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## Tip<sup>of</sup> the Week

Start planning a default prevention fair for the spring. Contact TG at (800) 338-4752 for help.

## TG updates

### TG moves lender training event one block north to meet strong demand

Student lending and servicing professionals traveling to Austin this week for TG's January 29 training event, "Get an edge," should note that the location has changed. Due to an overwhelming response, TG has lined up a bigger venue:

Marriott Austin North  
2600 La Frontera Boulevard  
Round Rock, Texas 78681

Reservations: (800) 865-0546  
Information: (512) 733-6767  
Fax: (512) 733-6868

Maps and driving directions are available on the hotel's Web site at [www.whihotels.com/ebrochures/austin/maps.htm](http://www.whihotels.com/ebrochures/austin/maps.htm). The Marriott, where many registrants have booked their accommodations, is located one block north of TG's new corporate headquarters, where the training was originally to be held.

More information on the training event, including the agenda, is available on *TG Online* at [www.tgslc.org/workshops/lender/lender.cfm](http://www.tgslc.org/workshops/lender/lender.cfm).

## Federal updates

### President signs FY 2004 appropriations bill

Last Friday, President Bush signed the FY 2004 omnibus appropriations bill into law, setting the spending levels for a fiscal year that is almost one-third completed. Below are some high points pertaining to the bill that affect higher education funding.

#### Pell maximum unchanged

Unfortunately, the Congress did not appropriate any additional funds to increase the maximum Federal Pell Grant, and the maximum Pell amount will remain at \$4,050 for FY 2004. As reported in *Shoptalk Online* [Edition 236](#), the Congress did set aside additional funding, however, to direct ED to use the 2003-2004 "state and other tax allowances" tables in lieu of the 2004-2005 tables in its expected family contribution (EFC) formula for the 2004-2005 award year. Doing so will allow more families to retain lower EFCs and qualify under the Pell Grant Program in 2004-2005.

#### Increases in other programs

There were a few notable increases in postsecondary education funding, including:

| Program                                     | FY04 Funding    | Increase over FY03 |
|---|-----------------|--------------------|
| Supplemental Educational Opportunity Grants | \$775 million   | \$10 million       |
| TRIO  | \$837.5 million | \$5 million        |
| GEAR UP                                     | \$300 million   | \$5 million        |
| Historically Black Institutions             | \$277.5 million | \$8.5 million      |
| Hispanic-Serving Institutions               | \$94.5 million  | \$1.5 million      |

#### Across-the-board spending cut

For FY 2004, the House and Senate budget negotiators have also imposed a 0.59% spending cut. This across-the-board cut applies to the entire spending measure and is imposed after taking spending increases into account.

This means that the spending increases listed above will actually be slightly less than identified, while higher education programs that received no increase, including the Federal Work-Study Program, the Perkins Loan Program, and the Leveraging Educational Assistance Partnerships (LEAP) Program, will actually experience a slight cut in funding. Pell Grants are not affected by the spending cut, however. Because Pell is an entitlement program (i.e., any eligible student is entitled to receive the grant), the amount of the maximum Pell Grant is not tied to the amount appropriated for the program for that fiscal year.

### **To access the legislation**

To access the Consolidated Appropriations Act, 2004, go to Thomas, the Library of Congress' online legislative information service, which provides access to text and summaries of the legislation. You can read the legislation at <http://thomas.loc.gov/cgi-bin/query/z?c108:H.R.2673.enr>.

## **ED announces new child care forgiveness application**

ED recently released the 2003 Child Care Provider Loan Forgiveness (CCPLF) Application in Dear Partner Letter (DPL) GEN-04-01. The application is labeled "2003" because ED is still in the process of spending the \$994,000 that Congress appropriated for new applicants to the program for FY 2003. Therefore, ED will continue to accept completed applications until the FY 2003 funds have been fully committed, but no later than September 15, 2004.

### **Application information**

New applicants wanting to apply under the CCPLF Program and previous applicants seeking continued eligibility under the CCPLF Program may begin using the application immediately. TG has posted the updated application as a PDF file, which requires Adobe Acrobat Reader to view and print, on *TG Online* at [www.tgslc.org/forms/frms\\_disforg.cfm](http://www.tgslc.org/forms/frms_disforg.cfm).

### **Program overview**

The CCPLF Program, a demonstration program provided for under the Higher Education Act and administered by ED, is intended to attract and retain more highly trained individuals in the early child care professions. ED repays eligible loans on a first-come-first served basis, subject to the availability of funds appropriated annually by Congress. Under this program, ED forgives up to 100% of a borrower's Federal Stafford and Direct loan obligations in increments based on the borrower's years of qualified service.

### **More information and questions**

For more information on DPL GEN-04-01, go to <http://ifap.ed.gov/dpclatters/GEN0401.html>.

For more information about what it takes to qualify for loan forgiveness under the CCPLF Program, see *Shoptalk Online* [Edition 118](#).

