

108TH CONGRESS
1ST SESSION

H. R. 1306

To provide student loan forgiveness to Americans employed in service to the public, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2003

Mr. GEORGE MILLER of California (for himself, Mr. KILDEE, Mr. DOGGETT, Mr. PAYNE, Mr. ANDREWS, Mr. McDERMOTT, Mr. FARR, Mr. CAPUANO, Mr. NEAL of Massachusetts, Ms. LEE, Mrs. NAPOLITANO, Mr. TOWNS, Mr. STARK, Mr. NADLER, Ms. MILLENDER-McDONALD, Mr. UDALL of New Mexico, Mr. FORD, Mr. OLVER, Mr. WEINER, Mr. ABERCROMBIE, Mr. HINCHEY, Mr. BACA, Mr. RODRIGUEZ, Mr. FRANK of Massachusetts, Mr. MCGOVERN, Mr. ETHERIDGE, Ms. SOLIS, Ms. ESHOO, Mr. FROST, Ms. CARSON of Indiana, Mr. GRIJALVA, Mr. SANDERS, Ms. MCCOLLUM, Mr. OWENS, Ms. CORRINE BROWN of Florida, Mr. MARKEY, Mr. MEEHAN, Mr. CASE, Mr. ENGEL, Mr. SERRANO, Ms. MAJETTE, Mr. WEXLER, Mr. GREEN of Texas, Ms. WATSON, Ms. HOOLEY of Oregon, Mr. PETERSON of Minnesota, Mr. CUMMINGS, Mr. HOLDEN, Mr. RYAN of Ohio, Ms. SCHAKOWSKY, Ms. LOFGREN, Mr. GUTIERREZ, Mr. OBERSTAR, Mrs. JONES of Ohio, Mr. EVANS, Mr. HOEFFEL, Mr. RANGEL, Mr. KUCINICH, Mr. ALLEN, Mr. ACKERMAN, Ms. LORETTA SANCHEZ of California, Mrs. LOWEY, and Mr. HINOJOSA) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To provide student loan forgiveness to Americans employed in service to the public, 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,*

1 **SECTION 1. SHORT TITLE; REFERENCES.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “College Opportunity for a Better America Act of 2003”.

4 (b) REFERENCE.—Except as otherwise expressly pro-
5 vided in this Act, whenever in this Act an amendment or
6 repeal is expressed in terms of an amendment to, or repeal
7 of, a section or other provision, the reference shall be con-
8 sidered to be made to a section or other provision of the
9 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

10 **SEC. 2. FINDINGS.**

11 The Congress finds the following:

12 (1) Education after high school, including two-
13 year and four-year college degrees, is more impor-
14 tant than ever for Americans’ future economic secu-
15 rity. A four-year college degree is estimated to be
16 worth \$1 million in earnings more than a high
17 school diploma over the course of a lifetime.

18 (2) The cost of attending college has steadily
19 increased faster than the rate of inflation. The aver-
20 age tuition and fees at four-year public and private
21 universities are now \$4,081 and \$18,273, respec-
22 tively, an increase of approximately 75 percent over
23 the past decade.

24 (3) More and more, American students are rely-
25 ing on debt to finance higher education. In 1999-
26 2000, the average student loan debt totaled

1 \$16,948, a dramatic increase from the average debt
2 of \$9,188 in 1992-93. At the same time, the per-
3 centage of students borrowing increased from 42
4 percent to 64 percent.

5 (4) Student debt constrains the career options
6 of millions of college graduates. Nearly two-fifths of
7 graduates with debt find it unmanageable, defined
8 as exceeding eight percent of their income. As a re-
9 sult, many college graduates may chose higher-pay-
10 ing jobs rather than enter public service.

11 (5) Many of our Nation's public service profes-
12 sions, including teaching, nursing, and child care,
13 face shortages of highly qualified personnel that im-
14 peril the health and future welfare of our citizens.

15 (6) Record school enrollments, an aging teach-
16 ing force, and chronic attrition of new teachers make
17 it difficult to ensure that every child has a qualified,
18 engaged, caring teacher. Excellent teachers are par-
19 ticularly rare in high-poverty schools and in subjects
20 like mathematics, science, and special education.

