

108TH CONGRESS
2D SESSION

H. R. 5270

To make careers in public service more feasible for students who graduate with high educational loan debt.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2004

Mr. RENZI introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To make careers in public service more feasible for students who graduate with high educational loan debt.

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 “Education for Public
5 Service Act of 2004”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) The Nation benefits greatly from the con-
9 tributions of persons who obtain higher education,
10 including graduate and professional degrees, and

1 then devote much of their careers to public service.
2 High educational debt is an impediment that dis-
3 courages borrowers from pursuing low-paying public
4 service employment.

5 (2) In 1993, Congress created the income-con-
6 tingent loan repayment option to help high-debt bor-
7 rowers to have lower-paying public service careers.

8 (3) This plan has not yet succeeded in removing
9 the barriers to public service created by high edu-
10 cational debt. The principal problem is that bor-
11 rowers who elect this option do not receive debt for-
12 giveness until they have been paying for 25 years.
13 Graduates are unable to contemplate such a long pe-
14 riod of repayment before their educational debts are
15 forgiven. Many of them expect to be helping to pay
16 for their children's education within that period.

17 (4) The goal of income-contingent repayment
18 can be better achieved by reducing the option's pe-
19 riod of loan repayment and forgiveness so that pub-
20 lic service professionals will not be forced to continue
21 repaying their debt for 25 years after completion of
22 graduate school.

23 (5) Some borrowers are discouraged from using
24 the income-continent repayment option because it in-
25 cludes a severe "marriage penalty". It attributes the

1 incomes of both spouses to each borrower spouse, so
 2 that when a borrower marries, the amount of repay-
 3 ment due under the option is vastly increased. The
 4 option can be made more equitable by attributing
 5 only half of the income of a couple to each spouse.

6 (6) Making adjustments to the income-conti-
 7 gent repayment option will improve access to higher
 8 education opportunities and will enable more grad-
 9 uates to work in public service.

10 **SEC. 3. STUDENT LOAN REPAYMENT.**

11 (a) IN GENERAL.—Section 455(d) of the Higher
 12 Education Act of 1965 (20 U.S.C. 1087e(d)(1)(D)) is
 13 amended—

14 (1) in paragraph (1)(D), by inserting “and sub-
 15 ject to paragraph (6)” after “prescribed by the Sec-
 16 retary”; and

17 (2) by adding at the end the following new
 18 paragraph:

19 “(6) MAXIMUM REPAYMENT PERIOD FOR PUB-
 20 LIC SERVICE EMPLOYEES.—

21 “(A) SHORTENED PERIOD IN RECOGNITION
 22 OF SERVICE.—For purposes of paragraph
 23 (1)(D), in the case of borrowers who, after
 24 electing to repay a loan on the income contin-
 25 gent repayment plan, have been employed by a

1 qualified public service employer, whether or
 2 not continuously, for at least eight years on a
 3 full-time basis, the extended period of time pre-
 4 scribed by the Secretary shall not exceed 15
 5 years.

6 “(B) DEFINITION.—For purposes of this
 7 paragraph, the term ‘qualified public service
 8 employer’ means any State, local government,
 9 Federal agency, or other organization (as such
 10 terms are defined by section 3371 of title 5,
 11 United States Code), any other office or entity
 12 of the legislative branch, and any employer that
 13 is exempt from taxation under section 501(c)(3)
 14 or section 501(c)(4) of title 26, United States
 15 Code.”.

16 (b) REPAYMENT SCHEDULES FOR MARRIED BOR-
 17 ROWERS.—Section 455(e)(2) of the Higher Education Act
 18 of 1965 (20 U.S.C. 1087e(e)(2)) is amended by—

19 (1) by striking “, or, if the borrower” and all
 20 that follows and inserting a period; and

21 (2) by adding at the end the following: “If the
 22 borrower is married, one-half of the combined ad-
 23 justed gross income of the borrower and of the bor-
 24 rower’s spouse shall be attributed to the borrower.”.

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