For questions concerning the CCPLF Program, contact TG customer assistance at (800) 845-6267 or send an e-mail message to [cust.assist@tgslc.org](mailto:cust.assist@tgslc.org).

## **IRS announces changes to education tax benefits for 2003**

Recently, the Internal Revenue Service (IRS) published changes to certain tax benefits for higher education for tax year 2003 in its *Publication 970 – Tax Benefits for Education*.

The following changes were made to the Hope and Lifetime Learning credits for the 2003 tax year:

- **Hope and Lifetime Learning credits**

Hope and Lifetime Learning credits are subject to income limits based on a taxpayer's adjusted gross income (AGI). For tax year 2003, married couples filing jointly with an AGI below \$83,000 will be eligible to claim a full credit; couples with an AGI between \$83,000 and \$103,000 will be eligible to claim a reduced credit. This is an increase from the 2002 AGI limits of between \$82,000 and \$102,000. If a couple's AGI is \$103,000 or more, they cannot claim either credit. Income limits for single filers have not changed.

- **Lifetime Learning credit**

For tax year 2003, the maximum Lifetime Learning credit has increased to \$2,000 (in the 2002 tax year, the maximum credit was \$1,000). A taxpayer may be able to claim a Lifetime Learning credit of up to \$2,000 in qualified education expenses per tax return.

Remember that only one credit — either the Hope credit or the Lifetime Learning credit — may be claimed for higher education expenses for a particular tax year. Also, neither credit may be claimed if a taxpayer chooses to utilize the tuition and fees deduction (another higher education tax benefit) instead.

### **More information**

For more comprehensive information on these and other higher education tax benefits for students and parents, see TG's "Tax Benefits of Paying for College" Web site on *TG Online* at [www.tgslc.org/resources/tax.cfm](http://www.tgslc.org/resources/tax.cfm). To access IRS Publication 970 and for other information on tax benefits, go to [www.irs.gov](http://www.irs.gov).

## **President Bush announces Jobs for the 21<sup>st</sup> Century**

In his most recent State of the Union Address, President Bush introduced a new plan called *Jobs for the 21<sup>st</sup> Century*. The goal of the proposal is to improve high school education and expand access to postsecondary education to better prepare upcoming entrants into the job market to compete in a fluctuating economy and to fill jobs in emerging industries. Within the realm of postsecondary education, the plan proposes the creation of a new competitive grant program for community and technical colleges and a substantial enhancement to the Pell Grant Program.

## Community-based Job Training Grants

*Jobs for the 21<sup>st</sup> Century* establishes a new competitive grant fund called *Community-based Job Training Grants*. These grants would be provided to community and technical colleges that are partnering with local employers to provide job training. The goal is to increase the involvement of community and technical colleges in the development of the national workforce. The plan proposes funding of \$250 million for FY 2005.

## Enhanced Pell Grants

The plan would also increase Pell Grant awards for students who pursue a more rigorous program of study in high school. Under the program, a high school student who completes an advanced high school curriculum under a designated State Scholars Program would be eligible for up to an additional \$1000 in Pell Grant funds per year for the first two years of postsecondary education. These students would have to enroll full time and already have Pell Grant eligibility to be considered for these additional funds. The plan proposes funding of \$33 million for FY 2005.

## More information

Bush's proposal is in the beginning stages, and has not yet been approved by or funded by Congress. Additional information about this proposal is available online at [www.whitehouse.gov/news/releases/2004/01/20040121.html](http://www.whitehouse.gov/news/releases/2004/01/20040121.html). More details are expected when Bush releases his proposed budget for FY 2005 next week.

## Legislative updates

The January 22 issue of TG's *Legislative Report* includes updates on testimony given by several members of the Texas student financial aid community, including TG, at a public hearing of the state's Joint Committee on Higher Education. Also included is the text of a letter from Texas Association of Student Financial Aid Administrators (TASFAA), Association of Texas Lenders for Education (ATLE), and TG, endorsing HR 3613, The Student Aid Streamlined Act of 2003, introduced by Texas Congressman Sam Johnson. The letter has been sent to members and staff of the Texas Congressional Delegation. Keep up with the latest developments by reading the full report on *TG Online* at [www.tgslc.org/lege\\_report/index.cfm](http://www.tgslc.org/lege_report/index.cfm).

## This, that, and the other

Over the decades and even the centuries, schools across our nation have found many themes on which to compete with one another. They compete based on academic proficiency, athletic prowess, and even squirrel population. What? Squirrel population?

Yes, thanks to *The Campus Squirrel Listings*, schools have another outlet in which to channel their competitive nature! This Web site ranks higher education institutions based on "the size, health and behavior of the squirrel population on campus."

Only a handful of schools have been able to achieve the highest honor — the coveted 5-squirrel ranking — U.C. Berkeley, Mary Baldwin College, U.S. Naval Academy, Susquehanna University, Kansas State University, Lehigh University, Ursinus College, and Rice University.

Check out the website at [www.gottshall.com/squirrels/campsq.htm](http://www.gottshall.com/squirrels/campsq.htm). You'd be nuts not to!



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