

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# S. 541

To establish a National Foundation for Excellence to award scholarships to outstanding students who are committed to careers in teaching in public education and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MARCH 10 (legislative day, MARCH 3), 1993

Mr. BOREN introduced the following bill; which was read twice and referred to the Committee on Labor and Human Resources

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## A BILL

To establish a National Foundation for Excellence to award scholarships to outstanding students who are committed to careers in teaching in public education and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. SHORT TITLE.**

4        This Act may be cited as the “National Foundation  
5        for Excellence Act”.

6        **SEC. 2. PURPOSE.**

7        It is the purpose of this Act to establish a National  
8        Foundation for Excellence to carry out a scholarship pro-

1 gram for outstanding students who are committed to  
2 careers in teaching in public education.

3 **SEC. 3. DEFINITIONS.**

4 As used in this Act, the term—

5 (1) “Board” means the Board of Directors of  
6 the National Foundation for Excellence;

7 (2) “Foundation” means the National Founda-  
8 tion for Excellence established pursuant to section  
9 4(a);

10 (3) “Fund” means the National Foundation for  
11 Excellence Fund established pursuant to section  
12 12(b);

13 (4) “institution of higher education” has the  
14 same meaning given to such term by section 1201(a)  
15 of the Higher Education Act of 1965;

16 (5) “State” means each of the 50 States, the  
17 District of Columbia, the Commonwealth of Puerto  
18 Rico, and considered as a single entity, Guam, the  
19 Virgin Islands, American Samoa, the Republic of the  
20 Marshall Islands, the Federated States of Microne-  
21 sia, and the Republic of Palau; and

22 (6) “Secretary”, unless otherwise specified,  
23 means the Secretary of the Treasury.

1 **SEC. 4. ESTABLISHMENT OF THE NATIONAL FOUNDATION**  
2 **FOR EXCELLENCE.**

3 (a) ESTABLISHMENT.—There is established, as an  
4 independent establishment of the executive branch of the  
5 United States Government, the National Foundation  
6 for Excellence.

7 (b) BOARD OF DIRECTORS.—

8 (1) IN GENERAL.—The Foundation shall be  
9 subject to the supervision and direction of a Board  
10 of Directors. The Board shall be composed of—

11 (A) 11 members to be appointed by the  
12 President by and with the advice and consent of  
13 the Senate, 1 of whom shall serve as Chairman;

14 (B) 2 members of the Senate;

15 (C) 2 members of the House of Represent-  
16 atives; and

17 (D) the Executive Director of the Founda-  
18 tion, who shall serve ex officio as a member of  
19 the Board, but shall not be eligible to vote.

20 (2) APPOINTMENT.—

21 (A) In carrying out the provisions of para-  
22 graph (1)(A), the President shall appoint at  
23 least 6 individuals with 10 years experience as  
24 educators, not more than 3 of whom shall be of  
25 the same political party. Two of the 6 individ-  
26 uals shall be classroom teachers.

1           (B) In carrying out the provisions of para-  
2 graph (1)(B), the Majority Leader of the Sen-  
3 ate shall appoint 1 member of the Board and  
4 the Minority Leader of the Senate shall appoint  
5 1 member of the Board.

6           (C) In carrying out the provisions of para-  
7 graph (1)(C), the Speaker of the House of Rep-  
8 resentatives shall appoint 1 member of the  
9 Board and the Minority Leader of the House of  
10 Representatives shall appoint 1 member of the  
11 Board.

12       (c) COMPENSATION OF THE BOARD.—Members of  
13 the Board shall serve without pay, but shall be entitled  
14 to reimbursement for travel, subsistence, and other nec-  
15 essary expenses incurred in the performance of their  
16 duties.

17 **SEC. 5. SCHOLARSHIPS.**

18       (a) PROGRAMS AUTHORIZED.—

19           (1) IN GENERAL.—The Foundation is author-  
20 ized to—

21           (A) award scholarships to outstanding stu-  
22 dents who are committed to careers in teaching  
23 in public education in accordance with the pro-  
24 visions of this Act (other than section 11); and

1 (B) award grants to States in accordance  
2 with section 11.

3 (2) LIMITATION.—No student shall receive a  
4 scholarship from the Foundation pursuant to para-  
5 graph (1)(A) and a scholarship from a State in  
6 accordance with section 11.

