

CANCELING LOANS TO ALLOW SCHOOL SYSTEMS TO  
ATTRACT CLASSROOM TEACHERS ACT

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SEPTEMBER 12, 2002.—Committed to the Committee of the Whole House on the  
State of the Union and ordered to be printed

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Mr. BOEHNER, from the Committee on Education and the  
Workforce, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 5091]

[Including cost estimate of the Congressional Budget Office]

The Committee on Education and the Workforce, to whom was referred the bill (H.R. 5091) to increase the amount of student loan forgiveness available to qualified teachers, with an emphasis on special education teachers, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Canceling Loans to Allow School Systems to Attract Classroom Teachers Act”.

**SEC. 2. ADDITIONAL QUALIFIED LOAN AMOUNTS FOR STUDENT LOAN FORGIVENESS.**

(a) FFEL LOANS.—Section 428J(c) of the Higher Education Act of 1965 (20 U.S.C. 1078–10(c)) is amended by adding at the end the following new paragraph:

“(3) ADDITIONAL AMOUNTS; PRIORITY.—

“(A) LARGER AMOUNTS FROM APPROPRIATED FUNDS.—Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary may, from funds appropriated under subparagraph (C), repay under this section is a total amount equal to not more than \$17,500.

“(B) AWARD BASIS; PRIORITY.—The Secretary shall make payments under this paragraph to elementary or secondary school teachers who meet the requirements of subsection (b) on a first-come first-served basis, subject to the availability of appropriations, but shall give priority in providing loan repayment under this paragraph for a fiscal year to teachers who—

“(i)(I) are employed as special education teachers whose primary responsibility is to teach or support children with disabilities (as defined in section 602 of the Individuals with Disabilities Act); and

“(II) as certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed, are teaching children with disabilities that correspond with the borrower’s training and have demonstrated knowledge and teaching skills in the content areas of the elementary or secondary school curriculum that the borrower is teaching;

“(ii) are employed as teachers in local educational agencies that are determined by a State educational agency under section 2141 of the Elementary and Secondary Education Act of 1965 to have failed to make progress toward meeting the annual measurable objectives described in section 1119(a)(2) of such Act for 2 consecutive years; or

“(iii) are employed as teachers of mathematics or science.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph such sums as may be necessary for fiscal year 2003 and for each of the 4 succeeding fiscal years.”.

(b) DIRECT LOANS.—Section 460(c) of the Higher Education Act of 1965 (20 U.S.C. 1087j(c)) is amended by adding at the end the following new paragraph:

“(3) ADDITIONAL AMOUNTS; PRIORITY.—

“(A) LARGER AMOUNTS FROM APPROPRIATED FUNDS.—Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary may, from funds appropriated under subparagraph (C), repay under this section is a total amount equal to not more than \$17,500.

“(B) AWARD BASIS; PRIORITY.—The Secretary shall make payments under this paragraph to elementary or secondary school teachers who meet the requirements of subsection (b) on a first-come first-served basis, subject to the availability of appropriations, but shall give priority in providing loan repayment under this paragraph for a fiscal year to teachers who—

“(i)(I) are employed as special education teachers whose primary responsibility is to teach or support children with disabilities (as defined in section 602 of the Individuals with Disabilities Act); and

“(II) as certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed, are teaching children with disabilities that correspond with the borrower’s training and have demonstrated knowledge and teaching skills in the content areas of the elementary or secondary school curriculum that the borrower is teaching;

“(ii) are employed as teachers in local educational agencies that are determined by a State educational agency under section 2141 of the Elementary and Secondary Education Act of 1965 to have failed to make progress toward meeting the annual measurable objectives described in section 1119(a)(2) of such Act for 2 consecutive years; or

“(iii) are employed as teachers of mathematics or science.

“(C) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph such sums as may be necessary for fiscal year 2003 and for each of the 4 succeeding fiscal years.”.

### SEC. 3. CANCELLATION OF STUDENT LOAN INDEBTEDNESS FOR SPOUSES, SURVIVING JOINT DEBTORS, AND PARENTS.

(a) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE PUBLIC SERVANT.—The term “eligible public servant” means an individual who—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

(B) died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001; as determined in accordance with regulations of the Secretary.

(2) ELIGIBLE VICTIM.—The term “eligible victim” means an individual who died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001, as determined in accordance with regulations of the Secretary.

(3) ELIGIBLE SPOUSE.—The term “eligible spouse” means the spouse of an eligible public servant, as determined in accordance with regulations of the Secretary.

(4) ELIGIBLE SURVIVING DEBTOR.—The term “eligible surviving debtor” means an individual who owes a Federal student loan that is a consolidation loan that was used, jointly by that individual and an eligible victim, to repay the Federal student loans of that individual and of such eligible victim.

