rule. However, if the nurse educator  
16 leaves the qualified teaching position involuntarily, the nurse  
17 educator shall be liable to repay only a pro rata amount of the  
18 scholarship based on incomplete years of service.

19     **d.** The receipt of a nurse educator  
20 scholarship-in-exchange-for-service shall not impact  
21 eligibility of an individual for other financial incentives  
22 including but not limited to loan forgiveness programs.

23     **e.** The department, in consultation with the board of  
24 nursing, the department of education, and the Iowa nurses  
25 association, shall adopt rules pursuant to [chapter 17A](#)  
26 relating to the establishment and administration of the  
27 nurse educator scholarship-in-exchange-for-service program.  
28 The rules shall include the provisions specifying what  
29 constitutes a qualifying teaching position and the amount of  
30 any scholarship-in-exchange-for-service.

31     **5.** *Iowa needs nurses now initiative fund established.* An  
32 Iowa needs nurses now initiative fund is created in the state  
33 treasury as a separate fund under the control of the department  
34 for deposit of moneys appropriated to or received by the  
35 department for use under the initiative. Notwithstanding

1 section 8.33, moneys deposited in the fund shall not revert  
2 to any fund of the state at the end of any fiscal year but  
3 shall remain in the Iowa needs nurses now initiative fund and  
4 be continuously available for the purposes of the initiative.  
5 Notwithstanding section 12C.7, subsection 2, interest or  
6 earnings on moneys deposited in the fund shall be credited to  
7 the fund.

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

10 8. Submit by January 15 annually a report to the general  
11 assembly which provides, by program, the number of individuals  
12 who received loan forgiveness or loan repayment in the previous  
13 fiscal year, the ~~amount~~ amounts paid to or on behalf of  
14 individuals under sections 261.73, 261.112, and 261.116, and  
15 the institutions from which individuals graduated, and that  
16 includes any proposed statutory changes and the commission's  
17 findings and recommendations.

18 Sec. 3. Section 261.114, subsection 3, unnumbered paragraph  
19 1, Code 2017, is amended to read as follows:

20 A program agreement shall be entered into by an eligible  
21 student and the commission when the eligible student begins  
22 the final year of study in an academic program leading to  
23 eligibility for licensure as a nurse practitioner or physician  
24 assistant. The commission shall not enter into any new  
25 program agreement under this section on or after July 1, 2017.  
26 Under the agreement, to receive loan repayments pursuant to  
27 subsection 5, an eligible student shall agree to and shall  
28 fulfill all of the following requirements:

29 Sec. 4. Section 261.114, subsection 8, Code 2017, is amended  
30 by striking the subsection.

31 Sec. 5. Section 261.114, subsection 9, Code 2017, is amended  
32 to read as follows:

33 9. ~~Postponement and satisfaction~~ Satisfaction of service  
34 obligation.

35 ~~a. The obligation to engage in practice in accordance with~~

1 ~~subsection 3~~ shall be postponed for the following purposes:

2 (1) ~~Active duty status in the armed forces, the armed forces~~  
3 ~~military reserve, or the national guard.~~

4 (2) ~~Service in volunteers in service to America.~~

5 (3) ~~Service in the federal peace corps.~~

6 (4) ~~A period of service commitment to the United States~~  
7 ~~public health service commissioned corps.~~

8 (5) ~~A period of religious missionary work conducted by an~~  
9 ~~organization exempt from federal income taxation pursuant to~~  
10 ~~section 501(c)(3) of the Internal Revenue Code.~~

11 (6) ~~Any period of temporary medical incapacity during which~~  
12 ~~the person obligated is unable, due to a medical condition, to~~  
13 ~~engage in full-time practice as required under subsection 3.~~

14 ~~b. Except for a postponement under paragraph "a",~~  
15 ~~subparagraph (6), an obligation to engage in practice under an~~  
16 ~~agreement entered into pursuant to subsection 3, shall not be~~  
17 ~~postponed for more than two years from the time the full-time~~  
18 ~~practice was to have commenced under the agreement.~~

19 ~~e. a.~~ An obligation to engage in full-time practice under  
20 an agreement entered into pursuant to subsection 3 shall be  
21 considered satisfied when any of the following conditions are  
22 met:

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

24 (2) The person who entered into the agreement dies.

25 (3) The person who entered into the agreement, due to a  
26 permanent disability, is unable to practice as an advanced  
27 registered nurse practitioner or physician assistant.