7 (b) COURSE OF STUDY RULE.—A student awarded  
8 a scholarship under this Act may attend any institution  
9 of higher education offering courses of study, training, or  
10 other educational activities which the Foundation, pursu-  
11 ant to criteria developed in consultation with the Secretary  
12 of Education, determines is designed to prepare a recipi-  
13 ent for a career in teaching in public education.

14 (c) DURATION OF SCHOLARSHIP ASSISTANCE.—  
15 Scholarship assistance under this Act shall be awarded for  
16 such periods as the Foundation may prescribe but not to  
17 exceed 4 academic years. In the case of graduate study,  
18 scholarship assistance may be awarded for a period of  
19 study not to exceed 2 academic years.

20 **SEC. 6. ELIGIBILITY AND SELECTION OF FOUNDATION**  
21 **SCHOLARS.**

22 (a) ELIGIBILITY.—An individual is eligible to receive  
23 a scholarship under this Act if the individual—

24 (1) ranks in the top 10 percent of the graduat-  
25 ing class of the secondary school of the individual;

1           (2) scores in the top 10 percent of students tak-  
2           ing the Scholastic Aptitude Test or the American  
3           College Test;

4           (3) maintains a 3.2 grade point average (on a  
5           4.0 maximum grade point average scale) in an insti-  
6           tution of higher education; and

7           (4) enters into an agreement with the Founda-  
8           tion, pursuant to section 8(c), that the student will  
9           pursue a teaching career after graduation from an  
10          institution of higher education.

11          (b) SELECTION OF FOUNDATION SCHOLARSHIP RE-  
12          CIPIENTS.—

13           (1) NATIONWIDE COMPETITION.—The Founda-  
14           tion is authorized, either directly or by contract, to  
15           provide for the conduct of a nationwide competition  
16           for selecting Foundation scholarship recipients.

17           (2) SELECTION PROCEDURES.—The Founda-  
18           tion shall adopt selection procedures which assure  
19           that at least 50 Foundation scholarship recipients  
20           shall be selected in each fiscal year from each State  
21           in which there is at least 50 students who meet the  
22           eligibility requirements described in subsection (a),  
23           and in the case of a State in which there are less  
24           than 50 such students, such procedures shall assure

1 that the number of such recipients shall be equal to  
2 the number of students who meet such requirements.

3 (3) BASIS.—The Foundation shall attempt to  
4 award scholarships to students in each State on the  
5 basis of the number of secondary school students in  
6 the State compared to the total number of secondary  
7 school students in all States.

8 **SEC. 7. STIPENDS.**

9 (a) IN GENERAL.—Each student awarded a scholar-  
10 ship under this Act shall receive a stipend which shall not  
11 exceed the cost to the student of tuition, fees, books, and  
12 room and board at the institution of higher education such  
13 student will attend.

14 (b) LIMITATION.—In no event shall the total amount  
15 of scholarship assistance awarded to any recipient under  
16 this Act exceed \$70,000.

17 **SEC. 8. SCHOLARSHIP CONDITIONS.**

18 (a) IN GENERAL.—A student awarded a scholarship  
19 under the provisions of this Act shall continue to receive  
20 the payments provided under this Act only during such  
21 periods as the Foundation finds that the student is—

22 (1) maintaining a 3.2 grade point average (on  
23 a 4.0 maximum grade point average scale);

1           (2) maintaining a class rank in the top 10 per-  
2           cent of the class, if such class ranking is available  
3           to the student; and

4           (3) devoting full time to study or research de-  
5           signed to prepare the student for a career in teach-  
6           ing in public education and is not otherwise engag-  
7           ing in gainful employment other than employment  
8           approved by the Foundation pursuant to regulation.

9           (b) REPORTS.—The Foundation is authorized to re-  
10          quire reports containing such information in such form  
11          and to be filed at such times as the Foundation determines  
12          to be necessary from any student awarded a scholarship  
13          under this Act. Each such report shall be accompanied  
14          by a certificate from any appropriate official at the institu-  
15          tion of higher education, approved by the Foundation,  
16          stating that such student is making satisfactory progress  
17          in, and is devoting essentially full time to, study or re-  
18          search, except as otherwise provided in subsection (a).