(5) **ELIGIBLE PARENT.**—The term “eligible parent” means the parent of an eligible victim if—

“(A) the parent owes a Federal student loan that is a consolidation loan that was used to repay a PLUS loan incurred on behalf of such eligible victim; or

“(B) the parent owes a Federal student loan that is a PLUS loan incurred on behalf of an eligible victim who became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attack on September 11, 2001.

(6) **SECRETARY.**—The term “Secretary” means the Secretary of Education.

(7) **FEDERAL STUDENT LOAN.**—The term “Federal student loan” means any loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965.

(b) **RELIEF FROM INDEBTEDNESS.**—

(1) **IN GENERAL.**—The Secretary shall provide for the discharge or cancellation of—

(A) the Federal student loan indebtedness of an eligible spouse;

(B) the consolidation loan indebtedness of an eligible surviving debtor;

(C) the portion of the consolidation loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim, if the amount of such indebtedness with respect to such eligible victim may be reliably determined on the basis of records available to the lender; and

(D) the PLUS loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim described in subsection (a)(5)(B).

(2) **METHOD OF DISCHARGE OR CANCELLATION.**—A loan required to be discharged or canceled under paragraph (1) shall be discharged or canceled by the method used under section 437(a), 455(a)(1), or 464(c)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1087(a), 1087e(a)(1), 1087dd(c)(1)(F)), whichever is applicable to such loan.

(c) **FACILITATION OF CLAIMS.**—The Secretary shall—

(1) establish procedures for the filing of applications for discharge or cancellation under this section by regulations that shall be prescribed and published within 90 days after the date of enactment of this Act and without regard to the requirements of section 553 of title 5, United States Code; and

(2) take such actions as may be necessary to publicize the availability of discharge or cancellation of Federal student loan indebtedness for eligible spouses, eligible surviving debtors, and eligible parents under this section.

(d) **AVAILABILITY OF FUNDS FOR PAYMENTS.**—Funds available for the purposes of making payments to lenders in accordance with section 437(a) for the discharge of indebtedness of deceased or disabled individuals shall be available for making payments under section 437(a) to lenders of loans to the eligible spouses, eligible surviving debtors, and eligible parents as required by this section.

(e) **APPLICABLE TO OUTSTANDING DEBT.**—The provisions of this section shall be applied to discharge or cancel only Federal student loans (including consolidation loans) on which amounts were owed on September 11, 2001.

#### **SEC. 4. INFORMATION ON BENEFITS TO RURAL SCHOOL DISTRICTS.**

The Secretary shall—

(1) notify local educational agencies eligible to participate in the Small Rural Achievement Program authorized under subpart 1 of part B of Title VI of the Elementary and Secondary Education Act of 1965 of the benefits available under the amendments made by section 2 of this Act to the teachers in the rural schools of such agencies; and

(2) encourage such agencies to notify their teachers of such benefits.

#### **PURPOSE**

H.R. 5091, the Canceling Loans to Allow School Systems to Attract Classroom Teachers Act (CLASS Act), provides for an increase in the total loan forgiveness for elementary and secondary school teachers in Title I schools. This legislation addresses the need to increase the number of quality teachers in our nation’s classrooms by increasing the maximum loan forgiveness from \$5,000 to \$17,500. H.R. 5091 provides an incentive for teachers to work in disadvantaged areas with a priority for teachers of special education, mathematics and science and teachers in local education agencies struggling to attract highly qualified teachers.

## COMMITTEE ACTION

On July 11, 2002, Representative Lindsey Graham (R-SC) introduced H.R. 5091, the Canceling Loans to Allow School Systems to Attract Classroom Teachers Act (CLASS Act). The Committee on Education and the Workforce considered H.R. 5091 during a legislative session on Thursday, September 5, 2002 during which an amendment in the nature of a substitute was offered and by unanimous consent accepted as the base text to which any amendments would be considered. The Committee considered the following amendments to H.R. 5091:

- The Committee adopted, by voice vote, an amendment offered by Representative Kind (D-WI) to have the Secretary of Education notify local educational agencies eligible to participate in the Small Rural Achievement Program within the Elementary and Secondary Education Act of 1965, the benefits of the teacher loan forgiveness program within H.R. 5091, and to encourage those agencies to notify their teachers of the program.
- The Committee adopted, by voice vote, an amendment offered by Representative Holt (D-NJ) to set a priority for teacher loan forgiveness for those teachers teaching math or science, along with special education teachers.
- The Committee adopted, by voice vote, an amendment offered by Representative Miller (D-CA) to set a priority for teacher loan forgiveness for those teachers employed in local educational agencies that are determined by the State educational agency to have failed to make progress toward annual increases in the employment of highly qualified teachers as required by the Elementary and Secondary Act of 1965, for two consecutive years.
- The Committee adopted, by voice vote, an amendment offered by Representative McCarthy (D-NY) to provide for loan forgiveness for spouses of victims who died or became permanently and totally disabled as a result of the terrorist attacks on September 11, 2001. The amendment also forgives the consolidation loan debt of surviving spouses who consolidated their loans together with the victim, as well as parent loans if the child on whose behalf the loan was taken died or become totally and permanently disabled as a result of the September 11th attack.

