

116TH CONGRESS
1ST SESSION

H. R. 3099

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

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2019

Mr. SWALWELL of California (for himself, Mr. GALLEGO, Mr. THOMPSON of Mississippi, Mr. MEEKS, Mr. RUSH, Ms. JACKSON LEE, and Mr. COHEN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Labor, 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”.

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

2 Part G of title IV of the Higher Education Act of
3 1965 (20 U.S.C. 1088 et seq.) is amended by adding at
4 the end the following:

5 **“SEC. 493E. LOAN FORGIVENESS FOR STEM TEACHERS.**

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

10 “(1) is employed as a full-time STEM teacher
11 for service in an academic year (including such a
12 STEM teacher employed by an educational service
13 agency)—

14 “(A) in a public or other nonprofit private
15 elementary school or secondary school, which,
16 for the purpose of this paragraph and for that
17 year—

18 “(i) has been determined by the Sec-
19 retary (pursuant to regulations of the Sec-
20 retary and after consultation with the
21 State educational agency of the State in
22 which the school is located) to be a school
23 in which the number of children meeting a
24 measure of poverty under section
25 1113(a)(5) of the Elementary and Sec-
26 ondary Education Act of 1965, exceeds 30

1 percent of the total number of children en-
2 rolled in such school; and

3 “(ii) is in the school district of a local
4 educational agency which is eligible in such
5 year for assistance pursuant to part A of
6 title I of the Elementary and Secondary
7 Education Act of 1965; or

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

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

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

4 “(1) through the holder of the loan, to assume
5 the obligation to repay a qualified loan amount for
6 a loan made, insured, or guaranteed under part B
7 (other than an excepted PLUS loan or an excepted
8 consolidation loan (as such terms are defined in sec-
9 tion 493C(a))); and

10 “(2) to cancel a qualified loan amount for a
11 loan made under part D (other than an excepted
12 PLUS loan or an excepted consolidation loan).

13 “(c) QUALIFIED LOAN AMOUNT.—

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

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

5 “(d) SPECIAL RULES.—

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

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

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

17 “(B) in a subsequent year fails to meet the
18 requirements of such subsection,

19 may continue to teach in such school and shall be
20 eligible for loan forgiveness pursuant to this section
21 such subsequent years.

22 “(3) PROMISSORY NOTE CONFLICTS.—An indi-
23 vidual with an outstanding student loan obligation
24 who performs service described in subsection (a)(1)
25 in accordance with this section shall be eligible for

1 forgiveness under this section for such service not-
2 withstanding any contrary provision of the promis-
3 sory note under which the loan or loans were made.

4 “(4) FORGIVENESS NOT CONSIDERED IN-
5 COME.—The amount of a loan, and interest on a
6 loan, which is forgiven under this section shall not
7 be considered income for purposes of the Internal
8 Revenue Code of 1986.

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

12 “(6) NO DOUBLE BENEFIT.—No borrower may,
13 for the same service, receive a benefit under both
14 this section and subtitle D of title I of the National
15 and Community Service Act of 1990 (42 U.S.C.
16 12601 et seq.).

17 “(e) REGULATIONS.—The Secretary is authorized to
18 issue such regulations as may be necessary to carry out
19 this section.

20 “(f) DEFINITIONS.—For the purposes of this sec-
21 tion—

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

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

4 **SEC. 3. ABOVE-THE-LINE-DEDUCTION FOR STEM EDU-**
5 **CATION MATERIALS.**

6 (a) **IN GENERAL.**—Section 62(a)(2)(D) of the Inter-
7 nal Revenue Code of 1986 is amended by adding at the
8 end the following flush matter:

9 “**In the case of taxable years beginning after**
10 December 31, 2018, the \$250 amount in clause
11 (i) shall be increased by an amount equal to so
12 much of the amounts paid or incurred by the el-
13 igible educator for STEM education supplies as
14 does not exceed \$250.”.

15 (b) **INFLATION ADJUSTMENT.**—Section 62(d)(3) of
16 such Code is amended to read as follows:

17 “(3) **INFLATION ADJUSTMENT.**—

18 “(A) **IN GENERAL.**—In the case of any
19 taxable year beginning after 2015, the first
20 \$250 amount in subsection (a)(2)(D) shall be
21 increased by an amount equal to—

22 “(i) such dollar amount, multiplied by

23 “(ii) the cost-of-living adjustment de-
24 termined under section 1(f)(3) for the cal-
25 endar year in which the taxable year be-

1 gins, determined by substituting ‘calendar
2 year 2014’ for ‘calendar year 2016’ in sub-
3 paragraph (A)(ii) thereof.

