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(Original Signature of Member)

117TH CONGRESS
1ST SESSION

H. R. _____

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

IN THE HOUSE OF REPRESENTATIVES

Mr. SWALWELL introduced the following bill; which was referred to the
Committee on _____

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “STEM K to Career
5 Act”.

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

7 Part G of title IV of the Higher Education Act of
8 1965 (20 U.S.C. 1088 et seq.) is amended by adding at
9 the end the following:

1 **“SEC. 495. LOAN FORGIVENESS FOR STEM TEACHERS.**

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

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

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

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

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

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

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

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

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

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

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

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

7 “(c) QUALIFIED LOAN AMOUNT.—

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

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

23 “(d) SPECIAL RULES.—

24 “(1) LIST OF SCHOOLS.—If the list of schools
25 in which a STEM teacher may perform service pur-

1 suant to subsection (a)(1) is not available before
2 May 1 of any year, the Secretary may use the list
3 for the year preceding the year for which the deter-
4 mination is made to make such service determina-
5 tion.

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

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

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

12 may continue to teach in such school and shall be
13 eligible for loan forgiveness pursuant to this section
14 such subsequent years.

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

22 “(4) FORGIVENESS NOT CONSIDERED IN-
23 COME.—The amount of a loan, and interest on a
24 loan, which is forgiven under this section shall not

1 be considered income for purposes of the Internal
2 Revenue Code of 1986.

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

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

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

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

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

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

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

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

6 “In the case of taxable years beginning after
7 December 31, 2021, the \$250 amount in clause
8 (i) shall be increased by an amount equal to so
9 much of the amounts paid or incurred by the el-
10 igible educator for STEM education supplies as
11 does not exceed \$250.”.

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

14 “(3) INFLATION ADJUSTMENT.—

15 “(A) IN GENERAL.—In the case of any
16 taxable year beginning after 2017, the first
17 \$250 amount in subsection (a)(2)(D) shall be
18 increased by an amount equal to—

19 “(i) such dollar amount, multiplied by

20 “(ii) the cost-of-living adjustment de-
21 termined under section 1(f)(3) for the cal-
22 endar year in which the taxable year be-
23 gins, determined by substituting ‘calendar
24 year 2016’ for ‘calendar year 2018’ in sub-
25 paragraph (A)(ii) thereof.

1 “(B) STEM EDUCATION SUPPLIES.—In
2 the case of any taxable year beginning after
3 2021, the \$250 amount in subsection (a)(2)(D)
4 shall be increased by an amount equal to—

5 “(i) such dollar amount, multiplied by

6 “(ii) the cost-of-living adjustment de-
7 termined under section 1(f)(3) for the cal-
8 endar year in which the taxable year be-
9 gins, determined by substituting ‘calendar
10 year 2020’ for ‘calendar year 2018’ in sub-
11 paragraph (A)(ii) thereof.

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

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

20 “(2) STEM EDUCATION SUPPLIES.—For pur-
21 poses of subsection (a)(2)(D), the term ‘STEM edu-
22 cation supplies’ means expenses for books, supplies,
23 equipment, and other materials used in connection
24 with teaching science, technology, engineering, or
25 math.”.

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

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 December 31, 2020.

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

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

13 **“SEC. 45U. STEM INTERNSHIP CREDIT.**

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

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

22 “(c) DEFINITIONS.—For purposes of subsection
23 (a)—

24 “(1) QUALIFIED STEM INTERN.—The term
25 ‘qualified STEM intern’ means an individual who is

1 employed under an internship program of an eligible
2 employer under which—

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

6 “(B) each intern is employed for not less
7 than 20 hours per week by the eligible employer
8 in a position related to the career goals of the
9 intern,

10 “(C) each intern completes not less than 6
11 weeks of employment with the eligible employer
12 as an intern, and

13 “(D) each intern is a student who is en-
14 rolled full-time in a science, technology, engi-
15 neering, or math program (including a program
16 of study abroad approved for credit by the eligi-
17 ble institution at which such student is en-
18 rolled) leading to a recognized undergraduate or
19 graduate degree at an institution of higher edu-
20 cation that is an eligible institution in accord-
21 ance with the provisions of section 487 of the
22 Higher Education Act of 1965 (20 U.S.C.
23 1094) and is not enrolled in an elementary or
24 secondary school.

25 “(2) ELIGIBLE EMPLOYER.—

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

9 “(B) RULES FOR DETERMINING EM-
10 PLOYER SIZE.—For purposes of subparagraph
11 (A)—

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

17 “(ii) EMPLOYERS NOT IN EXISTENCE
18 IN PRECEDING YEAR.—In the case of an
19 employer which was not in existence
20 throughout the preceding calendar year,
21 the determination of whether such em-
22 ployer is an eligible employer shall be
23 based on the average number of employees
24 that it is reasonably expected such em-

1 ployer will employ on business days in the
2 current calendar year.

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

7 (b) CREDIT MADE PART OF GENERAL BUSINESS
8 CREDIT.—Section 38(b) of such Code is amended by strik-
9 ing “plus” at the end of paragraph (33), by striking the
10 period at the end of paragraph (34) and inserting “, plus”,
11 and by adding at the end the following new paragraph:

12 “(35) the STEM internship credit determined
13 under section 45T(a).”.

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

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

 “Sec. 45U. STEM internship credit.”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2021.

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

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

6 **“SEC. 45V. STEM APPRENTICESHIP CREDIT.**

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

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

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

18 “(1) \$2,000 in the case of a new apprentice,

19 “(2) \$3,000 in the case of a mid-career appren-
20 tice,

21 “(3) \$3,000 in the case of a unemployed ap-
22 prentice, and

23 “(4) 5,000 in the case of a completed appren-
24 ticeship employee.

25 “(d) DEFINITIONS.—For purposes of subsection
26 (a)—

1 “(1) ELIGIBLE EMPLOYER.—

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

10 “(B) RULES FOR DETERMINING EM-
11 PLOYER SIZE.—For purposes of subparagraph
12 (A)—

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

18 “(ii) EMPLOYERS NOT IN EXISTENCE
19 IN PRECEDING YEAR.—In the case of an
20 employer which was not in existence
21 throughout the preceding calendar year,
22 the determination of whether such em-
23 ployer is an eligible employer shall be
24 based on the average number of employees
25 that it is reasonably expected such em-

1 ployer will employ on business days in the
2 current calendar year.

3 “(iii) PREDECESSORS.—Any reference
4 in this paragraph to an employer shall in-
5 clude a reference to any predecessor of
6 such employer.

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

10 “(A) completed during the taxable year a
11 qualified apprenticeship program, and

12 “(B) prior to beginning the qualified ap-
13 prenticeship program, has not received com-
14 pensation during the preceding 1-year period
15 for services provided to the eligible employer.

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

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

20 “(i) employed in an industry sector
21 different from the industry section the eli-
22 gible employer is in, as determined under
23 regulations of the Secretary, or

24 “(ii) or was unemployed, and

1 “(B) completed during the taxable year a
2 qualified apprenticeship program.

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

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

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

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

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

6 (b) CREDIT MADE PART OF GENERAL BUSINESS
7 CREDIT.—Subsection (b) of section 38 of such Code, as
8 amended by section 4, is amended by striking “plus” at
9 the end of paragraph (34), by striking the period at the
10 end of paragraph (35) and inserting “, plus”, and by add-
11 ing at the end the following new paragraph:

12 “(36) the STEM apprenticeship credit deter-
13 mined under section 45U(a).”.

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

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

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

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2021.

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 2022 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;”.