The Committee on Education and the Workforce, with a majority of the Committee present, favorably reported H.R. 5091 as amended, to the House of Representatives by voice vote.

Below is a summary of H.R. 5091.

## SUMMARY

H.R. 5091 designates the short title as the Canceling Loans to Allow School Systems to Attract Classroom Teachers Act.

H.R. 5091 provides for an increase in the allowable maximum loan forgiveness in the Federal Family Education Loan Program (FFELP) and the Federal Direct Loan Program to \$17,500. This increased loan forgiveness is subject to appropriated funds and will be provided on a first-come, first-served basis with priority in funding provided to special education teachers, mathematics and science teachers, and those teachers employed in local educational agencies that are failing to adequately recruit highly qualified teachers as required by the No Child Left Behind Act.

H.R. 5091 also provides for the cancellation of the student loan indebtedness to spouses of fire fighters, police officers, rescue personnel and members of the armed forces who lost their lives or became totally and permanently disabled due to injuries suffered in the terrorist attack on September 11, 2001. The amendment also forgives the consolidation loan debt of surviving spouses who consolidated their loans together with the victim, as well as parent loans if the child on whose behalf the loan was taken died or became totally and permanently disabled as a result of the September 11th attack. The Congressional Budget Office indicates that the amendment provides less than five hundred thousand dollars in total spending authority.

H.R. 5091 also requires the Secretary of Education to notify local educational agencies eligible to participate in the Small Rural Achievement Program authorized within the No Child Left Behind Act, of the availability of teacher loan forgiveness and encourage those agencies to notify their teachers.

#### COMMITTEE VIEWS

On January 8, 2002, President Bush signed into law the No Child Left Behind Act, which requires each State educational agency to develop a plan to ensure that all teachers teaching in core academic subjects within the State are highly qualified not later than the end of the 2005–2006 school year. Over the next decade, school districts will need to hire over 2 million additional teachers to keep up with increased student enrollment. The No Child Left Behind Act has greatly increased the pressure on school system leaders to correct staffing deficiencies in schools that serve large concentrations of poor and minority children.

States and school districts must recruit a greater quantity of people to the teaching profession while also ensuring teacher quality. Unfortunately, schools with concentrated poverty have greater teacher and administrator shortages, fewer applications for vacancies, higher absenteeism among teachers and staff, and higher rates of teacher and administrator turnover. While the No Child Left Behind Act will help school districts recruit and train high quality teachers, more help is needed. On March 14, 2002, Laura Bush briefed the Committee on Education and the Workforce on Preparing Tomorrow's Teachers. During the briefing, she warned members of the Committee that, "We must do more to attract our best and brightest to the teaching profession—and then, provide incentives to keep them in the classroom."

H.R. 5091 continues and complements our focus on improving the education that children receive, particularly the education that disadvantaged students and students with disabilities receive, by supporting quality teachers for our children. H.R. 5091 expands the current teacher loan forgiveness maximum amount from \$5,000 to \$17,500 of the loan obligation that is outstanding after the completion of the fifth complete school year of teaching, in an effort to recruit and retain more highly qualified teachers so that the students of this nation are given every possible opportunity to succeed.

The effect of a good teacher on a child is undisputed. By offering additional financial support for teachers who have made a commitment to teach in title I schools, this bill can make it possible for more disadvantaged students to be taught by caring and competent

teachers. Teaching in high need, low income schools isn't always easy, but nowhere is it more important. We are asking a lot of teachers and they deserve our full support.

As William Bennett noted in *A Few Lessons Public Schools Need to Learn*, "perhaps the single most important factor in how much a child learns at school is the presence or absence of a good teacher." We need to do everything we can to encourage college students to enter a field that, while challenging, is one of the most rewarding careers one can undertake. H.R. 5091 will help to encourage the best and the brightest of our nation's college students to enter the teaching profession.

#### SECTION-BY-SECTION ANALYSIS

Section 1. Short title.

Section 2. Makes amendments to section 482J (c) and 460 (c) of the Higher Education Act of 1965 to increase the maximum loan forgiveness currently available in both the Federal Family Education Loan Program (FFELP) and the Federal Direct Student Loan Program. Section 2 also sets forth the priority in which loan forgiveness will be provided. The priority set forth is for special education teachers, mathematics and science teachers and those teachers employed in local educational agencies that are failing to adequately recruit highly qualified teachers as required by the No Child Left Behind Act.

Section 3. Provides for the cancellation of the student loan indebtedness of spouses of fire fighters, police officers, rescue personnel or members of the armed forces who lost their lives or became totally and permanently disabled due to injuries suffered in the terrorist attack on September 11, 2001. Section 3 also provides for the discharge of the eligible spouses loan if it is combined within a consolidation loan and for the portion of a parent loan if borrowed on behalf of an eligible victim.

