

110TH CONGRESS
1ST SESSION

H. R. 3634

To establish and determine the eligibility of individuals for a loan forgiveness program for professional engineers in order to provide incentives for engineers currently employed and engineering students and other students pursuing or considering pursuing a degree in science, technology and engineering, and for the support of students pursuing such secondary and postsecondary education.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 2007

Mr. CLEAVER introduced the following bill; which was referred to the Committee on Education and Labor

A BILL

To establish and determine the eligibility of individuals for a loan forgiveness program for professional engineers in order to provide incentives for engineers currently employed and engineering students and other students pursuing or considering pursuing a degree in science, technology and engineering, and for the support of students pursuing such secondary and postsecondary education.

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.**

2 This Act may be cited as the “Strategic Technology/
3 Engineering Program Act of 2007” or the “STEP Act”.

4 **SEC. 2. FINDINGS.**

5 Congress finds as follows:

6 (1) In 1985, the number of bachelor’s degrees
7 awarded annually in engineering peaked at 77,572,
8 and that number has decreased every year since
9 1985. According to the National Science Founda-
10 tion, the number of people who earned bachelor’s de-
11 grees in engineering declined to approximately
12 60,000 in 2002.

13 (2) In 1996, the number of doctoral degrees
14 awarded annually in engineering peaked at 6,309.

15 (3) Since 1983, the unemployment rate for
16 science and engineering jobs has been at least 2 per-
17 cent lower than the unemployment rate in the
18 United States for all fields of employment.

19 (4) In 2004, engineers held 1,400,000 jobs in
20 the United States, and the Department of Labor’s
21 Bureau of Labor Studies has projected that 611,000
22 new engineering jobs will open up during the 10-
23 year period from 2004 through 2014.

24 (5) Over one-quarter of the science and engi-
25 neering workforce is comprised of individuals who

1 are older than age 50 and who are expected to retire
2 in the next 15 years.

3 (6) The United States is facing a shortage of
4 engineers because the number of engineering grad-
5 uates is consistently surpassed by the growth in en-
6 gineering jobs, many engineers are nearing retire-
7 ment, and many new engineering graduates take
8 jobs in other fields.

9 (7) The United States should take advantage of
10 available intellectual resources by recruiting students
11 from the top third of high school graduates to pur-
12 sue engineering degrees and to become the next gen-
13 eration of engineers.

14 (8) The United States should develop education
15 standards, assessments, and curricula that reflect
16 the engineering needs of our Nation now and in the
17 future.

18 (9) Most engineering jobs require a bachelor's
19 degree in engineering, and many States require ad-
20 ditional years of study beyond a bachelor's degree to
21 qualify for and maintain the Professional Engineer
22 designation.

23 (10) The years of study required to be able to
24 perform engineering jobs result in a large financial
25 burden.

1 (11) Providing scholarships and loan forgive-
 2 ness for engineering graduates who work in the engi-
 3 neering field will make it easier for such graduates
 4 to enter and continue to work in the engineering
 5 profession, a profession that is vital to the United
 6 States.

7 **SEC. 3. STRATEGIC TECHNOLOGY AND ENGINEERING PRO-**
 8 **GRAM (STEP).**

9 Title VII of the Higher Education Act of 1965 (20
 10 U.S.C. 1133 et seq.) is amended by adding at the end
 11 the following new part:

12 **“PART E—STEP**

13 **“SEC. 771. STRATEGIC TECHNOLOGY/ENGINEERING PRO-**
 14 **GRAM (STEP).**

15 “(a) PROGRAM ESTABLISHED.—The Secretary is au-
 16 thorized to establish a STEP scholarship program, in ac-
 17 cordance with the requirements of this section, to award
 18 scholarships to individuals who enroll in a program of
 19 study at institution of higher educations to pursue under-
 20 graduate and graduate degrees in engineering, technology,
 21 applied sciences, mathematics, or similar fields.

22 “(b) STEP SCHOLARS.—Individuals awarded schol-
 23 arships under this section shall be known as ‘STEP Schol-
 24 ars’.

25 “(c) SCHOLARSHIP AWARDS.—

1 “(1) SCHOLARSHIP AMOUNT.—

2 “(A) YEARLY AND AGGREGATE
3 AMOUNTS.—The amount of a STEP scholarship
4 shall be—

5 “(i) for an undergraduate student, not
6 more than \$9,000 for an academic year,
7 and not more than \$36,000 in the aggre-
8 gate; and

9 “(ii) for a graduate student, not more
10 than \$15,000 for an academic year, and
11 not more than \$45,000 in the aggregate.

