

114TH CONGRESS
1ST SESSION

H. R. 2082

To provide for loan forgiveness for STEM teachers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2015

Mr. SWALWELL of California introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for loan forgiveness for STEM teachers, 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 “STEM K to Career
5 Act”.

6 **SEC. 2. LOAN FORGIVENESS FOR STEM TEACHERS.**

7 Part B of title IV of the Higher Education Act of
8 1965 (20 U.S.C. 1071 et seq.) is amended by inserting
9 after section 428L the following:

1 **“SEC. 428M. LOAN FORGIVENESS FOR STEM TEACHERS.**

2 “(a) LOAN FORGIVENESS AUTHORIZED.—The Sec-
3 retary shall forgive, in accordance with this section, the
4 qualified loan amount described in subsection (c) of the
5 student loan obligation of a borrower who—

6 “(1) is employed as a full-time STEM teacher
7 for service in an academic year (including such a
8 STEM teacher employed by an educational service
9 agency)—

10 “(A) in a public or other nonprofit private
11 elementary school or secondary school, which,
12 for the purpose of this paragraph and for that
13 year—

14 “(i) has been determined by the Sec-
15 retary (pursuant to regulations of the Sec-
16 retary 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 number of children meeting a
20 measure of poverty under section
21 1113(a)(5) of the Elementary and Sec-
22 ondary Education Act of 1965, exceeds 30
23 percent of the total number of children en-
24 rolled in such school; and

25 “(ii) is in the school district of a local
26 educational agency which is eligible in such

1 year for assistance pursuant to part A of
2 title I of the Elementary and Secondary
3 Education Act of 1965; or

4 “(B) in one or more public, or nonprofit
5 private, elementary schools or secondary schools
6 or locations operated by an educational service
7 agency that have been determined by the Sec-
8 retary (pursuant to regulations of the Secretary
9 and after consultation with the State edu-
10 cational agency of the State in which the edu-
11 cational service agency operates) to be a school
12 or location at which the number of children
13 taught who meet a measure of poverty under
14 section 1113(a)(5) of the Elementary and Sec-
15 ondary Education Act of 1965, exceeds 30 per-
16 cent of the total number of children taught at
17 such school or location; and

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

20 “(b) METHOD OF LOAN FORGIVENESS.—To provide
21 loan forgiveness under subsection (a), the Secretary shall
22 carry out a program—

23 “(1) through the holder of the loan, to assume
24 the obligation to repay a qualified loan amount for
25 a loan made, insured, or guaranteed under this part

1 (other than an excepted PLUS loan or an excepted
2 consolidation loan (as such terms are defined in sec-
3 tion 493C(a))); and

4 “(2) to cancel a qualified loan amount for a
5 loan made under part D of this title (other than an
6 excepted PLUS loan or an excepted consolidation
7 loan).

8 “(c) QUALIFIED LOAN AMOUNT.—

9 “(1) FORGIVENESS OF PERCENTAGE OF DEBT
10 BASED ON YEARS OF SERVICE.—For each complete
11 year of service by a borrower as a STEM teacher in
12 accordance with this section after the date of enact-
13 ment of the STEM K to Career Act, the Secretary
14 shall forgive the student loan obligation of the bor-
15 rower at the rate of 15 percent of such obligation for
16 the first or second year of such service, 20 percent
17 of such obligation for the third or fourth year of
18 such service, and 30 percent of such obligation for
19 the fifth year of such service.

20 “(2) PRINCIPAL AND INTEREST FORGIVEN.—If
21 a portion of a loan is forgiven under this section for
22 any year, the entire amount of interest on such loan
23 which accrues for such year shall be forgiven.

24 “(d) SPECIAL RULES.—

1 “(1) LIST OF SCHOOLS.—If the list of schools
2 in which a STEM teacher may perform service pur-
3 suant to subsection (a)(1) is not available before
4 May 1 of any year, the Secretary may use the list
5 for the year preceding the year for which the deter-
6 mination is made to make such service determina-
7 tion.