28 ~~d. b.~~ If a loan repayment recipient fails to fulfill  
29 the obligation to engage in practice in accordance with  
30 subsection 3, the recipient shall be subject to repayment to  
31 the commission of the loan amount plus interest as specified  
32 by rule. A loan repayment recipient who fails to meet the  
33 requirements of the obligation to engage in practice in  
34 accordance with subsection 3 may also be subject to repayment  
35 of moneys advanced by the service commitment area as provided

1 in any agreement with the service commitment area.

2 Sec. 6. Section 261.114, subsection 10, Code 2017, is  
3 amended to read as follows:

4 10. *Trust fund established.* A rural Iowa advanced  
5 registered nurse practitioner and physician assistant trust  
6 fund is created in the state treasury as a separate fund under  
7 the control of the commission. The commission shall remit all  
8 repayments made pursuant to [this section](#) to the rural Iowa  
9 advanced registered nurse practitioner and physician assistant  
10 trust fund. All moneys deposited or paid into the trust fund  
11 are appropriated and made available to the commission to be  
12 used for meeting the requirements of [this section](#). Moneys in  
13 the fund up to the total amount that an eligible student may  
14 receive for an eligible loan in accordance with [this section](#)  
15 and upon fulfilling the requirements of [subsection 3](#) shall be  
16 considered encumbered for the duration of the agreement entered  
17 into pursuant to [subsection 3](#). Notwithstanding [section 8.33](#),  
18 any balance in the fund on June 30 of each fiscal year shall not  
19 revert to the general fund of the state, but shall be available  
20 for purposes of [this section](#) in subsequent fiscal years.  
21 Notwithstanding section 8.33, any balance in the fund on June  
22 30, 2023, shall not revert to the general fund of the state but  
23 shall be transferred to the health care loan repayment fund  
24 established pursuant to section 261.116 to be used for purposes  
25 of the health care loan repayment program.

26 Sec. 7. Section 261.114, Code 2017, is amended by adding the  
27 following new subsection:

28 NEW SUBSECTION. 10A. This section is repealed July 1, 2023.

29 Sec. 8. Section 261.116, Code 2017, is amended to read as  
30 follows:

31 **261.116 ~~Registered nurse and nurse educator~~ Health care loan**  
32 **forgiveness repayment program.**

33 1. Definitions. For purposes of this section, unless the  
34 context otherwise requires:

35 a. "Advanced registered nurse practitioner" means a person



1 licensed as a registered nurse under chapter 152 or 152E who  
2 is licensed by the board of nursing as an advanced registered  
3 nurse practitioner.

4 b. "Nurse educator" means a registered nurse who holds  
5 a master's degree or doctorate degree and is employed by a  
6 community college, an accredited private institution, or an  
7 institution of higher education governed by the state board  
8 of regents as a faculty member to teach nursing at a nursing  
9 education program approved by the board of nursing pursuant to  
10 section 152.5.

11 c. "Physician assistant" means a person licensed as a  
12 physician assistant under chapter 148C.

13 d. "Qualified student loan" means a loan that was made,  
14 insured, or guaranteed under Tit. IV of the federal Higher  
15 Education Act of 1965, as amended, or under Tit. VII or VIII  
16 of the federal Public Health Service Act, as amended, directly  
17 to the borrower for attendance at an approved postsecondary  
18 educational institution.

19 e. "Service commitment area" means a city in Iowa with a  
20 population of less than twenty-six thousand that is located  
21 more than fifty miles from a city with a population of fifty  
22 thousand or more.

23 2. Program established. A registered nurse and nurse  
24 educator health care loan forgiveness repayment program is  
25 established to be administered by the commission. The program  
26 shall consist of loan forgiveness for eligible federally  
27 guaranteed for purposes of repaying the qualified student  
28 loans for of registered nurses, advanced registered nurse  
29 practitioners, physician assistants, and nurse educators who  
30 practice full-time in a service commitment area or teach in  
31 this state, as appropriate, and who are selected for the  
32 program in accordance with this section. For purposes of  
33 this section, unless the context otherwise requires, "nurse  
34 educator" means a registered nurse who holds a master's degree  
35 or doctorate degree and is employed as a faculty member who

1 ~~teaches nursing as provided in 655 IAC 2.6(152) at a community~~  
2 ~~college, an accredited private institution, or an institution~~  
3 ~~of higher education governed by the state board of regents. An~~  
4 applicant who is a member of the Iowa national guard is exempt  
5 from the service commitment area requirement, but shall submit  
6 an affidavit verifying the applicant is practicing full-time  
7 in this state.

