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THE WHITE HOUSE

WASHINGTON

AGENDA

THE PRESIDENT'S HOPE AND OPPORTUNITY FOR POSTSECONDARY EDUCATION (HOPE) ACT OF 1997

Thursday, March 20, 1997

****

GENE SPERLING
Assistant to the President
Director, National Economic Council

****

DAVID LONGANECKER
Assistant Secretary for Postsecondary Education
Department of Education

****

KARL SCHOLZ
Deputy Assistant Secretary for Tax Analysis
Department of Treasury

****

Questions and Answers

A BILL

To amend the Internal Revenue Code of 1986 to provide tax relief to middle income families who are struggling to pay for college, to amend the Higher Education Act of 1965 to provide significantly increased financial aid for needy students, provide universal access to postsecondary education, reduce student loan costs while improving student loan benefits, to streamline the Federal Family Education Loan Program, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Hope and Opportunity for Postsecondary Education Act of 1997".

TITLE I--TAX PROVISIONS

SHORT TITLE;
AMENDMENT OF 1986 CODE; TABLE OF CONTENTS

SEC. 101. (a) SHORT TITLE.--This title may be cited as the ``Higher Education Tax Incentive Act of 1997".

(b) AMENDMENT OF 1986 CODE.--Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.--

TITLE I--TAX PROVISIONS

Sec. 101. Short title; amendment of 1986 code; table of contents.

Sec. 102. Credit for higher education expenses.

Sec. 103. Deduction for higher education expenses.

Sec. 104. Treatment of cancellation of certain student loans.

Sec. 105. Employer-provided educational assistance programs.

Sec. 106. Small business educational assistance credit.

CREDIT FOR HIGHER EDUCATION EXPENSES

SEC.102. (a) IN GENERAL.--Subpart A of part IV of subchapter A of chapter 1 (relating to nonrefundable personal credits) is amended by inserting after section 24 the following new section:

``SEC. 24A. HIGHER EDUCATION TUITION AND FEES.

``(a) ALLOWANCE OF CREDIT.--In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the amount of qualified higher education expenses paid by the taxpayer during such taxable year for education furnished during any academic period beginning in such year.

``(b) LIMITATIONS.--

``(1) DOLLAR LIMITATION.--

``(A) IN GENERAL.--The amount allowed as a credit under subsection (a) for any taxable year with respect to the qualified higher education expenses of any 1 individual shall not exceed $1,500.

``(B) REDUCTION FOR OTHER NONTAXABLE FEDERAL ASSISTANCE.--

``(i) IN GENERAL.--If any nontaxable Federal assistance is allocable to any academic period, the dollar amount applicable under subparagraph (A) for the taxable year in which such period begins shall be reduced by the amount of such assistance.

``(ii) NONTAXABLE FEDERAL ASSISTANCE.--For purposes of clause (i), the term `nontaxable Federal assistance' means any scholarship or grant provided by the Federal Government which is exempt from tax under this chapter by reason of section 117 or any other Federal law. Such term shall not include any benefit described in section 480(c)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(c)(2)), as in effect on the date of enactment of this section.

``(2) CREDIT ALLOWED FOR ONLY 2 TAXABLE YEARS.--No credit shall be allowed under subsection (a) for a taxable year with respect to the qualified higher education expenses of an individual unless the taxpayer elects to have this section apply with respect to such individual for such year. An election under this paragraph shall not take effect with respect to an individual for any taxable year if an election under this paragraph (by the taxpayer or any other individual) is in effect with respect to such individual for any 2 prior taxable years.

``(3) CREDIT ALLOW FOR YEAR ONLY IF INDIVIDUAL IS AT LEAST ½ TIME STUDENT FOR PORTION OF YEAR.--No credit shall be allowed under subsection (a) for a taxable year with respect to the qualified higher education expenses of an individual unless such individual is an eligible student for at least one academic period which begins during such year.

``(4) CREDIT ALLOWED ONLY FOR FIRST TWO YEARS OF POSTSECONDARY EDUCATION.--No credit shall be allowed under subsection (a) for a taxable year with respect to the qualified higher education expenses of an individual if the individual has completed (before the beginning of such taxable year) the first 2 years of postsecondary education at an institution of higher education.

``(c) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.--

``(1) IN GENERAL.--The amount which would (but for this subsection) be taken into account under subsection (a) for the taxable year shall be reduced (but not below zero) by the amount determined under paragraph (2).

``(2) AMOUNT OF REDUCTION.--The amount determined under this paragraph is the amount which bears the same ratio to the amount which would be so taken into account as--

``(A) the excess of--

``(i) the taxpayer's modified adjusted gross income for such taxable year, over

``(ii) $50,000 ($80,000 in the case of a joint return), bears to

``(B) $20,000.

``(3) MODIFIED ADJUSTED GROSS INCOME.--The term `modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year--

``(A) determined without regard to section 221, and

``(B) increased by any amount excluded from gross income under section 911, 931, or 933.

``(d) DEFINITIONS.--For purposes of this section--

``(1) QUALIFIED HIGHER EDUCATION EXPENSES.--

``(A) In general._The term `qualified higher education expenses' means tuition and fees required for the enrollment or attendance of-- ``(i) the taxpayer,

``(ii) the taxpayer's spouse, or

``(iii) any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151,

``at an institution of higher education.

``(B) EXCEPTION FOR EDUCATION INVOLVING SPORTS, ETC. -- Such term does not include expenses with respect to any course or other education involving sports, games, or hobbies, unless such course or other education is part of the individual's degree program.

``(C) EXCEPTION FOR NONACADEMIC FEES.--Such term does not include student activity fees, athletic fees, insurance expenses, or other expenses unrelated to an individual's academic course of instruction.

``(2) INSTITUTION OF HIGHER EDUCATION.--The term `institution of higher education' means an institution--

``(A) which is described in section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088), as in effect on the date of the enactment of this section, and

``(B) which is eligible to participate in a program under title IV of such Act.

``(3) ELIGIBLE STUDENT.--The term `eligible student' means, with respect to any academic period, a student who--

``(A) meets the requirements of section 484(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1091(a)(1)), as in effect on the date of the enactment of this section, and

``(B) is carrying at least ½ the normal full-time work load for the course of study the student is pursuing.

``(4) OTHER TERMS RELATING TO THE HIGHER EDUCATION ACT.--The following terms shall have the meanings prescribed in regulations under section 481(g) of the Higher Education Act of 1965 (20 U.S.C. 1088(g)), as added by the Student Financial Aid Improvements Act of 1997:

``(A) Academic period.

``(B) Normal full-time workload.

``(C) First two years of postsecondary education.

``(D) Qualifying grade point average.

``(E) Job skills and new job skills.

``(e) TREATMENT OF EXPENSES PAID BY DEPENDENT.--If a deduction under section 151 with respect to an individual is allowed to another taxpayer for a taxable year beginning in the calendar year in which such individual's taxable year begins--

``(1) no credit shall be allowed under subsection (a) to such individual for such individual's taxable year, and

``(2) qualified higher education expenses paid by such individual during such individual's taxable year shall be treated for purposes of this section as paid by such other taxpayer.

``(f) TREATMENT OF CERTAIN PREPAYMENTS.--If qualified higher education expenses are paid by the taxpayer during a taxable year for an academic period which begins during the first 3 months following such taxable year, such academic period shall be treated for purposes of this section as beginning during such taxable year.

``(g) SPECIAL RULES.--

``(1) DENIAL OF CREDIT IF INDIVIDUAL CONVICTED OF DRUG OFFENSE.--No credit shall be allowed under subsection (a) with respect to the qualified higher education expenses of an individual for any taxable year if the individual has been convicted before the end of such year of a Federal or State felony offense consisting of the possession or distribution of a controlled substance.

``(2) DENIAL OF CREDIT IF INDIVIDUAL FAILS TO SATISFY GRADE POINT AVERAGE REQUIREMENT.--If an election was in effect under this section with respect to the qualified higher education expenses of an individual for any taxable year, no credit shall be allowed under subsection (a) with respect to qualified higher education expenses of such individual for a succeeding taxable year if the individual does not have a qualifying grade point average for all courses at an institution of higher education for academic periods ending before the beginning of such succeeding taxable year. Such average shall be determined without regard to--

``(A) courses taken while attending high school, and

``(B) courses referred to in subsection (d)(1)(B).

``(3) NO DOUBLE BENEFIT.--No credit shall be allowed under subsection (a) for any taxable year for any expense--

``(A) with respect to an individual if a deduction is allowed under section 221 for the taxable year for any expense with respect to such individual, or

``(B) for which a deduction is allowed under any other provision of this chapter.

``(4) IDENTIFICATION REQUIREMENT.--No credit shall be allowed under subsection (a) to a taxpayer with respect to the qualified higher education expenses of an individual unless the taxpayer includes the name and taxpayer identification number of such individual on the return of tax for the taxable year.

``(5) ADJUSTMENT FOR CERTAIN SCHOLARSHIPS.--The amount of qualified higher education expenses otherwise taken into account under subsection (a) with respect to an individual for an academic period shall be reduced (before the application of subsections (b) and (c)) by the sum of--

``(A) any amounts paid for the benefit of such individual which are allocable to such period as--

``(i) a qualified scholarship which is excludable from gross income under section 117,

``(ii) an educational assistance allowance under chapter 30, 31, 32, 34, or 35 of title 38, United States Code, or under chapter 1606 of title 10, United States Code, ``(iii) a payment which is excludable from gross income under section 127, or

``(iv) a payment (other than a gift, bequest, devise, or inheritance within the meaning of section 102(a)) for such individual's educational expenses, or attributable to such individual's enrollment at an institution of higher education, which is excludable from gross income under any law of the United States, and

``(B) the amount excludable from gross income under section 135 which is allocable to such expenses with respect to such individual for such period.

``(6) NO CREDIT FOR MARRIED INDIVIDUALS FILING SEPARATE RETURNS.--If the taxpayer is a married individual (within the meaning of section 7703), this section shall apply only if the taxpayer and the taxpayer's spouse file a joint return for the taxable year.

``(7) NONRESIDENT ALIENS.--If the taxpayer is a nonresident alien individual for any portion of the taxable year, this section shall apply only if such individual is treated as a resident alien of the United States for purposes of this chapter by reason of an election under subsection (g) or (h) of section 6013.

``(h) INFLATION ADJUSTMENTS.--

``(1) DOLLAR LIMITATION ON AMOUNT OF CREDIT.--

``(A) IN GENERAL.--In the case of a taxable year beginning after 1997, the $1,500 amount in subsection (b)(1)(A) shall be increased by an amount equal to_

``(i) such dollar amount, multiplied by

``(ii) the cost-of-living adjustment determined under section

1(f)(3) for the calendar year in which the taxable year begins, determined by substituting `calendar year 1996' for `calendar year 1992' in subparagraph (B) thereof.

``(B) ROUNDING.--If any amount as adjusted under subparagraph (A) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.

``(2) INCOME LIMITS.--

``(A) IN GENERAL.--In the case of a taxable year beginning after 2000, the $50,000 and $80,000 amounts in subsection (c)(2) and section 221(b)(2)(B)(i)(II) shall each be increased by an amount equal to--

``(i) such dollar amount, multiplied by

``(ii) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting `calendar year 1999' for `calendar year 1992' in subparagraph (B) thereof.

``(B) ROUNDING.--If any amount as adjusted under subparagraph (A) is not a multiple of $5,000, such amount shall be rounded to the next lowest multiple of $5,000.

``(i) REGULATIONS.--The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including regulations providing for a recapture of credit allowed under this section in cases where there is a refund in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit."

(b) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.--Paragraph (2) of section 6213(g) (relating to the definition of mathematical or clerical errors) is amended by striking ``and" at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting ``, and", and by inserting after subparagraph (H) the following new subparagraph:

``(I) an omission of a correct TIN required under section 24A(g)(4) or under section 221(d)(2)(A) (relating to higher education tuition and fees) to be included on a return."

(c) RETURNS RELATING TO HIGHER EDUCATION EXPENSES.--

(1) IN GENERAL.--Subpart B of part III of subchapter A of chapter 61 (relating to information concerning transactions with other persons) is amended by inserting after section 6050R the following new section:

``SEC. 6050S. RETURNS RELATING TO HIGHER EDUCATION EXPENSES.

``(a) IN GENERAL.--Any person--

``(1) which is an institution of higher education which receives payments for qualified higher education expenses with respect to any individual for any calendar year, or

``(2) which is engaged in a trade or business which, in the course of such trade or business makes payments during any calendar year to any individual which constitute reimbursements or refunds (or similar amounts) of qualified higher education expenses of such individual,

``shall make the return described in subsection (b) with respect to the individual at such time as the Secretary may by regulations prescribe.

``(b) FORM AND MANNER OF RETURNS.--A return is described in this subsection if such return--

``(1) is in such form as the Secretary may prescribe,

``(2) contains--

``(A) the name, address, and TIN of the individual with respect to whom payments described in subsection (a) were received from (or were paid to),

``(B) the name, address, and TIN of any individual certified by the individual described in subparagraph (A) as the taxpayer who will claim the individual as a dependent for purposes of the deduction allowable under section 151 for any taxable year ending with or within the calendar year,

``(C) the--

``(i) aggregate amount of payments for qualified higher education expenses received with respect to the individual described in subparagraph (A) during the calendar year, and

``(ii) aggregate amount of reimbursements or refunds (or similar amounts) paid to such individual during the calendar year,

``(D) the aggregate amount of nontaxable Federal assistance received with respect to the individual described in subparagraph (A) during the calendar year, and

``(E) such other information as the Secretary may prescribe.

``(c) APPLICATION TO GOVERNMENTAL UNITS.--For purposes of this section--

``(1) a governmental unit or any agency or instrumentality thereof shall be treated as a person, and

``(2) any return required under subsection (a) by such governmental entity shall be made by the officer or employee appropriately designated for the purpose of making such return.

``(d) STATEMENTS TO BE FURNISHED TO INDIVIDUALS WITH RESPECT TO WHOM INFORMATION IS REQUIRED.-- Every person required to make a return under subsection (a) shall furnish to each individual whose name is required to be set forth in such return under subparagraph (A) or (B) of subsection (b)(2) a written statement showing--

``(1) the name, address, and phone number of the information contact of the person required to make such return, and

``(2) the aggregate amounts described in subparagraphs (C) and (D) of subsection (b)(2).

`` The written statement required under the preceding sentence shall be furnished on or before January 31 of the year following the calendar year for which the return under subsection (a) was required to be made.

``(e) DEFINITIONS.--For purposes of this section, the terms `institution of higher education', `qualified higher education expenses', and `nontaxable Federal assistance' have the meanings given such terms by section 24A.

``(f) RETURNS WHICH WOULD BE REQUIRED TO BE MADE BY 2 OR MORE PERSONS.--Except to the extent provided in regulations prescribed by the Secretary, in the case of any amount received by any person on behalf of another person, only the person first receiving such amount shall be required to make the return under subsection (a).

``(g) REGULATIONS.--The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section. No penalties shall be imposed under section 6724 with respect to any return or statement required under this section until such time as such regulations are issued."

(2) ASSESSABLE PENALTIES.--Section 6724(d) (relating to definitions) is amended--

(A) by redesignating clauses (x) through (xv) as clauses (xi) through (xvi), respectively, in paragraph (1)(B) and by inserting after clause (ix) of such paragraph the following new clause:

``(x) section 6050S (relating to returns relating to payments for qualified higher education expenses),", and

(B) by striking ``or" at the end of the next to last subparagraph, by striking the period at the end of the last subparagraph and inserting ``, or", and by adding at the end the following new subparagraph:

``(Z) section 6050S(d) (relating to returns relating to qualified higher education expenses)."

(3) CLERICAL AMENDMENT.--The table of sections for Subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050R the following new item:

``Sec. 6050S. Returns relating to higher education expenses."

(d) CLERICAL AMENDMENT.--The table of sections for Subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 24 the following new item:

``Sec. 24A. Higher education tuition and fees."

(e) EFFECTIVE DATE; SUNSET.--(1) PURPOSE.--The President's budget produces balance in fiscal year 2002 under Office of Management and Budget assumptions, including the permanent changes in law providing tax reduction set forth in the preceding portions of this section. The President's budget also includes a mechanism to guarantee balance under Congressional Budget Office assumptions. As a part of that mechanism, the following provision sunsetting the tax reduction is included, as well as specific expedited procedures for reinstatement of the reduction to the extent that Office of Management and Budget assumptions prove correct.

(2) The amendments made by this section shall apply to expenses paid after December 31, 1996 (in taxable years ending after such date), for education furnished in academic periods beginning after June 30, 1997, except that no credit shall be allowed under section 24A of the Internal Revenue Code of 1986 for taxable years beginning after December 31, 2000.

DEDUCTION FOR HIGHER EDUCATION EXPENSES

SEC. 103. (a) DEDUCTION ALLOWED.--Part VII of subchapter B of chapter 1 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by inserting after section 220 the following new section:

``SEC. 221. HIGHER EDUCATION TUITION AND FEES.

``(a) ALLOWANCE OF DEDUCTION.--In the case of an individual, there shall be allowed as a deduction the amount of qualified higher education expenses paid by the taxpayer during the taxable year for education furnished to the taxpayer, the taxpayer's spouse, or any dependent of the taxpayer with respect to whom the taxpayer is allowed a deduction under section 151, as an eligible student at an institution of higher education during any academic period beginning in such year.

``(b) LIMITATIONS.--

``(1) DOLLAR LIMITATION.--

``(A) IN GENERAL.--The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed $10,000.

``(B) PHASE-IN.--In the case of taxable years beginning in 1997 or 1998, subparagraph (A) shall be applied by substituting `$5,000' for `$10,000'.

``(2) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.--

``(A) IN GENERAL.--The amount which would (but for this paragraph) be allowed as a deduction under subsection (a) shall be reduced (but not below zero) by the amount determined under subparagraph (B).

``(B) AMOUNT OF REDUCTION.--The amount determined under this subparagraph equals the amount which bears the same ratio to the deduction (determined without regard to this paragraph) as--

``(i) the excess of--

``(I) the taxpayer's modified adjusted gross income for the taxable year, over

``(II) $50,000 ($80,000 in the case of a joint return), bears

to

``(ii) $20,000.

``(C) MODIFIED ADJUSTED GROSS INCOME.--For purposes of subparagraph (B), the term `modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year determined--

``(i) without regard to this section and sections 911, 931, and 933,

and

``(ii) after the application of sections 86, 135, 219, and 469.

`` For purposes of sections 86, 135, 219, and 469, adjusted gross income shall be determined without regard to the deduction allowed under this section.

``(D) CROSS REFERENCE.--

``For inflation adjustment of $50,000 and $80,000 amounts, see section 24A(h).

``(c) DEFINITIONS.--For purposes of this section--

``(1) IN GENERAL.--Except as provided in paragraph (2), terms used in this section which are also used in section 24A have the respective meanings given such terms in section 24A.

``(2) DEDUCTION AVAILABLE FOR EDUCATION TO ACQUIRE OF IMPROVE JOB SKILLS.--For purposes of applying this section, the requirement of section 24A(d)(3) shall be treated as met if--

``(A) the individual is enrolled in a course which enables the individual to improve the individual's job skills or to acquire new job skills, and

``(B) the individual is not enrolled in an elementary or secondary school.

``(d) SPECIAL RULES.--

``(1) DENIAL OF DOUBLE BENEFIT.--No deduction shall be allowed under subsection (a) for any expense for which a deduction is allowed to the taxpayer under any other provision of this chapter.