Section 4. Section 4 requires the Secretary of Education to notify local educational agencies eligible to participate in the Small Rural Achievement Program authorized within the No Child Left Behind Act, of the availability of teacher loan forgiveness and encourage those agencies to notify their teachers.

#### EXPLANATION OF AMENDMENTS

The Amendment in the Nature of a Substitute is explained in the body of this report.

#### APPLICATION OF LAW TO THE LEGISLATIVE BRANCH

Section 102(b)(3) of Public Law 104-1 requires a description of the application of this bill to the legislative branch. H.R. 5091 amends the Higher Education Act of 1965 to increase the amount of student loan forgiveness available to qualified teachers, with an emphasis on special education teachers and provide loan forgiveness to certain spouses of victims of September 11th. The bill does not prevent legislative branch employees from receiving services provided under this legislation.

## UNFUNDED MANDATE STATEMENT

Section 423 of the Congressional Budget and Impoundment Control Act (as amended by Section 101(a)(2) of the Unfunded Mandates Reform Act, P.L. 104-4) requires a statement of whether the provisions of the reported bill include unfunded mandates. H.R. 5091 amends the spending programs under the Higher Education Act. As such, the bill does not contain any unfunded mandates.

## ROLLCALL VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include for each record vote on a motion to report the measure or matter and on any amendments offered to the measure or matter the total number of votes for and against and the names of the Members voting for and against.

## COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 1 BILL H.R. 5091 DATE September 5, 2002

AMENDMENT NUMBER 2 DEFEATED 16 - 19

SPONSOR/AMENDMENT Mr. Miller / amendment to make the discretionary teacher loan forgiveness provisions mandatory spending

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. BOEHNER, Chairman		X		
Mr. PETRI, Vice Chairman				X
Mrs. ROUKEMA				X
Mr. BALLENGER		X		
Mr. HOEKSTRA				X
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON		X		
Mr. GREENWOOD		X		
Mr. GRAHAM		X		
Mr. SOUDER				X
Mr. NORWOOD				X
Mr. SCHAFER				X
Mr. UPTON		X		
Mr. HILLEARY		X		
Mr. EHLERS		X		
Mr. TANCREDI		X		
Mr. DEMINT				X
Mr. ISAKSON		X		
Mr. GOODLATTE		X		
Mrs. BIGGERT		X		
Mr. PLATTS		X		
Mr. TIBERI		X		
Mr. KELLER		X		
Mr. OSBORNE		X		
Mr. CULBERSON				X
Mr. WILSON		X		
Mr. MILLER	X			
Mr. KILDEE	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mrs. MINK				X
Mr. ANDREWS				X
Mr. ROEMER	X			
Mr. SCOTT	X			
Ms. WOOLSEY	X			
Ms. RIVERS	X			
Mr. HINOJOSA				X
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND				X
Ms. SANCHEZ				X
Mr. FORD				X
Mr. KUCINICH	X			
Mr. WU	X			
Mr. HOLT	X			
Ms. SOLIS	X			
Ms. DAVIS	X			
Ms. McCOLLUM	X			
<b>TOTALS</b>	16	19		14

## COMMITTEE ON EDUCATION AND THE WORKFORCE

ROLL CALL 2 BILL H.R. 5091 DATE September 5, 2002

AMENDMENT NUMBER 4 DEFEATED 18 - 21

SPONSOR/AMENDMENT Mr. Kildee / amendment to provide teacher loan forgiveness on a graduated scale up to \$17,500 over five years

MEMBER	AYE	NO	PRESENT	NOT VOTING
Mr. BOEHNER, Chairman		X		
Mr. PETRI, Vice Chairman				X
Mrs. ROUKEMA				X
Mr. BALLENGER		X		
Mr. HOEKSTRA				X
Mr. McKEON		X		
Mr. CASTLE		X		
Mr. JOHNSON		X		
Mr. GREENWOOD		X		
Mr. GRAHAM		X		
Mr. SOUDER		X		
Mr. NORWOOD				X
Mr. SCHAFER				X
Mr. UPTON		X		
Mr. HILLEARY		X		
Mr. EHLERS		X		
Mr. TANCREDI		X		
Mr. DEMINT		X		
Mr. ISAKSON		X		
Mr. GOODLATTE		X		
Mrs. BIGGERT		X		
Mr. PLATTS		X		
Mr. TIBERI		X		
Mr. KELLER		X		
Mr. OSBORNE		X		
Mr. CULBERSON				X
Mr. WILSON		X		
Mr. MILLER	X			
Mr. KILDEE	X			
Mr. OWENS	X			
Mr. PAYNE	X			
Mrs. MINK				X
Mr. ANDREWS				X
Mr. ROEMER	X			
Mr. SCOTT	X			
Ms. WOOLSEY	X			
Ms. RIVERS	X			
Mr. HINOJOSA	X			
Mrs. McCARTHY	X			
Mr. TIERNEY	X			
Mr. KIND				X
Ms. SANCHEZ				X
Mr. FORD	X			
Mr. KUCINICH	X			
Mr. WU	X			
Mr. HOLT	X			
Ms. SOLIS	X			
Ms. DAVIS	X			
Ms. McCOLLUM	X			
<b>TOTALS</b>	18	21		10

STATEMENT OF OVERSIGHT FINDINGS AND RECOMMENDATIONS OF  
THE COMMITTEE

In compliance with clause 3(c)(1) of rule XIII and clause (2)(b)(1) of rule X of the Rules of the House of Representatives, the Committee's oversight findings and recommendations are reflected in the body of this report.