21 (7) There is a national shortage of 126,000
22 nurses, according to the American Hospital Associa-
23 tion. At the same time, the number of nursing
24 school graduates decreased by 29 percent between
25 1995 and 2001.

1 “(1) to reduce the burden of student debt, par-
2 ticularly for Americans who dedicate their careers to
3 meeting certain urgent national needs; and

4 “(2) to attract more excellent individuals into
5 important public service careers.

6 “(b) LOAN FORGIVENESS.—

7 “(1) IN GENERAL.—The Secretary shall assume
8 the obligation to repay, pursuant to subsection (c),
9 a loan made under section 428 or 428H, a Federal
10 Direct Stafford Loan or Federal Direct Unsub-
11 sidized Stafford Loan, a Federal Direct Consolida-
12 tion Loan, or a Federal Perkins Loan for any new
13 borrower after the date of enactment of the Higher
14 Education Amendments of 1998, who—

15 “(A) is employed full time in a qualified
16 public service position described in paragraph
17 (2); and

18 “(B) is not in default on a loan for which
19 the borrower seeks forgiveness.

20 “(2) QUALIFIED PUBLIC SERVICE POSITIONS.—

21 For purposes of this section, an individual shall be
22 treated as employed in a qualified public service po-
23 sition if the individual is any of the following:

24 “(A) HIGHLY QUALIFIED TEACHERS IN
25 LOW-INCOME COMMUNITIES AND OF MATHE-

1 MATICS, SCIENCE, AND BILINGUAL AND SPE-
2 CIAL EDUCATION.—An individual who—

3 “(i) is highly qualified as such term is
4 defined in section 9101 of the Elementary
5 and Secondary Education Act of 1965; and

6 “(ii)(I) has obtained employment as a
7 teacher for service in a public or nonprofit
8 private elementary or secondary school
9 which is in the school district of a local
10 educational agency which is eligible in such
11 year for assistance pursuant to title I of
12 the Elementary and Secondary Education
13 Act of 1965, and which for the purpose of
14 this paragraph and for that year has been
15 determined by the Secretary (pursuant to
16 regulations and after consultation with the
17 State educational agency of the State in
18 which the school is located) to be a school
19 in which the enrollment of children counted
20 under section 1113(a)(5) of the Elemen-
21 tary and Secondary Education Act of 1965
22 exceeds 40 percent of the total enrollment
23 of that school; or

1 “(II) has obtained employment as a
2 full-time teacher of mathematics, science,
3 or bilingual or special education.

4 “(B) EARLY CHILDHOOD EDUCATORS.—An
5 individual who—

6 “(i) has received a degree in early
7 childhood education; and

8 “(ii) has obtained employment in a
9 child care facility, such as employment as
10 a preschool teacher, in a low-income com-
11 munity.

12 “(C) NURSES.—An individual who has ob-
13 tained employment—

14 “(i) in a clinical setting; or

15 “(ii) as a member of the nursing fac-
16 ulty at an accredited school of nursing (as
17 those terms are defined in section 801 of
18 the Public Health Service Act (42 U.S.C.
19 296)).

20 “(D) CHILD WELFARE WORKERS.—An in-
21 dividual who—

22 “(i) has completed a degree in social
23 work or related field with a focus on serv-
24 ing children and families (as determined in

1 accordance with regulations prescribed by
2 the Secretary); and

3 “(ii) has obtained employment in pub-
4 lic or private child welfare services.

5 “(E) NUTRITION PROFESSIONALS.—An in-
6 dividual who—

7 “(i) is a certified registered dietician
8 who has completed a degree in a relevant
9 field; and

10 “(ii) has obtained employment in a
11 local agency of the special supplemental
12 nutrition program for women, infants, and
13 children under section 17 of the Child Nu-
14 trition Act of 1966 (42 U.S.C. 1786).