``(2) CERTAIN RULES TO APPLY.--Rules similar to the rules of subsections (e) and (f) of section 24A, and the following rules of section 24A(g), shall apply for purposes of this section:

``(A) Paragraph (4) (relating to identification requirement).

``(B) Paragraph (5) (relating to adjustment for certain scholarships).

``(C) Paragraph (6) (relating to no benefit for married individuals filing separate returns).

``(D) Paragraph (7) (relating to nonresident aliens).

``(3) REGULATIONS.--The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section."

(b) DEDUCTION ALLOWED IN COMPUTING ADJUSTED GROSS INCOME.--Section 62(a) is amended by inserting after paragraph (16) the following new paragraph:

``(17) HIGHER EDUCATION TUITION AND FEES.--The deduction allowed by section 221."

(c) CONFORMING AMENDMENT.--The table of sections for part VII of subchapter B of chapter 1 is amended by striking the item relating to section 221 and inserting:

``Sec. 221. Higher education tuition and fees.

``Sec. 222. Cross reference."

(d) EFFECTIVE DATE; SUNSET.--(1) PURPOSE.--The President's budget produces balance in fiscal year 2002 under Office of Management and Budget assumptions, including the permanent changes in law providing tax reduction set forth in the preceding portions of this section. The President's budget also includes a mechanism to guarantee balance under Congressional Budget Office assumptions. As a part of that mechanism, the following provision sunsetting the tax reduction is included, as well as specific expedited procedures for reinstatement of the reduction to the extent that Office of Management and Budget assumptions prove correct.

(2) The amendments made by this section shall apply to expenses paid after December 31, 1996 (in taxable years ending after such date), for education furnished in academic periods beginning after June 30, 1997, except that no deduction shall be allowed under section 221 of the Internal Revenue Code of 1986 for taxable years beginning after December 31, 2000.

TREATMENT OF CANCELLATION OF CERTAIN STUDENT LOANS

SEC. 104. (a) CERTAIN DIRECT STUDENT LOANS THE REPAYMENT OF WHICH IS INCOME CONTINGENT.--Paragraph (1) of section 108(f) is amended by striking ``any student loan if" and all that follows and inserting ``any student loan if--

``(A) such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions for any of a broad class of employers, or

``(B) in the case of a loan made under part D of title IV of the Higher Education Act of 1965 which has a repayment schedule established under section 455(e)(4) of such Act (relating to income contingent repayments), such discharge is after the maximum repayment period under such loan (as prescribed under such part)."

(b) CERTAIN LOANS BY EXEMPT ORGANIZATIONS.--

(1) IN GENERAL.--Paragraph (2) of section 108(f) (defining student loan) is amended by striking ``or" at the end of subparagraphs (B) and (C) and by striking subparagraph (D) and inserting the following:

``(D) any organization described in section 501(c)(3) and exempt from tax under section 501(a), or

``(E) any educational organization described in section 170(b)(1)(A)(ii) pursuant to an agreement with any entity described in subparagraph (A), (B), (C), or (D) under which the funds from which the loan was made were provided to such educational organization.

``The term `student loan' includes any loan made by an organization described in subparagraph (D) to refinance a loan meeting the requirements of the preceding sentence."

(2) EXCEPTION FOR DISCHARGES ON ACCOUNT OF SERVICES PERFORMED FOR CERTAIN LENDERS.--Subsection (f) of section 108 is amended by adding at the end the following new paragraph:

``(3) EXCEPTION FOR DISCHARGES ON ACCOUNT OF SERVICES PERFORMED FOR CERTAIN LENDERS.--Paragraph (1) shall not apply to the discharge of a loan made by an organization described in paragraph (2)(D) (or by an organization described in paragraph (2)(E) from funds provided by an organization described in paragraph (2)(D)) if the discharge is on account of services performed for either such organization."

(c) EFFECTIVE DATE.--The amendments made by this section shall apply to discharges of indebtedness after the date of the enactment of this Act.

EMPLOYER-PROVIDED EDUCATIONAL ASSISTANCE PROGRAMS

SEC. 105. (a) EXTENSION.--Subsection (d) of section 127 (relating to exclusion for educational assistance programs) is amended to read as follows:

``(d) TERMINATION.--This section shall not apply to taxable years beginning after December 31, 2000."

(b) REPEAL OF LIMITATION ON GRADUATE EDUCATION.--The last sentence of section 127(c)(1) is amended by striking ``, and such term also does not include any payment for, or the provision of any benefits with respect to, any graduate level course of a kind normally taken by an individual pursuing a program leading to a law, business, medical, or other advanced academic or professional degree".

(c) EFFECTIVE DATES.--

(1) EXTENSION.--The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 1996.

(2) GRADUATE EDUCATION.--The amendment made by subsection (b) shall apply with respect to expenses relating to courses beginning after June 30, 1996.

(3) EXPEDITED PROCEDURES.--The Secretary of the Treasury shall establish expedited procedures for the refund of any overpayment of taxes imposed by the Internal Revenue Code of 1986 which is attributable to amounts excluded from gross income during 1996 or 1997 under section 127 of such Code, including procedures waiving the requirement that an employer obtain an employee's signature where the employer demonstrates to the satisfaction of the Secretary that any refund collected by the employer on behalf of the employee will be paid to the employee.

SMALL BUSINESS EDUCATIONAL ASSISTANCE CREDIT

SEC. 106. (a) IN GENERAL.--Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

``SEC. 45D. SMALL BUSINESS EDUCATIONAL ASSISTANCE CREDIT.

``(a) GENERAL RULE.--For purposes of section 38, the small business educational assistance credit for any taxable year is an amount equal to 10 percent of the qualified educational assistance expenses of the taxpayer for the taxable year.

``(b) QUALIFIED EDUCATIONAL ASSISTANCE EXPENSES.--For purposes of this section--

``(1) IN GENERAL.--The term `qualified educational assistance expenses' means any amount paid or incurred by an eligible small employer for educational assistance furnished to an employee of the employer by a person other than such employer (or an employee of such employer) under an educational assistance program described in section 127(b).

``(2) EDUCATIONAL ASSISTANCE.--The term `educational assistance' has the meaning given such term by section 127(c)(1) (determined without regard to subparagraph (B) thereof).

``(3) LIMITATIONS.--

``(A) DOLLAR LIMITATION PER EMPLOYEE.--The aggregate amount which may be taken into account under paragraph (1) with respect to any employee for any taxable year shall not exceed $5,250.

``(B) PAYMENTS TO RELATED PERSONS.--

``(i) IN GENERAL.--No amount shall be taken into account under paragraph (1) if such amount is to be paid to a related person with respect to the employer.

``(ii) RELATED PERSON.--For purposes of this subparagraph, a person shall be related to the employer if--

``(I) such person is a 5-percent owner (within the meaning of section 416(i)(1)(B)(i)) of the employer, or

``(II) such person bears a relationship to the employer or such a 5-percent owner which is described in section 267(b) or 707(b)(1).

``(C) TRADE OR BUSINESS.--No amount shall be taken into account under paragraph (1) unless it is incurred in the active conduct of a trade or business by the taxpayer.

``(c) ELIGIBLE SMALL EMPLOYER.--For purposes of this section--

``(1) IN GENERAL.--A taxpayer shall be treated as an eligible small employer for any taxable year if the average annual gross receipts of the taxpayer for the 3-taxable year period ending with the preceding taxable year are $10,000,000 or less.

``(2) SPECIAL RULES.--Section 448(c)(3) shall apply for purposes of this subsection.

``(d) DEFINITIONS AND SPECIAL RULES.--For purposes of this section--

``(1) DEFINITIONS.--The terms `employee' and `employer' have the meanings given such terms by paragraphs (2) and (3) of section 127(c), respectively.

``(2) AGGREGATION.--

``(A) IN GENERAL.--All persons treated as a single employer under subsection (a) or (b) of section 52 or subsection (m) or (o) of section 414 shall be treated as a single employer.

``(B) ALLOCATION OF CREDIT.--The credit (if any) determined under this section with respect to each person described in subparagraph (A) shall be its proportionate share of the qualified educational assistance expenses giving rise to such credit.

``(3) SHORT TAXABLE YEARS.--For any taxable year having less than 12 months, the credit determined under this section shall be multiplied by a fraction, the numerator of which is the number of days in the taxable year and the denominator of which is 365.

``(4) DISALLOWANCE OF DEDUCTION.--

``For disallowance of deduction for expenses for which credit allowable, see section 280C(d).

``(e) TERMINATION.--This section shall not apply to qualified educational assistance expenses incurred in taxable years beginning after December 31, 2000."

(b) DISALLOWANCE OF DEDUCTIONS.--Section 280C (relating to certain expenses for which credits are allowable) is amended by adding at the end the following new subsection:

``(d) CREDIT FOR SMALL BUSINESS EDUCATIONAL ASSISTANCE EXPENSES.--

``(1) IN GENERAL.--No deduction shall be allowed for that portion of the qualified educational assistance expenses (as defined in section 45D(b)) otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45D.

``(2) ELECTION OF REDUCED CREDIT.--

``(A) IN GENERAL.--In the case of any taxable year for which an election is made under this paragraph--

``(i) paragraph (1) shall not apply, and

``(ii) the amount of the credit under section 45D(a) shall be the amount determined under subparagraph (B).

``(B) Amount of reduced credit._The amount of the credit determined under this subparagraph for any taxable year shall be the amount equal to the excess of--

``(i) the amount of credit determined under section 45D(a) without regard to this paragraph, over ``(ii) the product of--

``(I) the amount described in clause (i), and

``(II) the maximum rate of tax under section 11(b)(1).

``(C) ELECTION.--An election under this paragraph for any taxable year shall be made not later than the time for filing the return of tax for such year (including extensions), shall be made on such return, and shall be made in such manner as the Secretary may prescribe. Such an election, once made, shall be irrevocable.

``(3) CONTROLLED GROUPS.--paragraph (3) of subsection (b) shall apply for purposes of this subsection."

(c) GENERAL BUSINESS CREDIT.--Subsection (b) of section 38 (relating to general business credit) is amended by striking ``plus" at the end of paragraph (11), by striking the period at the end of paragraph (12) and inserting ``, plus", and by adding at the end the following new paragraph:

``(13) the small business educational assistance credit determined under section 45D(a)."

(d) CONFORMING AMENDMENTS.--

(1) NO CARRYBACK.--Subsection (d) of section 39 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following new paragraph:

``(8) NO CARRYBACK OF SECTION 45D CREDIT BEFORE ENACTMENT.--No portion of the unused business credit for any taxable year which is attributable to the credit determined under section 45D may be carried back to a taxable year ending before the date of the enactment of section 45D."

(2) The table of sections for Subpart D of such part IV is amended by adding at the end the following new item:

``Sec. 45D. Small business educational assistance credit."

(e) EFFECTIVE DATE.--The amendments made by this section shall apply to education and training furnished in taxable years beginning after December 31, 1997.

TITLE II--STUDENT FINANCIAL AID PROVISIONS

SHORT TITLE; REFERENCES

SEC. 201. (a) SHORT TITLE.--This title may be cited as the "Student Financial Aid Improvements Act of 1997".

(b) REFERENCES.--References in this title to "the Act" shall refer to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

PART A--PELL GRANTS

PELL GRANT MAXIMUM AWARD

SEC. 211. Section 401(b)(2)(A) of the Act is amended by adding at the end thereof the following: "Except as otherwise provided in this section, in no case shall the maximum basic grant be less than $3,000.".

PART B--STUDENT LOAN PROVISIONS

MANAGEMENT AND RECOVERY OF RESERVES

SEC. 221. (a) Section 422 of the Act is amended--

(1) by amending subsection (g)(1) to read as follows:

"(1) AUTHORITY TO RECOVER FUNDS.--(A) Notwithstanding any other provision of law, the reserve funds of the guaranty agencies, and any assets purchased or developed with such reserve funds, regardless of who holds or controls the reserves or assets, shall remain the property of the United States.

"(B) The Secretary may direct the guaranty agency to require the return, to the guaranty agency or to the Secretary, of any reserve funds or assets held by, or under the control of, any other entity, that the Secretary determines are required--

"(i) to pay the program expenses and contingent liabilities of the guaranty agency;

"(ii) to satisfy the guaranty agency's requirements under subsection (h); or

"(iii) for the orderly termination of the guaranty agency's operations and the liquidation of its assets.

"(C) The Secretary may direct a guaranty agency, or such agency's officers or directors, to cease any activity involving expenditure, use, or transfer of the guaranty agency's reserve funds or assets that the Secretary determines is a misapplication, misuse, or improper expenditure of such funds or assets."; and

(2) by adding after subsection (g) the following new subsections:

"(h) <u>RECALL OF RESERVES IN FISCAL YEARS 1997 THROUGH 2002; LIMITATIONS ON USE OF RESERVE FUNDS AND ASSETS</u>.--(1)(A) Notwithstanding any other provision of law, the Secretary shall, except as otherwise provided in this subsection, recall from the reserve funds held by guaranty agencies (which for purposes of this subsection shall include any reserve funds held by, or under the control of, any other entity) not less than--

"(i) $731,000,000 in fiscal year 1998;

"(ii) $127,000,000 in fiscal year 1999;

"(iii) $186,000,000 in each of the fiscal years 2000 and 2001; and

"(iv) $1,271,000,000 in fiscal year 2002.

"(B) Funds returned to the Secretary under this subsection shall be deposited in the Treasury.

"(C) The Secretary shall require each guaranty agency to return reserve funds under subparagraph (A) based on its proportionate share, as determined by the Secretary, of all reserve funds held by guaranty agencies as of September 30, 1996.

"(2)(A) Within 45 days of enactment of this subsection, all reserve funds held by a guaranty agency that have not yet been recalled by the Secretary under paragraph (1) shall be transferred by the guaranty agency to a restricted account (of a type specified by the Secretary) established by the guaranty agency, and be invested in United States Government securities specified by the Secretary. The manner and timeframe in which reserve funds so invested are recalled shall be specified by the Secretary, consistent with the requirements of this subsection.

Except as described in subparagraph (B), the guaranty agency shall not use the reserve funds in such account, which shall include the earnings thereon, for any purpose without the express permission of the Secretary.

"(B)(i) In order to assist guaranty agencies in meeting program expenses, the Secretary shall permit the use of not more than an aggregate of $350,000,000 of the reserve funds held in the restricted accounts described in subparagraph (A) by guaranty agencies with agreements under section 428(c), as working capital to be used for such purposes as the Secretary may specify. The Secretary shall specify the amount of reserve funds in each guaranty agency's restricted account that may be used as working capital, based on the guaranty agency's proportionate share of all borrower accounts outstanding on September 30, 1996. The guaranty agency shall repay such amount to its restricted account (or returned to the Treasury, if so directed by the Secretary) by no later than September 30, 2002, or the date on which such agency's agreement under section 428(c) ends (through resignation, expiration, or termination), whichever is earlier.

"(ii) The guaranty agency may use the earnings from its restricted account for fiscal year 1998 to assist in meeting its operational expenses for such year.

"(C) Non-liquid reserve fund assets, such as buildings and equipment purchased or developed by the guaranty agency with reserve funds, and any liquid assets remaining in a guaranty agency's restricted account after the recalls in paragraph (1)(A), shall--

"(i) remain the property of the United States;

"(ii) be used only for such purposes as the Secretary determines are appropriate; and "(iii) be subject to recall by the Secretary no later than the date on which such agency's agreement under section 428(c) ends (through resignation, expiration, or termination, as the case may be).".

REPAYMENT TERMS

SEC. 222. (a) Section 427 of the Act is amended--

(1) in subsection (a)(2)--

(A) in subparagraph (B), in the matter preceding clause (i), by striking "over a period" through "nor more than 10 years" and inserting "in accordance with the repayment plan selected under subsection (d),";

(B) in subparagraph (C), at the end of the subparagraph, by striking out "the 10-year period described in subparagraph (B);" and inserting the following: "the length of the repayment period under a repayment plan described in subsection (d);";

(C) by striking subparagraph (F);

(D) by redesignating subparagraphs (G), (H), and (I) as subparagraphs (F), (G), and (H), respectively; and

(E) in subparagraph (G) (as redesignated by subparagraph (D)), by striking "the option" through the end of the subparagraph and inserting "the repayment options described in subsection (d); and";

(2) in subsection (c), by striking "in subsection (a)(2)(H)," and inserting the following: "by a repayment plan selected by the borrower under subparagraph (C) or (D) of subsection (d)(1),"; and

(3) by adding after subsection (c) the following new subsection:

"(d) REPAYMENT PLANS.--(1) DESIGN AND SELECTION.--In accordance with regulations of the Secretary, the lender shall offer a borrower of a loan made under this part the plans described in this subsection for repayment of such loan, including principal and interest thereon. No plan may require a borrower to repay a loan in less than five years. The borrower may choose from--

"(A) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed ten years;

"(B) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, not to exceed 30 years, except that the borrower shall repay annually a minimum amount determined in accordance with subsection (c);

"(C) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over an extended period of time, not to exceed 30 years, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(D) an income-sensitive repayment plan, with income-sensitive repayment amounts paid over a fixed period of time, not to exceed ten years.

"(2) LENDER SELECTION OF OPTION IF BORROWER DOES NOT SELECT.--If a borrower of a loan made under this part does not select a repayment plan described in paragraph (1), the lender shall provide the borrower with a repayment plan described in paragraph (1)(A).

"(3) CHANGES IN SELECTIONS.--The borrower of a loan made under this part may change the borrower's selection of a repayment plan under paragraph (1), or the lender's selection of a plan for the borrower under paragraph (2), as the case may be, under such conditions as may be prescribed by the Secretary in regulation.

"(4) ACCELERATION PERMITTED.--Under any of the plans described in this subsection, the borrower shall be entitled to accelerate, without penalty, repayment on the borrower's loans under this part.".

(b) Section 428(b) of the Act is amended--

(1) in paragraph (1)--

(A) in subparagraph (D), by striking clauses (i) and (ii) and the clause designation "(iii)";

(B) in subparagraph (E)--

(i) in clause (i)--

(I) by striking "or section 428A," and inserting "or section 428H,"; and

(II) by striking "the option" through the end of the clause and inserting "the repayment options described in paragraph (9); and"; and

(ii) in clause (ii)--

(I) by striking "over a period" through "nor more than 10 years" and inserting "in accordance with the repayment plan selected under paragraph (9), and"; and

(II) by striking "of this subsection;" at the end of clause (ii) and inserting a semicolon; and

(C) in subparagraph (L)(i), by inserting after the clause designation the following: "except as otherwise provided by a repayment plan selected by the borrower under paragraph (9)(A)(iii) or (iv),"; and

(2) by adding after paragraph (8) the following new paragraph:

"(9) REPAYMENT PLANS.--(A) DESIGN AND SELECTION.--In accordance with regulations of the Secretary, the lender shall offer a borrower of a loan made under this part the plans described in this subparagraph for repayment of such loan, including principal and interest thereon. No plan may require a borrower to repay a loan in less than five years. The borrower may choose from--

"(i) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed ten years;

"(ii) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, not to exceed 30 years, except that the borrower shall repay annually a minimum amount determined in accordance with paragraph (2)(L);

"(iii) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over an extended period of time, not to exceed 30 years, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and "(iv) an income-sensitive repayment plan, with income-sensitive repayment amounts paid over a fixed period of time, not to exceed ten years.

"(B) LENDER SELECTION OF OPTION IF BORROWER DOES NOT SELECT.--If a borrower of a loan made under this part does not select a repayment plan described in subparagraph (A), the lender shall provide the borrower with a repayment plan described in subparagraph (A)(i).