12 “(B) LIMITATION.—In no case shall the
13 total amount of a STEP scholarship awarded to
14 an individual exceed such individual’s total cost
15 of attendance for the academic year for which
16 the scholarship is awarded.

17 “(C) ADJUSTMENT FOR INSUFFICIENT AP-
18 PROPRIATIONS.—If funds available to carry out
19 this section for an academic year are insuffi-
20 cient to fully fund all scholarships awarded by
21 the Secretary under this section for such aca-
22 demic year, the amount of the scholarship paid
23 to each individual under this section shall be re-
24 duced proportionately.

1 “(2) PERIOD OF AWARD.—STEP scholarships
2 shall be awarded for a period of one academic year,
3 and may be renewed for subsequent one-year periods
4 during—

5 “(A) the 4 years of study necessary to ob-
6 tain an undergraduate degree; and

7 “(B) the 3 years of study necessary to ob-
8 tain a graduate degree.

9 “(3) RELATION TO OTHER ASSISTANCE.—
10 STEP scholarships shall not be considered for the
11 purpose of awarding Federal grant assistance under
12 title IV of the Higher Education Act of 1965 (20
13 U.S.C. 1070 et seq.), except that in no case shall the
14 total amount of student financial assistance awarded
15 to an individual under this section and title IV of
16 such Act exceed such individual’s total cost of at-
17 tendance.

18 “(d) ELIGIBILITY.—To be eligible for a STEP schol-
19 arship, an individual shall—

20 “(1) be a citizen, national, or permanent resi-
21 dent of the United States;

22 “(2) be an eligible student under section 484;

23 “(3) be enrolled or accepted for enrollment in
24 a program of—

1 “(A) undergraduate instruction leading to
2 a bachelor’s degree with a major in engineering,
3 technology, applied sciences, mathematics, or
4 similar fields at an institution of higher edu-
5 cation; or

6 “(B) graduate instruction leading to a
7 master’s or doctoral degree in engineering,
8 technology, applied sciences, mathematics, or
9 similar fields at an institution of higher edu-
10 cation;

11 “(4) be enrolled or accepted for enrollment in
12 at least 15 credit hours per semester (or the equiva-
13 lent for a course of study that measures its program
14 length in trimesters, quarters, or clock hours) of
15 courses required to obtain an undergraduate or
16 graduate degree in engineering, technology, applied
17 sciences, mathematics, or similar fields; and

18 “(5) have a grade point average—

19 “(A) of at least 2.5, cumulatively, (or the
20 equivalent as determined under regulations pre-
21 scribed by the Secretary) at the end of the sec-
22 ondary school program of study, in the case of
23 an individual enrolled or accepted for enroll-
24 ment in the first academic year of under-
25 graduate education; or

1 “(B) of at least 2.5 (or the equivalent as
2 determined under regulations prescribed by the
3 Secretary) for each completed academic semes-
4 ter of undergraduate or graduate education, in
5 the case of an individual enrolled or accepted
6 for enrollment other than in the first academic
7 year of undergraduate education.

8 “(e) SELECTION.—

9 “(1) APPLICATION.—Each eligible individual
10 desiring a STEP scholarship shall submit an appli-
11 cation to the Secretary at such time, in such man-
12 ner, and containing such information as the Sec-
13 retary may reasonably require.

14 “(2) AWARD BASIS.—Subject to paragraph (3),
15 STEP scholarships shall be awarded on a first-come,
16 first-served basis and subject to the availability of
17 appropriations.

18 “(3) PRIORITY.—The Secretary shall give pri-
19 ority in awarding STEP scholarships for an aca-
20 demic year—

21 “(A) to eligible individuals who received a
22 STEP scholarship for the preceding academic
23 year; and

1 “(B) to eligible individuals enrolled in an
2 institution of higher education that is an eligi-
3 ble institution under section 312 of this Act.