NEW BUDGET AUTHORITY AND CONGRESSIONAL BUDGET OFFICE  
COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of 3(c)(3) of rule XIII of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has received the following cost estimate for H.R. 5091 from the Director of the Congressional Budget Office:

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
*Washington, DC, September 12, 2002.*

Hon. JOHN A. BOEHNER,  
*Chairman, Committee on Education and the Workforce,  
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5091, the Canceling Loans to Allow School Systems to Attract Classroom Teachers Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Deborah Kalcevic.

Sincerely,

BARRY B. ANDERSON  
(For Dan L. Crippen, Director).

Enclosure.

*H.R. 5091—Canceling Loans to Allow School Systems to Attract  
Classroom Teachers Act*

Summary: H.R. 5091 would establish two new forgiveness programs for federal student loans. The first is a new discretionary program to allow the Secretary of Education to pay up to \$17,500 of federal student loan debt for qualified teachers. The other is a mandatory program requiring the Secretary of Education to discharge or cancel the outstanding federal student loan debt of the spouses and some parents of police officers, firefighters, rescue and safety personnel, and members of the Armed Forces who died or became permanently and totally disabled as a result of the terrorist attacks on September 11, 2001.

CBO estimates that H.R. 5091 would authorize discretionary spending totaling \$205 million for fiscal years 2003–2007. Enacting this bill would affect direct spending; consequently, pay-as-you-go procedures would apply. However, CBO estimates that these direct spending effects would be insignificant.

H.R. 5091 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 5091 is shown in the following table. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

	By fiscal year, in millions of dollars—					
	2002	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Teacher loan forgiveness:						
Estimated authorization level .....		5	12	24	58	106
Estimated outlays .....		5	12	24	58	106

### *Basis of estimate*

For this estimate, CBO assumes that H.R. 5091 will be enacted near the start of fiscal year 2003, and that funds necessary to implement the bill will be appropriated for each year.

### *Spending subject to appropriation*

H.R. 5091 would establish a new discretionary program for teacher loan forgiveness. CBO estimates this program would cost \$5 million in 2003 and \$205 million over the 2003–2007 period.

Subject to the availability of appropriated funds, the Secretary of Education would make loan payments up to \$17,500 on behalf of qualified teachers on a first-come, first-served basis. Payments under this program would be in addition to the \$5,000 the Secretary is already required to pay on behalf of eligible teachers. However, the combination of payments from both programs for an individual teacher could not exceed \$17,500. The payment would be made in a lump sum after a teacher has fulfilled the requirement for five consecutive years of full-time teaching.

All teachers eligible for the current program would be eligible for this new program. First, to qualify for both the current and new programs, teachers must only have outstanding loans from borrowing after October 7, 1998. Second, they must teach in an elementary or secondary school that has more than 30 percent of its students from low-income families and is in a school district eligible for Title I grants. Finally, teachers must have taught full-time for five consecutive years and be deemed to be qualified as elementary school teachers or be secondary school teachers teaching in an area related to their college major.

In addition to the teachers eligible for the existing program, special education teachers in the schools described above could be eligible for the new loan forgiveness program. Such teachers would have to be employed full-time for five consecutive years teaching children with disabilities that correspond to the teacher's training. In making the payments on behalf of teachers, the Secretary would have to give priority to special education teachers, teachers in failing schools, and math or science teachers.

This new program is authorized at such sums as may be necessary for fiscal years 2003 through 2007. The authorization would be extended to fiscal year 2008 under the General Education Provisions Act (GEPA).

Few teachers across the country would be eligible for this new program in 2003. Any teacher who had taken out any federal student loans prior to October 8, 1998, and had not paid them all off

in full would be ineligible. Also, by 2003, few teachers whose first loans were made after October 1998 would have completed the required five consecutive years of full-time teaching. CBO expects that fewer than 1,000 teachers—mostly those who borrowed for the first time for teaching certification programs or graduate programs—would qualify for this program in 2003. We estimate that the average amount forgiven in 2003 would be approximately \$6,000. Over time more teachers would meet the bill's requirements. By 2007, the number of qualified teachers is expected to jump to approximately 15,000, with about one of every 12 qualified teachers meeting the special education requirements. CBO estimates that the average payment in that year would be nearly \$7,200.

