

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5564

To facilitate economic growth and development and to promote Tribal sovereignty, by encouraging a dramatic increase in the number of individuals with higher education degrees working within and for Indian Country.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 8, 2006

Ms. HERSETH introduced the following bill; which was referred to the  
Committee on Education and the Workforce

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## A BILL

To facilitate economic growth and development and to promote Tribal sovereignty, by encouraging a dramatic increase in the number of individuals with higher education degrees working within and for Indian Country.

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 “Indian Country Edu-  
5       cational Empowerment Zone Act”.

6       **SEC. 2. FINDINGS.**

7       Congress makes the following findings:

1           (1) A unique legal and political relationship ex-  
2           ists between the United States and Indian tribes  
3           that is reflected in article I, section 8, clause 3 of  
4           the Constitution, various treaties, Federal statutes,  
5           Supreme Court decisions, executive agreements, and  
6           course of dealing.

7           (2) Native Americans continue to rank at the  
8           bottom of nearly every indicator of social and eco-  
9           nomic well-being in America:

10                   (A) Unemployment rates average near 50  
11                   percent in Indian country and hover well over  
12                   90 percent on many reservations.

13                   (B) While the national poverty rate is only  
14                   11 percent, over 26 percent of all Native Ameri-  
15                   cans live in poverty.

16                   (C) In addition, Native Americans have  
17                   some of the lowest levels of educational attain-  
18                   ment in the United States.

19           (3) Numerous external efforts at economic de-  
20           velopment in Indian Country have proven unsuccess-  
21           ful. The most successful efforts have been initiated  
22           from within the Native communities themselves. Ef-  
23           forts that empower the communities and give them  
24           the tools to make their own decisions should be en-  
25           couraged and pursued.

1           (4) Educational achievement continues to be a  
2           cyclical obstacle to economic development in Indian  
3           Country. Businesses are often unwilling to locate to  
4           Indian Country because of the lack of an educated  
5           workforce. Over a quarter of all Americans have a  
6           bachelors degree or higher. However, only 12 per-  
7           cent of all Native Americans nationwide have such  
8           a degree, and only 6 percent of those who actually  
9           live in Indian Country have a bachelors or higher.  
10          Once Natives are finally able to obtain higher edu-  
11          cation, many are not able to return to their commu-  
12          nities because there are no jobs. There needs to be  
13          an intervening factor to help break this damaging  
14          cycle.

15 **SEC. 3. LOAN FORGIVENESS FOR EMPLOYMENT IN INDIAN**  
16 **COUNTRY.**

17          Part B of title IV of the Higher Education Act of  
18          1965 is amended by inserting after section 428K (20  
19          U.S.C. 1078–11) the following:

20 **“SEC. 428L. LOAN FORGIVENESS FOR EMPLOYMENT IN IN-**  
21 **DIAN COUNTRY.**

22          “(a) PURPOSE.—It is the purpose of this section—  
23                  “(1) to dramatically increase the number of in-  
24                  dividuals with higher education degrees working  
25                  within and for Indian country;

1           “(2) to facilitate economic growth and develop-  
2           ment in Indian country, and promote Tribal sov-  
3           ereignty;

4           “(3) to encourage members of Indian tribes  
5           with higher education degrees to return to Indian  
6           country;

7           “(4) to encourage the long-term retention of  
8           educated individuals in Indian country; and

9           “(5) to encourage public service in Indian coun-  
10          try, and to encourage investment in Indian country  
11          through an increase in the education level of the  
12          available workforce.

13          “(b) PROGRAM AUTHORIZED.—

14                 “(1) IN GENERAL.—From the funds appro-  
15                 priated under subsection (g), the Secretary is au-  
16                 thorized to forgive, in accordance with this section,  
17                 the student loan debt of any borrower, who—

18                         “(A) obtains or has obtained a bachelor’s  
19                         or graduate degree from an institution of high-  
20                         er education; and

21                         “(B) obtains employment in Indian coun-  
22                         try.

23                 “(2) METHOD OF LOAN FORGIVENESS.—To  
24                 provide the loan forgiveness authorized in paragraph

1 (1), the Secretary is authorized to carry out a pro-  
2 gram—

3 “(A) through the holder of the loan, to as-  
4 sume the obligation to repay a qualified loan  
5 amount for a loan made under this part; and

6 “(B) to cancel a qualified loan amount for  
7 a loan made under part D of this title.

8 “(3) AWARD BASIS; PRIORITY.—

9 “(A) AWARD BASIS.—Subject to subpara-  
10 graph (B), loan forgiveness under this section  
11 shall be on a first-come, first-served basis, and  
12 subject to the availability of appropriations.

13 “(B) PRIORITIES.—The Secretary shall, by  
14 regulation, establish a system for giving priority  
15 in providing loan forgiveness under this section  
16 to individuals based on the following factors:

17 “(i) The level of poverty in the locality  
18 within Indian country where the individual  
19 is employed.

20 “(ii) Whether the individual is an en-  
21 rolled member of an Indian tribe.