15 “(F) INFANT AND TODDLER SPECIAL-
16 ISTS.—An individual who—

17 “(i) has obtained an associate’s or
18 bachelor’s degree in a discipline that would
19 qualify the individual to work in the pro-
20 gram under part C of the Individuals with
21 Disabilities Education Act in the State in
22 which such individual resides; and

23 “(ii) has obtained employment in an
24 occupation that is directly related to such
25 degree and that (I) provides services to in-

1 fants, toddlers, and their families under an
2 individualized family service plan under
3 section 636 of the Individuals with Disabil-
4 ities Education Act (20 U.S.C. 1436) or
5 an individualized education plan under sec-
6 tion 614(d) of such Act (20 U.S.C.
7 1414(d)); or (II) provides training or tech-
8 nical assistance to providers of such serv-
9 ices.

10 “(G) ADDITIONAL PUBLIC SERVANTS.—An
11 individual who, as determined by the Secretary
12 of Education by regulation—

13 “(i) works in a public service profes-
14 sion that suffers from a critical lack of
15 qualified personnel;

16 “(ii) serves a low-income or needy
17 community; and

18 “(iii) is highly qualified.

19 “(c) LOAN REPAYMENT.—

20 “(1) IN GENERAL.—The Secretary shall assume
21 the obligation to repay—

22 “(A) after each of the first or second years
23 of service by an individual in a qualified public
24 service position, 15 percent of the total amount
25 of principal and interest of the loans described

1 in subsection (b)(1) to such individual that are
2 outstanding immediately preceding such first
3 year of such service;

4 “(B) after each of the third or fourth years
5 of such service, 20 percent of such total
6 amount; and

7 “(C) after the fifth year of such service, 30
8 percent of such total amount.

9 “(2) TREATMENT OF CONSOLIDATION LOANS.—

10 A loan amount for a loan made under section 428C
11 or for a Federal Direct Consolidation Loan may be
12 a qualified loan amount for the purposes of this sub-
13 section only to the extent that such loan amount was
14 used to repay a loan described in subsection (b)(1)
15 for a borrower who meets the requirements of sub-
16 section (b), as determined in accordance with regula-
17 tions prescribed by the Secretary.

18 “(3) CONSTRUCTION.—Nothing in this section
19 shall be construed to authorize the refunding of any
20 repayment of a loan made under section 428 or
21 428H, a Federal Direct Stafford Loan or Federal
22 Direct Unsubsidized Stafford Loan, a Federal Direct
23 Loan, or a Federal Perkins Loan.

24 “(4) INTEREST.—If a portion of a loan is re-
25 paid by the Secretary under this section for any

1 year, the proportionate amount of interest on such
2 loan that accrues for such year shall be repaid by
3 the Secretary.

4 “(5) INELIGIBILITY OF NATIONAL SERVICE
5 AWARD RECIPIENTS.—No student borrower may, for
6 the same service, receive a benefit under both this
7 section and subtitle D of title I of the National and
8 Community Service Act of 1990 (42 U.S.C. 12601
9 et seq.).

10 “(6) INELIGIBILITY FOR DOUBLE BENEFITS.—
11 No borrower may receive a reduction of loan obliga-
12 tions under both this section and section 428J or
13 460.

14 “(7) CONTINUED ELIGIBILITY.—

15 “(A) TEACHERS.—Any teacher who per-
16 forms service in a school that—

17 “(i) meets the requirements of sub-
18 section (b)(2)(A)(ii)(I) in any year during
19 such service; and

20 “(ii) in a subsequent year fails to
21 meet the requirements of such subsection,
22 may continue to teach in such school and shall be
23 eligible for loan forgiveness pursuant to subsection
24 (b).

1 “(B) TEACHERS IN LOW-INCOME COMMU-
2 NITIES.—Any early childhood educator who per-
3 forms service in a community that—

4 “(i) meets the definition of low-income
5 community in any year during such serv-
6 ice; and

7 “(ii) in a subsequent year fails to
8 meet such definition,

9 may continue to perform service in such community
10 and shall be eligible for loan forgiveness pursuant to
11 subsection (b).

12 “(d) REPAYMENT TO ELIGIBLE LENDERS AND
13 HOLDERS.—The Secretary shall pay to each eligible lend-
14 er or holder for each fiscal year an amount equal to the
15 aggregate amount of the lender’s or holder’s loans that
16 are subject to repayment pursuant to this section for such
17 year.

