

MAR 1 2001

EDUCATION

HOUSE FILE 463

BY WARNSTADT

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act establishing a teacher scarcity loan reduction program and
2 teacher scarcity loan reduction fund, and making an
3 appropriation.

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

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HF 463

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 teacher scarcity loan reduction program pursuant to
8 section 261.111A:

9 \$ 1,000,000

10 Sec. 2. NEW SECTION. 261.111A TEACHER SCARCITY LOAN
11 REDUCTION PROGRAM.

12 1. A teacher scarcity loan reduction program is
13 established to be administered by the college student aid
14 commission. An individual is eligible for loan reduction
15 payments under the program if the individual meets all of the
16 following conditions:

17 a. Is a resident of the state who successfully completed
18 an approved practitioner preparation program, received a
19 baccalaureate degree after January 1, 2001, and is a teacher
20 employed on a full-time basis by a school district in Iowa as
21 a practitioner in a teacher scarcity area.

22 b. As of the beginning of a school year, has an
23 outstanding debt with an eligible lender under the Iowa
24 guaranteed loan program or Iowa supplemental loans for
25 students program, or has parents with an outstanding debt with
26 an eligible lender under the PLUS loan program.

27 c. Has never defaulted on a loan guaranteed by the
28 commission or by the federal government.

29 2. The director of the department of education shall
30 annually designate the geographic areas or school attendance
31 centers anticipating or experiencing a scarcity of teachers.
32 The director shall periodically conduct a survey of school
33 districts to determine scarcity areas.

34 3. The maximum annual reimbursement payment to an eligible
35 teacher for loan reduction payments made during a school year

1 is one thousand dollars or the remainder of the teacher's
2 loan, whichever is less. Total payments for an eligible
3 teacher shall not exceed ten thousand dollars. If a teacher
4 fails to complete a year of teaching in a teacher-scarcity
5 area designated in accordance with subsection 2, the
6 commission shall not make a loan payment on behalf of the
7 teacher for that school year. However, if the commission
8 makes a loan payment on behalf of a teacher who fails to
9 complete the school year for which a loan payment was made,
10 the teacher shall reimburse the commission for the loan
11 payment.

12 4. A teacher scarcity loan reduction fund is created for
13 deposit of payments made by individuals who failed to complete
14 a year of teaching as provided in subsection 3, and for any
15 other moneys appropriated to or received by the commission for
16 deposit in the fund. Notwithstanding section 8.33, moneys
17 deposited in the fund shall not revert to the general fund of
18 the state at the end of any fiscal year but shall remain in
19 the loan reduction fund and be continuously available to make
20 additional loan payments under the program. Notwithstanding
21 section 12C.7, subsection 2, interest or earnings on moneys
22 deposited in the fund shall be credited to the fund.

23 5. For purposes of this section, unless the context
24 otherwise requires, "teacher" means the same as defined in
25 section 272.1.

26 6. The commission shall adopt rules pursuant to chapter
27 17A to administer this section.

28 EXPLANATION

29 This bill creates a teacher scarcity loan reduction program
30 and appropriates \$1 million from the general fund of the state
31 to the college student aid commission for the program.

32 A person is eligible for loan reduction payments if the
33 individual is a resident of Iowa who successfully completed an
34 approved practitioner preparation program, received a four-
35 year degree after January 1, 2001, is a full-time teacher

1 employed by a school district in Iowa, has an outstanding debt
2 with an eligible lender under the Iowa guaranteed loan program
3 or the Iowa supplemental loans for students program, or whose
4 parents have an outstanding debt in the PLUS program, has
5 never defaulted on a college student aid commission loan or
6 federal loan, and teaches in a geographic area or school
7 district attendance center the department of education has
8 designated as a teacher scarcity area.

9 The maximum annual amount of reimbursement under the bill
10 is \$1,000 or the remainder of the teacher's loan, whichever is
11 less. Total payments to an eligible teacher are limited to
12 \$10,000. If the teacher fails to finish the year of
13 instruction in a designated teacher-shortage area, no loan
14 reduction payment shall be made on behalf of the teacher for
15 that year, and any payment made on behalf of a teacher who
16 fails to finish a year of instruction must be reimbursed to
17 the commission by the teacher for deposit in a teacher
18 scarcity loan reduction fund.

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