"(C) CHANGES IN SELECTIONS.--The borrower of a loan made under this part may change the borrower's selection of a repayment plan under subparagraph (A), or the lender's selection of a plan for the borrower under subparagraph (B), as the case may be, under such conditions as may be prescribed by the Secretary in regulation.

"(D) ACCELERATION PERMITTED.--Under any of the plans described in this paragraph, the borrower shall be entitled to accelerate, without penalty, repayment on the borrower's loans under this part.

"(E) COMPARABLE FFEL AND DIRECT LOAN REPAYMENT PLANS.--The Secretary shall ensure that the repayment plans offered to borrowers under this part are comparable, to the extent practicable and not otherwise provided in statute, to the repayment plans offered under part D.".

(c) Section 428C of the Act is amended--

(1) in subsection (b)(3)(F), by striking "alternative"; and

(2) in subsection (c)--

(A) by amending paragraph (2) to read as follows:

"(2) REPAYMENT PLANS.--(A) DESIGN AND SELECTION.--In accordance with regulations of the Secretary, the lender shall offer a borrower of a loan made under this section the plans described in this paragraph for repayment of such loan, including principal and interest thereon. No plan may require a borrower to repay a loan in less than five years. The borrower may choose from--

"(i) a standard repayment plan, with a fixed annual repayment amount paid over a fixed period of time, not to exceed ten years;

"(ii) an extended repayment plan, with a fixed annual repayment amount paid over an extended period of time, not to exceed 30 years, except that the borrower shall repay annually a minimum amount determined in accordance with paragraph (3);

"(iii) a graduated repayment plan, with annual repayment amounts established at 2 or more graduated levels and paid over an extended period of time, not to exceed 30 years, except that the borrower's scheduled payments shall not be less than 50 percent, nor more than 150 percent, of what the amortized payment on the amount owed would be if the loan were repaid under the standard repayment plan; and

"(iv) an income-sensitive repayment plan, with income-sensitive repayment amounts paid over a fixed period of time, not to exceed ten years.

"(B) LENDER SELECTION OF OPTION IF BORROWER DOES NOT SELECT.--If a borrower of a loan made under this section does not select a repayment plan described in subparagraph (A), the lender shall provide the borrower with a repayment plan described in subparagraph (A)(i).

"(C) CHANGES IN SELECTIONS.--The borrower of a loan made under this section may change the borrower's selection of a repayment plan under subparagraph (A), or the lender's selection of a plan for the borrower under subparagraph (B), as the case may be, under such conditions as may be prescribed by the Secretary in regulation.".

(d) Section 455(d) of the Act is amended--

(1) in paragraph (1)--

(A) in subparagraph (B), by inserting after "an extended period of time," the following: "not to exceed 30 years,"; and

(B) in subparagraph (C), by striking "a fixed or extended period of time," and inserting the following: ""an extended period of time, not to exceed 30 years,"; and

(2) in paragraph (2), by striking "subparagraph (A), (B), or (C) of paragraph (1)." and inserting "paragraph (1)(A).".

INTEREST RATES

SEC. 223. (a) Section 427A of the Act is amended--

(1) in subsection (g)(2)--

(A) by inserting after the paragraph heading the subparagraph designation "(A)";

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking "paragraph (1)," and inserting "paragraph (1), and except as provided in subparagraph (B),"; and

(D) by adding after subparagraph (A) (as redesignated by subparagraph (A)) the following new subparagraph:

"(B) In the case of loans made or insured under section 428 or 428H for which the first disbursement is made on or after October 1, 1997, for purposes of paragraph (1), the rate determined under this paragraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the bond equivalent rate of the securities with a comparable maturity, as established by the Secretary, except that such rate shall not exceed 8.25 percent.";

(2) in subsection (h)--

(A) in the heading thereof, by striking "JULY 1, 1998.--" and inserting "OCTOBER 1, 1997.--";

(B) in paragraph (1)--

(i) by striking "(f), and (g)" and inserting "and (f),"; and

(ii) by striking "July 1, 1998," and inserting "October 1, 1997,"; and

(C) in paragraph (2)--

(i) in the heading, by striking "JULY 1, 1998.--" and inserting "OCTOBER 1, 1997.--"; and

(ii) by striking "July 1, 1998," and inserting "October 1, 1997,"; and

(3) in subsection (i)(7)(B), by adding at the end the following: "Notwithstanding any other provision of law, the interest rate determined under this subparagraph shall be used

solely to determine the rebate of excess interest required by this paragraph and shall not be used to calculate or pay special allowances under section 438.".

(b) Section 455(b) of the Act is amended--

(1) in paragraph (2)(B)--

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(B) by inserting after the subparagraph heading the clause designation "(i)";

(C) by striking "subparagraph (A)," and inserting "subparagraph (A) and except as provided in clause (ii),"; and

(D) by adding after clause (i) (as redesignated by subparagraph (B)) the following new clause:

"(ii) In the case of Federal Direct Stafford/Ford Loans or Federal Direct Unsubsidized Stafford/Ford Loans for which the first disbursement is made on or after October 1, 1997, for purposes of subparagraph (A), the rate determined under this subparagraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and be equal to the bond equivalent rate of the securities with a comparable maturity, as established by the Secretary, except that such rate shall not exceed 8.25 percent.";

(2) in paragraph (3)--

(A) by striking "and (2)," and inserting ", and except as provided in paragraph (2),"; and

(B) by striking "made on or after July 1, 1998," and inserting "for which the first disbursement is made on or after October 1, 1997,"; and

(3) in paragraph (4)(B), by striking "July 1, 1998," and inserting "October 1, 1997,".

LENDER AND HOLDER RISK SHARING

SEC. 224. Section 428(b)(1)(G) of the Act is amended by striking "not less than 98 percent" and inserting "95 percent".

FEES AND INSURANCE PREMIUMS

SEC. 225. (a) Section 428(b)(1)(H) of the Act is amended--

(1) by inserting the clause designation "(i)" following the subparagraph designation;

(2) by striking "the loan," and inserting "any loan made under section 428 or 428B before July 1, 1998,"; and

(3) after clause (i) (as redesignated by paragraph (1)), by adding "and" and the following new clause:

"(ii) provides that no insurance premiums shall be charged to the borrower of any loan made under section 428 or 428B on or after July 1, 1998;".

(b) Section 428H(h) of the Act is amended--

(1) by inserting the paragraph designation "(1)" following the subsection heading;

(2) by striking "under this section" and inserting "of a loan made under this section made before July 1, 1998"; and

(3) by adding at the end of paragraph (1) (as redesignated by paragraph (1)) the following new paragraph:

"(2) No insurance premium may be charged to the borrower on any loan made under this section made on or after July 1, 1998.".

(d) Section 438(c) of the Act is amended--

(1) in paragraph (2), by striking "paragraph (6)" and inserting "paragraphs (6) and (8)"; and

(2) by adding after paragraph (7) the following new paragraph:

"(8) ORIGINATION FEE ON SUBSIDIZED LOANS ON OR AFTER JULY 1, 1998.--In the case of any loan made or insured under section 428 on or after July 1, 1998, paragraph (2) shall be applied by substituting '2.0 percent' for '3.0 percent'.".

(e) Section 455(c) of the Act is amended--

(1) by striking "The Secretary" and inserting "(1) For loans made under this part before July 1, 1998, the Secretary";

(2) by striking "of a loan made under this part"; and

(3) by adding at the end thereof the following new paragraph:

"(2) For loans made under this part on or after July 1, 1998, the Secretary shall charge the borrower an origination fee of--

"(A) 2.0 percent of the principal amount of the loan, in the case of Federal Direct Stafford/Ford Loans; or

"(B) 3.0 percent of the principal amount of the loan, in the case of Federal Direct Unsubsidized Stafford/Ford Loans or Federal Direct PLUS Loans.".

FUNCTIONS OF GUARANTY AGENCIES

SEC. 226. (a) Section 428 of the Act is further amended--

(1) in subsection (a)--

(A) in paragraph (1)(B)--

(i) in the matter preceding clause (i), by striking "which is insured" and inserting "which, before October 1, 1997, is"; and

(ii) in clause (ii), by inserting "as in effect the day before the day of enactment of this section," after "subsection (b),"; and

(B) in paragraph (3)--

(i) by striking subparagraph (B); and

(ii) in subparagraph (A)--

(I) in clause (ii), by striking "under any" through the end of the clause and inserting a period;

(II) by striking the subparagraph designation "(A)";

(III) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(IV) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively;

(2) in subsection (b)--

(A) by amending the heading to read as follows: "REQUIREMENTS TO QUALIFY LOANS FOR INSURANCE AND INTEREST SUBSIDIES.--";

(B) in paragraph (1)--

(i) by amending the heading to read as follows: REQUIREMENTS.--";

(ii) by amending the matter preceding subparagraph (A) to read as follows: "A loan by an eligible lender shall be insurable by the Secretary, and students who receive such loans shall be entitled to have made on their behalf the payments provided for in subsection (a), under a program of student loan insurance that--";

(iii) by amending subparagraph (K) to read as follows:

"(K) provides that the holder of any such loan will be required to submit to the Secretary, at such time or times and in such manner as the Secretary may prescribe, statements containing such information as may be required by regulation for the purpose of enabling the Secretary to determine the amount of the payment which must be made with respect to that loan;";

(iv) by amending subparagraph (O) to read as follows:

"(O) provides that, if the sale, assignment, or other transfer of a loan made under this part to another holder will result in a change in the identity of the party to whom the borrower must send subsequent payments or direct any communications concerning the loans, then--

"(i) the transferor and the transferee shall be required, not later than 45 days from the date the transferee acquires a legally enforceable right to receive payment from the borrower on such loan, either jointly or separately to provide a notice to the borrower of--

"(I) the sale, assignment, or other transfer;

"(II) the identity of the transferee;

"(III) the name and address of the party to whom subsequent payments or communications must be sent; and

"(IV) the telephone numbers of both the transferor and the transferee; and

"(ii) the transferee shall be required to notify the Secretary, and, upon the request of an institution of higher education, the Secretary shall notify the last such institution the student attended prior to the beginning of the repayment period of any loan made under this part, of--

"(I) any sale, assignment, or other transfer of the loan; and

"(II) the address and telephone number by which contact may be made with the new holder concerning repayment of the loan;

"except that this subparagraph shall apply only if the borrower is in the grace period described in section 427(a)(2)(B) or 428(b)(7) or is in repayment status.";

(v) in subparagraph (Q), by striking "guarantee" and "428A" and inserting "insurance" and "428H", respectively;

(vi) by amending subparagraph (R) to read as follows:

"(R) provides for the making of such reports, in such form and containing such information, including financial information, as the Secretary may reasonably require to carry out the Secretary's functions under this part and protect the financial interest of the United States, and for keeping such records and for affording such access thereto as the Secretary may find necessary to ensure the correctness and verification of such reports;";

(vii) by amending subparagraph (S) to read as follows:

"(S) provides that a lender shall pay a default prevention fee in accordance with subsection (g);

(viii) in subparagraph (T)--

(I) in clause (i), by inserting ", by the guaranty agency, in accordance with regulations prescribed by the Secretary," after "limitation"; and

(II) in clause (ii)--

(aa) in the matter preceding subclause (I), by inserting ", in accordance with regulations prescribed by the Secretary," after "institution";

(bb) by striking subclauses (I) and (II); and

(cc) redesignating subclauses (III), (IV), and (V) as subclauses (I), (II), and (III), respectively;

(ix) by amending subparagraph (U) to read as follows:

"(U) provides--

"(i) for such additional criteria concerning the eligibility of lenders described in section 435(d)(1) as may be permitted by the Secretary; and

"(ii) an assurance that the guaranty agency will report to the Secretary concerning changes in criteria under clause (i), including any procedures in effect under such program to take emergency action, limit, suspend, or terminate lenders; and"; and

(x) by striking subparagraphs (V), (W), and (X);

(C) by amending paragraph (2) to read as follows:

"(2) SKIP-TRACING REQUIREMENT.--In the case of a default claim based on an inability to locate the borrower, a lender shall certify to the Secretary, at the time of submission of the default claim, that diligent attempts have been made to locate the borrower through the use of reasonable skip-tracing techniques in accordance with regulations prescribed by the Secretary.";

(D) in paragraph (3)(B), by striking the parenthetical through the end of the subparagraph and inserting a period; and

(E) by striking out paragraph (5) and inserting in lieu thereof the following new paragraph:

"(5) COMPLIANCE AUDITS.--(A) Except as provided in subparagraph (B) or by the Single Audit Act Amendments of 1996, an eligible lender that originates or holds more than $5,000,000 in loans made under this title during an annual audit period shall submit to the Secretary a compliance audit for that audit period which is conducted by a qualified, independent organization or person in accordance with the Government Auditing Standards issued by the Comptroller General, and the regulations of the Secretary.

"(B) The Secretary may permit a lender to submit the results of an audit conducted for other purposes if the Secretary determines that such other audit results provide the same information as required under subparagraph (A).";

(3) in subsection (c)--

(A) by amending the heading to read as follows: "AGREEMENTS WITH GUARANTY AGENCIES.--";

(B) in paragraph (3)--

(i) in the matter preceding subparagraph (A), by striking "A guaranty agreement" and inserting "An agreement between the Secretary and a guaranty agency"

(ii) in the flush left language at the end of the paragraph, by striking "Guaranty agencies" and inserting "The Secretary"; and

(iii) by redesignating paragraph (3) as paragraph (11);

(C) by striking paragraphs (1), (2), (4), and (5);

(D) by inserting after the subsection heading the following new paragraphs:

"(1) AUTHORITY TO ENTER INTO AGREEMENTS.--(A)(i) The Secretary may enter into an agreement with a guaranty agency, under which the Secretary shall insure loans made under this section through the guaranty agency as the agent of the Secretary.

"(ii) Any guaranty agency that had an agreement with the Secretary under section 428(b) as of the day before the date of enactment of the Student Financial Aid Improvements Act of 1997 may enter into an initial agreement with the Secretary under this subsection.

"(iii) An agreement under this subsection shall be five years in duration, and may be renewed by the Secretary for successive five-year periods.

"(iii) The Secretary may terminate the agreement prior to its expiration in accordance with paragraph (9).

"(2) EFFECT ON PRIOR GUARANTY AGREEMENTS AND LOAN INSURANCE BY GUARANTY AGENCIES.--(A) All guaranty agreements made under this subsection as it was in effect on the day before the date of enactment of the Student Financial Aid Improvements Act of 1997 shall terminate not later than 180 days after the date of enactment of that Act.

"(B) Notwithstanding any other provision of law--

"(i) to the extent that a guaranty agency had insured loans under this part, loan insurance by such guaranty agency that is outstanding as of the date of the termination under subparagraph (A) shall be replaced on such date by loan insurance issued by the Secretary, and the guaranty agency shall be relieved of any further liability thereon;

"(ii) the Secretary's liability for any outstanding liabilities of a guaranty agency (other than outstanding loan insurance under this part), shall not exceed the fair market value of the unrestricted funds of the guaranty agency, which shall consist of--

"(I) all accumulated earnings not otherwise placed in a restricted account in accordance with section 422(h)(2)(A); and

"(II) any working capital that may be provided under section 422(h)(2)(B); and

"(iii) for the first year after the date of enactment of the Student Financial Aid Improvements Act of 1997, the Secretary may specify such interim administrative measures as the Secretary determines to be necessary for the efficient transfer of the loan insurance function, and to carry out the purposes of this part.

"(3) TERMS OF AGREEMENT.--The agreement between the Secretary and a guaranty agency shall include, but not be limited to--

"(A) provisions regarding the responsibilities of the guaranty agency for--

"(i) administering the issuance of insurance on loans made under this section on behalf of the Secretary;

"(ii) monitoring insurance commitments made under this section;

"(iii) default prevention activities;

"(iv) review of default claims made by lenders;

"(v) payment of default claims;

"(vi) collection of defaulted loans;

"(vii) adoption of internal systems of accounting and auditing that are acceptable to the Secretary, and reporting the result thereof to the Secretary on a timely, accurate, and auditable basis;

"(viii) timely and accurate collection and reporting of such other data as the Secretary may require to carry out the purposes of the programs under this title;

"(ix) monitoring of institutions and lenders participating in the program under this part; and

"(x) such other program functions as the Secretary may require of the guaranty agency;

"(B) provisions regarding the fees the Secretary shall pay to the guaranty agency under the agreement, and other revenues that the guaranty agency may receive thereunder, as described in paragraphs (4) and (6);

"(C) provisions requiring the guaranty agency to carry out its responsibilities under the agreement in accordance with paragraph (5);

"(D) provisions regarding the use, in accordance with paragraph (10), of net revenues in excess of the guaranty agency's need for working capital, as determined after compliance with section 422(h), for such other activities in support of postsecondary education as may be agreed to by the Secretary and the guaranty agency;

"(E) provisions regarding such other businesses, previously purchased or developed with reserve funds, that relate to the program under this part and in which the Secretary permits the guaranty agency to engage (as determined on a case-by-case basis);

"(F) provisions setting forth such administrative and fiscal procedures as may be necessary to protect the United States from the risk of unreasonable loss thereunder, and to ensure proper and efficient administration of the loan insurance program;

"(G) provisions regarding the submission of the results of audits of the guaranty agency that are conducted--

"(i) at least annually;

"(ii) by a qualified, independent organization or person in accordance with the standards established by the Comptroller General for the audit of governmental organizations, programs, and functions; and

"(iii) in accordance with the regulations of the Secretary;

"(H) provisions requiring the making of such reports, in such form and containing such information, including financial information, as the Secretary may reasonably require to carry out the Secretary's functions under this part and to protect the Federal fiscal interest, and for keeping such records and for affording such access thereto as the Secretary may find necessary or appropriate to ensure the correctness and verification of such reports;

"(I) adequate assurances that the guaranty agency will not engage in any pattern or practice which may result in a denial of a borrower's access to loans under this part because of the borrower's race, sex, color, religion, national origin, age, handicapped status, income, attendance at a particular eligible institution, length of the borrower's educational program, or the borrower's academic year in school;

"(J) assurances that--

"(i) upon the request of an eligible institution, the guaranty agency shall, subject to clauses (ii) and (iii), furnish to the institution information with respect to students (including the names and addresses of such students) who received loans made or insured under this part for attendance at the eligible institution and for whom preclaims assistance activities have been requested under subsection (l);

"(ii) the guaranty agency shall require the payment by the institution of a reasonable fee (as determined in accordance with regulations prescribed by the Secretary) for such information; and

"(iii) the institution may use such information only to remind students of their obligation to repay student loans and may not disseminate the information for any other purpose; and

"(K) such other provisions as the Secretary may determine to be necessary to protect the United States from the risk of unreasonable loss and to promote the purposes of this part.

"(4) FEES AND OTHER REVENUES.--(A)(i) The Secretary shall pay to a guaranty agency with an agreement under this subsection the following uniform fees:

"(I) a one-time issuance fee for each new loan made under this part that is insured by the Secretary through the guaranty agency; and

"(II) an annual maintenance fee for each active borrower account.

"(ii) The fees described in clause (i) shall be paid on a quarterly basis, from the funds available under section 458(a), in such amount as the Secretary determines, for all guaranty agencies with agreements under this subsection.