18 “(e) APPLICATION FOR REPAYMENT.—

19 “(1) IN GENERAL.—Each eligible individual de-
20 siring loan repayment under this section shall sub-
21 mit a complete and accurate application to the Sec-
22 retary at such time, in such manner, and containing
23 such information as the Secretary may require.

24 “(2) CONDITIONS.—An eligible individual may
25 apply for loan repayment under this section after

1 completing each of the consecutive years of quali-
2 fying service described in subsection (c)(1). The bor-
3 rower may elect to receive forbearance while engaged
4 in qualifying service described in subsection (c)(1)
5 unless the borrower is in deferment while so en-
6 gaged.

7 “(f) REGULATIONS.—The Secretary is authorized to
8 prescribe such regulations as may be necessary to carry
9 out the provisions of this section.

10 “(g) DEFINITIONS.—In this section:

11 “(1) CHILD CARE FACILITY.—The term ‘child
12 care facility’ means a facility, including a home,
13 that—

14 “(A) provides child care services; and

15 “(B) meets applicable State or local gov-
16 ernment licensing, certification, approval, or
17 registration requirements, if any.

18 “(2) CHILD CARE SERVICES.—The term ‘child
19 care services’ means activities and services provided
20 for the education and care of children from birth
21 through age 5 by an individual who has a degree in
22 early childhood education, including a preschool
23 teacher.

1 “(3) CHILD WELFARE SERVICES.—The term
2 ‘child welfare services’ has the meaning given the
3 term in section 425 of the Social Security Act.

4 “(4) DEGREE.—The term ‘degree’ means an as-
5 sociate’s or bachelor’s degree awarded by an institu-
6 tion of higher education.

7 “(5) EARLY CHILDHOOD EDUCATION.—The
8 term ‘early childhood education’ means education in
9 the area of early child development and education,
10 child care, or any other educational area related to
11 early child education or child care that the Secretary
12 determines to be appropriate.

13 “(6) ELIGIBLE NURSE.—The term ‘eligible
14 nurse’ means a nurse who meets all of the following:

15 “(A) The nurse graduated from—

16 “(i) an accredited school of nursing
17 (as those terms are defined in section 801
18 of the Public Health Service Act (42
19 U.S.C. 296));

20 “(ii) a nursing center; or

21 “(iii) an academic health center that
22 provides nurse training.

23 “(B) The nurse holds a valid and unre-
24 stricted license to practice nursing in the State

1 in which the nurse practices in a clinical set-
2 ting.

3 “(C) The nurse holds 1 or more of the fol-
4 lowing:

5 “(i) A graduate degree in nursing, or
6 an equivalent degree.

7 “(ii) A nursing degree from a colle-
8 giate school of nursing (as defined in sec-
9 tion 801 of the Public Health Service Act
10 (42 U.S.C. 296)).

11 “(iii) A nursing degree from an asso-
12 ciate degree school of nursing (as defined
13 in section 801 of the Public Health Service
14 Act (42 U.S.C. 296)).

15 “(iv) A nursing degree from a diploma
16 school of nursing (as defined in section
17 801 of the Public Health Service Act (42
18 U.S.C. 296)).

19 “(7) ELIGIBLE PRESCHOOL PROGRAM PRO-
20 VIDER.—The term ‘eligible preschool program pro-
21 vider’ means a preschool program provider serving
22 children younger than the age of compulsory school
23 attendance that is—

24 “(A) a public or private school;

1 “(B) a provider that is supported, spon-
2 sored, supervised, or administered by a local
3 educational agency;

4 “(C) a Head Start agency designated
5 under the Head Start Act (42 U.S.C. 9831 et
6 seq.);

7 “(D) a nonprofit or community-based orga-
8 nization; or

9 “(E) a licensed child care center or family
10 child care provider.

11 “(8) LOW-INCOME COMMUNITY.—In this sub-
12 section, the term ‘low-income community’ means a
13 community in which 70 percent of households earn
14 less than 85 percent of the State median household
15 income.

