

Happy Holidays

This is the final Legislative Report for 2003, and we want to wish everyone a happy and safe holiday season.

During 2003, among the legislative issues considered by the First Session of the 108th Congress were:

- the FY2003 appropriations bill for Labor, Health, and Human Services, and Education was passed four months into FY2003 with the federal student financial programs funded at FY2001 levels when these programs last enjoyed a substantial funding increase;
- the FY2004 appropriations bill for these agencies, as well as for six other major areas of the federal government, was not passed, allowing the affected agencies to operate until January 31, 2004 at FY2003 levels;
- a Medicare reform bill with a prescription drug benefit for some beneficiaries was passed;
- legislation further reducing taxes on dividends was passed;
- the first ever appropriations bill for the new Office of Homeland Security was passed (\$29 billion);
- the initial appropriations bill to fund the Iraq War and reconstruction was passed(\$87 billion).

It remains to be seen how much progress the Second Session of this Congress will make during 2004 in addressing other important, high profile issues like:

- the several reauthorizations on its agenda—including those for the Higher Education Act, Defense, Welfare Reform Act of 1996, Department of State, etc.;
- further reforms of the Medicare and Social Security programs;
- universal health insurance;
- further tax relief;
- annual and long term budget issues—including a burgeoning federal debt, the increasing cost of the “war on terrorism”, against the backdrop of a highly partisan general election year in which a President, 35 U.S. Senators, and 435 U.S. Representatives will be elected, along with half the governorships and all state legislatures.

As always, but with more urgency, it will be incumbent upon the student financial aid community to insure that continued support for the federal programs does not get lost amid the uncertainty and partisan debate.

The Second Session of the 108th Congress will convene on January 20, 2002.

The Reauthorization of the Higher Education Act will begin in earnest next year during the election campaign(s) and promises to be an issue, with little progress having been made by the Congress during 2003 and the Democrats in the House and Senate having introduced their versions of comprehensive reauthorization bills.

Many tasks, challenges and opportunities await our industry in 2004 and beyond and with that in mind—

We wish all of our colleagues in the student financial aid, congressional, and legislative communities the happiest of holidays and a new year of peace and prosperity. We sincerely hope that the year 2004 will bring success and happiness to each of you.

Have a safe and enjoyable holiday.