

Legislative Relations Committee Updates August 2002 SASFAA Board Meeting from Karen Fooks, SASFAA Legislative Relations Committee Chair

APPROPRIATIONS

FY 02 Supplemental Appropriations

On July 21, Congress approved H.R. 4775, a supplemental appropriations bill that includes \$1 billion additional funds in Pell Grant to help offset the current shortfall of \$1.26 billion. The supplemental Pell Grant appropriation will keep a \$4,000 maximum Pell Grant for 02-03. Most of the other appropriations in the bill are to meet the President's requests for homeland security funding. The \$28.9 billion bill now goes to the President, who is expected to sign it.

FY 03 Budget

The Senate Labor, HHS, Education appropriations committee approved a FY 03 \$133.9 billion Labor-Health and Human Services-Education Appropriations bill on July 18 providing a \$4.2 billion increase for education over the FY 02 funding levels. Pell Grants received an increase of \$866 million but because of the remaining shortfall, this provides for an increase of only \$100 in the maximum grant award, making the maximum \$4100 per year. The President's budget proposed no increase in the maximum award.

Other key higher education programs covered by the Senate Labor-HHS-Education Appropriations bill:

SEOG: Level fund at \$725 million
FWS: Level fund at \$1.011 billion
Perkins FCC: Level fund at \$100 million
Perkins cancellations: \$5 million increase to \$72.5 million
LEAP: \$5.5 million increase to \$72.5 million
TRIO: \$30 million increase to \$832.5 million
GEAR UP: \$10 million increase to \$295 million.
Corporation for National and Community Service: \$52 million increase to \$381 million.

The House, which has authorized significantly less, has scheduled an appropriations subcommittee markup for Sept. 5 but is considering holding a post-election lame duck session, so that education cuts will not affect the fall elections.

The Student Aid Alliance partnership of higher education associations are asking for a \$500 increase in the Pell Grant maximum, \$150 million increase each in SEOG and FWS, and a \$40 million increase in Perkins FCC.

LEGISLATION

H.R. 4866 Higher Education Technical Amendments of 2002 Rep. McKeon is "Fed Up"

Although the bill was considered non-controversial, partisan political disagreements caused Rep. McKeon's HR 4866 "Fed Up Higher Education Technical Amendments of 2002" bill to go down to defeat on July 16. Democrats were upset that the Republicans used procedural tactics to bring the bill directly to the floor without allowing the Democrats to offer amendments.

The bill would have changed Return of Title IV provisions to protect 50% of the Pell from student repayment, clarified that home school students were eligible for Title IV aid without a GED or taking an ability to benefit test, and would have eliminated the requirement that Stafford Loan forbearance agreements be in writing. Provisions to extend the Stafford loan waivers for 30-day delayed disbursement and multiple disbursements in a single term were two of the amendments Democrats had hoped to add but were prevented. The Republicans cited cost (\$10 million) and no offsets as part of the reason. Rep. McKeon blamed the aid community for its lukewarm support as part of the reason for the defeat of the bill.

It is unknown at this time if the bill will be re-introduced later on this session.

Description: Would make permanent the educational assistance provisions of the Economic Growth and Tax Relief Act of 2001.

Status: Introduced July 23 and referred to the House Ways and Means Committee

H.R. 5133 Teacher Recruitment Act of 2002

Description: Would expand the eligibility of individuals to qualify for loan forgiveness for teachers in economically depressed rural areas, territories and Indian reservations.

Status: Introduced July 16 and referred to the House Education and Workforce Committee. No further action.

H.R. 5854 Citizen Service Act of 2002

Description: Reauthorizes several community service programs including Americorps. Does not provide for any change in the amount of Federal Work Study that must be used for community service jobs but it does provide incentives for higher education institutions to increase community service participation by students.

Status: Introduced May 24 and referred to the Select Education Committee. No further action.

S. 2650/ H.R. 3273 Consolidation Student Loan Flexibility Act

Description: Introduced by Sen. Mary Landrieu (D-LA). Would amend the Higher Education Act to allow student loan borrowers their choice of lender for loan consolidation.

Status: Introduced June 20 and referred to the Health, Education, Labor and Pensions. The House companion bill was introduced by Ralph Regula (R-OH) and referred to the House Education and Workforce Committee on November 9 and to the Subcommittee on 21st Century Competitiveness on March 11. No further action.