"(B) A guaranty agency with an agreement under this subsection also may receive revenues derived from--

"(i) a default prevention fee paid by lenders in accordance with subsection (g);

"(ii) the collection retention allowance under paragraph (6);

"(iii) the interest earned on working capital provided under section 422(h);

"(iv) such other businesses, previously purchased or developed with reserve funds, that relate to the program under this part and in which the Secretary permits the guaranty agency to engage (as determined on a case-by-case basis); and

"(v) such other fees as may be authorized under this part.

"(5) PERFORMANCE REQUIREMENTS.--(A) A guaranty agency with an agreement under this subsection shall carry out its responsibilities thereunder in accordance with such measurable performance-based standards as the Secretary may specify, and shall submit timely and accurate data to the Secretary in support of its performance.

"(B) The Secretary shall apply the performance standards uniformly to guaranty agencies with agreements under this subsection.

"(C) The Secretary shall assess the performance of each guaranty agency on the basis of the audits required under paragraph (3)(G), and shall compare such guaranty agency's performance against the performance of other such guaranty agencies and publicly disseminate such comparison.

"(D) The Secretary may impose a fine, in accordance with the terms of the agreement, on a guaranty agency that fails to achieve a specified level of performance on one or more performance standards. If the guaranty agency's failure to achieve such performance level results in a financial loss to the United States, the guaranty agency shall indemnify the Secretary for such loss.";

(E) by amending paragraph (6) to read as follows:

"(6) <u>COLLECTION RETENTION ALLOWANCE</u>.--(A) If, after the Secretary has paid a claim on a loan made under this title, any payments are made in discharge of the obligation incurred by the borrower with respect to such loan (including any payments of interest accruing on such loan after the payment of the default claim by the Secretary), there shall be paid over to the Secretary that portion of the payments remaining after the guaranty agency with which the Secretary has an agreement under this subsection has deducted from such payments an amount for costs related to the student loan insurance program that--

"(i) shall be specified by the Secretary on the basis of the Secretary's review of payments for similar services in a competitive environment; and

"(ii) in no case shall exceed 18.5 percent of such payments (subject to subparagraph (B)).

"(B) If, after the Secretary has paid a claim on a loan made under this title, and the liability on such loan is discharged by payment of the proceeds of a consolidation loan under this part or under part D, the guaranty agency may not deduct the amount specified in subparagraph (A), but may charge the borrower an amount specified by the Secretary and not to exceed 18.5% of the principal amount of the defaulted loan at the time of consolidation, to defray the guaranty agency's collection costs on the defaulted loan to be consolidated.";

(F) by amending paragraph (7) to read as follows:

"(7) <u>SECRETARY AUTHORIZED TO RENEW OR MAKE ALTERNATE AGREEMENTS</u>.--Notwithstanding any other provision of law, once the initial agreement with a guaranty agency entered into after the date of enactment of the Student Financial Aid Improvements Act of 1997 has ended (through its expiration, the termination of the guaranty agency agreement by the Secretary in accordance with paragraph (9), or the resignation of the guaranty agency, as the case may be), the Secretary, in his discretion, may enter into--

"(A) another agreement with the guaranty agency;

"(B) an alternate agreement under which the functions previously performed by the guaranty agency shall be performed by another State or private nonprofit agency with which the Secretary has an agreement under this subsection; or

"(C) a contract under section 428E.";

(G) by amending paragraph (9) to read as follows:

"(9) TERMINATION OF GUARANTY AGENCY AGREEMENTS.--(A) A guaranty agency's agreement under this subsection may be ended in advance of its expiration date in accordance with subparagraph (B), or (C). If its agreement is so ended, the guaranty agency shall immediately--

"(i) cease to be an agent of the Secretary for purposes of the program under this part; and

"(ii) surrender all remaining liquid and non-liquid reserve funds, and assets purchased or developed with reserve funds, still held by the guaranty agency (including reserves held by, or under the control of, any other entity) to the Secretary or the Secretary's designated agent.

(B) A guaranty agency's agreement under this subsection shall be void, and the Secretary shall immediately so notify such guaranty agency, if--

"(i) the guaranty agency fails to comply in a timely manner with the recall of reserve requirements of section 422(h);

"(ii) the guaranty agency fails to increase the amount of funds in its unrestricted account (as measured by comparing the amount of funds in such account at the beginning and end of a year) for each of two years (that may or may not be consecutive) in the five year period of the agreement under this subsection;

"(iii) any other agreement that the guaranty agency has with the Secretary is terminated;

"(iv) the guaranty agency becomes insolvent or declares bankruptcy; or

"(v) there is any legal impediment to the guaranty agency substantially performing its responsibilities under the agreement.

"(C) The Secretary shall, after notice and opportunity for a hearing, terminate a guaranty agency that has substantially failed to achieve an acceptable level of performance under its agreement with the Secretary. A substantial performance failure under this subparagraph may include the existence of material internal control weaknesses relating to data quality in the guaranty agency's audits for each of two years (that may or may not be consecutive) in the five year period of the agreement under this subsection.

"(D) Notwithstanding any other provision of Federal or State law, if the Secretary has terminated or is seeking to terminate a guaranty agency's agreement in advance of its expiration date--

"(i) no State court may issue any order affecting the Secretary's actions with respect to such guaranty agency;

"(ii) any contract with respect to the administration of reserve funds held by a guaranty agency, or the administration of any assets purchased or developed with the reserve funds of the guaranty agency, that is entered into or extended by the guaranty agency, or any other party on behalf of or with the concurrence of the guaranty agency, after the date of enactment of the Student Financial Aid Improvements Act of 1997 shall provide that the contract is terminable by the Secretary upon 30 days notice to the contracting parties if the Secretary determines that such contract includes an impermissible transfer of the reserve funds or assets, or is otherwise inconsistent with the terms or purposes of this section; and

"(iii) no provision of State law shall apply to the actions of the Secretary in terminating the operations of a guaranty agency."; and

(H) by adding after paragraph (9) the following new paragraph:

"(10) USE OF SURPLUS FUNDS.--(A) A guaranty agency with an agreement under this subsection may retain the amount determined in accordance with subparagraph (B) for activities in support of postsecondary education that are approved by the Secretary.

"(B)(i) A guaranty agency may retain 50 percent of its net revenues for fiscal year 1998 in excess of the guaranty agency's need for working capital for such year, as determined after compliance with section 422(h), for approved activities.

"(ii) A guaranty agency may retain for approved activities for fiscal year 1999 and succeeding fiscal years the lesser of--

"(I) 50 percent of its net revenues for such year in excess of its need for working capital, as determined after compliance with section 422(h); or

"(II) the amount of its net revenues for such year in excess of its need for working capital, as determined after compliance with section 422(h), that is equal to a uniform percentage, established annually by the Secretary, of federal revenues received by the guaranty agency for the preceding year. In determining such percentage, the Secretary shall take into account all guaranty agencies' revenues and costs for the preceding year to determine an adequate level of economic incentive for guaranty agencies to maximize their efficiency.";

(4) by amending subsection (g) to read as follows:

"(g) <u>DEFAULT PREVENTION FEE PAID BY LENDERS</u>.--(1) An eligible lender shall pay a guaranty agency, to which such lender referred a delinquent loan, a default prevention fee of not to exceed $100 per borrower account if the guaranty agency succeeds in bringing such loan into current repayment status.

"(2) The Secretary shall prescribe in regulations the circumstances in which a lender may obtain a refund of a default prevention fee if the borrower of a loan on which such fee was paid subsequently defaults on such loan."; and

(5) in subsection (l)--

(A) in paragraph (1), by striking the paragraph designation and the paragraph heading; and

(B) by striking paragraph (2).

(b) Section 435(j) of the Act is amended by striking "section 428(b)." and inserting "section 428(c)."

REPEAL OF STATE SHARE OF DEFAULT COSTS

SEC. 227. Section 428 of the Act is further amended by striking subsection (n).

CONSOLIDATION LOANS

SEC. 228. (a) Section 428C of the Act is further amended--

(1) in subsection (a)(3)--

(A) in subparagraph (A), by inserting "in an in-school period," after "for a consolidation loan is"; and

(B) in subparagraph (B), by amending clause (i) to read as follows:

"(i) Eligible student loans received by the eligible borrower may be added to a consolidation loan during the 180-day period following the making of such consolidation loan.";

(2) in subsection (b)(4)(C), by amending clause (ii) to read as follows:

"(ii) provides that interest shall accrue and be paid--

"(I) by the Secretary, in the case of a consolidation loan made before October 1, 1997 that consolidated only Federal Stafford Loans for which the student borrower received an interest subsidy under section 428;

"(II) by the Secretary, in the case of a consolidation loan made on or after October 1, 1997, except that the Secretary shall pay such interest only on that portion of the loan that repays Federal Stafford Loans for which the student borrower received an interest subsidy under section 428; and

"(III) by the borrower, or capitalized, in the case of a consolidation loan, or portion thereof, other than one described in subclause (I) or (II);"; and

(3) in subsection (c)--

(A) in paragraph (1)--

(i) in subparagraph (A), by striking "subparagraph (B) or (C)." and inserting "subparagraph (B), (C), (D), or (E), and subject to subparagraph (F).";

(ii) in subparagraph (C), by striking "after July 1, 1994," and inserting "after July 1, 1994 and before October 1, 1997,"; and

(iii) by adding after subparagraph (C) the following new subparagraphs:

"(D) A consolidation loan made on or after October 1, 1997, that repays loans made under section 428 or 428H, or a combination thereof, shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to--

"(i) the rate specified in section 427A(g), in the case of a borrower in an in-school or grace period; or

"(ii) the rate specified in section 427A(h)(1) in all other cases.

"(E) A consolidation loan made on or after October 1, 1997, that repays loans made under section 428B shall bear interest at an annual rate on the unpaid principal balance of the loan that is equal to the rate specified in section 427A(h)(2).

"(F) Notwithstanding any other provision of this section, the Secretary may prescribe in regulation such procedures as may be necessary to ensure that--

"(i) a borrower of a consolidation loan that repays a combination of loans eligible to be consolidated under this section, shall continue to receive, after consolidation, any interest subsidy benefits associated with a loan, without extending such benefits to any other loans consolidated that do not have interest subsidy benefits;

"(ii) in the case of a consolidation loan that repays a combination of loans described in subparagraphs (D) and (E), the interest rate on such consolidation loan shall be calculated in a manner that reflects the interest rate applicable to loans made under each such subparagraph; and "(iii) in the case of a consolidation loan that repays a loan eligible to be consolidated under this section other than those described in subparagraphs (D) and (E), the interest rate applicable to such other loan shall be the interest rate described in subparagraph (D) if such other loan is considered by the Secretary to be subsidized, and the interest rate described in subparagraph (E) if such other loan is considered by the Secretary to be unsubsidized."; and

(B) in paragraph (4)--

(i) by striking "Repayment" and inserting "(A) Except as provided in subparagraph (B), repayment"; and

(ii) by adding after subparagraph (A) (as redesignated by clause (i)) the following new subparagraph:

"(B) In the case of a consolidation loan that repays a loan made under this part for which the borrower is in an in-school period at the time the consolidation application is received, the repayment period for such consolidation loan shall commence after the completion of a grace period, as described in section 428(b)(7)(i).".

CONTRACTS WITH OTHER ENTITIES

SEC. 229. Part B of title IV of the Act is amended by inserting after section 428D the following new section:

"CONTRACT AUTHORITY

"SEC. 428E. The Secretary may enter into one or more contracts to carry out any of the functions that otherwise would be carried out by a guaranty agency with an agreement under section 428(c).".

ELIGIBLE LENDER

SEC. 230. Section 435(d) of the Act is amended--

(1) in paragraph (1), by striking "(6)," and inserting "(7),"; and

(2) by adding after paragraph (6) the following new paragraph:

"(7) UNIFORM TERMS AND CONDITIONS.--Subject to such exceptions as the Secretary may prescribe in regulations, the term 'eligible lender' shall not include any lender that offers different terms and conditions to different borrowers of the same type of loan made or insured under this part.".

SPECIAL ALLOWANCE

SEC. 231. Section 438 of the Act is amended--

(1) in subsection (a)(3), by striking "quarterly rate" each place it appears and inserting "rate"; and

(2) in subsection (b)--

(A) in paragraph (2)--

(i) by striking "subparagraphs (B), (C), (D), (E), and (F)" and inserting "subparagraphs (B), (C), (D), (E), (F), and (G)"; and

(ii) by adding after subparagraph (F) the following new subparagraph:

"(G)(i) Notwithstanding any other provision of this section, in the case of loans made or insured under this part for which the first disbursement is made on or after

October 1, 1997, the special allowance paid pursuant to this subsection shall be computed for any 12-month period beginning on July 1 and ending on June 30 by--

"(I) determining the bond equivalent rate on the preceding June 1 of the securities with a comparable maturity, as established by the Secretary; and

"(II) subtracting the applicable interest rate on such loans from such amount.

"(ii) The amount of special allowance computed under clause (i) shall be paid in quarterly increments for the 3-month periods described in paragraph (1)."; and

(B) in paragraph (3), in the second sentence, by striking "determined for any such 3-month period shall be paid promptly after the close of such period," and inserting "calculated under this subsection shall be paid promptly after the close of the 3-month period for which such special allowance payment is due,".

STUDENT LOAN MARKETING ASSOCIATION OFFSET FEE

SEC. 232. Section 439(h)(7) of the Act is amended by adding after subparagraph (C) the following new subparagraph:

"(D) The calculation of the fee required under subparagraph (A) or (B), as the case may be, shall be determined on the basis of the principal amount of all loans (except for loans made under sections 428C, 439(o) or 439(q))--

"(i) owned, in whole or in part, by the Association, any subsidiary of the Association, or any company, trust or other entity owned by, or controlled by, the Association; or "(ii) held by a trust (including by a trustee on behalf of a trust), or by any other entity in which the Association, or any subsidiary, holds more than a minimal beneficial interest (as determined by the Secretary).".

DIRECT LOAN TRANSITION FEE

SEC. 233. Section 452(b) of the Act is amended to read as follows:

"(b) TRANSITION FEES.--The Secretary shall pay fees to institutions of higher education (or a consortium of those institutions) with agreements under section 454(b), in the first year of their participation in the program authorized by this part, in order to compensate for costs associated with their transition to the program. The fees shall not exceed an average of $10 per borrower at all institutions receiving the fees.".

FUNDS FOR ADMINISTRATIVE EXPENSES

SEC. 234. Section 458(a) of the Act is amended, in the first sentence, by striking "$260,000,000" through the end of the sentence and inserting the following: "$532,000,000 in fiscal year 1998, $610,000,000 in fiscal year 1999, $705,000,000 in fiscal year 2000, $806,000,000 in fiscal year 2001, and $904,000,000 in fiscal year 2002.".

PART C--NEED ANALYSIS AND GENERAL PROVISIONS

HOPE SCHOLARSHIP NEED ANALYSIS AMENDMENTS

SEC. 241. (a) CALCULATION OF AVAILABLE INCOME.--(1) Section 475 of the Act is amended--

(A) by amending subsection (c)(1)(A) to read as follows:

"(A) the sum of--

"(i) Federal income taxes;

"(ii) the amount of any tax credit taken under section 24A of the Internal Revenue Code of 1986; and

"(iii) the amount by which tax liability determined without regard to the deduction provided under section 221 of the Internal Revenue Code exceeds the amount of tax liability determined after taking such deduction into account;"; and

(B) by amending subsection (g)(2)(A) to read as follows:

"(A) the sum of--

"(i) Federal income taxes;

"(ii) the amount of any tax credit taken by the student under section 24A of the Internal Revenue Code of 1986; and

"(iii) the amount by which tax liability determined without regard to the deduction provided under section 221 of the Internal Revenue Code exceeds the amount of tax liability determined after taking such deduction into account;".

(2) Section 476(b)(1)(A)(i) of the Act is amended to read as follows:

"(A) the sum of--

"(i) Federal income taxes;

"(ii) the amount of any tax credit taken under section 24A of the Internal Revenue Code of 1986; and

"(iii) the amount by which tax liability determined without regard to the deduction provided under section 221 of the Internal Revenue Code exceeds the amount of tax liability determined after taking such deduction into account;".

(3) Section 477(b)(1)(A) of the Act is amended to read as follows:

"(A) the sum of--

"(i) Federal income taxes;

"(ii) the amount of any tax credit taken under section 24A of the Internal Revenue Code of 1986; and

"(iii) the amount by which tax liability determined without regard to the deduction provided under section 221 of the Internal Revenue Code exceeds the amount of tax liability determined after taking such deduction into account;".

(b) <u>DEFINITIONS</u>.--Section 480 of the Act is amended--

(1) in subsection (a)(2)--

(A) by striking "and no portion" and inserting "no portion"; and

(B) by inserting after "(42 U.S.C. 12571 <u>et seq</u>.)," the following: "and no portion of any tax credit taken under section 24A of the Internal Revenue Code of 1986,";

(2) in subsection (b)--

(A) in paragraph (13), by striking "and" at the end of the paragraph;

(B) by redesignating paragraph (14) as paragraph (15); and

(C) by inserting after paragraph (13) the following new paragraph:

"(14) any tax deduction taken under section 221 of the Internal Revenue Code of 1986; and";

(3) in subsection (e)--

(A) in paragraph (3), by striking "and" at the end of the paragraph;

(B) in paragraph (4), by striking the period at the end of the paragraph and inserting "; and"; and

(C) by adding after paragraph (4) the following new paragraph:

"(5) any tax credit taken under section 24A of the Internal Revenue Code of 1986; and";

(4) in subsection (j), by adding after paragraph (3) the following new paragraph:

"(4) Notwithstanding paragraph (1), a tax credit taken under section 24A of the Internal Revenue Code of 1986 shall not be treated as estimated financial assistance for purposes of section 471(3).".

INCOME PROTECTION ALLOWANCE
FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS

SEC. 242. (a) Section 476(b) of the Act is amended--

(1) in paragraph (1)--

(A) in subparagraph (A)--

(i) by amending clause (iv) to read as follows:

"(iv) an income protection allowance, determined in accordance with paragraph (4);"; and

(ii) in clause (v), by striking "paragraph (4);" and inserting "paragraph (5);"; and

(B) in subparagraph (B), by striking "paragraph (5)." and inserting "paragraph (6).";

(2) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (3) the following new paragraph:

"(4) INCOME PROTECTION ALLOWANCE.--The income protection allowance is determined by the following table (or a successor table prescribed by the Secretary under section 478):

"INCOME PROTECTION ALLOWANCE

FAMILY SIZE	NUMBER IN COLLEGE	
(including student)	1	2
1	8,000	
2	10,520	8,720

".

(b) Section 478(b) of the Act is amended by striking "sections 475(c)(4) and 477(b)(4)." and inserting "sections 475(c)(4), 476(b)(4), and 477(b)(4).".

HOPE SCHOLARSHIP DEFINITIONS

SEC. 243. Section 481 of the Act is amended by adding after subsection (f) the following new subsection:

"(g) HOPE SCHOLARSHIP DEFINITIONS.--(1) As necessary for purposes of the tax credit provided under section 24A of the Internal Revenue Code of 1986, and the deduction provided under section 221 of such Code, the Secretary of Education shall define in regulation the following terms:

"(A) academic period;

"(B) normal full-time workload;

"(C) first two years of postsecondary education;

"(D) qualifying grade point average;

"(E) job skills; and

"(F) new job skills.

"(2) Notwithstanding any other provision of law, the regulations described in paragraph (1) shall not be subject to section 482(c).".

