



FY 2004 Appropriations

The following letter was sent to the Senate offices from Arkansas, Louisiana, Oklahoma, New Mexico, and Texas.

September 2, 2003

TO: The Honorable Blanche Lincoln
The Honorable Mark Pryor
The Honorable John B. Breaux
The Honorable Mary Landrieu
The Honorable Jeff Bingaman
The Honorable Pete Domenici
The Honorable James Inhofe
The Honorable Don Nickles
The Honorable John Cornyn
The Honorable Kay Bailey Hutchison

This letter is sent on behalf of the student financial aid communities in Arkansas, Louisiana, New Mexico, Oklahoma, and Texas—Southwest Association of Student Financial Aid Administrators (SWASFAA), Texas Association of Student Financial Aid Administrators (TASFAA), Association of Texas Lenders for Education (ATLE), and Texas Guaranteed Student Loan Corporation (TG).

Today, the U.S. Senate will be back in session and is scheduled to take up the FY 2004 Labor/HHS/Education appropriations bill, S. 1356.

When states are facing the worst fiscal crisis in recent times, it is even more important for Congress to make a substantial investment in proven educational programs.

The Senate's current Labor/HHS/Education appropriations bill, like House bill HR 2660, provides the smallest education increase in eight years. Both bills provide level funding for all the Title IV student aid programs at FY 2003 funding levels.

However, it is our understanding that several amendments to increase appropriations for education funding will be offered when S. 1356 is brought to the floor.

Of particular interest is an amendment that will be offered by Senator Edward Kennedy which will propose to provide about \$2.2 billion more to increase the Pell Grant maximum award to \$4,500, and to increase the appropriations for each of the campus-based programs: TRIO, GEAR UP, LEAP, and the GAANN program.



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The funds for these programs are, in some cases, currently being funded at the same levels that they were funded at in 2001. None come close to the statutory maximums, e.g., the current authorized maximum for the Pell Grant is \$5,800. We recognize that the federal and state governments are operating in an extremely tight environment and that, with respect to postsecondary education, the Higher Education Reauthorization process will be examining access, affordability, and accountability issues in detail that will include student financial aid and postsecondary costs issues. We support these efforts. But for the present, we strongly urge our state congressional delegations to support the floor amendments that propose meaningful increases in these programs for FY 2004.

Thank you for your consideration and support.

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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 108th Congress.

Those with an asterisk are Higher Education Act Reauthorization-related bills. Those with two asterisks are the major reauthorization bills introduced by the majority members.

S. 1356/HR 2660

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 (\$1.00.4 billion), Perkins Loan (\$99.4), 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.

The House bill has passed the House and is currently being considered by the Senate.

Senate Concurrent Resolution 23/House Concurrent Resolution 95

The FY 2004 budget resolution which set out a blueprint for the Congress to follow in developing the thirteen FY 2004 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.



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****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 10/1/02 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.

Passed 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 schools 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

The College Opportunity for a Better America Act of 2003 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 and replaces the income sensitive repayment provisions in the FFELP to income contingent.



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.

Passed by the House and Senate and signed by the President on August 19, 2003.

***HR 1684**

The Student Adjustment Act proposes amend the 1996 Illegal Immigration Reform & Immigrant Responsibility Act and the Immigration & Nationality Act to grant permanent legal residency status to middle school, high school, and college students who are undocumented immigrants who have been in the U.S. for at least five years.

****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__— College Opportunity Act of 2003**

This bill proposes to increase the funding authorizations for all Title IV programs, TRIO, minority serving institutions, GEARUP, and loan forgiveness for student loan borrowers working in public service jobs.

****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).

Passed by the full House.

***HR 2238**

The Next Generation Hispanic-Serving Institutions bill is the Congressional Hispanic Caucus’ HEA Reauthorization legislation. The bill proposes to establish a new grant program to promote graduate programs at Hispanic-Serving Institutions.

***HR 2504**

The Student Loan Fairness Consolidation Act of 2003 proposes to allow student loan borrowers to refinance their consolidated student loan debt consolidated under the current variable rate formula for Stafford loans.



***HR 2505**

The College Loan Assistance Act of 2003 proposes to allow student loan borrowers to refinance their consolidated student loan debt at a fixed, weighted average rate capped at 6.8 percent, increase the maximum Pell Grant to \$7,000 in 2004, and repeal the student loan origination fee.

***HR 2711**

The Student Loan Fairness Act of 2003 is similar to 2504 and 2505. It proposes to repeal the single holder rule, allow reconsolidations of consolidated student loans at a variable rate of 2.3 percent plus the 91 Day Treasury Bill rate, capped at 6.8 percent, and also lowers the cap on Stafford and Plus loans 6.8 percent and 7.5 percent.

****HR 2956—Financial Aid Simplification Act**

This bill proposes to direct the federal Advisory Committee on Student Financial Aid to conduct another study on ways to simplify the SFA needs analysis process and the FAFSA, and to submit recommendations to Congress.

***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 108th 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.