4 “(f) CONVERSION TO LOAN.—

5 “(1) REPAYMENT.—In the event that any re-
6 cipient of a STEP scholarship fails or refuses to ob-
7 tain the degree in engineering, technology, applied
8 sciences, mathematics, or similar fields for which the
9 individual was awarded such scholarship within a pe-
10 riod prescribed by the Secretary by regulations
11 issued pursuant to this section, the sum of the
12 amounts of such STEP scholarship provided to such
13 recipient shall be treated as a Direct Loan under
14 part D of title IV of the Higher Education Act of
15 1965 (20 U.S.C. 1087a et seq.), and shall be subject
16 to repayment in accordance with terms and condi-
17 tions specified by the Secretary in such regulations.

18 “(2) FORGIVENESS IF DECEASED OR DIS-
19 ABLED.—An individual shall be excused from repay-
20 ment of any scholarship award required under para-
21 graph (1) if—

22 “(A) the individual dies or becomes perma-
23 nently and totally disabled (as determined in
24 accordance with regulations prescribed by the
25 Secretary); or

1 “(B) recovery under this subsection would
2 be against equity and good conscience or
3 against the public interest.

4 “(g) REGULATIONS.—The Secretary is authorized to
5 prescribe such regulations as may be necessary to carry
6 out the provisions of this section.

7 “(h) DEFINITIONS.—For the purposes of this section:

8 “(1) ENGINEERING, TECHNOLOGY, APPLIED
9 SCIENCES, MATHEMATICS, OR SIMILAR FIELDS.—An
10 individual shall be considered to be considered to
11 pursue or obtain a degree in engineering, technology,
12 applied sciences, mathematics, or similar fields if—

13 “(A) such degree qualifies the individual to
14 be with a professional engineering designation,
15 including any of the following designations:
16 aerospace engineer; agricultural engineer; bio-
17 medical engineer; chemical engineer; civil engi-
18 neer; computer hardware engineer; electrical en-
19 gineer; electronics engineer; environmental engi-
20 neer; health and safety engineer; industrial en-
21 gineer; marine engineer; and naval architects;
22 materials engineer; mechanical engineer; mining
23 and geological engineer; nuclear engineer; and
24 petroleum engineer; and

1 “(B) such degree is awarded by an institu-
2 tion of higher education program in engineer-
3 ing, technology, applied sciences, mathematics,
4 or similar fields that is accredited by the Ac-
5 creditation Board for Engineering and Tech-
6 nology (ABET).

7 “(2) INSTITUTION OF HIGHER EDUCATION.—
8 The term ‘institution of higher education’ has the
9 meaning given such term in section 102 of the High-
10 er Education Act of 1965 (20 U.S.C. 1001(a)), ex-
11 cept that the term does not include any institution
12 described in subsection (a)(1)(c) of such section.

13 “(3) SECRETARY.—The term ‘Secretary’ means
14 the Secretary of Education.

15 “(i) AUTHORIZATION OF APPROPRIATIONS.—There
16 are authorized to be appropriated to carry out this section
17 such sums as may be necessary for fiscal year 2008 and
18 each succeeding fiscal year.”.

19 **SEC. 4. STUDENT LOAN FORGIVENESS FOR ENGINEERS.**

20 The Higher Education Act of 1965 is amended by
21 inserting after section 428K (20 U.S.C. 1078–11) the fol-
22 lowing:

23 **“SEC. 428L. LOAN FORGIVENESS FOR ENGINEERS.**

24 “(a) PROGRAM AUTHORIZED.—

1 “(1) IN GENERAL.—For the purpose of encour-
2 aging qualified individuals to enter and continue em-
3 ployment as engineers, the Secretary is authorized,
4 from the funds appropriated under subsection (h), to
5 forgive, in accordance with this section, the student
6 loan debt of any borrower, who—

7 “(A) is employed as an engineer;

8 “(B) has or is seeking a license as a pro-
9 fessional engineer in accordance with the re-
10 quirements of a State licensing board; and

11 “(C) is not in default on a loan for which
12 the borrower seeks forgiveness.

13 “(2) METHOD OF LOAN FORGIVENESS.—To
14 provide the loan forgiveness authorized in paragraph
15 (1), the Secretary is authorized to carry out a pro-
16 gram—

17 “(A) through the holder of the loan, to as-
18 sume the obligation to repay a qualified loan
19 amount (as determined under subsection (b))
20 for a loan made under this part; and

21 “(B) to cancel a qualified loan amount (as
22 so determined) for a loan made under part D
23 of this title.