22 “(iii) Whether such enrolled member  
23 is performing employment in the Indian  
24 country of the Indian tribe in which they  
25 are enrolled.

1                   “(iv) The ratio of the individual’s stu-  
2                   dent loan debt to the individual’s annual  
3                   income.

4                   “(v) Whether the individual’s em-  
5                   ployer will provide an additional amount or  
6                   a matching percentage for student loan re-  
7                   payment for the individual.

8                   “(4) OUTREACH.—The Secretary shall post a  
9                   notice on a Department Internet web site regarding  
10                  the availability of loan forgiveness under this sec-  
11                  tion, and shall notify institutions of higher education  
12                  (including Tribal Colleges and Universities) and the  
13                  Bureau of Indian Affairs regarding the availability  
14                  of loan forgiveness under this section.

15                  “(c) QUALIFIED LOAN AMOUNTS.—

16                  “(1) PERCENTAGES.—Subject to paragraph (2),  
17                  the Secretary shall assume or cancel the obligation  
18                  to repay under this section—

19                         “(A) 15 percent of the amount of all loans  
20                         made, insured, or guaranteed after the date of  
21                         enactment of the Indian Country Educational  
22                         Empowerment Zone Act to a student under  
23                         part B or D, for each of the first and second  
24                         years of employment in Indian country;

1           “(B) 20 percent of such total amount, for  
2           each of the third and fourth years of such em-  
3           ployment; and

4           “(C) 30 percent of such total amount, for  
5           the fifth year of such employment.

6           “(2) MAXIMUM.—The Secretary shall not repay  
7           or cancel under this section more than—

8           “(A) \$20,000 in the aggregate of loans  
9           made, insured, or guaranteed under parts B  
10          and D, for any student with a bachelor’s de-  
11          gree, but without a graduate degree; and

12          “(B) \$20,000 of such loans for each year  
13          of employment, for any student with a graduate  
14          degree.

15          “(3) TREATMENT OF CONSOLIDATION LOANS.—  
16          A loan amount for a loan made under section 428C  
17          may be a qualified loan amount for the purposes of  
18          this subsection only to the extent that such loan  
19          amount was used to repay a loan made, insured, or  
20          guaranteed under part B or D for a borrower who  
21          meets the requirements of subsection (b)(1), as de-  
22          termined in accordance with regulations prescribed  
23          by the Secretary.

24          “(d) ADDITIONAL REQUIREMENTS.—

1           “(1) NO REFUNDING OF PREVIOUS PAY-  
2           MENTS.—Nothing in this section shall be construed  
3           to authorize the refunding of any repayment of a  
4           loan made under this part or part D.

5           “(2) INTEREST.—If a portion of a loan is re-  
6           paid by the Secretary under this section for any  
7           year, the proportionate amount of interest on such  
8           loan which accrues for such year shall be repaid by  
9           the Secretary.

10          “(3) DOUBLE BENEFITS PROHIBITED.—

11                 “(A) INELIGIBILITY OF NATIONAL SERVICE  
12           AWARD RECIPIENTS.—No student borrower  
13           may, for the same service, receive a benefit  
14           under both this section and subtitle D of title  
15           I of the National and Community Service Act  
16           of 1990 (42 U.S.C. 12601 et seq.).

17                 “(B) DOUBLE FORGIVENESS.—No student  
18           borrower may, for the same service, receive a  
19           benefit under both this section and section  
20           428J, 428K, or 460 of this Act or section 108  
21           of the Indian Health Care Improvement Act  
22           (25 U.S.C. 1616a).

23          “(4) REPAYMENT TO ELIGIBLE LENDERS.—The  
24           Secretary shall pay to each eligible lender or holder  
25           for each fiscal year an amount equal to the aggre-

1       gate amount of loans which are subject to repayment  
2       pursuant to this section for such year.

3       “(e) APPLICATION FOR REPAYMENT.—

4             “(1) IN GENERAL.—Each eligible individual de-  
5       siring loan forgiveness under this section shall sub-  
6       mit a complete and accurate application to the Sec-  
7       retary at such time, in such manner, and containing  
8       such information as the Secretary may require. Such  
9       application shall contain verification from the em-  
10      ployer of the employment in Indian country.

11            “(2) CONDITIONS.—An eligible individual may  
12      apply for loan forgiveness under this section after  
13      completing each year of employment in Indian coun-  
14      try. The borrower shall receive forbearance while en-  
15      gaged in such employment unless the borrower is in  
16      deferment while so engaged.

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

20            “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
21      are authorized to be appropriated to carry out this section  
22      \$20,000,000 for fiscal year 2007, and such sums as may  
23      be necessary for each of the 4 succeeding fiscal years.

24            “(h) DEFINITION OF INDIAN TRIBE.—In this section,  
25      the term ‘Indian tribe’ means any Indian tribe, band, na-

1 tion, or other organized group or community, including  
2 any Alaska Native village, which is recognized as eligible  
3 for the special programs and services provided by the  
4 United States to Indians because of their status as Indi-  
5 ans.”.

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