



*Submitted by  
George Torres  
Legislative Issues Chair  
7-8-03*

### ***Student Financial Aid-Related Bills in Congress***

The following bills are the major student financial aid-related legislation filed during the First Session of the 108<sup>th</sup> Congress.

#### **S. 1356**

FY2004 Appropriations Bill for Labor, Health and Human Services, and Education agencies and programs. For student financial aid, the Senate and House bills maintain FY2003 spending levels for the Pell Grant (\$4,050 maximum annual grant), Supplemental Educational Opportunity Grant ((\$760 million), Work-Study (\$1,004.4 billion), Perkins Loan (\$166.5), and Leveraging Educational Assistance Partnerships (\$66.5) programs. Both bills provide \$300 million for the GEARUP program—an increase of \$6.9 million over FY2003 and \$15 million over the administration’s request. Both bills provide \$487.5 million for minority serving institutions—an increase of \$15 million over FY2003, and \$17 million over the administration’s request. The Senate bill proposes \$840 million for the TRIO program, while the House bill proposes \$835 million. Current year funding for TRIO is \$827 million and the administration’s FY2004 request is \$802.5.

Both the Senate and House bills have been reported from committee and are ready for consideration by the full Senate and House.

#### **Senate Concurrent Resolution 23/House Concurrent Resolution 95**

The FY2004 budget resolution set out a blueprint for the Congress to follow in developing the thirteen FY2004 appropriations bills. The Senate resolution finds education programs at \$80.3 billion. The House resolution funds education programs at \$75 billion—\$2 billion less than the Administration’s request. The Senate resolution includes \$2.2 trillion in spending for 2004—including \$791 billion in discretionary spending, which includes funding for student financial aid programs—a \$4,500 maximum annual Pell Grant, “sense of the Senate” provisions calling for a maximum annual Pell Grant of \$9,000 by 2010, and increased funding for Title III institutions, and a reduced tax reduction. The House-passed budget resolution totals \$1.8 trillion - including \$776 billion in discretionary spending - and freezes student financial aid funding at current levels, and instructs the Appropriations Committee to identify \$9.7 billion in savings from education, health, and labor programs.

The resolutions are presently in a Senate/House conference committee, which will adjust the differences between the two and report back a single resolution to the Senate and House for final adoption.

## **HR 12**

The FED UP Higher Education Technical Amendments Act of 2003 incorporates provisions from last session's failed HR 4866 by Representative Buck McKeon (R-CA). The bill includes the same provisions of the original HR 4866 as it was filed last summer, including:

- the extensions of the two provisions that expired on October 1, 2002 that allowed low student loan default rate schools to disburse loan funds in a single disbursement and to waive the 30 day delay for disbursement of loan funds to first time, first year borrowers;
- clarification of two return of Title IV funds issues;
- allowing requests for student loan repayment forbearances to be made in ways other than in writing;
- allowing students who were home schooled to be eligible for Title IV student aid.

Two new provisions added to HR 12 are:

- allowing the discharge of student loan debt for spouses of police, firefighters, rescue and safety personnel, and members of the Armed Forces who died or became permanent and totally disabled as a result of the September 11, 2001 attacks in New York and Washington, DC; and
- allowing the waiver of the 50 percent restriction on an institution's ability to offer coursework through telecommunications for institutions with student loan default rates below 10 percent.

## **HR 129**

Increases the Lifetime learning tax credit index from \$5,000 to \$10,000, directs the Comptroller general to determine if schools are raising their tuition rates in response to the increase, and expresses the sense of the House that the maximum Pell Grant should be \$4,700.

## **HR 227**

Makes the student loan single disbursement rule for low default schools permanent.

## **HR 438/HR 647**

Increases the student loan forgiveness amount for math, science, and special education teachers to \$17,500.

Reported from Committee and is ready for consideration by the full House.

## **HR 501**

Establishes a student loan forgiveness program for nurses up to a total of \$17,000 over five years.

## **HR 685**

Repeals the provisions prohibiting persons convicted of drug offenses from receiving federal student financial aid.

**HR 696**

Amends the provision prohibiting persons convicted of drug offenses from receiving federal student aid to those persons convicted while receiving aid.

**HR 734**

Establishes a student loan forgiveness program for social workers who work in child protective service capacities.

**HR 789**

Expands eligibility for student loan forgiveness for teachers to teachers who work in economically depressed rural areas of the country.

**HR 838**

Repeals the National Advisory Committee on Institutional Quality and Integrity and provisions that relate to the use of accrediting agencies to designate school as eligible to participate in the federal student financial aid programs, and directs the Education department to develop competitive methodologies to assess institutional eligibility.

**HR 934**

Incorporates provisions of HR 438, 647, and 501 into a single bill.

**HR 942/S. 835**

Repeals the student loan single holder provision.

**HR 1056/S. 512**

This legislation—Generating Opportunity by Forgiving Educational Debt for Service (GOFEDS)—proposes to allow the federal government’s student loan repayment program to operate as other employer student loan repayment programs by making the repayments made by a federal agency on behalf of an employee exempt from taxes

**HR 1304**

Amends the student interest tax deduction law by making it a tax credit and increasing the income eligibility ceiling.

**HR 1306**

Provides student loan forgiveness of up to \$17,500 for student loan borrowers who are employed in public service jobs in shortage areas, including teachers, child care workers, nurses, and child welfare workers.

## **HR 1412**

The HEROES Act allows the Secretary of Education to excuse all military members called into active duty during the current conflict from making payments of their student loans, provide full refunds of tuition and fees not used as a result of military activation, and minimize application for reenrollment into college for eligible military members.

## **HR \_\_—College Affordability in Higher Education Act of 2003**

This bill proposes to place a flexible federal cap on the annual increase in the cost of education at institutions of higher education that is equal to twice the rate of inflation. The bill also includes a “college affordability experimentation site program that proposes to provide regulatory relief to institutions that develop and implement “innovative approaches to delivering higher education while increasing college affordability”.

## **HR 2211**

The Ready to Teach Act proposes to align the teacher training programs in the HEA with those established under 2001’s No Child left behind Act (PL 107-110).

Reported from committee and is ready for consideration by the full House.

## **HR 2504**

The Student Loan Fairness Consolidation Act of 2003 proposes to allow student loan borrowers to refinance their student loan debt consolidated under a fixed rate.

## **S. 4**

Proposes a variety of education-related provisions and “sense of the senate” clauses, including, expanding student loan forgiveness for math, science, and special education teachers, increased authorized funding levels for Historically Black and Hispanic-serving institutions, expanding the deductibility of student loan interest, making prepaid tuition and savings programs tax exempt, and urging the Congress to consider higher education costs, academic preparation, increasing funding for student aid, simplifying the student aid application process, and improving accountability during the HEA Reauthorization.

## **S. 8**

The Educational Excellence for All Learners Act of 2003 is the 48 member Senate Democratic Caucus’ primary education legislative vehicle for the two-year 108<sup>th</sup> Congress. It is one of twelve bills filed as the Senate Democrats package of bills that defines its agenda for the current Congress. The package includes bills on homeland security, health care, a prescription drugs benefit, minimum wage, environmental protection, and Head Start.

S. 8 proposes to increase authorized funding levels for a variety of K-12 education programs, the TRIO and GEAR UP programs, Title III and Title V, and Pell Grants. The bill also repeals student loan origination fees, and makes Hope and Lifelong Learning tax credits refundable.

These bills, and related information, will be able to be accessed at: [www.thomas.loc.gov](http://www.thomas.loc.gov).