

107TH CONGRESS  
1ST SESSION

# H. R. 2476

To amend the Higher Education Act of 1965 to increase the funds available for the provision of student financial assistance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 11, 2001

Mr. SANDERS (for himself, Mr. MCGOVERN, Mr. ALLEN, Mr. BALDACCI, Mr. BISHOP, Mr. BLAGOJEVICH, Mr. BOUCHER, Mr. CONYERS, Mr. CROWLEY, Mr. DEFazio, Mr. DELAHUNT, Mr. EVANS, Mr. FILNER, Mr. FORD, Mr. FRANK, Mr. HINCHEY, Mr. LANTOS, Ms. LEE, Ms. MCCARTHY of Missouri, Ms. MCKINNEY, Mr. MEEKS of New York, Mrs. MINK of Hawaii, Mrs. NAPOLITANO, Mr. OLVER, Mr. OWENS, Mr. PASCRELL, Mr. PAYNE, Ms. SCHAKOWSKY, Ms. SLAUGHTER, Mr. WAXMAN, and Mr. WEINER) introduced the following bill; which was referred to the Committee on Education and the Workforce

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## A BILL

To amend the Higher Education Act of 1965 to increase the funds available for the provision of student financial assistance, 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; REFERENCES TO HIGHER EDU-**  
4 **CATION ACT OF 1965.**

5 (a) SHORT TITLE.—This Act may be cited as the  
6 “Higher Education Assistance Improvement Act”.

1 (b) REFERENCES TO HIGHER EDUCATION ACT OF  
2 1965.—Except as otherwise expressly provided, whenever  
3 in this Act an amendment or reference is expressed in  
4 terms of an amendment to, or reference to, a section or  
5 other provision, the reference shall be considered to be  
6 made to a section or other provision of the Higher Edu-  
7 cation Act of 1965.

8 **SEC. 2. ADDITIONAL PROGRAM FUNDING AUTHORIZA-**  
9 **TIONS.**

10 (a) PELL GRANTS.—Section 401(b)(2)(A) (20 U.S.C.  
11 1070(b)(2)(A)) is amended by striking clauses (iv) and (v)  
12 and inserting the following:

13 “(iv) \$7,500 for academic year 2002–2003; and

14 “(v) \$7,900 for academic year 2003–2004,”.

15 (b) TRIO.—Section 402A(f) (20 U.S.C. 1070a–  
16 11(f)) is amended by striking “\$700,000,000 for fiscal  
17 year 1999, and such sums as may be necessary for each  
18 of the 4 succeeding fiscal years” and inserting  
19 “\$1,460,000,000 for fiscal year 2002 and such sums as  
20 may be necessary for the succeeding fiscal year”.

21 (c) GEAR UP.—Section 404H (20 U.S.C. 1070a–  
22 28) is amended by striking “\$200,000,000 for fiscal year  
23 1999 and such sums as may be necessary for each of the  
24 4 succeeding fiscal years” and inserting “\$590,000,000

1 for fiscal year 2002 and such sums as may be necessary  
2 for the succeeding fiscal year”.

3 (d) SUPPLEMENTAL EDUCATION OPPORTUNITY  
4 GRANTS.—Section 413A(b) (20 U.S.C. 1070b(b)) is  
5 amended by striking “\$675,000,000 for fiscal year 1999  
6 and such sums as may be necessary for the 4 succeeding  
7 fiscal years” and inserting “\$1,300,000,000 for fiscal year  
8 2002 and such sums as may be necessary for the suc-  
9 ceeding fiscal year”.

10 (e) GRADUATE ASSISTANCE IN AREAS OF NATIONAL  
11 NEED.—Section 716 (20 U.S.C. 1135e) is amended by  
12 striking “\$35,000,000 for fiscal year 1999 and such sums  
13 as may be necessary for each of the 4 succeeding fiscal  
14 years” and inserting “\$62,000,000 for fiscal year 2002  
15 and such sums as may be necessary for the succeeding  
16 fiscal year”.

17 (f) THURGOOD MARSHALL.—Section 721(h) (20  
18 U.S.C. 1136(h)) is amended by striking “\$5,000,000 for  
19 fiscal year 1999 and each of the 4 succeeding fiscal years”  
20 and inserting “\$8,000,000 for fiscal year 2002 and such  
21 sums as may be necessary for the succeeding fiscal year”.

22 **SEC. 3. ADDITIONAL APPROPRIATIONS MANDATE.**

23 It is the sense of Congress that the appropriations  
24 for the following higher education programs should be in-  
25 creased as follows:

1           (1) LEAP.—The appropriations under section  
2           415A(b)(1) (20 U.S.C. 1070c(b)(1)) should be dou-  
3           bled to at least \$110,000,000 for fiscal year 2002  
4           and such sums as may be necessary for the suc-  
5           ceeding fiscal year.

6           (2) CAMPIS.—The appropriations under sec-  
7           tion 419N(g) (20 U.S.C. 1070e(g)) should be dou-  
8           bled to at least \$50,000,000 for fiscal year 2002 and  
9           such sums as may be necessary for the succeeding  
10          fiscal year.

11          (3) WORK-STUDY.—The appropriations under  
12          section 441(b) (42 U.S.C. 2751(b)) should be in-  
13          creased to at least \$1,050,000,000 for fiscal year  
14          2002 and such sums as may be necessary for the  
15          succeeding fiscal year.

16          (4) NATIONAL HEALTH SERVICE CORPS SCHOL-  
17          ARSHIP AND LOAN REPAYMENT PROGRAMS.—The  
18          appropriations under sections 338A and 338B of the  
19          Public Health Service Act (42 U.S.C. 254*l*, 254*l*-1)  
20          should be doubled to at least \$175,850,000 for fiscal  
21          year 2002 and such sums as may be necessary for  
22          the succeeding fiscal year.