19          (c) STUDENT AGREEMENT.—

20                 (1) IN GENERAL.—A student awarded a schol-  
21                 arship under the provisions of this Act shall enter  
22                 into an agreement with the Foundation to teach in  
23                 a public elementary or secondary school for the pe-  
24                 riod required under paragraph (2).

1           (2) TEACHING COMMITMENT.—For the purpose  
 2 of determining the duration of the teaching commit-  
 3 ment required in paragraph (1), the following sched-  
 4 ule shall apply:

<b>Total Amount of Scholarship Awarded</b>	<b>Teaching Commitment</b>
\$20,000 or less .....	2 years
\$20,000 to \$28,000 .....	3 years
\$28,000 to \$36,000 .....	4 years
\$36,000 to \$50,000 .....	5 years
\$50,000 to \$70,000 .....	6 years.

5 **SEC. 9. SCHOLARSHIP REPAYMENT PROVISIONS.**

6           Each Foundation scholar found by the Foundation  
 7 to be in noncompliance with the provisions of this Act shall  
 8 be required to repay—

9           (1) the total amount of scholarships awarded  
 10 under this Act plus interest equal to the sum of the  
 11 rate of interest of 91-day Treasury bills auctioned  
 12 for the 3-month period for which the determination  
 13 of noncompliance is made;

14           (2) 20 percent of the total amount calculated  
 15 under paragraph (1); and

16           (3) where applicable, reasonable collection fees.

17 **SEC. 10. EXCEPTIONS TO REPAYMENT PROVISIONS.**

18           (a) DEFERRAL DURING CERTAIN PERIODS.—A  
 19 Foundation scholar shall not be considered to be in viola-  
 20 tion of the provisions of this Act during any period in  
 21 which the Foundation scholar—

1 (1) is serving, not in excess of 3 years, as a  
2 member of the armed services of the United States;

3 (2) is temporarily totally disabled for a period  
4 of time not to exceed 3 years as established by the  
5 sworn affidavit of a qualified physician;

6 (3) is unable to secure employment for a period  
7 not to exceed 12 months by reason of the care  
8 required by a spouse who is disabled;

9 (4) is seeking and unable to find full-time em-  
10 ployment as a teacher in a public elementary or sec-  
11 ondary school for a single period not to exceed 12  
12 months; or

13 (5) satisfies the provisions of additional repay-  
14 ment exceptions that may be prescribed by the  
15 Secretary in regulations issued pursuant to this Act.

16 (b) FORGIVENESS IF PERMANENTLY TOTALLY DIS-  
17 ABLED.—A Foundation scholar shall be excused from re-  
18 payment of any scholarship assistance received under this  
19 Act if the scholar becomes permanently totally disabled as  
20 established by the sworn affidavit of a qualified physician.

21 **SEC. 11. GRANTS TO STATES FOR FOUNDATION SCHOLARS.**

22 (a) STATE GRANTS.—The Foundation is authorized  
23 to award grants to States to enable such States to pay  
24 the Federal share of the cost establishing State scholar-

1 ship programs that award scholarships to students in  
2 accordance with the provisions of this section.

3 (b) AGREEMENT.—Each State desiring to conduct a  
4 State scholarship program under this section shall enter  
5 into an agreement with the Foundation, at such time, in  
6 such manner, and containing or accompanied by such in-  
7 formation as the Foundation may reasonably require.  
8 Each such agreement shall contain—

9 (1) an assurance that the State will conduct the  
10 State scholarship program in substantial compliance  
11 with the provisions of this Act, unless the Founda-  
12 tion and State agree otherwise;

13 (2) an assurance that the State will pay the  
14 non-Federal share of the cost of the State scholar-  
15 ship program from non-Federal sources;

16 (3) an assurance that each student receiving a  
17 scholarship under this section shall fulfill such stu-  
18 dent's teaching commitment in a public elementary  
19 or secondary school located in the State which  
20 awards the scholarship;

21 (4) a description of any additional teaching  
22 commitment to which a student may be subject upon  
23 graduation from an institution of higher education  
24 under the State scholarship program;

1 (5) an assurance that if a student is selected to  
2 receive a scholarship from the Foundation and a  
3 scholarship from the State pursuant to this section,  
4 then such student shall have the option of deciding  
5 which one of the two scholarships to accept; and

6 (6) such additional assurances as the Founda-  
7 tion determines are essential to ensure compliance  
8 with the provisions of this Act.