8 “(2) CONTINUING ELIGIBILITY.—Any teacher
9 who performs service in a school which—

10 “(A) meets the requirements of subsection
11 (a)(1) in any year; and

12 “(B) in a subsequent year fails to meet the
13 requirements of such subsection,
14 may continue to teach in such school and shall be
15 eligible for loan forgiveness pursuant to this section
16 such subsequent years.

17 “(3) PROMISSORY NOTE CONFLICTS.—An indi-
18 vidual with an outstanding student loan obligation
19 who performs service described in subsection (a)(1)
20 in accordance with this section shall be eligible for
21 forgiveness under this section for such service not-
22 withstanding any contrary provision of the promis-
23 sory note under which the loan or loans were made.

24 “(4) FORGIVENESS NOT CONSIDERED IN-
25 COME.—The amount of a loan, and interest on a

1 loan, which is forgiven under this section shall not
2 be considered income for purposes of the Internal
3 Revenue Code of 1986.

4 “(5) NO REFUNDS.—Nothing in this subsection
5 shall be construed to authorize refunding of any re-
6 payment of a loan.

7 “(6) NO DOUBLE BENEFIT.—No borrower may,
8 for the same service, receive a benefit under both
9 this section and subtitle D of title I of the National
10 and Community Service Act of 1990 (42 U.S.C.
11 12601 et seq.).

12 “(e) REGULATIONS.—The Secretary is authorized to
13 issue such regulations as may be necessary to carry out
14 this section.

15 “(f) DEFINITIONS.—For the purposes of this sec-
16 tion—

17 “(1) the term ‘year’ where applied to service as
18 a STEM teacher means academic year as defined by
19 the Secretary; and

20 “(2) the term ‘STEM teacher’ means a teacher
21 of science, technology, engineering, or mathe-
22 matics.”.

1 **SEC. 3. ABOVE-THE-LINE-DEDUCTION FOR STEM EDU-**
2 **CATION MATERIALS.**

3 (a) IN GENERAL.—Section 62(a)(2)(D) of the Inter-
4 nal Revenue Code of 1986 is amended to read as follows:

5 “(D) CERTAIN EXPENSES OF ELEMENTARY
6 AND SECONDARY SCHOOL TEACHERS.—

7 “(i) IN GENERAL.—In the case of tax-
8 able years beginning after 2001, the de-
9 ductions allowed by section 162 which con-
10 sist of expenses, not in excess of \$250,
11 paid or incurred by an eligible educator in
12 connection with books, supplies (other than
13 nonathletic supplies for courses of instruc-
14 tion in health or physical education), com-
15 puter equipment (including related soft-
16 ware and services) and other equipment,
17 and supplementary materials used by the
18 eligible educator in the classroom.

19 “(ii) STEM EDUCATION SUPPLIES.—
20 In the case of STEM education supplies,
21 the amount in clause (i) shall be increased
22 by \$250.

23 “(iii) COORDINATION.—Clause (i)
24 shall be applied without regard to clause
25 (ii).”.

1 (b) STEM EDUCATION SUPPLIES DEFINED.—Sec-
 2 tion 62(d) of the Internal Revenue Code of 1986 is amend-
 3 ed is amended by redesignating paragraph (2) as para-
 4 graph (3) and by inserting after paragraph (1) the fol-
 5 lowing new paragraph:

6 “(2) STEM EDUCATION SUPPLIES.—For pur-
 7 poses of subsection (a)(2)(D), the term ‘STEM edu-
 8 cation supplies’ means expenses for books, supplies,
 9 equipment, and other materials used in connection
 10 with teaching science, technology, engineering, or
 11 math.”.

12 (c) CLERICAL AMENDMENT.—The heading for sec-
 13 tion 62(d) of the Internal Revenue Code of 1986 is amend-
 14 ed by striking “DEFINITION; SPECIAL RULES” and insert-
 15 ing “ELEMENTARY AND SECONDARY SCHOOL TEACH-
 16 ERS”.