4 “(B) STEM EDUCATION SUPPLIES.—In
5 the case of any taxable year beginning after
6 2019, the \$250 amount in subsection (a)(2)(D)
7 shall be increased by an amount equal to—

8 “(i) such dollar amount, multiplied by

9 “(ii) the cost-of-living adjustment de-
10 termined under section 1(f)(3) for the cal-
11 endar year in which the taxable year be-
12 gins, determined by substituting ‘calendar
13 year 2018’ for ‘calendar year 2016’ in sub-
14 paragraph (A)(ii) thereof.

15 “(C) ROUNDING.—Any increase deter-
16 mined under subparagraph (A) or (B) shall be
17 rounded to the nearest multiple of \$50.”.

18 (c) STEM EDUCATION SUPPLIES DEFINED.—Sec-
19 tion 62(d) of such Code, as amended by subsection (b),
20 is amended by redesignating paragraphs (2) and (3) as
21 paragraphs (3) and (4), respectively, and by inserting
22 after paragraph (1) the following new paragraph:

23 “(2) STEM EDUCATION SUPPLIES.—For pur-
24 poses of subsection (a)(2)(D), the term ‘STEM edu-
25 cation supplies’ means expenses for books, supplies,

1 equipment, and other materials used in connection
2 with teaching science, technology, engineering, or
3 math.”.

4 (d) CLERICAL AMENDMENT.—The heading for sec-
5 tion 62(d) of such Code is amended by striking “DEFINI-
6 TION; SPECIAL RULES” and inserting “ELEMENTARY AND
7 SECONDARY SCHOOL TEACHERS”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 December 31, 2018.

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

12 (a) IN GENERAL.—Subpart D of part IV of sub-
13 chapter A of chapter 1 of the Internal Revenue Code of
14 1986 is amended by adding at the end the following new
15 section:

16 **“SEC. 45T. STEM INTERNSHIP CREDIT.**

17 “(a) GENERAL RULE.—For purposes of section 38,
18 in the case of an eligible employer, the STEM internship
19 credit determined under this section for the taxable year
20 is equal to \$2,000 for each qualified STEM intern em-
21 ployed by the employer during the taxable year.

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

1 “(c) DEFINITIONS.—For purposes of subsection
2 (a)—

3 “(1) QUALIFIED STEM INTERN.—The term
4 ‘qualified STEM intern’ means an individual who is
5 employed under an internship program of an eligible
6 employer under which—

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

10 “(B) each intern is employed for not less
11 than 20 hours per week by the eligible employer
12 in a position related to the career goals of the
13 intern,

14 “(C) each intern completes not less than 6
15 weeks of employment with the eligible employer
16 as an intern, and

17 “(D) each intern is a student who is en-
18 rolled full-time in a science, technology, engi-
19 neering, or math program (including a program
20 of study abroad approved for credit by the eligi-
21 ble institution at which such student is en-
22 rolled) leading to a recognized undergraduate or
23 graduate degree at an institution of higher edu-
24 cation that is an eligible institution in accord-
25 ance with the provisions of section 487 of the

1 Higher Education Act of 1965 (20 U.S.C.
2 1094) and is not enrolled in an elementary or
3 secondary school.

4 “(2) ELIGIBLE EMPLOYER.—

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

13 “(B) RULES FOR DETERMINING EM-
14 PLOYER SIZE.—For purposes of subparagraph
15 (A)—

16 “(i) APPLICATION OF AGGREGATION
17 RULE FOR EMPLOYERS.—All persons treat-
18 ed as a single employer under subsection
19 (b), (c), (m), or (o) of section 414 shall be
20 treated as 1 employer.

21 “(ii) EMPLOYERS NOT IN EXISTENCE
22 IN PRECEDING YEAR.—In the case of an
23 employer which was not in existence
24 throughout the preceding calendar year,
25 the determination of whether such em-

1 ployer is an eligible employer shall be
2 based on the average number of employees
3 that it is reasonably expected such em-
4 ployer will employ on business days in the
5 current calendar year.

6 “(iii) PREDECESSORS.—Any reference
7 in this paragraph to an employer shall in-
8 clude a reference to any predecessor of
9 such employer.”.

10 (b) CREDIT MADE PART OF GENERAL BUSINESS
11 CREDIT.—Section 38(b) of such Code is amended by strik-
12 ing “plus” at the end of paragraph (31), by striking the
13 period at the end of paragraph (32) and inserting “, plus”,
14 and by adding at the end the following new paragraph:

15 “(33) the STEM internship credit determined
16 under section 45T(a).”.