16 “(9) PRESCHOOL TEACHER.—The term ‘pre-
17 school teacher’ means an individual—

18 “(A) who has received at least an associ-
19 ate’s degree in early childhood education and
20 who is working toward or who has already re-
21 ceived a bachelor’s degree in early childhood
22 education; and

23 “(B) who works for an eligible preschool
24 program provider supporting the children’s cog-
25 nitive, social, emotional, and physical develop-

1 ment to prepare the children for the transition
2 to kindergarten.

3 “(10) YEAR.—The term ‘year’, where applied to
4 service as a teacher (or service as a member of an
5 accredited school of nursing (as those terms are de-
6 fined in section 801 of the Public Health Service Act
7 (42 U.S.C. 296))), means an academic year as de-
8 fined by the Secretary.”.

9 **SEC. 4. INCOME-CONTINGENT LOAN REFORM.**

10 (a) FFEL INCOME CONTINGENT REPAYMENT.—

11 (1) REPAYMENT PLANS CONSISTENT WITH DI-
12 RECT LOANS.—Clause (iii) of section 428(b)(9)(A)
13 (20 U.S.C. 1078(b)(9)(A)(iii)) is amended to read as
14 follows:

15 “(iii) an income contingent repayment
16 plan consistent with the income contingent
17 repayment plans offered pursuant to sec-
18 tion 455(e), with income contingent repay-
19 ment amounts paid over a fixed period of
20 time, not to exceed 25 years; and”.

21 (2) CONFORMING AMENDMENTS.—

22 (A) Each of the following provisions is
23 amended by striking “income-sensitive” each
24 place it appears and inserting “income contin-
25 gent”: section 427(a)(2)(H), subsections

1 (b)(1)(E)(i) and (e) of section 428, and sub-
2 sections (b)(1)(E), (b)(5), and (c)(2) of section
3 428C.

4 (B) The heading of subsection (e) of sec-
5 tion 428 is amended by striking “INCOME-SEN-
6 SITIVE” and inserting “INCOME CONTINGENT.”.

7 (C) Section 428C(b)(1)(E) is amended by
8 striking “July 1, 1994” and inserting “July 1,
9 2004”.

10 (3) EFFECTIVE DATE.—The amendments made
11 by this subsection shall apply with respect to loans
12 made on or after July 1, 2004.

13 (b) DIRECT LOAN INCOME CONTINGENT REPAY-
14 MENT.—

15 (1) MAXIMUM TERM FOR PUBLIC SERVICE EM-
16 PLOYEES.—Section 455(d) (20 U.S.C. 1087e(d)) is
17 amended—

18 (A) in subparagraph (D) of paragraph (1)
19 by striking “except that” and all that follows
20 through the period at the end and inserting the
21 following:

22 “except that—

23 “(i) the plan described in this sub-
24 paragraph shall not be available to the bor-
25 rower of a Federal Direct PLUS loan; and

1 “(ii) in the case of a borrower who,
2 after electing to repay a loan on the in-
3 come contingent repayment plan, has been
4 employed by a qualified public service em-
5 ployer, whether or not continuously, for a
6 least 8 years on a full-time basis, the ex-
7 tended period of time prescribed by the
8 Secretary shall not exceed 15 years.”; and

9 (B) by adding at the end the following new
10 paragraph:

11 “(6) DEFINITION OF QUALIFIED PUBLIC SERV-
12 ICE EMPLOYER.—For purposes of paragraph
13 (1)(D)(ii), the term ‘qualified public service em-
14 ployer’ means—

15 “(A) any agency of Federal, State, or local
16 government;

17 “(B) an other organization within the
18 meaning of section 3371(4) of title 5, United
19 States Code; and

20 “(C) an employer that is exempt from tax-
21 ation under section 501(c)(3) or 501(c)(4) of
22 the Internal Revenue Code of 1986.”.

23 (2) TREATMENT OF SPOUSAL INCOME.—Section
24 455(e)(2) is amended by striking “of the borrower”
25 and all that follows through the period at the end

1 and inserting “of the borrower. If the borrower is
2 married, one-half the combined adjusted gross in-
3 come of the borrower and the borrower’s spouse
4 shall be attributed to the borrower for the purposes
5 of the preceding sentence.”.

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