H.R. 4732 Student Loan Interest Deduction

Description: Introduced by Rep. David Wu (D-OR). Would repeal the dollar limitation on the student loan income tax deduction.

Status: Referred to the House education committee on May 14. No further action.

H.R. 4639 Eliminating Termination Date for Single Disbursement & 30-Day Delay Waiver Authority

Description: Introduced by Rep. David Wu (D-OR). Would extend the 30-day delayed disbursement and multiple disbursements in a single term waivers for schools with low Stafford Loan default rates.

Status: Referred to the House education committee on May 1 and to the Subcommittee on 21st Century Competitiveness on July 10. No further action.

H.R. 5091 Canceling Loans to Allow School Systems to Attract Classroom Teachers (CLASS ACT)

Description: Introduced by Representative Lindsey Graham (R-SC). Would increase loan forgiveness from \$5,000 to \$17,500 for math, science and special education teachers, provided they teach for at least five years in a low-income school.

Status: Referred to the House Committee on Education and Workforce on July 11. No further action.

H.R. 786 Drug Conviction Penalty Repeal

Description: Introduced by Barney Frank (D-MA). This bill would repeal the provisions in the Higher Education Act that prohibit students convicted of drug offenses from receiving federal financial aid.

Status: Introduced February 28 and referred to the Committee on Education and Workforce and to the Subcommittee on 21st Century Competitiveness on April 20. No further action.

H.R. 3785 Math and Science Teacher Recruitment Act

Description: Introduced by Representative Richard Baker (R-LA). Would increase loan forgiveness to \$20,000 for math and science teachers who teach in high need schools.

Status: Referred to the House education committee Feb. 26 and to the Subcommittee on 21st Century Competitiveness on May 9. No further action.

H.R. 3777 Responsible Student Financial Assistance Assurance Act

Description: Introduced by Representatives Gregory Meeks (D-NY) and Mark Souder (R-IN). Would modify the Higher Education Act to restrict the Title IV penalties for students convicted of drug offenses to only those student who committed the offenses while receiving federal aid.

Status: Referred to the House education committee Feb. 14 and to Subcommittee on 21st Century Competitiveness on May 9. No further action.

H.R. 1992/S. 1445 Internet Equity and Expansion Act of 2001

Description: Introduced by Johnny Isakson (R-GA). The bill would modify the "50% rule" to allow more than 50% of courses via telecommunications if the institution already participates in federal student loan programs and their cohort default rate is less than 10%. The bill also proposes to eliminate the 12-hour rule and require instead that non-term and non-standard term programs use the same attendance criteria as term-based programs and would modify the incentive compensation rules for recruiters to apply to non-salary payments.

Status: Passed by the House 10/10/01. Referred to the Senate Committee for Health, Education, Labor and Pensions 10/11/01. The Senate companion bill was referred to the Senate HELP Committee 9/21/01. No further action since last report.

S. 1792/H..R 3465 Call to Service Act of 2001

Description: Introduced by Senators John McCain (R-AZ) and Evan Bayh (D-IN) and 4 others, and Rep. Harold Ford (D-TN) and 9 others. This legislation would phase-in an increase in the percentage of FWS to be used for Community Service jobs from 7% to 25% in 2011. It would also increase the number of participants in Americorps to 250,000 with half dedicated to public safety issues such as homeland security.

Status: S. 1792 was referred to the Senate HELP committee 12/10/01. The House bill was referred to the House Education, Veteran's Affairs, Ways and Means and Armed Services committees on 12/12/01. No further action since last report.

S. 721/ S. 1864/S. 1585/S. 1597 Nursing Scholarship Bills

Description: A series of bills providing scholarships to nurses or prospective nursing to encourage practice in shortage areas or increase their level of education.

Status: Most are either in Senate committees or have been referred to House committees. No further action since last report.

H.R. 2219 Amending Hope Scholarship Tax Credit

Description: Introduced by Representatives Dave Camp (R-MI), and Jim McGovern (D-MA). Modifies the Internal Revenue Code to allow the Hope Scholarship Tax Credit to cover tuition, fees, books, supplies and equipment and exempts Pell Grants and Supplemental Educational Opportunity Grants from counting against Hope Tax Credit eligibility.

Status: Referred to House Ways and Means Committee on June 19, 2001. No further action.

Sources for articles: AASCU, ACE, NASFAA, Student Aid News