17 **SEC. 4. STEM INTERNSHIP TAX CREDIT.**

18 (a) IN GENERAL.—Subpart D of part IV of sub-
 19 chapter A of chapter 1 of the Internal Revenue Code of
 20 1986 is amended by adding at the end the following new
 21 section:

22 **“SEC. 45S. STEM INTERNSHIP CREDIT.**

23 “(a) GENERAL RULE.—For purposes of section 38,
 24 in the case of an eligible employer the STEM internship
 25 credit determined under this section for the taxable year

1 is equal to \$2,000 for each qualified STEM intern em-
2 ployed by the employer during the taxable year.

3 “(b) LIMITATION.—The total amount of the credit al-
4 lowed under subsection (a) to a taxpayer for a taxable year
5 may not exceed \$50,000.

6 “(c) DEFINITIONS.—For purposes of subsection
7 (a)—

8 “(1) QUALIFIED STEM INTERN.—The term
9 ‘qualified STEM intern’ means an individual who is
10 employed under an internship program of an eligible
11 employer under which—

12 “(A) each intern is paid not less than the
13 wage in effect under section 6(a) of the Fair
14 Labor Standards Act of 1938,

15 “(B) each intern is employed for not less
16 than 20 hours per week by the eligible employer
17 in a position related to the career goals of the
18 intern,

19 “(C) each intern completes not less than 6
20 weeks of employment with the eligible employer
21 as an intern, and

22 “(D) each intern is a student who is en-
23 rolled full-time in a science, technology, engi-
24 neering, or math program (including a program
25 of study abroad approved for credit by the eligi-

1 ble institution at which such student is en-
2 rolled) leading to a recognized undergraduate or
3 graduate degree at an institution of higher edu-
4 cation that is an eligible institution in accord-
5 ance with the provisions of section 487 of the
6 Higher Education Act of 1965 (20 U.S.C.
7 1094) and is not enrolled in an elementary or
8 secondary school.

9 “(2) ELIGIBLE EMPLOYER.—

10 “(A) IN GENERAL.—The term ‘eligible em-
11 ployer’ means an employer who employed on av-
12 erage not more than 500 full-time employees on
13 business days during the preceding calendar
14 year. For purposes of the preceding sentence,
15 any individual with respect to whom a credit is
16 allowed under this section shall not be taken
17 into account.

18 “(B) RULES FOR DETERMINING EM-
19 PLOYER SIZE.—For purposes of subparagraph
20 (A)—

21 “(i) APPLICATION OF AGGREGATION
22 RULE FOR EMPLOYERS.—All persons treat-
23 ed as a single employer under subsection
24 (b), (c), (m), or (o) of section 414 shall be
25 treated as 1 employer.

1 “(ii) EMPLOYERS NOT IN EXISTENCE
2 IN PRECEDING YEAR.—In the case of an
3 employer which was not in existence
4 throughout the preceding calendar year,
5 the determination of whether such em-
6 ployer is an eligible employer shall be
7 based on the average number of employees
8 that it is reasonably expected such em-
9 ployer will employ on business days in the
10 current calendar year.

11 “(iii) PREDECESSORS.—Any reference
12 in this paragraph to an employer shall in-
13 clude a reference to any predecessor of
14 such employer.”.

15 (b) CREDIT MADE PART OF GENERAL BUSINESS
16 CREDIT.—Subsection (b) of section 38 of such Code is
17 amended by striking “plus” at the end of paragraph (35),
18 by striking the period at the end of paragraph (36) and
19 inserting “, plus”, and by adding at the end the following
20 new paragraph:

21 “(37) the STEM internship credit determined
22 under section 45S(a).”.

23 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
24 of section 280C of such Code is amended by inserting
25 “45S(a),” after “45P(a),”.