CBO estimates the number of participating teachers based on data compiled from numerous National Center for Education Statistics (NCES) reports and studies as well as CBO's projections about student loan indebtedness. These factors include the projected number of future elementary and secondary school teachers, the turnover rates for new teachers, and the percentage of new hires who are recent college graduates. Additional information on the percentage of elementary school teachers who are certified, the share of secondary school instructors who teach subjects related to their college major, and the percentage of these teachers who are likely to be teaching in title I schools also factor into the estimate. Using these data, CBO estimates that the demand for new teachers each year in title I schools would vary each year, ranging from about 60,000 to over 100,000 during the forecast period. CBO anticipates that the percent of newly hired teachers who are recent college graduates will increase each year as the retirement of older teachers accelerates over the next decade. Based on the participation rates in the federal student loan programs, CBO estimates that about half of these teachers will have student loan debt and that their cumulative total debt level will average roughly \$13,000. However, many newly hired teachers would not be eligible for this program over the 2003–2007 period because either some of their student loan debt was acquired prior to October 8, 1998 or they would not meet the five-year teaching requirement. Moreover, a portion of this outstanding debt for these teachers would be forgiven under existing law.

#### *Direct spending*

H.R. 5091 would require the Secretary of Education to cancel the outstanding student loan debt of spouses and some parents of certain people who either died or were permanently disabled in the terrorist attacks on September 11, 2001. Loan cancellation would be available for the spouses of police, fire, and other rescue and safety personnel as well as spouses of members of the Armed Forces. This debt would include amounts that the spouse had consolidated with the deceased. In addition, the loans of parents whose child was permanently disabled and the consolidation loans of parents whose child died or was permanently disabled would be canceled.

According to the latest casualty data, fewer than 500 public servants died as a result of the September 11 attacks. In addition, some unknown number of individuals may qualify under the dis-

ability requirements for loan cancellation in the future. CBO has not been able to ascertain the student loan debt of survivors who would be covered by this provision, but the number of people affected is likely to be small and CBO estimates that canceling such debts would result in negligible federal costs.

Pay-as-you-go considerations: The Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending and receipts. CBO estimates that the direct spending effects of the bill would be less than \$500,000 in the fiscal year it would be enacted (either 2002 or 2003), with no effects in other years.

Intergovernmental and private-sector impact: H.R. 5091 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal costs: Deborah Kalcevic; impact on state, local, and tribal governments: Leo Lex, impact on the private sector: Nabeel Alsalam.

Estimate approved by: Robert A. Sunshine, Assistant Director for Budget Analysis.

#### STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

In accordance with clause (3)(c) of House rule XIII, the goal of H.R. 5091 is to increase the amount of student loan forgiveness available to qualified teachers, with an emphasis on special education teachers and provide loan forgiveness to certain spouses of victims of September 11th. The Committee expects the Department of Education to comply with H.R. 5091 and implement the changes to the law in accordance with these stated goals.

#### CONSTITUTIONAL AUTHORITY STATEMENT

Under clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee must include a statement citing the specific powers granted to Congress in the Constitution to enact the law proposed by H.R. 5091. The Committee believes that the amendments, made by this bill to the Higher Education Act, are within Congress' authority under Article I, section 8, clause 1 of the Constitution.

#### COMMITTEE ESTIMATE

Clauses 3(d)(2) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison by the Committee of the costs that would be incurred in carrying out H.R. 5091. However, clause 3(d)(3)(B) of that rule provides that this requirement does not apply when the Committee has included in its report a timely submitted cost estimate of the bill prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act.

#### CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic,

and existing law in which no change is proposed is shown in roman):

## HIGHER EDUCATION ACT OF 1965

\* \* \* \* \*

### TITLE IV—STUDENT ASSISTANCE

\* \* \* \* \*

#### PART B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

\* \* \* \* \*

#### SEC. 428J. LOAN FORGIVENESS FOR TEACHERS.

(a) \* \* \*

\* \* \* \* \*

(c) QUALIFIED LOANS AMOUNT.—

(1) \* \* \*

\* \* \* \* \*

(3) ADDITIONAL AMOUNTS; PRIORITY.—

(A) LARGER AMOUNTS FROM APPROPRIATED FUNDS.—*Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary may, from funds appropriated under subparagraph (C), repay under this section is a total amount equal to not more than \$17,500.*

(B) AWARD BASIS; PRIORITY.—*The Secretary shall make payments under this paragraph to elementary or secondary school teachers who meet the requirements of subsection (b) on a first-come first-served basis, subject to the availability of appropriations, but shall give priority in providing loan repayment under this paragraph for a fiscal year to teachers who—*

(i)(I) *are employed as special education teachers whose primary responsibility is to teach or support children with disabilities (as defined in section 602 of the Individuals with Disabilities Act); and*

(II) *as certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed, are teaching children with disabilities that correspond with the borrower's training and have demonstrated knowledge and teaching skills in the content areas of the elementary or secondary school curriculum that the borrower is teaching;*