9 (c) FEDERAL SHARE.—The Federal share of the cost  
10 of each State scholarship program established under this  
11 section shall be 50 percent.

12 **SEC. 12. NATIONAL FOUNDATION FOR EXCELLENCE FUND.**

13 (a) ESTABLISHMENT.—

14 (1) IN GENERAL.—There is established in the  
15 Treasury of the United States a trust fund to be  
16 known as the National Foundation for Excellence  
17 Trust Fund.

18 (2) FUNDS.—The Fund shall consist of—

19 (A) amounts appropriated to, and depos-  
20 ited in, the Fund pursuant to section 15;

21 (B) amounts raised from non-Federal  
22 sources by the Foundation, which shall be cred-  
23 ited to and form part of the Fund; and

24 (C) the interest on, and the proceeds from  
25 the sale or redemption of, any obligations held

1           in the Fund, which shall be credited to and  
2           form a part of the Fund.

3           (b) INVESTMENT AUTHORITY.—It shall be the duty  
4 of the Secretary to invest in full amounts appropriated to  
5 the Fund. Such investments may be made only in interest-  
6 bearing obligations of the United States or in obligations  
7 guaranteed as to both principal and interest by the United  
8 States. For such purpose, such obligations may be ac-  
9 quired (1) on original issue at the issue price, or (2) by  
10 purchase of outstanding obligations at the market place.  
11 The purposes for which obligations of the United States  
12 may be issued under the Second Liberty Bond Act, as  
13 amended, are hereby extended to authorize the issuance  
14 at par of special obligations exclusively to the Fund. Such  
15 special obligations shall bear interest at a rate equal to  
16 the average rate of interest, computed as to the end of  
17 the calendar month next preceding the date of such issue,  
18 borne by all marketable interest-bearing obligations of the  
19 United States then forming a part of the public debt; ex-  
20 cept that where such average rate is not a multiple of one-  
21 eighth of 1 percent, the rate of interest of such special  
22 obligations shall be the multiple of one-eighth of 1 percent  
23 next lower than such average rate. Such special obligations  
24 shall be issued only if the Secretary determines that the  
25 purchase of other interest-bearing obligations of the Unit-

1 ed States, or of obligations guaranteed as to both principal  
2 and interest by the United States on original issue or at  
3 the market price, is not in the public interest.

4 (c) SALE AND REDEMPTION.—Any obligation ac-  
5 quired by the Fund (except special obligations issued ex-  
6 clusively to the Fund) may be sold by the Secretary at  
7 the market price, and such special obligations may be  
8 redeemed at par plus accrued interest.

9 **SEC. 13. EXPENDITURES FROM THE FUND.**

10 (a) IN GENERAL.—The Secretary is authorized to  
11 pay to the Foundation from the interest and earnings of  
12 the Fund such sums as the Board determines are nec-  
13 essary and appropriate to enable the Foundation to carry  
14 out the provisions of the Act.

15 (b) AUDIT.—The activities of the Foundation under  
16 this Act may be audited by the General Accounting Office  
17 under such rules and regulations as may be prescribed by  
18 the Comptroller General of the United States. The rep-  
19 resentatives of the General Accounting Office shall have  
20 access to all books, accounts, records, reports, and files  
21 and all other papers, things, or property belonging to or  
22 in use by the Foundation, pertaining to such activities  
23 as necessary to facilitate the audit.