23          (5) PERKINS LOANS.—The appropriations  
24          under section 461(b)(1) (20 U.S.C. 1087aa(b)(1))  
25          should be doubled to at least \$200,000,000 for fiscal

1 year 2002 and such sums as may be necessary for  
2 the succeeding fiscal year, and the amount available  
3 under section 465 for loan cancellation should be  
4 doubled to at least \$120,000,000 for fiscal year  
5 2002 and such sums as may be necessary for the  
6 succeeding fiscal year.

7 (6) JAVITS FELLOWSHIPS.—The appropriations  
8 under section 705 (20 U.S.C. 1134d) should be in-  
9 creased to at least \$20,000,000 for fiscal year 2002  
10 and such sums as may be necessary for the suc-  
11 ceeding fiscal year.

12 **SEC. 4. LOAN FORGIVENESS.**

13 (a) EXPANSION OF ELIGIBILITY.—

14 (1) ELIMINATION OF NEW BORROWER RESTRIC-  
15 TIONS.—

16 (A) FFEL PROGRAM.—Section 428J(b)  
17 (20 U.S.C. 1078–10(b)) is amended by striking  
18 “for any new borrower on or after October 1,  
19 1998, who” and inserting “for any borrower  
20 who performs the qualifying service on or after  
21 October 1, 1998, and who”.

22 (B) FEDERAL DIRECT LOAN PROGRAM.—  
23 Section 460(b)(1) of such Act (20 U.S.C.  
24 1087j(b)(1)) is amended by striking “for any  
25 new borrower on or after October 1, 1998,

1           who” and inserting “for any borrower who per-  
2           forms the qualifying service on or after October  
3           1, 1998, and who”.

4           (2) EXPANSION OF ELIGIBLE SERVICE; ELIMI-  
5           NATING DELAY IN SERVICE BENEFIT.—

6                   (A) FFEL PROGRAM.—Section 428J(b)(1)  
7           is amended to read as follows:

8           “(1) has been engaged—

9                   “(A) in any service that qualifies for can-  
10           cellation of Federal Perkins Loans under sec-  
11           tion 465(a)(2);

12                   “(B) in full-time employment in service to  
13           economically disadvantaged individuals or com-  
14           munities, child and elder care services, social  
15           work, public prosecutors and defenders, and po-  
16           lice, fire, and rescue services, as defined by the  
17           Secretary; or

18                   “(C) in full-time employment in any serv-  
19           ice that the Secretary recognizes by regulation  
20           as providing public service that is comparable to  
21           the services described in subparagraph (A) or  
22           (B); and”.

23                   (B) FEDERAL DIRECT LOAN PROGRAM.—  
24           Section       460(b)(1)(A)       (20       U.S.C.  
25           1087j(b)(1)(A)) is amended to read as follows:

1 “(A) has been engaged—

2 “(i) in any service that qualifies for  
3 cancellation of Federal Perkins Loans  
4 under section 465(a)(2); or

5 “(ii) in full-time employment in serv-  
6 ice to economically disadvantaged individ-  
7 uals or communities, child and elder care  
8 services, social work, public prosecutors  
9 and defenders, and police, fire, and rescue  
10 services, as defined by the Secretary;

11 “(iii) in full-time employment in any  
12 service that the Secretary recognizes by  
13 regulation as providing public service that  
14 is comparable to the services described in  
15 clause (i) or (ii); and”.

16 (C) PERKINS LOANS.—Section 465(a)(2) is  
17 amended by adding after the last sentence  
18 thereof the following new sentence: “Whenever  
19 the Secretary acts pursuant to section  
20 428J(b)(1)(B) or (C) or 460(b)(1)(A)(ii) or (iii)  
21 to recognize by regulation or define additional  
22 services as comparable qualifying services under  
23 such sections, the Secretary shall, by regulation,  
24 recognize such services as qualifying services for  
25 purposes of this section.”.

1 (b) AMOUNT AND RATE OF REPAYMENT.—

2 (1) FFEL PROGRAM.—Section 428J(c) (20  
3 U.S.C. 1078–10(c)) is amended by striking para-  
4 graph (1) and inserting the following:

5 “(1) AMOUNT AND RATE OF REPAYMENT.—The  
6 Secretary shall repay the aggregate of the loan obli-  
7 gation on a loan made under section 428 or 428H  
8 that is outstanding after the completion of the first  
9 complete year of qualifying service described in sub-  
10 section (b)(1) for which the borrower seeks repay-  
11 ment under this section. Such amount shall be re-  
12 paid at the rate of one-third of such amount for  
13 each of the first three years of such service.”.

14 (2) FEDERAL DIRECT LOAN PROGRAM.—Section  
15 460(c) of such Act (20 U.S.C. 1087j(c)) is amended  
16 by striking paragraph (1) and inserting the fol-  
17 lowing:

18 “(1) AMOUNT AND RATE OF REPAYMENT.—The  
19 Secretary shall cancel the aggregate of the loan obli-  
20 gation on a loan made under section 428 or 428H  
21 that is outstanding after the completion of the first  
22 complete year of qualifying service described in sub-  
23 section (b)(1)(A). Such amount shall be canceled at  
24 the rate of one-third of such amount for each of the  
25 first three years of such service.”.



1           (3) PERKINS LOANS.—Section 465(a) (20  
2           U.S.C. 1087ee(a)) is amended by striking paragraph  
3           (3)(A) and inserting the following:

4           “(3)(A) The percent of a loan which shall be canceled  
5           under paragraph (1) of this subsection is at the rate of  
6           33 $\frac{1}{3}$  percent for each of 3 years of service described in  
7           paragraph (2).”.

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