(ii) *are employed as teachers in local educational agencies that are determined by a State educational agency under section 2141 of the Elementary and Secondary Education Act of 1965 to have failed to make progress toward meeting the annual measurable objectives described in section 1119(a)(2) of such Act for 2 consecutive years; or*

(iii) *are employed as teachers of mathematics or science.*

(C) AUTHORIZATION OF APPROPRIATIONS.—*There are authorized to be appropriated to carry out this paragraph*

*such sums as may be necessary for fiscal year 2003 and for each of the 4 succeeding fiscal years.*

\* \* \* \* \*

## **PART D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM**

\* \* \* \* \*

### **SEC. 460. LOAN CANCELLATION FOR TEACHERS.**

(a) \* \* \*

\* \* \* \* \*

(c) **QUALIFIED LOAN AMOUNTS.—**

(1) \* \* \*

\* \* \* \* \*

(3) **ADDITIONAL AMOUNTS; PRIORITY.—**

(A) **LARGER AMOUNTS FROM APPROPRIATED FUNDS.—***Notwithstanding the amount specified in paragraph (1), the aggregate amount that the Secretary may, from funds appropriated under subparagraph (C), repay under this section is a total amount equal to not more than \$17,500.*

(B) **AWARD BASIS; PRIORITY.—***The Secretary shall make payments under this paragraph to elementary or secondary school teachers who meet the requirements of subsection (b) on a first-come first-served basis, subject to the availability of appropriations, but shall give priority in providing loan repayment under this paragraph for a fiscal year to teachers who—*

*(i)(I) are employed as special education teachers whose primary responsibility is to teach or support children with disabilities (as defined in section 602 of the Individuals with Disabilities Act); and*

*(II) as certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed, are teaching children with disabilities that correspond with the borrower's training and have demonstrated knowledge and teaching skills in the content areas of the elementary or secondary school curriculum that the borrower is teaching;*

*(ii) are employed as teachers in local educational agencies that are determined by a State educational agency under section 2141 of the Elementary and Secondary Education Act of 1965 to have failed to make progress toward meeting the annual measurable objectives described in section 1119(a)(2) of such Act for 2 consecutive years; or*

*(iii) are employed as teachers of mathematics or science.*

(C) **AUTHORIZATION OF APPROPRIATIONS.—***There are authorized to be appropriated to carry out this paragraph*

*such sums as may be necessary for fiscal year 2003 and for  
each of the 4 succeeding fiscal years.*

\* \* \* \* \*

## ADDITIONAL VIEWS

We are pleased to support H.R. 5091. Indeed, we note that Democrats defeated a previous bill—H.R. 4866, which made technical amendments to the Higher Education Act—largely because we were denied the opportunity to offer amendments addressing these issues. Therefore, we are gratified by the progress the Committee has made today.

However, we believe that the Committee should have written a stronger bill that would ensure that all eligible teachers would receive real and immediate assistance. A better approach would not require teachers to pay their loans for five full years before receiving any forgiveness.

### *Background*

Last year, we worked with President Bush and members of Congress from both political parties to overhaul federal education laws. The No Child Left Behind Act heralds the beginning of an unprecedented national campaign to erase decades of neglect of our worst schools. It refocuses federal policy on the original goals of the Elementary and Secondary Education Act of 1965: to ensure that all children have an opportunity to learn.

To reach this goal, we must heed the lessons of state reforms. North Carolina's success was partly due to greater accountability, but North Carolina also raised teacher salaries, strengthened education schools, and mentored new teachers. Other states did not invest in teaching and saw disappointing results. For this reason, the No Child Left Behind Act requires states to ensure that, within four years, every new teacher is fully qualified.

Despite their importance, our nation continues to struggle to attract and retain qualified teachers, especially in high-poverty schools. One of the most important reasons is simple: we don't pay them enough. For example, a recent report from the American Federation of Teachers found that the average salary for a beginning teacher was \$28,986. In contrast, the average beginning salary for accountants is \$37,143; for individuals who work in sales or marketing is \$40,033; and for engineers is \$50,033. The pay disparity does not improve as teachers advance in their careers.

In 1998, Congress enacted a new program to forgive the student loans of teachers in high-poverty schools. Under current law, teachers can receive up to \$5,000 in loan forgiveness after five years of service. The U.S. Department of Education believes that more than 21,000 students borrowing this year will ultimately benefit from this law.

However, we are concerned that the forgiveness comes too little, too late to make a meaningful difference in the career plans of students choosing a major, recent graduates choosing a career, and new teachers considering a career change. Moreover, college grad-

uates' student loan debt now far exceeds \$5,000: in fact, the average debt is now \$16,000 and has been growing by \$1,000 a year.

We support the expansion of teacher loan forgiveness established by H.R. 5091. However, we believe that the Committee should have strengthened this program by adopting the Democratic amendments described below.