EXTENSION OF STUDENT AID PROGRAMS

SEC. 244. Title IV of the Act is amended--

(1) in section 401(a)(1), by striking "September 30, 1998," and inserting "September 30, 1999,";

(2) in section 424(a), by striking "1998." and "2002." and inserting "2002." and "2006.", respectively;

(3) in section 428(a)(5), by striking "1998," and "2002." and inserting "2002," and "2006.", respectively;

(4) in section 428C(e), by striking "1998." and inserting "2002."; and

(5) in section 466--

(A) in subsection (a)--

(i) in the matter preceding paragraph (1), by striking "September 30, 1996," and March 31, 1997," and inserting "September 30, 1998," and March 31, 1999", respectively; and

(ii) in paragraph (1), by striking "September 30, 1996," and inserting "September 30, 1998,";

(B) in subsection (b), by striking "September 30, 1996," and inserting "September 30, 1998,"; and

(C) in subsection (c), by striking out "October 1, 1997," and inserting "October 1, 1998,".

PART D--EFFECTIVE DATES

EFFECTIVE DATES

SEC. 251. (a) Except as otherwise provided in this section, the amendments made by this title shall take effect on the date of enactment of this Act.

(b) Section 211 is effective for the calculation of Pell Grant awards for award years beginning on or after July 1, 1998.

(c) Section 222 is effective for a loan made under part B or part D of title IV of the Act for which the first disbursement is made on or after October 1, 1997.

(d) Section 223(a)(3) and section 428(b)(5)(C) of the Act (as added by section 226(a)(2)(E)) are effective as if they were enacted on July 23, 1992.

(e) Sections 224, 229, and 230 take effect on October 1, 1997.

(f) Section 231 is effective for a loan made or insured under part B of title IV of the Act for which the first disbursement is made on or after October 1, 1997.

(g) Section 232 is effective as if it were enacted on August 10, 1993, but does not apply to the privatized entity that may be created as a result of the Student Loan Marketing Association Reorganization Act of 1996 (Title VI of the Departments of Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 1997, as enacted by section 101(e) of Division A of Pub.L.No. 104-208).

(h) Section 242 is effective for determinations of need for academic years beginning on or after July 1, 1998.

President Clinton's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997
March 20, 1997

TODAY, THE PRESIDENT WILL SEND TO CONGRESS NEW LEGISLATION TO HELP OPEN THE DOORS OF COLLEGE TO MORE AMERICANS. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 -- part of President Clinton's five-year balanced budget -- includes a $10,000 tuition tax deduction, a $1,500 Hope Scholarship tax credit, a substantial Pell Grant expansion and increase, a cut in student loan fees, new educational assistance from employers, and other provisions. The new legislation provides:

√ **$38.4 billion over five years in tax relief** for middle-income families struggling to pay for college and make ends meet.
√ **At least $40 billion in Pell Grants** over five years to provide more tuition assistance to low- and moderate-income families, the largest increase in two decades.
√ **$2.6 billion in savings over five years in reduced loan fees** for student loan borrowers -- putting more money into the hands of students when they pay tuition bills and other college expenses.
√ **Financial support for worker training** through the tuition deduction and the extension of the tax-free treatment of up to $5,250 per employee in employer-provided educational assistance.

KEY ELEMENTS OF THE HOPE ACT OF 1997

- **Includes a $1,500 per student HOPE Scholarship tax credit** for tuition and fees in the student's first year and another $1,500 in the second year if the student earns at least a B minus average. That credit will help 4.2 million students in 1998.
- **Provides a $10,000 tuition tax deduction** for higher education and training, which is expected to help the families of 8.1 million students in 1998.
- **Provides the largest Pell Grant increase in two decades** -- from $2,700 in FY 1997 to $3,000 in FY 1998. Over 3.6 million students now eligible will receive an increase of up to $300. This increase and other changes will make an additional 348,000 families eligible for the grant.
- **Lowers fees and reduces interest rates for millions of student borrowers.**

OVER 250 COLLEGE PRESIDENTS EXPRESS SUPPORT FOR THE PRESIDENT'S HIGHER EDUCATION PLAN. Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for the President's higher education initiatives.

NEW STATE-BY-STATE ANALYSIS SHOWS EVERY REGION OF THE COUNTRY BENEFITTING FROM THE HOPE ACT. For the 1998-99 academic year, these proposals will provide nearly $1.7 billion in Federal benefits for students in California, and over $300 million for students in Virginia.

Associations Attending the White House Briefing on Higher Education Legislation Thursday, March 20, 1997

American Academy of Pediatrics
American Association for Colleges of Teach Education
American Association of College Registrars and Admissions Officers
American Association of Community Colleges
American Association of School Administrators
American Association of State Colleges and Universities
American Association of Universities
American Association of University Women
American Council on Education
American Federation of Teachers
Anti-Defamation League
Armenian National Committee of America
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Coalition of Christian Colleges and Universities
Hadassah
Hispanic Association of Colleges and Universities
Italian American Democratic Leadership Council
Jewish Community Council of Greater Washington
Jewish Council for Public Affairs
League of United Latin American Citizens
LULAC
McAdam Group
National Association of College Admissions Counselors
National Association of College and University Business Officers
National Association of Equal Opportunity in Higher Education
National Association of Graduate and Professional Students
National Association of Independent Colleges and Universities
National Association of School Psychologists
National Association of State Universities and Land Grant Colleges
National Association of Student Financial Aid Administrators
National Council of Jewish Women
National Council of La Raza
National Education Association
National Puerto Rican Coalition
National Science Foundation
Polish American Congress
State Higher Education Executive Officers
Union of American Hebrew Congregations
United States Student Association
US PIRG

The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

President Clinton's Higher Education Initiative with State-by-State Analysis

March 20, 1997

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President Clinton's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

TODAY, THE PRESIDENT WILL SEND TO CONGRESS NEW LEGISLATION TO HELP OPEN THE DOORS OF COLLEGE TO MORE AMERICANS. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 -- part of President Clinton's five-year balanced budget -- includes a $10,000 tuition tax deduction, a $1,500 Hope Scholarship tax credit, a substantial Pell Grant expansion and increase, a cut in student loan fees, new educational assistance from employers, and other provisions. The new legislation provides:

√ **$38.4 billion over five years in tax relief** for middle-income families struggling to pay for college and make ends meet.

√ **At least $40 billion in Pell Grants** over five years to provide more tuition assistance to low- and moderate-income families, the largest increase in two decades.

√ **$2.6 billion in savings over five years in reduced loan fees** for student loan borrowers -- putting more money into the hands of students when they pay tuition bills and other college expenses.

√ **Financial support for worker training** through the tuition deduction and the extension of the tax-free treatment of up to $5,250 per employee in employer-provided educational assistance.

KEY ELEMENTS OF THE HOPE ACT OF 1997

- **Includes a $1,500 per student HOPE Scholarship tax credit** for tuition and fees in the student's first year and another $1,500 in the second year if the student earns at least a B minus average. That credit will help 4.2 million students in 1998.
- **Provides a $10,000 tuition tax deduction** for higher education and training, which is expected to help the families of 8.1 million students in 1998.
- **Provides the largest Pell Grant increase in two decades** -- from $2,700 in FY 1997 to $3,000 in FY 1998. Over 3.6 million students now eligible will receive an increase of up to $300. This increase and other changes will make an additional 348,000 families eligible for the grant.
- **Lowers fees and reduces interest rates for millions of student borrowers.**

OVER 250 COLLEGE PRESIDENTS EXPRESS SUPPORT FOR THE PRESIDENT'S HIGHER EDUCATION PLAN. Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for the President's higher education initiatives.

NEW STATE-BY-STATE ANALYSIS SHOWS EVERY REGION OF THE COUNTRY BENEFITTING FROM THE HOPE ACT. For the 1998-99 academic year, these proposals will provide nearly $1.7 billion in Federal benefits for students in California, and over $300 million for students in Virginia.

Benefits to Students under Hope and Opportunity for Postsecondary Education Act of 1997

(dollars in millions)

State	Total Pell Budget Authority in Award Year 1998-99	Combined Tax Benefits for Calendar Year 1998	Cut in Student Loan Fees for Award Year 1998-99	Total Benefits for Award Year 1998-99
Alabama	$144.2	$92	$5.8	$242.0
Alaska	8.7	13	0.3	21.9
Arizona	135.8	115	10.3	261.1
Arkansas	76.3	37	3.0	116.3
California	873.8	777	46.0	1696.7
Colorado	98.2	103	8.5	209.6
Connecticut	47.2	70	5.2	122.3
Delaware	10.4	20	1.0	31.4
District of Columbia	19.8	35	6.4	61.2
Florida	358.5	260	19.5	638.0
Georgia	168.8	125	11.6	305.4
Hawaii	14.5	29	0.8	44.2
Idaho	40.8	24	2.2	67.1
Illinois	275.1	314	20.0	609.0
Indiana	139.0	122	11.1	272.1
Iowa	93.0	71	8.4	172.4
Kansas	82.3	71	4.6	157.9
Kentucky	125.6	72	5.6	203.3
Louisiana	175.9	78	9.1	263.0
Maine	28.1	24	2.2	54.3
Maryland	99.0	114	6.1	219.1
Massachusetts	153.1	180	18.9	352.0
Michigan	248.7	231	15.3	495.0
Minnesota	128.9	121	9.6	259.6
Mississippi	111.4	45	3.7	160.2
Missouri	146.5	122	11.2	279.7
Montana	34.2	15	1.9	51.1
Nebraska	50.4	49	3.9	103.4
Nevada	15.9	28	1.1	45.0
New Hampshire	23.5	27	2.7	53.1
New Jersey	145.5	143	7.9	296.4
New Mexico	64.6	41	2.5	108.1
New York	744.6	422	42.6	1209.2
North Carolina	157.4	157	10.8	325.1
North Dakota	28.4	16	1.8	46.2
Ohio	288.4	226	20.7	535.1
Oklahoma	129.8	73	6.1	208.9
Oregon	74.8	69	5.8	149.6
Pennsylvania	294.7	256	27.9	578.6
Puerto Rico	412.3	--	2.6	414.9
Rhode Island	32.2	32	3.5	67.6
South Carolina	94.3	71	5.5	170.8
South Dakota	29.9	14	1.9	45.8
Tennessee	136.9	99	8.1	244.0
Texas	495.7	395	25.1	915.8
Utah	82.1	59	3.2	144.3
Vermont	16.2	15	2.2	33.4
Virginia	143.8	151	11.4	306.2
Washington	132.7	120	8.9	261.7
West Virginia	59.2	35	3.0	97.2
Wisconsin	115.7	130	8.5	254.3
Wyoming	16.1	13	0.7	29.9
Outlying Areas	12.1	0	0.0	12.1
TOTAL	$7,635.0	$5,921.0	$466.5	$14,022.5

Pell Benefits to Students under the President's FY1998 Budget Policy

(Recipients in thousands, dollars in millions)

State	Total Pell Recipients in Award Year 1998-99	Increase in Pell Recipients From Award Year 1997-98	Total Pell Budget Authority in Award Year 1998-99	Increase in 1998 Pell Budget Authority from 1997
Alabama	79.3	6.9	$144.2	$32.4
Alaska	4.6	0.4	8.7	1.9
Arizona	72.7	6.3	135.8	30.5
Arkansas	39.1	3.4	76.3	17.2
California	431.6	37.5	873.8	196.4
Colorado	53.7	4.7	98.2	22.1
Connecticut	26.9	2.3	47.2	10.6
Delaware	6.1	0.5	10.4	2.3
District of Columbia	10.6	0.9	19.8	4.5
Florida	189.5	16.4	358.5	80.6
Georgia	99	8.6	168.8	37.9
Hawaii	7.7	0.7	14.5	3.3
Idaho	21	1.8	40.8	9.2
Illinois	149.7	13	275.1	61.8
Indiana	77.4	6.7	139.0	31.2
Iowa	51.8	4.5	93.0	20.9
Kansas	45.2	3.9	82.3	18.5
Kentucky	65.2	5.7	125.6	28.2
Louisiana	86.2	7.5	175.9	39.5
Maine	15.2	1.3	28.1	6.3
Maryland	55.1	4.8	99.0	22.3
Massachusetts	82.1	7.1	153.1	34.4
Michigan	138.6	12	248.7	55.9
Minnesota	73.9	6.4	128.9	29.0
Mississippi	54.8	4.8	111.4	25.0
Missouri	80.5	7	146.5	32.9
Montana	17.5	1.5	34.2	7.7
Nebraska	29.3	2.5	50.4	11.3
Nevada	9.1	0.8	15.9	3.6
New Hampshire	13.2	1.1	23.5	5.3
New Jersey	75.7	6.6	145.5	32.7
New Mexico	33.7	2.9	64.6	14.5
New York	369.5	32.1	744.6	167.3
North Carolina	85.9	7.5	157.4	35.4
North Dakota	15	1.3	28.4	6.4
Ohio	158.3	13.7	288.4	64.8
Oklahoma	67.8	5.9	129.8	29.2
Oregon	40.5	3.5	74.8	16.8
Pennsylvania	156.4	13.6	294.7	66.2
Puerto Rico	180.5	15.7	412.3	92.7
Rhode Island	17.9	1.6	32.2	7.2
South Carolina	53.1	4.6	94.3	21.2
South Dakota	16.2	1.4	29.9	6.7
Tennessee	72.7	6.3	136.9	30.8
Texas	266.4	23.1	495.7	111.4
Utah	46	4	82.1	18.4
Vermont	9.3	0.8	16.2	3.6
Virginia	79.4	6.9	143.8	32.3
Washington	69.6	6	132.7	29.8
West Virginia	29.7	2.6	59.2	13.3
Wisconsin	64.5	5.6	115.7	26.0
Wyoming	8.7	0.8	16.1	3.6
Outlying Areas	6	0.5	12.1	2.7
TOTAL	4,009.4	348	$7,635.0	$1,716.0

Explanation of State-by-State Tables

Table 1 – Benefits to Students under the HOPE Act

The first column provides the total estimated Pell Grant funding in the 1998-99 academic year for students attending postsecondary institutions in the State.

The second column provides the total estimated reduction in taxes (as a result of the HOPE Scholarship and the higher education tax deduction) in the 1998 calendar year for students attending postsecondary institutions in the State.

The third column provides the total estimated reduction in loan fees in the 1998-99 academic year for students and parents attending postsecondary institutions in the State.

The final column is a total of the first three columns: **the total benefit for students in the State.**

Table 2 – Pell Grant Benefits to Students

For students attending postsecondary institutions in the State in the 1998-99 academic year:

- the first column shows the number of Pell Grant recipients;
- the second column shows the increase in the number of recipients over the previous year;
- the third column shows the total Pell Grant funding; and
- the fourth column shows the increased Pell Grant funding over the previous year.

Methodology of State-by-State Analysis

Pell Grant Budget Authority for Academic Year 1998-99
Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

Combined Tax Benefits for Calendar Year 1998
Using a nationally-representative sample of postsecondary students, we first determined the likelihood of a Pell and non-Pell recipient receiving a tax benefit. Using these data and the Pell Grant distributions discussed above, we estimated the number of students that would receive a tax benefit in each state. We then used this relative distribution of tax beneficiaries to allocate calendar year 1998 benefit amounts ($5.9 billion) among the States.

Cuts in Student Loan Origination Fees for Academic Year 1998-99
Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State. Two percent of Stafford (subsidized) loan volume and one percent of unsubsidized loan volume equal the estimated student savings by State.

Highlights of the
Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

INITIATIVE	DESCRIPTION	AMOUNT	IMPACT
Title I: Higher Education Tax Incentives			
HOPE Scholarship Tax Credit	Up to $1,500 per-student tax credit for tuition and fees in student's first year and another $1,500 in the second year if student earns at least a B- average.	$18.6 billion over five years.	Expected to help 4.2 million students in 1998.
$10,000 Tax Deduction for Higher Education and Training	Phases up from $5,000 in 1997 to a $10,000 maximum deduction in 1999 for tuition and fees. Also available for training and lifelong learning.	$17.5 billion over five years.	Expected to help 8.1 million students in 1998.
Tax-Free Education Savings*	Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.	Education specific estimates not available.	Combined with tax deduction, IRA used for education will never be taxed. Will make over 20 million families eligible for such a benefit.
Educational Assistance from Employers	Extends tax exclusion for employer-provided education assistance through 2000, for both undergraduate and graduate education. Also provides tax credit to small businesses.	$2.4 billion between 1997-2001.	Benefits 1.7 million employees a year.
Community Service: Loan Forgiveness	Tax relief for community service loan forgiveness and for borrowers who repay through the income contingent repayment plan for 25 years.	$15 million over five years.	Not available.
Title II: Financial Aid for Needy Students			
Pell Grant Increase and Expansion	Largest increase in two decades -- from $2,700 in FY97 to $3,000 in FY98. Combined with the FY97 increase, the maximum grant has increased $530 since FY96.	At least $40 billion over five years. $1.7 billion more in 1998 than the FY97 appropriation -- a 25% increase in aid.	Over 3.6 million students now eligible will receive an increase up to $300. This increase will also make an additional 130,000 families eligible for the grant.
Pell Grant Expansion for Older, Low-Income Students	Increases eligibility for older, low-income students to receive a Pell Grant.	$3.9 billion over five years.	An additional 218,000 low-income students generally aged 24 or over will be newly eligible for Pell Grants. The new recipients will receive, on average, a grant of $1,431.
Cut in Student Loan Fees	Cuts loan fees from 4% to 2% on need-based Stafford loans -- and to 3% on other loans for students and parents.	$2.6 billion in savings for borrowers over five years	Loan fees will be cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans.

*The IRA proposal is not part of the HOPE Act but will be transmitted to Congress separately.

Summary of the Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

Today's employers look for job applicants with more than a high school diploma. Since the success of the post-World War II GI Bill, the Federal Government has expanded college aid, making it possible for more Americans to attend college. But for too many, the financial strains of continuing their education are still severe. The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 ensures that these barriers to higher education continue to fall for all Americans and provides tax relief for middle-income families struggling to pay for college.

Title I: HIGHER EDUCATION TAX INCENTIVES

HOPE Scholarship Tax Credits

- Up to a $1,500 per student credit for tuition and fees for course work beginning on or after July 1, 1997.
- Credit can be claimed in two tax years for any student who has not finished 13th and 14th years of education.
- The tax credit is expected to help 4.2 million students (1998), and would save families $18.6 billion over five years.

The non-refundable tax credit is available for students enrolled on at least a half-time basis during the first two years of postsecondary education. The credit may be claimed in no more than two years. To receive the credit for the second time, the student must have at least a B minus grade point average in course work completed before that year. Federal grants (but not loans or work-study) generally would reduce the allowable tax credit. No credit would be available for any student convicted of a drug-related felony.

The credit would be phased out for taxpayers filing a joint return with adjusted gross income between $80,000 and $100,000. For taxpayers filing single and head-of-household returns, the credit would be phased out for adjusted gross income between $50,000 and 70,000. (The phase-out ranges and the amount of the credit would be indexed).

Tax Deduction for Higher Education and Training

- $10,000 per family maximum deduction for lifelong learning ($5,000 maximum in 1997 and 1998).
- Available for job training and re-training, in addition to traditional undergraduate and graduate education.
- Deduction is "above the line" -- available even if the taxpayer does not itemize.
- Expected to help 8.1 million students (1998), and would save families $17.5 billion over five years.