8 ~~2.~~ 3. Application requirements. Each applicant for loan  
9 ~~forgiveness repayment~~ shall, in accordance with the rules of  
10 the commission, do the following:

11 a. Complete and file an application for ~~registered nurse~~  
12 ~~or nurse educator loan forgiveness repayment.~~ The individual  
13 shall be responsible for the prompt submission of any  
14 information required by the commission.

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

19 c. Complete and return, on a form approved by the  
20 commission, an affidavit of practice verifying that the  
21 applicant is a registered nurse, an advanced registered nurse  
22 practitioner, or a physician assistant who is practicing  
23 full-time in a service commitment area in this state or is a  
24 nurse educator teaching at a community college, an accredited  
25 private institution, or an institution of higher learning  
26 governed by the state board of regents who teaches full-time  
27 in this state. If practice in a service commitment area is  
28 required as a condition of receiving loan repayment, the  
29 affidavit shall specify the service commitment area in which  
30 the applicant is practicing full-time.

31 ~~3.~~ 4. Loan repayment amounts.

32 ~~a.~~ The annual amount of ~~registered nurse loan forgiveness~~  
33 ~~for a registered nurse who completes a course of study, which~~  
34 ~~leads to a baccalaureate or associate degree of nursing,~~  
35 ~~diploma in nursing, or a graduate or equivalent degree in~~

1 ~~nursing, and who practices in this state, repayment provided to~~  
 2 ~~a recipient under this section shall not exceed the resident~~  
 3 ~~tuition rate established for institutions of higher learning~~  
 4 ~~governed by the state board of regents for the first year~~  
 5 ~~following the registered nurse's graduation from a nursing~~  
 6 ~~education program approved by the board of nursing pursuant to~~  
 7 ~~section 152.5~~ six thousand dollars, or twenty percent of the  
 8 registered nurse's total federally guaranteed Stafford loan  
 9 amount under the federal family education loan program or the  
 10 federal direct loan program, including principal and interest  
 11 recipient's total qualified student loan, whichever amount is  
 12 less. A registered nurse shall be recipient is eligible for  
 13 the loan forgiveness repayment program for not more than five  
 14 consecutive years.

15 ~~b. The annual amount of nurse educator loan forgiveness~~  
 16 ~~shall not exceed the resident tuition rate established for~~  
 17 ~~institutions of higher learning governed by the state board~~  
 18 ~~of regents for the first year following the nurse educator's~~  
 19 ~~graduation from an advanced formal academic nursing education~~  
 20 ~~program approved by the board of nursing pursuant to section~~  
 21 ~~152.5, or twenty percent of the nurse educator's total~~  
 22 ~~federally guaranteed Stafford loan amount under the federal~~  
 23 ~~family education loan program or the federal direct loan~~  
 24 ~~program, including principal and interest, whichever amount~~  
 25 ~~is less. A nurse educator shall be eligible for the loan~~  
 26 ~~forgiveness program for not more than five consecutive years.~~

27 ~~4.~~ 5. Selection criteria. The commission shall establish  
 28 by rule the evaluation criteria to be used in evaluating  
 29 applications submitted under this section. Priority shall be  
 30 given to applicants who are residents of Iowa and, if requested  
 31 by the adjutant general, to applicants who are members of the  
 32 Iowa national guard.

33 6. Health care loan repayment fund. A registered nurse and  
 34 nurse educator health care loan forgiveness repayment fund is  
 35 created for deposit of moneys appropriated to or received by

1 the commission for use under the program. Notwithstanding  
2 section 8.33, moneys deposited in the health care loan  
3 repayment fund shall not revert to any fund of the state  
4 at the end of any fiscal year but shall remain in the loan  
5 ~~forgiveness~~ repayment fund and be continuously available for  
6 loan ~~forgiveness~~ repayment under the program. Notwithstanding  
7 section 12C.7, subsection 2, interest or earnings on moneys  
8 deposited in the health care loan fund shall be credited to the  
9 fund.

10 ~~5.~~ 7. Report. The commission shall submit in a report  
11 to the general assembly by January 1, annually, the number of  
12 individuals who received loan ~~forgiveness~~ repayment pursuant to  
13 this section, where the participants practiced or taught, the  
14 amount paid to each program participant, and other information  
15 identified by the commission as indicators of outcomes ~~from~~ of  
16 the program.

17 ~~6.~~ 8. Rules. The commission shall adopt rules pursuant to  
18 chapter 17A to administer this section.

19 Sec. 9. REPEAL. Section 261.129, Code 2017, is repealed.