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EDUCATION

HOUSE FILE

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BY MASCHER

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to teacher or educator shortage forgivable loan  
2 programs, to the work-study employment of students who are  
3 eligible for the programs, and making an appropriation.

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

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FILED

1 Section 1. COLLEGE STUDENT AID COMMISSION. There is  
2 appropriated from the general fund of the state to the college  
3 student aid commission for the fiscal year beginning July 1,  
4 2001, and ending June 30, 2002, the following amount, or so  
5 much thereof as is necessary, to be used for the purpose  
6 designated:

7 For the educator shortage forgivable loan program  
8 established in section 261.111:

9 ..... \$ 1,050,000

10 Sec. 2. Section 261.81, Code 2001, is amended to read as  
11 follows:

12 261.81 WORK-STUDY PROGRAM.

13 1. The Iowa college work-study program is established to  
14 stimulate and promote the part-time employment of students  
15 attending Iowa postsecondary educational institutions, and the  
16 part-time or full-time summer employment of students  
17 registered for classes at Iowa postsecondary institutions  
18 during the succeeding school year, who are in need of  
19 employment earnings in order to pursue postsecondary  
20 education. The program shall be administered by the  
21 commission. The commission shall adopt rules under chapter  
22 17A to carry out the program. The employment under the  
23 program shall be employment by the postsecondary education  
24 institution itself or work in a public agency or private  
25 nonprofit organization under a contract between the  
26 institution or the commission and the agency or organization.  
27 The work shall not result in the displacement of employed  
28 workers or impair or affect existing contracts for services.  
29 Moneys used by an institution for the work-study program shall  
30 supplement and not supplant jobs and existing financial aid  
31 programs provided for students through the institution.

32 2. An institution that offers a practitioner preparation  
33 program approved pursuant to section 256.7, subsection 3,  
34 shall make a reasonable effort to enter into a contract with  
35 the board of directors of a school district in accordance with

1 subsection 1 in order to provide students that qualify for the  
2 Iowa college work-study program, are eligible for the educator  
3 shortage forgivable loan program, and are enrolled in the  
4 approved practitioner preparation program, with work-study  
5 employment at the school district as a student teacher or for  
6 work-based experiences which are part of an administrator  
7 practicum or internship.

8 Sec. 3. Section 261.111, Code 2001, is amended to read as  
9 follows:

10 261.111 ~~TEACHER~~ EDUCATOR SHORTAGE FORGIVABLE LOAN PROGRAM.

11 1. ~~A-teacher~~ An educator shortage forgivable loan program  
12 is established to be administered by the college student aid  
13 commission. An individual is eligible for the forgivable loan  
14 program if the individual is a resident of this state who is  
15 enrolled as a sophomore, junior, senior, or graduate student  
16 in an approved practitioner preparation program in a  
17 designated area in which teacher or administrator shortages  
18 are anticipated at an institution of higher learning under the  
19 control of the state board of regents or an accredited private  
20 institution as defined in section 261.9.

21 2. The director of the department of education shall  
22 annually designate the areas in which teacher or administrator  
23 shortages are anticipated. The director shall periodically  
24 conduct a survey of school districts, accredited nonpublic  
25 schools, and approved practitioner preparation programs to  
26 determine current shortage areas and predict future shortage  
27 areas.

28 3. Each applicant shall, in accordance with the rules of  
29 the commission, do the following:

30 a. Complete and file an application for a ~~teacher~~ educator  
31 shortage forgivable loan. The individual shall be responsible  
32 for the prompt submission of any information required by the  
33 commission.

34 b. File a new application and submit information as  
35 required by the commission annually on the basis of which the

1 applicant's eligibility for the renewed forgivable loan will  
2 be evaluated and determined.

3 4. Forgivable loans to eligible students shall not become  
4 due until after the student graduates or leaves school. The  
5 individual's total loan amount, including principal and  
6 interest, shall be reduced by twenty percent for each year in  
7 which the individual remains an Iowa resident and is employed  
8 in Iowa by a school district or an accredited nonpublic school  
9 as a practitioner in the ~~teacher~~ shortage area for which the  
10 loan was approved. If the commission determines that the  
11 person does not meet the criteria for forgiveness of the  
12 principal and interest payments, the commission shall  
13 establish a plan for repayment of the principal and interest  
14 over a ten-year period. If a person required to make the  
15 repayment does not make the required payments, the commission  
16 shall provide for payment collection.

17 5. The amount of a ~~teacher~~ educator shortage forgivable  
18 loan shall not exceed three thousand dollars annually, or the  
19 amount of the student's established financial need, whichever  
20 is less.

21 6. The commission shall prescribe by rule the interest  
22 rate for the forgivable loan.

23 7. ~~A-teacher~~ An educator shortage forgivable loan  
24 repayment fund is created for deposit of payments made by  
25 forgivable loan recipients who do not fulfill the conditions  
26 of the forgivable loan program and any other moneys  
27 appropriated to or received by the commission for deposit in  
28 the fund. Notwithstanding section 8.33, moneys deposited in  
29 the fund shall not revert to the general fund of the state at  
30 the end of any fiscal year but shall remain in the forgivable  
31 loan repayment fund and be continuously available to make  
32 additional loans under the program. Notwithstanding section  
33 12C.7, subsection 2, interest or earnings on moneys deposited  
34 in the fund shall be credited to the fund.

35 8. For purposes of this section, unless the context

1 otherwise requires, "teacher" means and "administrator" mean  
2 the same as defined in section 272.1.

3 EXPLANATION

4 This bill broadens the teacher shortage forgivable loan  
5 program to include administrators, appropriates \$1,050,000  
6 from the general fund of the state to the college student aid  
7 commission for the program for fiscal year 2001-2002, requires  
8 the director of the department of education to designate  
9 administrator shortage areas annually, and directs  
10 institutions with approved practitioner preparation programs  
11 to make a reasonable effort to enter into contracts with  
12 school districts to provide, to students who are eligible for  
13 the forgivable loan program, eligible for work-study, and who  
14 are enrolled in a practitioner preparation program, with work-  
15 study employment for student teaching and administrator  
16 practicums or internships at the school districts.

17 The bill changes the name of the teacher shortage  
18 forgivable loan program to the "educator shortage forgivable  
19 loan program", and makes a similar change to the name of the  
20 program's repayment fund.

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