17 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C(a)
18 of such Code is amended by inserting “45T(a),” after
19 “45S(a).”.

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

“Sec. 45T. STEM internship credit.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2018.

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

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986, as amended by section 4, is amended by adding at
8 the end the following new section:

9 **“SEC. 45U. STEM APPRENTICESHIP CREDIT.**

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

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

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

21 “(1) \$2,000 in the case of a new apprentice,

22 “(2) \$3,000 in the case of a mid-career appren-
23 tice,

24 “(3) \$3,000 in the case of a unemployed ap-
25 prentice, and

1 “(4) 5,000 in the case of a completed appren-
2 ticeship employee.

3 “(d) DEFINITIONS.—For purposes of subsection
4 (a)—

5 “(1) ELIGIBLE EMPLOYER.—

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

14 “(B) RULES FOR DETERMINING EM-
15 PLOYER SIZE.—For purposes of subparagraph
16 (A)—

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

22 “(ii) EMPLOYERS NOT IN EXISTENCE
23 IN PRECEDING YEAR.—In the case of an
24 employer which was not in existence
25 throughout the preceding calendar year,

1 the determination of whether such em-
2 ployer is an eligible employer shall be
3 based on the average number of employees
4 that it is reasonably expected such em-
5 ployer will employ on business days in the
6 current calendar year.

7 “(iii) PREDECESSORS.—Any reference
8 in this paragraph to an employer shall in-
9 clude a reference to any predecessor of
10 such employer.

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

14 “(A) completed during the taxable year a
15 qualified apprenticeship program, and

16 “(B) prior to beginning the qualified ap-
17 prenticeship program, has not received com-
18 pensation during the preceding 1-year period
19 for services provided to the eligible employer.

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

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

24 “(i) employed in an industry sector
25 different from the industry section the eli-

1 gible employer is in, as determined under
2 regulations of the Secretary, or

3 “(ii) or was unemployed, and

4 “(B) completed during the taxable year a
5 qualified apprenticeship program.

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

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

18 “(6) UNEMPLOYED.—An individual is unem-
19 ployed if the individual is certified by the designated
20 local agency as being in receipt of unemployment
21 compensation under State or Federal law for not
22 less than 4 weeks during the 1-year period ending
23 on the hiring date.

24 “(7) HIRING DATE; DESIGNATED LOCAL AGEN-
25 CY.—The terms ‘hiring date’ and ‘designated local

1 agency' have the meanings given such terms by sec-
2 tion 51(d)(11) and (12), respectively.

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

8 (b) CREDIT MADE PART OF GENERAL BUSINESS
9 CREDIT.—Subsection (b) of section 38 of such Code, as
10 amended by section 4, is amended by striking “plus” at
11 the end of paragraph (32), by striking the period at the
12 end of paragraph (33) and inserting “, plus”, and by add-
13 ing at the end the following new paragraph:

14 “(34) the STEM apprenticeship credit deter-
15 mined under section 45U(a).”.

16 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C(a)
17 of such Code is amended by inserting “45U(a),” after
18 “45T(a),”.

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

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

23 (e) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after
25 December 31, 2018.

1 **SEC. 6. MANDATORY MINIMUM ALLOCATION OF PORTION**
2 **OF FEDERAL WORK-STUDY PROGRAM FUNDS**
3 **FOR STEM EMPLOYMENT.**

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

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

9 (2) by redesignating subparagraph (B) as sub-
10 paragraph (C); and

11 (3) by inserting after subparagraph (A) the fol-
12 lowing new subparagraph:

13 “(B) for fiscal year 2020 and succeeding
14 fiscal years, an institution shall use at least 7
15 percent of the total amount of funds granted to
16 such institution under this section for such fis-
17 cal year to compensate students employed in
18 science, technology, engineering, or mathe-
19 matics, except that the Secretary may waive
20 this subparagraph if the Secretary determines
21 that enforcing this subparagraph would cause
22 hardship for students at the institution.”.

23 (b) CONFORMING AMENDMENT RELATING TO OFF-
24 CAMPUS STEM EMPLOYMENT FOR STUDENTS AT PRO-
25 PRIETARY INSTITUTIONS OF HIGHER EDUCATION.—Sec-

1 tion 443(b)(8) of such Act (20 U.S.C. 2753(b)(8)) is
2 amended—

3 (1) by striking “or” at the end of subparagraph

4 (A);

5 (2) by adding “or” at the end of subparagraph

6 (B); and

7 (3) by adding at the end the following new sub-
8 paragraph:

9 “(C) in science, technology, engineering, or
10 mathematics, in accordance with paragraph
11 (2)(B) of this subsection;”.

○