#### *Guaranteed funding*

During Committee consideration of H.R. 5091, Mr. Miller of California offered an amendment to make teacher loan forgiveness an entitlement, guaranteeing forgiveness to all eligible teachers. This entitlement approach is the same taken by the current forgiveness program and by the Bush Administration's proposal. However, the Committee rejected the Miller amendment on a party-line vote. We believe that this was a serious mistake.

The Republican majority takes its faith that Congress will fully fund teacher loan forgiveness through the appropriations process. This is not a safe assumption. Several years ago, a loan forgiveness program for doctors was abruptly eliminated, leading to sudden chaos in communities that used the program to recruit physicians. A similar program for child care workers receives only \$1 million a year, enough to help only 75 individuals.

A discretionary program must fight for funding every year and is likely to ultimately fail to obtain adequate and reliable funding. Moreover, the resulting uncertainty of program funding years in advance will undermine the program's objective of persuading college students to enter teaching as a profession and new teachers to remain in the field. Without that guaranteed stream of funding, odds are that this legislation will be nothing more than an empty promise.

Some argue that we cannot enact a real teacher loan forgiveness plan because the costs are prohibitive. However, this year alone, Congress has passed an \$87 billion farm bill, a \$36 billion energy bill and a \$27 billion "pension reform" bill. In the area of education, House Republicans have advocated spending billions more subsidizing private school tuition. If Congress were to truly make education a top priority, we would approve the Miller amendment.

#### *Accelerated loan forgiveness*

H.R. 5091 forgives teachers' loans after five years of service. While this loan forgiveness will attract and retain many qualified teachers in high poverty schools, teachers will receive no relief from their loan debt until they have taught for five years. As a result, it delivers far less in assistance than the promised \$17,500: after five years, a teacher who borrowed \$17,500 will have already paid more than \$10,000 in principal and interest.

Mr. Kildee offered an amendment to provide a portion of the \$17,500 in forgiveness after each year of service. Specifically, the amount of forgiveness would be \$2,000 after the first year of service, \$2,500 after the second year of service, \$3,500 after the third year of service, \$4,500 after the fourth year of service, and \$5,000 after the fifth year of service. Providing immediate loan forgiveness eliminates the waiting period in the bill and helps schools meet H.R. 1's requirements now. Unfortunately, the Committee rejected the Kildee amendment, also on a party-line vote.

*President Bush's proposal*

Mr. Holt offered an amendment to add President Bush's teacher loan forgiveness proposal to H.R. 5091. The President's proposal, which is fully paid for within the Administration's budget, is superior to H.R. 5091 in that it is an entitlement program, providing up to \$17,500 in forgiveness to math, science, and special education teachers. The Holt amendment was rejected on a voice vote.

*Child care workers*

Ms. Woolsey offered an amendment to make the existing Child Care Provider loan forgiveness program an entitlement. Under current law, it is a discretionary program that serves only 75 people a year. As a result, efforts to use forgiveness to help provide excellent early children education are seriously impaired.

The Woolsey amendment was ruled out of order. The legislation should not have excluded loan forgiveness for early childhood education teachers who play a critical role in preparing children for school.

*Amendments adopted by the Committee*

The Committee adopted, by a voice vote, four amendments offered by Democratic Members of the Committee. We appreciate the bipartisan support for these amendments, which we believe substantially strengthen the bill. The four adopted amendments include:

- An amendment offered by Mr. Kind requiring the Department of Education to notify rural school districts of the application deadline and procedures for the teacher loan forgiveness program.
- An amendment offered by Mr. Miller establishing a priority for teachers in schools that are the furthest from meeting the goals of Section 1119 of the No Child Left Behind Act, which requires that all teachers be highly qualified.
- An amendment offered by Mr. Holt establishing a priority for teachers of math and science.

- An amendment offered by Ms. McCarthy providing assistance to victims of the September 11th terrorist attacks. Specifically, the McCarthy amendment forgives the student loans of spouses of fire-fighters and police officers killed or permanently disabled on September 11th. The amendment also forgives parents' education loans if their child died or became permanently disabled on September 11th. For surviving spouses of any September 11th victims who consolidated their loans together with the victim, the amendment forgives the portion of the consolidation loan borrowed by the deceased or permanently disabled spouse.

GEORGE MILLER.  
 RUSH HOLT.  
 ROBERT "BOBBY" SCOTT.  
 HAROLD FORD.  
 BETTY MCCOLLUM.  
 MAJOR OWENS.  
 LYNN WOOLSEY.  
 DENNIS J. KUCINICH.  
 CAROLYN MCCARTHY.  
 JOHN TIERNEY.  
 RUBÉN HINOJOSA.  
 RON KIND.  
 DALE E. KILDEE.  
 HILDA L. SOLIS.  
 DAVID WU.  
 DONALD PAYNE.  
 ROBERT E. ANDREWS.  
 SUSAN A. DAVIS.  
 LORETTA SANCHEZ.  
 TIM ROEMER.