1 (d) CLERICAL AMENDMENT.—The table of sections
 2 for subpart D of part IV of subchapter A of chapter 1
 3 of the Internal Revenue Code of 1986 is amended by add-
 4 ing at the end the following new item:

“Sec. 45S. STEM internship credit.”.

5 (e) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2015.

8 **SEC. 5. STEM APPRENTICESHIP TAX CREDIT.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
 10 chapter A of chapter 1 of the Internal Revenue Code of
 11 1986, as amended by section 3, is amended by adding at
 12 the end the following new section:

13 **“SEC. 45T. STEM APPRENTICESHIP CREDIT.**

14 “(a) GENERAL RULE.—For purposes of section 38,
 15 in the case of an eligible employer the STEM apprentice-
 16 ship credit determined under this section for the taxable
 17 year is an amount equal to the taxpayer’s aggregate
 18 STEM credit amount for the taxable year.

19 “(b) LIMITATION.—The total amount of the credit al-
 20 lowed under subsection (a) to a taxpayer for a taxable year
 21 may not exceed \$50,000.

22 “(c) STEM CREDIT AMOUNT.—For purposes of sub-
 23 section (a), the STEM credit amount with respect to an
 24 individual shall be—

25 “(1) \$2,000 in the case of a new apprentice,

1 “(2) \$3,000 in the case of a mid-career appren-
2 tice,

3 “(3) \$3,000 in the case of a unemployed ap-
4 prentice, and

5 “(4) 5,000 in the case of a completed appren-
6 ticeship employee.

7 “(d) DEFINITIONS.—For purposes of subsection
8 (a)—

9 “(1) ELIGIBLE EMPLOYER.—

10 “(A) IN GENERAL.—The term ‘eligible em-
11 ployer’ means an employer who employed on av-
12 erage not more than 500 full-time employees on
13 business days during the preceding calendar
14 year. For purposes of the preceding sentence,
15 any individual with respect to whom a credit is
16 allowed under this section shall not be taken
17 into account.

18 “(B) RULES FOR DETERMINING EM-
19 PLOYER SIZE.—For purposes of subparagraph
20 (A)—

21 “(i) APPLICATION OF AGGREGATION
22 RULE FOR EMPLOYERS.—All persons treat-
23 ed as a single employer under subsection
24 (b), (c), (m), or (o) of section 414 shall be
25 treated as 1 employer.

1 “(ii) EMPLOYERS NOT IN EXISTENCE
2 IN PRECEDING YEAR.—In the case of an
3 employer which was not in existence
4 throughout the preceding calendar year,
5 the determination of whether such em-
6 ployer is an eligible employer shall be
7 based on the average number of employees
8 that it is reasonably expected such em-
9 ployer will employ on business days in the
10 current calendar year.

11 “(iii) PREDECESSORS.—Any reference
12 in this paragraph to an employer shall in-
13 clude a reference to any predecessor of
14 such employer.

15 “(2) NEW APPRENTICE.—The term ‘new ap-
16 prentice’ means an employee who, with respect to an
17 eligible employer—

18 “(A) completed during the taxable year a
19 qualified apprenticeship program, and

20 “(B) prior to beginning the qualified ap-
21 prenticeship program, has not received com-
22 pensation during the preceding 1-year period
23 for services provided to the eligible employer.

24 “(3) MID-CAREER APPRENTICE.—The term
25 ‘mid-career apprentice’ means an employee who—

1 “(A) prior to being employed by the eligi-
2 ble employer was either—

3 “(i) employed in an industry sector
4 different from the industry section the eli-
5 gible employer is in, as determined under
6 regulations of the Secretary, or

7 “(ii) or was unemployed, and

8 “(B) completed during the taxable year a
9 qualified apprenticeship program.

