

**Senate File 64 - Introduced**

SENATE FILE 64  
BY MATHIS

**A BILL FOR**

1 An Act establishing a rural teacher shortage area loan  
2 forgiveness program and fund.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 261.109 Rural teacher shortage area  
2 loan forgiveness program — fund.

3 1. For purposes of this section:

4 a. "*High-demand area*" means a rural county designated by  
5 the department of education as a geographic area experiencing  
6 teacher shortages in specific content areas.

7 b. "*Rural county*" means a county that satisfies all of the  
8 following:

9 (1) The county does not include any urbanized area.

10 (2) Less than twenty-five percent of persons residing in  
11 the county are employed in another county that includes an  
12 urbanized area.

13 (3) Less than twenty-five percent of persons employed in  
14 the county reside in another county that includes an urbanized  
15 area.

16 c. "*Urbanized area*" means a geographic area with a  
17 population of fifty thousand or more, as determined by the most  
18 recent population estimates issued by the United States bureau  
19 of census.

20 2. A rural teacher shortage area loan forgiveness program  
21 is established to be administered by the college student aid  
22 commission. The department of education shall periodically  
23 conduct a survey of school districts, accredited nonpublic  
24 schools, and approved practitioner preparation programs to  
25 determine current high-demand areas.

26 3. A student is eligible for the loan forgiveness program if  
27 the student meets all of the following requirements:

28 a. Is a resident of this state enrolled at least part-time  
29 as a sophomore, junior, or senior in an approved practitioner  
30 preparation program, in a designated content area in which  
31 teacher shortages are anticipated, at an institution of higher  
32 learning under the control of the state board of regents or an  
33 accredited private institution as defined in section 261.9.

34 b. Maintains a cumulative grade point average of at least  
35 three point zero on a four point zero grade scale or the

1 equivalent.

2 4. The commission may issue a loan to a student that is  
3 eligible for a federally guaranteed Stafford loan amount under  
4 the federal family education loan program or the federal direct  
5 loan program or the recipient's federal Perkins loan of up to  
6 ten thousand dollars annually for not more than three years.  
7 The maximum loan amount a student may be issued under this  
8 subsection is thirty thousand dollars.

9 5. *a.* A loan issued in accordance with subsection 4 shall  
10 not become due until after the student graduates or leaves  
11 school.

12 *b.* Except as provided in paragraph "*c*", loans issued in  
13 accordance with subsection 4 shall be repaid at an annual  
14 interest rate of five percent.

15 *c.* The commission shall forgive twenty-five percent of the  
16 loan issued in accordance with subsection 4 and twenty-five  
17 percent of the interest on the loan for each school year  
18 the loan recipient is employed as a full-time teacher in a  
19 high-demand area by a school district or accredited nonpublic  
20 school.

21 6. A rural teacher shortage area loan forgiveness fund  
22 is created in the state treasury under the control of the  
23 commission and shall consist of moneys appropriated by  
24 the general assembly and any other moneys received by the  
25 commission for deposit in the fund. The commission shall  
26 deposit in the rural teacher shortage area loan forgiveness  
27 fund all repayments of loans made under this section and  
28 the interest on such loans. The moneys in the fund are  
29 appropriated to the commission for the rural teacher shortage  
30 area loan forgiveness program. Notwithstanding section 8.33,  
31 moneys deposited in the fund shall not revert to any fund  
32 of the state at the end of any fiscal year but shall remain  
33 in the rural teacher shortage loan forgiveness fund and be  
34 continuously available for loan forgiveness under the program.  
35 Notwithstanding section 12C.7, subsection 2, interest or

1 earnings on moneys deposited in the fund shall be credited to  
2 the fund.

3 7. The commission shall adopt rules pursuant to chapter 17A  
4 to administer this section.

5 EXPLANATION

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

8 This bill establishes a rural teacher shortage area loan  
9 forgiveness program to be administered by the college student  
10 aid commission to provide loan forgiveness for persons who are  
11 employed by a school district or accredited nonpublic school as  
12 teachers in high-demand areas.

13 The department of education is directed to periodically  
14 conduct a survey of school districts, accredited nonpublic  
15 schools, and approved practitioner preparation programs to  
16 determine current high-demand areas.

17 The bill defines "high-demand area" as a rural county  
18 designated by the department as a geographic area experiencing  
19 teacher shortages in specific content areas. "Rural county"  
20 means a county that does not include any urbanized area, less  
21 than 25 percent of its residents are employed in another county  
22 that includes an urbanized area, and less than 25 percent  
23 of persons employed in the county reside in another county  
24 that includes an urbanized area. "Urbanized area" means a  
25 geographic area with a population of 50,000 or more.

26 To be eligible for a loan from the commission, a resident  
27 student must be enrolled at least part-time as a sophomore,  
28 junior, or senior in an approved practitioner preparation  
29 program at a regents university or an accredited private  
30 institution in a designated content area in which teacher  
31 shortages are anticipated, maintain a 3.0 grade point average  
32 on a 4.0 grade scale, and be eligible for a federal educational  
33 loan. The loan does not come due until after the student  
34 graduates or leaves school. Such a student is eligible for  
35 a loan of up to \$10,000 annually for not more than three

1 years. The loan must be repaid at an annual interest rate  
2 of 5 percent, but the commission shall forgive 25 percent of  
3 the loan and interest on the loan for each school year the  
4 loan recipient is employed as a full-time teacher by a school  
5 district or accredited nonpublic school in a high-demand area.

6 The bill also establishes a rural teacher shortage area  
7 loan forgiveness fund in the state treasury to be administered  
8 by the commission. The fund consists of moneys appropriated  
9 by the general assembly and any other moneys received by the  
10 commission for deposit in the fund, including moneys repaid  
11 by loan recipients. Moneys in the fund carry forward to be  
12 continuously available for loan forgiveness under the program.

13 The commission is directed to adopt administrative rules for  
14 purposes of administering the program.