24 “(b) QUALIFIED LOAN AMOUNTS.—The Secretary
25 shall forgive the loan obligation of the borrower, in accord-

1 ance with subsection (a)(2), not to exceed \$150,000 in the
2 aggregate, in the following increments:

3 “(1) For the completion of each of the 8 years
4 of employment as an engineer as specified in the
5 written agreement in subsection (c), 10 percent of
6 the borrower’s total loan obligation that is out-
7 standing at the completion of each such year.

8 “(2) For obtaining licensure as a professional
9 engineer in accordance with the requirements of a
10 State licensing board as specified in the written
11 agreement in subsection (c), 20 percent of the bor-
12 rower’s total loan obligation that is outstanding at
13 the time of such licensure.

14 “(c) TERMS OF AGREEMENT.—

15 “(1) IN GENERAL.—To be eligible to receive
16 forgiveness benefits under this section, a borrower
17 shall enter into a written agreement that specifies
18 that—

19 “(A) the borrower will remain employed as
20 an engineer for a not less than 8 years;

21 “(B) the borrower will obtain licensure as
22 a professional engineer in accordance with the
23 requirements of a State licensing board within
24 8 years after obtaining a degree;

1 “(C) the borrower will repay the Secretary
2 a proportionate amount, as determined in ac-
3 cordance with regulations of the Secretary, of
4 the benefits received by such borrower under
5 this section if the borrower—

6 “(i) fails to complete the 8 years of
7 employment as an engineer under subpara-
8 graph (A) because the borrower is involun-
9 tarily separated from such employment on
10 account of misconduct, or voluntarily sepa-
11 rates from such employment; or

12 “(ii) fails to obtain licensure as a pro-
13 fessional engineer under subparagraph (B);

14 “(D) if the borrower is required to repay
15 an amount to the Secretary under subpara-
16 graph (C) and fails to repay such amount, a
17 sum equal to the amount is recoverable by the
18 Government from the borrower (or such bor-
19 rower’s estate, if applicable) by such method as
20 is provided by law for the recovery of amounts
21 owing to the Government;

22 “(E) the Secretary may waive, in whole or
23 in part, a right of recovery under this sub-
24 section if it is shown that recovery would be

1 against equity and good conscience or against
2 the public interest; and

3 “(F) the Secretary shall provide loan for-
4 giveness in accordance with this section, subject
5 to the availability of appropriations.

6 “(2) REPAYMENT FOR VIOLATION OF AGREE-
7 MENT.—Any amount repaid by, or recovered from,
8 an individual (or an estate) under this subsection
9 shall be credited to the appropriation account from
10 which the amount involved was originally paid or
11 debited. Any amount so credited shall be merged
12 with other sums in such account and shall be avail-
13 able for the same purposes and period, and subject
14 to the same limitations (if any), as the sums with
15 which the amount was merged.

16 “(d) AWARD BASIS; PRIORITY.—

17 “(1) AWARD BASIS.—The Secretary shall pro-
18 vide forgiveness benefits under this section on a
19 first-come, first-served basis (subject to paragraph
20 (2)) and subject to the availability of appropriations.

21 “(2) PRIORITY.—The Secretary shall give pri-
22 ority in providing forgiveness benefits under this sec-
23 tion for a fiscal year to a borrower who received for-
24 giveness benefits under this section for the preceding
25 fiscal year.

1 “(e) CONSTRUCTION.—Nothing in this section shall
2 be construed to authorize the refunding of any repayment
3 of a loan.

4 “(f) REGULATIONS.—The Secretary is authorized to
5 issue such regulations as may be necessary to carry out
6 the provisions of this section.

7 “(g) DEFINITION.—In this section, the term ‘engi-
8 neer’ means an individual who is qualified to be employed
9 in an occupation with a professional engineering designa-
10 tion, including any of the following designations: aerospace
11 engineer; agricultural engineer; biomedical engineer;
12 chemical engineer; civil engineer; computer hardware engi-
13 neer; electrical engineer; electronics engineer; environ-
14 mental engineer; health and safety engineer; industrial en-
15 gineer; marine engineer; and naval architects; materials
16 engineer; mechanical engineer; mining and geological engi-
17 neer; nuclear engineer; and petroleum engineer.

18 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
19 are authorized to be appropriated to carry out this section
20 such sums as may be necessary for fiscal year 2008 and
21 each succeeding fiscal year.”.

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