The deduction could be claimed for out-of-pocket tuition and fees paid for any student enrolled at least half-time in a degree or certificate program, including graduate programs, at an eligible postsecondary institution. In addition, the deduction would be available for the cost of training -- whether or not it leads to a degree -- that helps the student, older worker, or job-seeker improve or acquire job skills. A student in the first two years of postsecondary education could choose either the credit or the deduction, but not both. The deduction phases in, beginning with a $5,000 maximum per family for payments made after December 31, 1996 to cover course work beginning on or after July 1, 1997. It increases to a $10,000 maximum deduction beginning in 1999. The deduction would be phased out at the same income levels as the credit.

Tax-free Education Savings*

- Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.

- Combined with tuition deduction (above), the IRA savings spent by middle-income families on tuition and fees would never be taxed.

* As part of his balanced budget plan, the President has proposed a number of changes to IRAs to make it possible for families to use them to pay for education tax-free. Although the specific legislation providing for these changes is not included in the HOPE Act, it will be transmitted to Congress soon.

The President's budget plan would allow IRAs to be used for postsecondary education expenses free from early withdrawal tax penalties, and would make over 20 million families eligible to make tax-deductible IRA contributions. Currently, if an individual (or spouse) already participates in an employer's retirement plan, eligibility is phased out for taxpayers filing a joint return with adjusted gross income between $40,000 and $50,000 (between $25,000 and $35,000 for single filers). The proposal would expand the phase-out ranges for 1997 through 1999 to $70,000 to $90,000 for joint filers ($45,000 to $65,000 for single). Beginning in 2000, the phase-out range would match the ranges described for the higher education tax credit. The proposal would also create a special IRA that could be used to save for education and other needs, subject to the same income limits.

Educational Assistance from Employers

- Extends tax exclusion for employer-provided education assistance (Section 127) through the year 2000, for both undergraduate and graduate education.

- Tax credit to encourage small businesses to offer educational assistance to employees.

- Benefits 1.7 million employees a year.

The current exclusion from an employee's income of up to $5,250 per year of postsecondary educational assistance provided by an employer expires this year, and expired for graduate-level assistance last year. The President would extend the exclusion, and reinstate the graduate-level component, through the year 2000. In addition, for 1998-2000, small businesses would be given a new incentive to provide educational assistance to their employees through a ten-percent tax credit for amounts paid under an employer-provided educational assistance program for education provided by a third party.

Community Service: Loan Forgiveness

- Tax-free loan cancellation for public service and forgiveness under the income contingent repayment plan.

Under current law, a charity or private educational institution that forgives a loan as part of a program that enables graduates working in certain professions (such as rural medicine or teaching) to pay off their student loans through community service must report the loan forgiveness as income to the graduate. This proposal would exclude the loan forgiveness from an individual's income and clarify that the same treatment would be provided for forgiveness under the income contingent loan repayment plan for direct loans.

Title II: FINANCIAL AID FOR NEEDY STUDENTS

Pell Grant Increase and Expansion

- Largest increase in Pell Grants in two decades.
- $300 boost in the Pell Grant maximum, to a $3,000 maximum award. Since FY 1996, the maximum award will have increased $530.
- A 25 percent funding increase over last year -- $1.7 billion more than the FY 1997 appropriation.
- 3.6 million students now receiving Pell Grants will be eligible to receive an increase of up to $300. The increase will make 130,000 more moderate-income families eligible for the grant.
- Older student provision will make Pell Grants available to additional 218,000 low-income students generally aged 24 or over.
- With these changes, the number of Pell Grant recipients will exceed 4 million in FY 1998.
- At least $40 billion available for Pell Grants for needy students over five years.

Pell Grants are the foundation of student aid for low- and moderate-income families. Increasing the maximum award to $3,000 provides more aid to currently eligible students, and makes an additional 130,000 students eligible for the grants. In addition, the proposal would increase the eligibility of older, low-income students. With this change, more low-income students who are 24 years old or older and financially independent from parents would receive a Pell Grant. Pell Grants are particularly beneficial for low-income students who have little or no tax liability because of the high award level and its availability for all four years of undergraduate education.

Cut Student Loan Fees and Interest

- Borrower-paid loan fees cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans to student and parent borrowers.
- $2.6 billion in borrower savings over five years produced by the fee cut alone.

- Interest rate during in-school period cut for 2 million students, saving them an additional $1 billion.

Before 1993, borrowers lost up to 8 percent of their student loans in required fees before the money ever reached them. In 1993, the President's aggressive student loan reforms spurred a 50 percent cut in allowable fees that has already saved families nearly $2 billion. The President's plan proposes -- for both the Direct and guaranteed loan programs -- to cut loan fees from 4 percent to just 2 percent on need-based Stafford loans, and to 3 percent on other loans for students and parents.

The Congressional Budget Office and other analysts have noted that lender costs during the in-school period -- when students are not required to make payments on their loans -- are very low. The budget reduces the interest rate during that period by one percentage point.

The proposal provides these benefits to students while saving taxpayers $3.5 billion over five years by streamlining the guaranty agency system to make it more efficient and cost effective and by eliminating excess lender profits.

College Work-Study*

- Budget funds 1 million College Work-Study slots by the year 2000.

- Incentives to reach the goal of 100,000 work-study reading tutors by 1999.

The President's 1998 budget also increases aid for students through subsidized jobs in the College Work-Study program. The President has called on colleges to commit half of the increased funding since FY 1996, $120 million for FY 1998, to supporting community service jobs. The Secretary of Education recently waived the institution's required portion of the awards for students that participate as reading tutors -- part of America's Reading Challenge, helping to ensure that every child can read independently and well by the end of third grade. The President's budget is on a path to achieve the President's goal to raise the number of Work-Study recipients to a million by the year 2000, and 100,000 reading tutors by 1999.

* College Work-Study proposal is included in the President's budget request and appropriations language but not in the HOPE Act.

Case Studies:
How the President's Higher Education Proposals Benefit Typical American Families

Two Examples of How to Save for College Tax-Free

Taken together, the Administration's proposal to allow penalty-free withdrawals from IRAs for college tuition and the tuition tax deduction allow families to save tax-free for their children's education. Families pay no income taxes on money they contribute to an IRA, and the interest accumulates tax-free. Under the Administration's proposal, families would be allowed to withdraw money from their IRA to pay higher education expenses without paying the usual excise tax. And because they can deduct tuition expenses of up to $10,000 per year from taxable income, they will not have to pay the income tax normally due on IRA withdrawals. *This adds up to tax-free saving for college.*

The following examples demonstrate how the Administration's proposals help families save for their children's college tuition:

Example 1
$35,000 Family Income

A family with combined income of $35,000 per year in a 15% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away almost $1,090 per year *after taxes*. That means that they need to earn more than $1,280 per year *before taxes*, **a difference of $325 per year to reach the same savings goal.**

Example 2
$60,000 Family Income

A family with combined income of $60,000 per year in a 28% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before-tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away $1,220 per year *after taxes*. That means that they need to earn nearly $1,700 per year *before taxes*, **a difference of almost $750 per year to reach the same savings goal.**

Four Examples of How the HOPE Act Works

The tax liabilities used in the following four examples are based on the personal exemption, standard deduction and the beginning point for the 28 percent rate bracket assumed to be in effect in 1998, the first year the increased Pell Grants will be available under the President's proposal. Under the proposal, the maximum tuition deduction for 1998 is $5,000. It is $10,000 for years thereafter. Tax liabilities are estimated on the assumption that itemized deductions of 18 percent of adjusted gross income are claimed if that amount exceeds the standard deduction.

Example 3
$60,000 Family Income
Married Couple With One Child in College
1998 Benefit: $1,500

Larry and Jill O'Neill are a married couple with two children. Larry and Jill earn $60,000 in 1998. They claim both children as dependents because they provide more than half of their support. Bobby, the O'Neills' older child, enrolls as a freshman in a community college in the fall of 1998 and is charged $1,500 in tuition and required fees. Bobby's parents pay his tuition. Under the President's proposals, the O'Neill are entitled to a HOPE Scholarship tuition credit of $1,500. (Because a credit is being claimed for Bobby's freshman year, his grade point average does not affect his eligibility for the credit.) The credit reduces their tax liability by $1,500. **Thus, the O'Neills get a total benefit of $1,500 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $1,500	Tuition cost: $1,500
Pell grant: $0	Pell grant: $0
Tax liability: $5,760	Tax liability: $4,260

Example 4
$10,000 income
Independent College Student
1998 Benefit: $3,458

Joe Jefferson is a college freshman in the fall of 1998. He is single and supports himself. He earns $10,000 in 1998. In September 1998, Joe enrolls in college and pays $3,025 in tuition and required fees for the fall semester. In December he is charged $3,025 in tuition and fees for the spring semester. Under the President's proposals, Joe is entitled to a Pell grant of $3,000 that he uses to pay part of his tuition. He pays the remaining $3,050 with a combination of savings and loans. Under the President's proposals, he is entitled to a tuition deduction for his $3,050 payment. The deduction reduces Joe's tax bill by $458, which is more than his total tax liability for the year. **Thus, Joe gets a total benefit of $3,458 from the President's proposals, $3000 in Pell Grants and $458 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,050	Tuition cost: $6,050
Pell grant: $0	Pell grant: $3,000
Tax liability: $458 (less $3 EITC)	Tax liability: $0 (plus $3 EITC refund)

Example 5
$30,000 Family Income
Married Couple with One Child in College
1998 Benefit: $1,050

Victor and Susan Montoya are a married couple with one child, Maria. Tom and Susan earn $30,000 in 1998. They claim Maria as a dependent because they provide more than half of her support. Maria attends college for two semesters in 1998 and is charged $6,850 in tuition and required fees at the beginning of the year. Under the President's proposals, Maria receives a Pell grant for $1,850. Her parents pay $1,000 of her tuition. She pays the rest of the tuition bill with a combination of savings and loans. Under the President's proposals, the Montoyas are entitled to a tuition deduction for the $5,000 their family has paid in tuition and required fees. The deduction reduces the Montoyas' tax bill by $750. **Thus, the Montoyas get a total benefit of $1,050 from the President's proposals, $300 in additional Pell Grants and $750 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,850	Tuition cost: $6,850
Pell grant: $1,550	Pell grant: $1,850
Tax liability: $2,220	Tax liability: $1,470

Example 6
$90,000 Family Income
Married Couple With Two Children in College
1998 Benefit: $1,450

Paul and Debbie Green are a married couple with two children, David and Barbara. Paul and Debbie have income of $90,000 in 1998 (including income from an IRA withdrawal, described below). They claim David and Barbara as dependents because they provide more than half of their support. In 1998, David is enrolled in college for the second semester of his junior year and the first semester of his senior year. Barbara is enrolled in the second semester of her freshman year and the first semester of her sophomore year. At the beginning of 1998, Barbara has a B+ grade point average. David's bill for tuition and required fees is $5,000, and Barbara's is $1,500. Paul and Debbie pay their children's tuition and required fees with a combination of savings, including $2,000 they withdraw from their IRAs, and loans. Under the President's proposals, they avoid any penalty for early withdrawal from their IRAs, and they are entitled to a credit of $750 for Barbara's tuition and a deduction of $2,500 for David's tuition. (Because their income places them in the middle of the $80,000 to $100,000 phase-out range, they claim half the maximum credit and deduction.) The credit and the deduction reduce their tax liability by $1,450. **Thus, the Greens get a total benefit of $1,450 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,500	Tuition cost: $6,500
Pell grant: $0	Pell grant: $0
Tax liability: $12,128	Tax liability: $10,678
Penalty for early withdrawal: $200.	

COLLEGE AND UNIVERSITY PRESIDENTS SUPPORT PRESIDENT CLINTON'S HIGHER EDUCATION INITIATIVE

Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for President Clinton's higher education initiatives.

- 70 community college presidents and 280 community college trustees signed the American Association of Community Colleges and Trustees letter of support for the President's higher education initiatives
- 105 private college presidents joined the president of Dickinson College in signing a letter of support for the President's initiatives
- 23 California State University presidents joined the Chancellor of the California State University System in a letter of support for the President's initiatives
- 63 Christian college presidents signed the Coalition for Christian Colleges & Universities letter commending the President for his higher education efforts
- The American Council on Education Board of Directors, which represents 1,700 college and university presidents, passed a resolution in support of the President's initiatives
- The National Association of Student Financial Aid Administrators, representing over 3,100 colleges and universities, expressed support for the President's initiatives

Associations Attending the White House Briefing on Higher Education Legislation Thursday, March 20, 1997

American Academy of Pediatrics
American Association for Colleges of Teach Education
American Association of College Registrars and Admissions Officers
American Association of Community Colleges
American Association of School Administrators
American Association of State Colleges and Universities
American Association of Universities
American Association of University Women
American Council on Education
American Federation of Teachers
Anti-Defamation League
Armenian National Committee of America
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Coalition of Christian Colleges and Universities
Hadassah
Hispanic Association of Colleges and Universities
Italian American Democratic Leadership Council
Jewish Community Council of Greater Washington
Jewish Council for Public Affairs
Lab School
League of United Latin American Citizens
LULAC
McAdam Group
Martin Luther King Library
National Association of College Admissions Counselors
National Association of College and University Business Officers
National Association of Equal Opportunity in Higher Education
National Association of Graduate and Professional Students
National Association of Independent Colleges and Universities
National Association of School Psychologists
National Association of Social Workers
National Association of State Universities and Land Grant Colleges
National Association of Student Financial Aid Administrators
National Council of Jewish Women
National Council of La Raza
National Education Association
National Institute for Literacy
National Puerto Rican Coalition
National Science Foundation
Polish American Congress
State Higher Education Executive Officers
Union of American Hebrew Congregations
United States Student Association
US PIRG
Washington DC Literacy Council
Women's Policy Inc.

PRESIDENT CLINTON'S HIGHER EDUCATION TAX CUTS

The President's Hope Scholarship and Tuition Tax Credit Help 12.6 Million Students -- 7 Million More Students than Congressional Versions

SUMMARY DOCUMENTS

July 8, 1997

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President Clinton's Higher Education Tax Cut Proposal
A Fact Sheet

President Clinton's HOPE Scholarship and 20% Tuition Tax Credit help 12.6 million students and their families -- *seven million* more students than under Congressional versions. While all of the plans encourage saving and help with student loan payments, only the Administration's proposal provides tax credits to working families who use their earnings to pay for college beyond the first two years, for part-time study to improve or acquire job skills, or graduate study. The higher education tax cut plans passed by the House and Senate are limited in their scope, providing some of the largest benefits to higher-income families who can afford to save large amounts.

- *HOPE Scholarship.* A maximum $1,500 credit for the first two years of postsecondary education. Students attending on at least a half-time basis would receive a 100% credit for the first $1,000 of tuition and required fees and a 50% credit for up to the next $1,000. For example, a student attending a community college with tuition costs of $1,400 would receive a $1,200 HOPE Scholarship. Scholarships would be phased out for joint filers with income between $80,000 and $100,000, and for single filers with income between $50,000 and $70,000. After 2002, the HOPE Scholarship increases to a 100% credit for the first $1,500 and a 50% credit for the next $1,000 of tuition and required fees.

- *20% Tuition Tax Credit.* Undergraduates beyond their first two years, graduate students, plus working people going to school part-time to improve or acquire job skills, would benefit from a 20% tax credit on the first $5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first $10,000 of tuition and required fees. The credit would be phased out at the same income levels as HOPE.

- ***Education and Retirement Savings Accounts.*** Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expenses. Additionally, taxpayers eligible for the child tax credit are given the opportunity to deposit their child tax credit plus an additional $500, in a Kidsave Account for the child's education, first-time home purchase or the taxpayer's retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.

- ***Employer-Provided Education Benefits.*** Extends permanently Section 127 of the tax code, which allows people to exclude $5,250 of employer-provided education benefits from their taxable income. Eligibility for graduate education benefits would be reinstated retroactively back to June 30, 1996, with both undergraduate and graduate education eligible in the future. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of $10 million or less for the prior three years.

- ***Student Loan Interest Deduction.*** Allows a deduction for up to $2,500 per year of interest on education loans for expenses of students enrolled at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan. The deduction would phase out for taxpayers making between $45,000 and $65,000 ($65,000 and $85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.

- ***Community Service Loan Forgiveness.*** In most circumstances, a loan that is forgiven is considered income and is therefore taxable. To encourage programs that offer loan forgiveness to borrowers who take lower-paying, community-service jobs, loan amounts forgiven through programs run by nonprofit tax-exempt charitable or educational institutions, and loans forgiven under the Direct Loan Program's income-contingent repayment program, would be excluded from income. Currently, the exclusion generally covers only certain forgiveness arrangements between students and government entities.

- ***Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities.*** Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

A Comparison: Higher Education Tax Cuts

HOPE Scholarship and Tuition Tax Credit	President	House	Senate
Students in their first two years of college, attending at least half-time	100% tax credit on the first $1,000 of tuition and required fees, 50% on next $1,000. After 2002, a 100% credit on first $1,500 and 50% on the next $1,000.	50% tax credit on up to $3,000 on tuition, required fees, books, and supplies.	75% tax credit on up to $2,000 for community colleges; 50% tax credit on up to $3,000 for other institutions for tuition, required fees, books, and supplies.
Students beyond the first two years, enrolled at least half-time	20% tax credit on up to $5,000 in 1998 and up to $10,000 starting in 2001.	None	None
Graduate students	20% tax credit on up to $5,000; up to $10,000 starting in 2001.	None	None
Part-time (less than half-time) students seeking to acquire or improve job skills	20% tax credit on up to $5,000; up to $10,000 starting in 2001.	None	None
5-year revenue cost:	$35 billion	$22 billion	$20 billion
Estimated number of beneficiaries in 1999	**12.6 million**	**5.6 million**	**5.6 million**

Other provisions	Administration	House	Senate
Employer-provided education assistance (Section 127)	Permanent extension for graduate and undergraduate courses. 10% Small Business Credit.	Six month extension, only for undergraduates.	Permanent extension for graduate and undergraduate courses.
Student loan interest deduction	Up to $2,500 may be deducted each year for five years of repayment.	None	Up to $2,500 may be deducted each year for five years of repayment.

Other provisions	Administration	House	Senate
Savings incentives	Penalty-free IRA withdrawals for higher education. Optional Kidsave education accounts. Maximum per-child contribution of child credit plus $500 each year. Earnings free from tax if used for various purposes including child's postsecondary tuition and fees.	Penalty-free IRA withdrawals for higher education. Education investment accounts and new qualified tuition programs. Maximum per-child contribution $5,000 each year, $50,00 total. Earnings used for higher education not taxed (subject to limits).	Penalty-free IRA withdrawals for higher education. Requires contributions to Educational IRAs or qualified tuition plans for parents to obtain the child credit for children 13 and over. Education IRAs and expanded qualified tuition programs; tax-free distributions for educational expenses. Maximum per-child contribution $2,000 plus child credit each year (no limits on State-sponsored plans).