10 “(4) COMPLETED APPRENTICESHIP EM-
11 PLOYEE.—The term ‘completed apprenticeship em-
12 ployee’ means an employee who, with respect to an
13 eligible employer, completed 1 year of service with
14 the eligible employer during the taxable year after
15 completing a qualified apprenticeship program.

16 “(5) QUALIFIED APPRENTICESHIP PROGRAM.—
17 The term ‘qualified apprenticeship program’ means
18 an apprenticeship program in a field of science, tech-
19 nology, engineering, or math that is recognized
20 under any program administered by the Secretary of
21 Labor.

22 “(6) UNEMPLOYED.—An individual is unem-
23 ployed if the individual is certified by the designated
24 local agency as being in receipt of unemployment
25 compensation under State or Federal law for not

1 less than 4 weeks during the 1-year period ending
2 on the hiring date.

3 “(7) HIRING DATE; DESIGNATED LOCAL AGEN-
4 CY.—The terms ‘hiring date’ and ‘designated local
5 agency’ have the meanings given such terms by sec-
6 tion 51(d) (11) and (12), respectively.

7 “(e) DENIAL OF DOUBLE BENEFIT.—No deduction
8 or credit shall be allowed under any other provision of this
9 chapter for any expenses paid or incurred with respect to
10 an individual to the extent of the credit allowed under this
11 section with respect to the individual.”.

12 (b) CREDIT MADE PART OF GENERAL BUSINESS
13 CREDIT.—Subsection (b) of section 38 of such Code, as
14 amended by section 3, is amended by striking “plus” at
15 the end of paragraph (36), by striking the period at the
16 end of paragraph (37) and inserting “, plus”, and by add-
17 ing at the end the following new paragraph:

18 “(38) the STEM apprenticeship credit deter-
19 mined under section 45T(a).”.

20 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
21 of section 280C of such Code is amended by inserting
22 “45T(a),” after “45S(a),”.

23 (d) CLERICAL AMENDMENT.—The table of sections
24 for subpart D of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by add-
 2 ing at the end the following new item:

“Sec. 45T. STEM apprenticeship credit.”.

3 (e) EFFECTIVE DATE.—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2015.

6 **SEC. 6. MANDATORY MINIMUM ALLOCATION OF PORTION**
 7 **OF FEDERAL WORK-STUDY PROGRAM FUNDS**
 8 **FOR STEM EMPLOYMENT.**

9 (a) MANDATORY MINIMUM ALLOCATION FOR STEM
 10 EMPLOYMENT.—Section 443(b)(2) of the Higher Edu-
 11 cation Act of 1965 (20 U.S.C. 2753(b)(2)) is amended—

12 (1) by striking “and” at the end of subpara-
 13 graph (A);

14 (2) by redesignating subparagraph (B) as sub-
 15 paragraph (C); and

16 (3) by inserting after subparagraph (A) the fol-
 17 lowing new subparagraph:

18 “(B) for fiscal year 2016 and succeeding
 19 fiscal years, an institution shall use at least 7
 20 percent of the total amount of funds granted to
 21 such institution under this section for such fis-
 22 cal year to compensate students employed in
 23 science, technology, engineering, or mathe-
 24 matics, except that the Secretary may waive
 25 this subparagraph if the Secretary determines

1 that enforcing this subparagraph would cause
2 hardship for students at the institution.”.

3 (b) CONFORMING AMENDMENT RELATING TO OFF-
4 CAMPUS STEM EMPLOYMENT FOR STUDENTS AT PRO-
5 PRIETARY INSTITUTIONS OF HIGHER EDUCATION.—Sec-
6 tion 443(b)(8) of such Act (20 U.S.C. 2753(b)(8)) is
7 amended—

8 (1) by striking “or” at the end of subparagraph
9 (A);

10 (2) by adding “or” at the end of subparagraph
11 (B); and

12 (3) by adding at the end the following new sub-
13 paragraph:

14 “(C) in science, technology, engineering, or
15 mathematics, in accordance with paragraph
16 (2)(B) of this subsection;”.

○