1 **SEC. 14. ADMINISTRATIVE PROVISIONS.**

2 (a) IN GENERAL.—In order to carry out the provi-  
3 sions of this Act, the Foundation is authorized to—

4 (1) appoint and fix the compensation of such  
5 personnel as may be necessary to carry out the pro-  
6 visions of this Act, except that in no case shall em-  
7 ployees be compensated at a rate to exceed the rate  
8 provided for employees in grade 15 of the General  
9 Schedule set forth in section 5332 of title 5, United  
10 States Code;

11 (2) procure temporary and intermittent services  
12 of experts and consultants as are necessary to the  
13 extent authorized by section 3109 of title 5, United  
14 States Code, but at rates not to exceed the rate  
15 specified at the time of such service for grade GS-  
16 15 in section 5332 of such title;

17 (3) prescribe such regulations as the Founda-  
18 tion deems necessary governing the manner in which  
19 the Foundation's functions shall be carried out;

20 (4) receive money and other property donated,  
21 bequeathed, or devised, without condition or restric-  
22 tion other than such money or property be used for  
23 the purposes of the Foundation; and to use, sell, or  
24 otherwise dispose of such property for the purpose  
25 of carrying out the Foundation's functions;

1           (5) accept and utilize the services of voluntary  
2           and noncompensated personnel and reimburse such  
3           personnel for travel expenses, including per diem, as  
4           authorized by section 5703 of title 5, United States  
5           Code;

6           (6) enter into contracts, grants, or other ar-  
7           rangements, or modifications thereof, to carry out  
8           the provisions of this Act, and such contracts or  
9           modifications thereof may, with the concurrence of  
10          two-thirds of the members of the Board, be entered  
11          into without performance or other bonds, and with-  
12          out regard to section 3709 of the Revised Statutes,  
13          as amended (41 U.S.C. 5);

14          (7) make advances, progress, and other pay-  
15          ments which the Board deems necessary under this  
16          Act without regard to the provisions of section 3648  
17          of the Revised Statutes, as amended (31 U.S.C.  
18          3324);

19          (8) rent office space in the District of Colum-  
20          bia; and

21          (9) make other necessary expenditures.

22          (b) EXECUTIVE DIRECTOR.—

23                  (1) IN GENERAL.—There shall be an Executive  
24          Director of the Foundation who shall be appointed  
25          by the Board. The Executive Director shall be the

1 chief executive officer of the Foundation and shall  
2 carry out the functions of the Foundation subject to  
3 the supervision and direction of the Board. The Ex-  
4 ecutive Director shall carry out such other functions  
5 consistent with the provisions of this Act as the  
6 Board shall delegate.

7 (2) COMPENSATION.—The Executive Director  
8 of the Foundation shall be compensated at the rate  
9 specified for employees in grade 15 of the General  
10 Schedule set forth in section 5332 of title 5, United  
11 States Code.

12 **SEC. 15. ANNUAL REPORT.**

13 The Board shall make an annual report of its oper-  
14 ations under this Act to the Congress not later than April  
15 1 of each year. Each such report shall include—

16 (1) an analysis of the administration of the  
17 Foundation;

18 (2) a description of the services provided by the  
19 Foundation;

20 (3) a statement of the finances of the Founda-  
21 tion;

22 (4) a description of the plan and goals of the  
23 Foundation for disbursing \$500,000 per year in  
24 States with a population of fewer than 2,000,000;

1 (5) a description of the plan and goals of the  
2 Foundation for disbursing \$1,000,000 per year in  
3 States with a population greater than 2,000,000;  
4 and

5 (6) a description of the plan and goals of the  
6 Foundation to award scholarships to at least 100  
7 students in every State.

8 **SEC. 16. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) IN GENERAL.—

10 (1) IN GENERAL.—There are authorized to be  
11 appropriated \$200,000,000 to the Fund.

12 (2) OPERATING AND ADMINISTRATIVE EX-  
13 PENSES.—(A) There are authorized to be appro-  
14 priated \$5,000,000 to the Foundation for each of  
15 the fiscal years 1993 through 1998 for operating  
16 and administrative expenses.

17 (B) In any fiscal year in which funds appro-  
18 priated pursuant to the authority of subparagraph  
19 (A) remain unobligated at the end of such fiscal  
20 year, such unobligated funds shall be credited to and  
21 form part of the Fund.

22 (b) MATCHING FUNDS.—Subject to subsection (c),  
23 there are authorized to be appropriated \$200,000,000 to  
24 the Fund for the period beginning October 1, 1993, and  
25 ending September 30, 1998, to carry out section 11.

1       (c) AVAILABILITY.—The amount appropriated pursu-  
2 ant to the authority of subsection (b) shall only be made  
3 available in each fiscal year in an amount equal to the  
4 amount raised from non-Federal sources by the Founda-  
5 tion in each such fiscal year.

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