Distribution of Higher Education Tuition Tax Credits by Student's State of Legal Residence 1/
(Beneficiary Calculations FY 1998/Dollar Amounts FY 1999)

	Number of Beneficiaries 2/ (in thousands)			Dollar Amounts of Benefits (in millions)			Dollar Difference: (in millions) President Compared to	
	President	House/Senate	Difference	President	House	Senate	House	Senate
Alabama	195	87	108	$111.6	$78.2	$72.3	$33.4	$39.3
Alaska	27	12	15	15.4	10.6	9.8	4.8	5.6
Arizona	244	108	136	139.4	97.0	89.6	42.4	49.8
Arkansas	79	36	43	45.3	32.0	29.5	13.4	15.8
California	1,654	733	922	944.9	655.9	605.8	289.0	339.1
Colorado	219	97	122	125.0	86.7	80.0	38.3	44.9
Connecticut	149	66	83	85.1	58.8	54.2	26.3	30.9
Delaware	42	18	23	23.8	16.4	15.2	7.4	8.7
District of Columbia	74	32	41	42.0	28.9	26.7	13.1	15.3
Florida	553	246	306	316.1	220.6	203.8	95.5	112.3
Georgia	266	119	147	152.0	106.3	98.2	45.7	53.8
Hawaii	61	27	34	35.0	24.1	22.2	10.9	12.8
Idaho	51	23	28	29.3	20.6	19.0	8.6	10.3
Illinois	669	296	374	382.2	264.6	244.4	117.6	137.8
Indiana	259	115	144	148.2	103.1	95.3	45.1	52.9
Iowa	150	67	83	85.9	59.9	55.4	25.9	30.5
Kansas	151	67	84	86.5	60.2	55.6	26.3	30.9
Kentucky	154	69	85	88.3	61.9	57.2	26.3	31.0
Louisiana	166	75	91	94.9	67.0	62.0	27.9	33.0
Maine	50	22	28	28.7	20.0	18.5	8.7	10.3
Maryland	243	108	136	138.9	96.2	88.9	42.7	50.1
Massachusetts	383	169	214	218.4	151.2	139.6	67.3	78.9
Michigan	493	219	274	281.4	195.6	180.7	85.8	100.7
Minnesota	258	115	143	147.4	102.5	94.7	44.9	52.7
Mississippi	97	44	53	55.4	39.3	36.3	16.2	19.1
Missouri	259	115	144	148.3	103.3	95.4	45.0	52.9
Montana	32	15	18	18.6	13.1	12.1	5.4	6.4
Nebraska	104	46	58	59.2	41.1	38.0	18.0	21.2
Nevada	61	27	34	34.5	23.8	22.0	10.7	12.6
New Hampshire	57	25	32	32.8	22.7	21.0	10.1	11.8
New Jersey	304	134	169	173.5	120.3	111.1	53.2	62.4
New Mexico	87	39	48	49.9	35.0	32.3	15.0	17.6
New York	897	402	495	513.5	360.0	332.7	153.5	180.7
North Carolina	333	148	186	190.4	132.1	122.0	58.3	68.3
North Dakota	34	15	19	19.3	13.5	12.5	5.7	6.7
Ohio	482	214	267	275.2	191.9	177.3	83.3	97.9
Oklahoma	156	70	86	89.1	62.6	57.8	26.5	31.3
Oregon	147	65	82	84.2	58.5	54.0	25.7	30.2
Pennsylvania	545	242	303	311.3	216.5	200.0	94.8	111.4
Rhode Island	67	30	37	38.4	26.6	24.6	11.7	13.8
South Carolina	150	67	83	85.9	60.0	55.4	25.9	30.5
South Dakota	31	14	17	17.6	12.4	11.5	5.2	6.1
Tennessee	212	94	117	121.1	84.5	78.1	36.6	43.0
Texas	841	374	467	480.5	334.8	309.3	145.7	171.2
Utah	126	56	70	72.3	50.5	46.7	21.8	25.6
Vermont	31	14	17	18.0	12.5	11.6	5.5	6.4
Virginia	321	142	179	183.3	127.1	117.4	56.2	65.9
Washington	255	113	142	145.8	101.3	93.6	44.5	52.3
West Virginia	75	34	41	42.8	30.0	27.7	12.8	15.1
Wisconsin	277	122	155	158.2	109.6	101.2	48.6	57.0
Wyoming	27	12	15	15.4	10.7	9.9	4.7	5.5
US Totals	12,600	5,600	**7,000**	$7,200.0	$5,012.0	$4,630.0	**$2,188.0**	**$2,570.0**

1/ Includes HOPE Scholarship plans and the President's 20% tax credit for lifelong learning.
Calculations do not include interest deductions and tax benefits that could be received in outyears from savings incentives in all three plans.

2/ The number of beneficiaries is the same under the House and Senate plans, though the amounts of benefits differ.

Source: Education Department estimates based on State-level enrollment and Pell Grant recipient data.

Methodology of State-by-State Analysis

Using a nationally-representative sample of postsecondary students and data on Pell Grant recipients, an estimate was derived for the proportion of the total national number of recipients of the tax benefit in 1998. Using that ratio, the number of recipients for each State was determined. Based on the Joint Tax Committee and Treasury revenue estimates of the three plans for 1999, a dollar amount for each State was derived using the same ratio as the State/national number of beneficiaries.

President Clinton's Higher Education Tax Cuts: Greater Benefits for More Families

While providing the greatest help in the first two years, the Administration's plan has always gone *much* farther, granting a substantial tax cut for virtually *any* investment in postsecondary education or training. Unlike the Congressional plans, the President's tax credits cover *more types and ages of postsecondary students*, including:

- part-time students (less than half-time) seeking to improve or acquire job skills;
- students beyond their first two years of undergraduate study;
- graduate students.

Although the Administration, House and Senate plans all provide modest assistance for students who borrow or families who have special education savings accounts, for many situations that families find themselves in, the House and Senate plans provide little or no help. Consider the following:

Tuition Tax Credits Under Various Situations	**President**	**House Plan**	**Senate Plan**
Two kids in college: Married couple, $60,000 income, with two kids in college: one at a community college with $2,000 tuition and $200 books, the other a junior at a private college with $10,000 tuition.	$2,500 ($3,500 after year 2000)	$1,100	$1,500
Divorced parent, same income: Single parent with $50,000 income, one child going to an average community college full-time ($1,200 tuition and fees)	$1,100	$0	$0
Returning to school less than half-time: Family with $30,000 income, one parent going to a public four-year college part-time to change careers ($2,000 tuition and fees)	$400	$0	$0
Child is beyond first two years: Family with $40,000 income, one child is junior at average private college ($12,000 tuition and fees)	$1,000 ($2,000 after year 2000)	$0	$0
Returning to school full-time to become a teacher: Homemaker, family income of $70,000, attending graduate teacher training program at public university after being out of college for 20 years ($3,500 tuition).	$700	$0	$0
Graduate student: Single graduate student with $15,000 income and tuition of $15,000.	$1,000	$0	$0

NAGPS

National Association of Graduate-Professional Students, Inc.

July 3, 1997

President Bill Clinton
White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear President Clinton:

On behalf of the nation's 2.5 million graduate and professional students, I want to thank you for proposing a tax cut plan which truly aids education, reduces graduate debt, and mitigates against increasing college costs. The National Association of Graduate-Professional Students (NAGPS) supports the elements below in your tax cut plan, and we are grateful that you are working with the Congressional Conference Committee reviewing H.R. 2014, and S. 949 to ensure that these aspects of your tax cut plan are included in the final legislation:

1) Preservation of Section 117(d) of the Internal Revenue Code, providing a tax exemption for tuition and fee waivers given to employees of educational organizations as a function of their employment;

2) Establishment of a Student Loan Interest Deduction which allows students to deduct the value of interest payments made on their student loans each year;

3) Permanent extension for both undergraduates and graduate students of the Internal Revenue Code Section 127 tax exemption for the first $5250 of employer-provided educational assistance;

4) Creation of a Tuition Tax Credit for up to 20% of $5,000 ($10,000 after the year 2000) in tuition and fees paid each year, for which graduate and professional students are eligible.

825 Green Bay Road • Suite 270 • Wilmette, IL 60091 • (847) 256-1562 • FAX (847) 256-8954

Your plan is the only one which includes a provision for a tuition tax credit that includes graduate/professional students. All of these provisions can help significantly reduce costs for students and the need to rely on student loans to pay for education. These provisions help make graduate/professional school an affordable and accessible opportunity for people throughout the US We see great hope for a bipartisan bill that includes all of these pro-student provisions and we are encouraged that you are taking a vigorous role in helping graduate students.

We, the National Association of Graduate-Professional Students, thank you for your support of graduate and professional education. Please know you have our support as you seek tax relief for students at all levels of learning through their lifetimes.

Sincerely,

Bryan Hannegan

Bryan Hannegan, President
National Association of Graduate-Professional Students
Ph.D. Candidate, University of California-Irvine

AMERICAN COUNCIL ON EDUCATION

OFFICE OF THE PRESIDENT

July 3, 1997

The Honorable William J. Clinton
President
The United States of America
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

I write on behalf of the higher education associations listed below to express our appreciation for the agreement you reached with the congressional leadership to devote a significant portion of any tax cuts to education-related tax incentives. We are grateful that you and the congressional leadership agree that this goal is consistent with the objectives of balancing the federal budget and enhancing the nation's investment in human capital.

We deeply appreciate your continued efforts in this area. The plan you outlined earlier this week will help make higher education more affordable for middle-income students and families. This plan builds upon your proposals to create a Hope Scholarship tax credit and to encourage lifelong learning by incorporating a number of complementary provisions that are widely supported in the higher education community.

On June 6th, I sent a letter to Chairman Archer expressing our belief that any truly effective tax package must include six elements:

- A Hope Scholarship tax credit available to needy as well as middle-income students for the first two years of college. This program would guarantee students access to at least two years of an undergraduate education and should be the central feature of any plan.

- A provision to encourage lifelong learning for undergraduate and graduate students.

- Meaningful incentives to families with young children to save for college expenses.

- Permanent extension of Section 127 of the tax code for employer-provided educational assistance for both undergraduate and graduate education to ensure that working adults can participate in higher education without adverse tax consequences.

- Reinstatement of the student loan interest deduction to help students repay their loans following graduation. The deduction should be "above the line" to ensure that the broadest number of students can benefit. Further, certain types of student loan forgiveness should be excluded from income when college graduates pursue community service and other low-paying careers.

- Elimination of the tax-exempt bond cap for all colleges and universities so that they can maintain their campus facilities, keep up with the rapid growth of technology, and offer their students and faculty state-of-the-art classroom and research facilities.

Your proposal addresses each of these issues, and, we believe, represents a much needed and extraordinarily valuable set of tax cuts for middle-income families. We are pleased that the Senate-passed bill also encompasses a similar set of issues, and we urge you to work with the Congress to develop a final bill that includes these elements.

In addition, we encourage you to strongly oppose provisions that would impose new taxes on tuition assistance, such as phasing out Section 117(d), and on retirement benefits offered to the higher education community through TIAA-CREF. Both of these provisions run counter to the efforts to make higher education more affordable, and to make teaching a career that attracts our most outstanding scholars.

Again, we thank you for the abiding leadership you have demonstrated in support of higher education. We urge you to continue your work with Congress on these important matters to ensure that this historic opportunity for America's college students does not pass us by.

Sincerely,

Stanley O. Ikenberry

Stanley O. Ikenberry
President

This letter is sent on behalf of the following associations:

American Council on Education
American Association of Community Colleges
American Association of State Colleges and Universities
Association of American Universities
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges

Alternative Tax Cut Proposals
A Comparison of Distributional Impact

Income by Quintile	***President Clinton***	***House***	***Senate***
Lowest	1.2%	0.6%	0.4%
Second	10.1	2.5	2.7
Third	22.2	9.6	10.2
Fourth	34.6	20.0	21.3
Highest	31.5	66.8	65.0
Top 10%	11.7	47.3	42.3
Top 5%	6.5	34.9	28.2
Top1%	2.6	18.8	12.5
Middle 60% (Second,third, fourth quintiles)	**66.9%**	**32.1%**	**34.2%**

Source: U.S. Department of Treasury

Tables assumes fully phased-in (2007) law and behavior, in 1998 dollars. It includes major tax cut provisions in each of the plans: HOPE Scholarship, tuition credit, Section 127, Student loan interest deduction, child tax credit, Kidsave accounts, capital gains provisions, home office deduction, distressed areas initiatives, Puerto Rico tax incentives, individual and corporate AMT changes, prepaid tuition programs, IRAs, DC tax incentives, safe harbor for independent contractors, modifications of treatment of company owned life insurance.

U.S. DEPARTMENT OF EDUCATION

The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

State-by-State

April 11, 1997

U.S. DEPARTMENT OF EDUCATION

ALABAMA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $242 Million for Students in Alabama

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ALABAMA

Under the President's plan, Alabama students would receive an estimated $242 million in 1998, including:

- An estimated $92 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $144.2 million in Pell Grants for 79,300 low-income students. The President's proposal would provide an additional $32.4 million in 1998, and would benefit 6,900 more students than in 1997.[2]
- An estimated $5.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ALASKA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $21.9 Million for Students in Alaska

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

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Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ALASKA

Under the President's plan, Alaska students would receive an estimated $21.9 million in 1998, including:

- An estimated $13 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $8.7 million in Pell Grants for 4,600 low-income students. The President's proposal would provide an additional $1.9 million in 1998, and would benefit 400 more students than in 1997.[2]
- An estimated $0.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ARIZONA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $261.1 Million for Students in Arizona

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ARIZONA

Under the President's plan, Arizona students would receive an estimated $261.1 million in 1998, including:

- An estimated $115 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $135.8 million in Pell Grants for 72,700 low-income students. The President's proposal would provide an additional $30.5 million in 1998, and would benefit 6,300 more students than in 1997.[2]
- An estimated $10.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ARKANSAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $116.3 Million for Students in Arkansas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ARKANSAS

Under the President's plan, Arkansas students would receive an estimated $116.3 million in 1998, including:

- An estimated $37 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $76.3 million in Pell Grants for 39,100 low-income students. The President's proposal would provide an additional $17.2 million in 1998, and would benefit 3,400 more students than in 1997.[2]
- An estimated $3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

CALIFORNIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $1.7 Billion for Students in California

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

CALIFORNIA

Under the President's plan, California students would receive an estimated $1.7 billion in 1998, including:

- An estimated $777 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $873.8 million in Pell Grants for 431,600 low-income students. The President's proposal would provide an additional $196.4 million in 1998, and would benefit 37,500 more students than in 1997.[2]
- An estimated $46 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

COLORADO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $209.6 Million for Students in Colorado

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

COLORADO

Under the President's plan, Colorado students would receive an estimated $209.6 million in 1998, including:

- An estimated $103 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $98.2 million in Pell Grants for 53,700 low-income students. The President's proposal would provide an additional $22.1 million in 1998, and would benefit 4,700 more students than in 1997.[2]
- An estimated $8.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

CONNECTICUT

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $122.3 Million for Students in Connecticut

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

CONNECTICUT

Under the President's plan, Connecticut students would receive an estimated $122.3 million in 1998, including:

- An estimated $70 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $47.2 million in Pell Grants for 26,900 low-income students. The President's proposal would provide an additional $10.6 million in 1998, and would benefit 2,300 more students than in 1997.[2]
- An estimated $5.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

DELAWARE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $31.4 Million for Students in Delaware

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

DELAWARE

Under the President's plan, Delaware students would receive an estimated $31.4 million in 1998, including:

- An estimated $20 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $10.4 million in Pell Grants for 6,100 low-income students. The President's proposal would provide an additional $2.3 million in 1998, and would benefit 500 more students than in 1997.[2]
- An estimated $1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

THE DISTRICT OF COLUMBIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $61.2 Million for Students in the District of Columbia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

THE DISTRICT OF COLUMBIA

Under the President's plan, the District of Columbia students would receive an estimated $61.2 million in 1998, including:

- An estimated $35 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $19.8 million in Pell Grants for 10,600 low-income students. The President's proposal would provide an additional $4.5 million in 1998, and would benefit 900 more students than in 1997.[2]
- An estimated $6.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

FLORIDA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $638 Million for Students in Florida

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

FLORIDA

Under the President's plan, Florida students would receive an estimated $638 million in 1998, including:

- An estimated $260 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $358.5 million in Pell Grants for 189,500 low-income students. The President's proposal would provide an additional $80.6 million in 1998, and would benefit 16,400 more students than in 1997.[2]
- An estimated $19.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

GEORGIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $305.4 Million for Students in Georgia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

GEORGIA

Under the President's plan, Georgia students would receive an estimated $305.4 million in 1998, including:

- An estimated $125 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $168.8 million in Pell Grants for 99,000 low-income students. The President's proposal would provide an additional $37.9 million in 1998, and would benefit 8,600 more students than in 1997.[2]
- An estimated $11.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

HAWAII

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $44.2 Million for Students in Hawaii

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

HAWAII

Under the President's plan, Hawaii students would receive an estimated $44.2 million in 1998, including:

- An estimated $29 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $14.5 million in Pell Grants for 7,700 low-income students. The President's proposal would provide an additional $3.3 million in 1998, and would benefit 700 more students than in 1997.[2]
- An estimated $0.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

IDAHO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $67.1 Million for Students in Idaho

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

IDAHO

Under the President's plan, Idaho students would receive an estimated $67.1 million in 1998, including:

- An estimated $24 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $40.8 million in Pell Grants for 21,000 low-income students. The President's proposal would provide an additional $9.2 million in 1998, and would benefit 1,800 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ILLINOIS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $609 Million for Students in Illinois

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ILLINOIS

Under the President's plan, Illinois students would receive an estimated $609 million in 1998, including:

- An estimated $314 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $275.1 million in Pell Grants for 149,700 low-income students. The President's proposal would provide an additional $61.8 million in 1998, and would benefit 13,000 more students than in 1997.[2]
- An estimated $20 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

INDIANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $272.1 Million for Students in Indiana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

INDIANA

Under the President's plan, Indiana students would receive an estimated $272.1 million in 1998, including:

- An estimated $122 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $139 million in Pell Grants for 77,400 low-income students. The President's proposal would provide an additional $31.2 million in 1998, and would benefit 6,700 more students than in 1997.[2]
- An estimated $11.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

IOWA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $172.4 Million for Students in Iowa

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

IOWA

Under the President's plan, Iowa students would receive an estimated $172.4 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $93 million in Pell Grants for 51,800 low-income students. The President's proposal would provide an additional $20.9 million in 1998, and would benefit 4,500 more students than in 1997.[2]
- An estimated $8.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

KANSAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $157.9 Million for Students in Kansas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

KANSAS

Under the President's plan, Kansas students would receive an estimated $157.9 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $82.3 million in Pell Grants for 45,200 low-income students. The President's proposal would provide an additional $18.5 million in 1998, and would benefit 3,900 more students than in 1997.[2]
- An estimated $4.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

KENTUCKY

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $203.3 Million for Students in Kentucky

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

KENTUCKY

Under the President's plan, Kentucky students would receive an estimated $203.3 million in 1998, including:

- An estimated $72 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $125.6 million in Pell Grants for 65,200 low-income students. The President's proposal would provide an additional $28.2 million in 1998, and would benefit 5,700 more students than in 1997.[2]
- An estimated $5.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

LOUISIANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $263 Million for Students in Louisiana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

LOUISIANA

Under the President's plan, Louisiana students would receive an estimated $263 million in 1998, including:

- An estimated $78 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $175.9 million in Pell Grants for 86,200 low-income students. The President's proposal would provide an additional $39.5 million in 1998, and would benefit 7,500 more students than in 1997.[2]
- An estimated $9.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MAINE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $54.3 Million for Students in Maine

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MAINE

Under the President's plan, Maine students would receive an estimated $54.3 million in 1998, including:

- An estimated $24 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $28.1 million in Pell Grants for 15,200 low-income students. The President's proposal would provide an additional $6.3 million in 1998, and would benefit 1,300 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MARYLAND

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $219.1 Million for Students in Maryland

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MARYLAND

Under the President's plan, Maryland students would receive an estimated $219.1 million in 1998, including:

- An estimated $114 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $99 million in Pell Grants for 55,100 low-income students. The President's proposal would provide an additional $22.3 million in 1998, and would benefit 4,800 more students than in 1997.[2]
- An estimated $6.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MASSACHUSETTS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $352 Million for Students in Massachusetts

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MASSACHUSETTS

Under the President's plan, Massachusetts students would receive an estimated $352 million in 1998, including:

- An estimated $180 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $153.1 million in Pell Grants for 82,100 low-income students. The President's proposal would provide an additional $34.4 million in 1998, and would benefit 7,100 more students than in 1997.[2]
- An estimated $18.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MICHIGAN

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $495 Million for Students in Michigan

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MICHIGAN

Under the President's plan, Michigan students would receive an estimated $495 million in 1998, including:

- An estimated $231 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $248.7 million in Pell Grants for 138,600 low-income students. The President's proposal would provide an additional $55.9 million in 1998, and would benefit 12,000 more students than in 1997.[2]
- An estimated $15.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MINNESOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $259.6 Million for Students in Minnesota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MINNESOTA

Under the President's plan, Minnesota students would receive an estimated $259.6 million in 1998, including:

- An estimated $121 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $128.9 million in Pell Grants for 73,900 low-income students. The President's proposal would provide an additional $29 million in 1998, and would benefit 6,400 more students than in 1997.[2]
- An estimated $9.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MISSISSIPPI

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $160.2 Million for Students in Mississippi

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MISSISSIPPI

Under the President's plan, Mississippi students would receive an estimated $160.2 million in 1998, including:

- An estimated $45 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $111.4 million in Pell Grants for 54,800 low-income students. The President's proposal would provide an additional $25 million in 1998, and would benefit 4,800 more students than in 1997.[2]
- An estimated $3.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MISSOURI

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $279.7 Million for Students in Missouri

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MISSOURI

Under the President's plan, Missouri students would receive an estimated $279.7 million in 1998, including:

- An estimated $122 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $146.5 million in Pell Grants for 80,500 low-income students. The President's proposal would provide an additional $32.9 million in 1998, and would benefit 7,000 more students than in 1997.[2]
- An estimated $11.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MONTANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $51.1 Million for Students in Montana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MONTANA

Under the President's plan, Montana students would receive an estimated $51.1 million in 1998, including:

- An estimated $15 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $34.2 million in Pell Grants for 17,500 low-income students. The President's proposal would provide an additional $7.7 million in 1998, and would benefit 1,500 more students than in 1997.[2]
- An estimated $1.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEBRASKA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $103.4 Million for Students in Nebraska

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEBRASKA

Under the President's plan, Nebraska students would receive an estimated $103.4 million in 1998, including:

- An estimated $49 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $50.4 million in Pell Grants for 29,300 low-income students. The President's proposal would provide an additional $11.3 million in 1998, and would benefit 2,500 more students than in 1997.[2]
- An estimated $3.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEVADA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $45 Million for Students in Nevada

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEVADA

Under the President's plan, Nevada students would receive an estimated $45 million in 1998, including:

- An estimated $28 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $15.9 million in Pell Grants for 9,100 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $1.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW HAMPSHIRE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $53.1 Million for Students in New Hampshire

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW HAMPSHIRE

Under the President's plan, New Hampshire students would receive an estimated $53.1 million in 1998, including:

- An estimated $27 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $23.5 million in Pell Grants for 13,200 low-income students. The President's proposal would provide an additional $5.3 million in 1998, and would benefit 1,100 more students than in 1997.[2]
- An estimated $2.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW JERSEY

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $296.4 Million for Students in New Jersey

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW JERSEY

Under the President's plan, New Jersey students would receive an estimated $296.4 million in 1998, including:

- An estimated $143 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $145.5 million in Pell Grants for 75,700 low-income students. The President's proposal would provide an additional $32.7 million in 1998, and would benefit 6,600 more students than in 1997.[2]
- An estimated $7.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW MEXICO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $108.1 Million for Students in New Mexico

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW MEXICO

Under the President's plan, New Mexico students would receive an estimated $108.1 million in 1998, including:

- An estimated $41 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $64.6 million in Pell Grants for 33,700 low-income students. The President's proposal would provide an additional $14.5 million in 1998, and would benefit 2,900 more students than in 1997.[2]
- An estimated $2.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW YORK

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $1.2 Billion for Students in New York

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW YORK

Under the President's plan, New York students would receive an estimated $1.2 billion in 1998, including:

- An estimated $422 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $744.6 million in Pell Grants for 369,500 low-income students. The President's proposal would provide an additional $167.3 million in 1998, and would benefit 32,100 more students than in 1997.[2]
- An estimated $42.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NORTH CAROLINA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $325.1 Million for Students in North Carolina

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NORTH CAROLINA

Under the President's plan, North Carolina students would receive an estimated $325.1 million in 1998, including:

- An estimated $157 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $157.4 million in Pell Grants for 85,900 low-income students. The President's proposal would provide an additional $35.4 million in 1998, and would benefit 7,500 more students than in 1997.[2]
- An estimated $10.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NORTH DAKOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $46.2 Million for Students in North Dakota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NORTH DAKOTA

Under the President's plan, North Dakota students would receive an estimated $46.2 million in 1998, including:

- An estimated $16 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $28.4 million in Pell Grants for 15,000 low-income students. The President's proposal would provide an additional $6.4 million in 1998, and would benefit 1,300 more students than in 1997.[2]
- An estimated $1.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OHIO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $535.1 Million for Students in Ohio

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OHIO

Under the President's plan, Ohio students would receive an estimated $535.1 million in 1998, including:

- An estimated $226 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $288.4 million in Pell Grants for 158,300 low-income students. The President's proposal would provide an additional $64.8 million in 1998, and would benefit 13,700 more students than in 1997.[2]
- An estimated $20.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OKLAHOMA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $208.9 Million for Students in Oklahoma

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OKLAHOMA

Under the President's plan, Oklahoma students would receive an estimated $208.9 million in 1998, including:

- An estimated $73 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $129.8 million in Pell Grants for 67,800 low-income students. The President's proposal would provide an additional $29.2 million in 1998, and would benefit 5,900 more students than in 1997.[2]
- An estimated $6.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OREGON

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $149.6 Million for Students in Oregon

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OREGON

Under the President's plan, Oregon students would receive an estimated $149.6 million in 1998, including:

- An estimated $69 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $74.8 million in Pell Grants for 40,500 low-income students. The President's proposal would provide an additional $16.8 million in 1998, and would benefit 3,500 more students than in 1997.[2]
- An estimated $5.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

PENNSYLVANIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $578.6 Million for Students in Pennsylvania

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

PENNSYLVANIA

Under the President's plan, Pennsylvania students would receive an estimated $578.6 million in 1998, including:

- An estimated $256 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $294.7 million in Pell Grants for 156,400 low-income students. The President's proposal would provide an additional $66.2 million in 1998, and would benefit 13,600 more students than in 1997.[2]
- An estimated $27.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

RHODE ISLAND

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $67.6 Million for Students in Rhode Island

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

RHODE ISLAND

Under the President's plan, Rhode Island students would receive an estimated $67.6 million in 1998, including:

- An estimated $32 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $32.2 million in Pell Grants for 17,900 low-income students. The President's proposal would provide an additional $7.2 million in 1998, and would benefit 1,600 more students than in 1997.[2]
- An estimated $3.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

SOUTH CAROLINA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $170.8 Million for Students in South Carolina

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

SOUTH CAROLINA

Under the President's plan, South Carolina students would receive an estimated $170.8 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $94.3 million in Pell Grants for 53,100 low-income students. The President's proposal would provide an additional $21.2 million in 1998, and would benefit 4,600 more students than in 1997.[2]
- An estimated $5.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

SOUTH DAKOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $45.8 Million for Students in South Dakota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

SOUTH DAKOTA

Under the President's plan, South Dakota students would receive an estimated $45.8 million in 1998, including:

- An estimated $14 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $29.9 million in Pell Grants for 16,200 low-income students. The President's proposal would provide an additional $6.7 million in 1998, and would benefit 1,400 more students than in 1997.[2]
- An estimated $1.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

TENNESSEE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $244 Million for Students in Tennessee

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

TENNESSEE

Under the President's plan, Tennessee students would receive an estimated $244 million in 1998, including:

- An estimated $99 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $136.9 million in Pell Grants for 72,700 low-income students. The President's proposal would provide an additional $30.8 million in 1998, and would benefit 6,300 more students than in 1997.[2]
- An estimated $8.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

TEXAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $915.8 Million for Students in Texas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

TEXAS

Under the President's plan, Texas students would receive an estimated $915.8 million in 1998, including:

- An estimated $395 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $495.7 million in Pell Grants for 266,400 low-income students. The President's proposal would provide an additional $111.4 million in 1998, and would benefit 23,100 more students than in 1997.[2]
- An estimated $25.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

UTAH

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $144.3 Million for Students in Utah

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

UTAH

Under the President's plan, Utah students would receive an estimated $144.3 million in 1998, including:

- An estimated $59 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $82.1 million in Pell Grants for 46,000 low-income students. The President's proposal would provide an additional $18.4 million in 1998, and would benefit 4,000 more students than in 1997.[2]
- An estimated $3.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

VERMONT

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $33.4 Million for Students in Vermont

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

VERMONT

Under the President's plan, Vermont students would receive an estimated $33.4 million in 1998, including:

- An estimated $15 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $16.2 million in Pell Grants for 9,300 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

VIRGINIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $306.2 Million for Students in Virginia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

VIRGINIA

Under the President's plan, Virginia students would receive an estimated $306.2 million in 1998, including:

- An estimated $151 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $143.8 million in Pell Grants for 79,400 low-income students. The President's proposal would provide an additional $32.3 million in 1998, and would benefit 6,900 more students than in 1997.[2]
- An estimated $11.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WASHINGTON STATE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $261.7 Million for Students in Washington State

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WASHINGTON STATE

Under the President's plan, Washington State students would receive an estimated $261.7 million in 1998, including:

- An estimated $120 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $132.7 million in Pell Grants for 69,600 low-income students. The President's proposal would provide an additional $29.8 million in 1998, and would benefit 6,000 more students than in 1997.[2]
- An estimated $8.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WEST VIRGINIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $97.2 Million for Students in West Virginia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WEST VIRGINIA

Under the President's plan, West Virginia students would receive an estimated $97.2 million in 1998, including:

- An estimated $35 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $59.2 million in Pell Grants for 29,700 low-income students. The President's proposal would provide an additional $13.3 million in 1998, and would benefit 2,600 more students than in 1997.[2]
- An estimated $3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WISCONSIN

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $254.3 Million for Students in Wisconsin

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WISCONSIN

Under the President's plan, Wisconsin students would receive an estimated $254.3 million in 1998, including:

- An estimated $130 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $115.7 million in Pell Grants for 64,500 low-income students. The President's proposal would provide an additional $26 million in 1998, and would benefit 5,600 more students than in 1997.[2]
- An estimated $8.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WYOMING

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $29.9 Million for Students in Wyoming

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WYOMING

Under the President's plan, Wyoming students would receive an estimated $29.9 million in 1998, including:

- An estimated $13 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $16.1 million in Pell Grants for 8,700 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $0.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MISSISSIPPI

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $160.2 Million for Students in Mississippi

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MISSISSIPPI

Under the President's plan, Mississippi students would receive an estimated $160.2 million in 1998, including:

- An estimated $45 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $111.4 million in Pell Grants for 54,800 low-income students. The President's proposal would provide an additional $25 million in 1998, and would benefit 4,800 more students than in 1997.[2]
- An estimated $3.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

State-by-State

April 11, 1997

U.S. DEPARTMENT OF EDUCATION

ALABAMA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $242 Million for Students in Alabama

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ALABAMA

Under the President's plan, Alabama students would receive an estimated $242 million in 1998, including:

- An estimated $92 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $144.2 million in Pell Grants for 79,300 low-income students. The President's proposal would provide an additional $32.4 million in 1998, and would benefit 6,900 more students than in 1997.[2]
- An estimated $5.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ALASKA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $21.9 Million for Students in Alaska

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ALASKA

Under the President's plan, Alaska students would receive an estimated $21.9 million in 1998, including:

- An estimated $13 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $8.7 million in Pell Grants for 4,600 low-income students. The President's proposal would provide an additional $1.9 million in 1998, and would benefit 400 more students than in 1997.[2]
- An estimated $0.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ARIZONA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $261.1 Million for Students in Arizona

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ARIZONA

Under the President's plan, Arizona students would receive an estimated $261.1 million in 1998, including:

- An estimated $115 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $135.8 million in Pell Grants for 72,700 low-income students. The President's proposal would provide an additional $30.5 million in 1998, and would benefit 6,300 more students than in 1997.[2]
- An estimated $10.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ARKANSAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $116.3 Million for Students in Arkansas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ARKANSAS

Under the President's plan, Arkansas students would receive an estimated $116.3 million in 1998, including:

- An estimated $37 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $76.3 million in Pell Grants for 39,100 low-income students. The President's proposal would provide an additional $17.2 million in 1998, and would benefit 3,400 more students than in 1997.[2]
- An estimated $3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

CALIFORNIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $1.7 Billion for Students in California

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

CALIFORNIA

Under the President's plan, California students would receive an estimated $1.7 billion in 1998, including:

- An estimated $777 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $873.8 million in Pell Grants for 431,600 low-income students. The President's proposal would provide an additional $196.4 million in 1998, and would benefit 37,500 more students than in 1997.[2]
- An estimated $46 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

COLORADO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $209.6 Million for Students in Colorado

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

COLORADO

Under the President's plan, Colorado students would receive an estimated $209.6 million in 1998, including:

- An estimated $103 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $98.2 million in Pell Grants for 53,700 low-income students. The President's proposal would provide an additional $22.1 million in 1998, and would benefit 4,700 more students than in 1997.[2]
- An estimated $8.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

CONNECTICUT

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $122.3 Million for Students in Connecticut

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

CONNECTICUT

Under the President's plan, Connecticut students would receive an estimated $122.3 million in 1998, including:

- An estimated $70 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $47.2 million in Pell Grants for 26,900 low-income students. The President's proposal would provide an additional $10.6 million in 1998, and would benefit 2,300 more students than in 1997.[2]
- An estimated $5.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

DELAWARE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $31.4 Million for Students in Delaware

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

DELAWARE

Under the President's plan, Delaware students would receive an estimated $31.4 million in 1998, including:

- An estimated $20 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $10.4 million in Pell Grants for 6,100 low-income students. The President's proposal would provide an additional $2.3 million in 1998, and would benefit 500 more students than in 1997.[2]
- An estimated $1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

THE DISTRICT OF COLUMBIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $61.2 Million for Students in the District of Columbia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

THE DISTRICT OF COLUMBIA

Under the President's plan, the District of Columbia students would receive an estimated $61.2 million in 1998, including:

- An estimated $35 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $19.8 million in Pell Grants for 10,600 low-income students. The President's proposal would provide an additional $4.5 million in 1998, and would benefit 900 more students than in 1997.[2]
- An estimated $6.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

FLORIDA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $638 Million for Students in Florida

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

FLORIDA

Under the President's plan, Florida students would receive an estimated $638 million in 1998, including:

- An estimated $260 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $358.5 million in Pell Grants for 189,500 low-income students. The President's proposal would provide an additional $80.6 million in 1998, and would benefit 16,400 more students than in 1997.[2]
- An estimated $19.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

GEORGIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $305.4 Million for Students in Georgia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

GEORGIA

Under the President's plan, Georgia students would receive an estimated $305.4 million in 1998, including:

- An estimated $125 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $168.8 million in Pell Grants for 99,000 low-income students. The President's proposal would provide an additional $37.9 million in 1998, and would benefit 8,600 more students than in 1997.[2]
- An estimated $11.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

HAWAII

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $44.2 Million for Students in Hawaii

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

HAWAII

Under the President's plan, Hawaii students would receive an estimated $44.2 million in 1998, including:

- An estimated $29 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $14.5 million in Pell Grants for 7,700 low-income students. The President's proposal would provide an additional $3.3 million in 1998, and would benefit 700 more students than in 1997.[2]
- An estimated $0.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

IDAHO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $67.1 Million for Students in Idaho

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

IDAHO

Under the President's plan, Idaho students would receive an estimated $67.1 million in 1998, including:

- An estimated $24 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $40.8 million in Pell Grants for 21,000 low-income students. The President's proposal would provide an additional $9.2 million in 1998, and would benefit 1,800 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

ILLINOIS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $609 Million for Students in Illinois

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

ILLINOIS

Under the President's plan, Illinois students would receive an estimated $609 million in 1998, including:

- An estimated $314 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $275.1 million in Pell Grants for 149,700 low-income students. The President's proposal would provide an additional $61.8 million in 1998, and would benefit 13,000 more students than in 1997.[2]
- An estimated $20 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

INDIANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $272.1 Million for Students in Indiana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

INDIANA

Under the President's plan, Indiana students would receive an estimated $272.1 million in 1998, including:

- An estimated $122 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $139 million in Pell Grants for 77,400 low-income students. The President's proposal would provide an additional $31.2 million in 1998, and would benefit 6,700 more students than in 1997.[2]
- An estimated $11.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

IOWA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $172.4 Million for Students in Iowa

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

IOWA

Under the President's plan, Iowa students would receive an estimated $172.4 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $93 million in Pell Grants for 51,800 low-income students. The President's proposal would provide an additional $20.9 million in 1998, and would benefit 4,500 more students than in 1997.[2]
- An estimated $8.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

KANSAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $157.9 Million for Students in Kansas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

KANSAS

Under the President's plan, Kansas students would receive an estimated $157.9 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $82.3 million in Pell Grants for 45,200 low-income students. The President's proposal would provide an additional $18.5 million in 1998, and would benefit 3,900 more students than in 1997.[2]
- An estimated $4.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

KENTUCKY

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $203.3 Million for Students in Kentucky

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

KENTUCKY

Under the President's plan, Kentucky students would receive an estimated $203.3 million in 1998, including:

- An estimated $72 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $125.6 million in Pell Grants for 65,200 low-income students. The President's proposal would provide an additional $28.2 million in 1998, and would benefit 5,700 more students than in 1997.[2]
- An estimated $5.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

LOUISIANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $263 Million for Students in Louisiana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

LOUISIANA

Under the President's plan, Louisiana students would receive an estimated $263 million in 1998, including:

- An estimated $78 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $175.9 million in Pell Grants for 86,200 low-income students. The President's proposal would provide an additional $39.5 million in 1998, and would benefit 7,500 more students than in 1997.[2]
- An estimated $9.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MAINE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $54.3 Million for Students in Maine

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MAINE

Under the President's plan, Maine students would receive an estimated $54.3 million in 1998, including:

- An estimated $24 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $28.1 million in Pell Grants for 15,200 low-income students. The President's proposal would provide an additional $6.3 million in 1998, and would benefit 1,300 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MARYLAND

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $219.1 Million for Students in Maryland

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MARYLAND

Under the President's plan, Maryland students would receive an estimated $219.1 million in 1998, including:

- An estimated $114 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $99 million in Pell Grants for 55,100 low-income students. The President's proposal would provide an additional $22.3 million in 1998, and would benefit 4,800 more students than in 1997.[2]
- An estimated $6.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MASSACHUSETTS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $352 Million for Students in Massachusetts

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MASSACHUSETTS

Under the President's plan, Massachusetts students would receive an estimated $352 million in 1998, including:

- An estimated $180 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $153.1 million in Pell Grants for 82,100 low-income students. The President's proposal would provide an additional $34.4 million in 1998, and would benefit 7,100 more students than in 1997.[2]
- An estimated $18.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MICHIGAN

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $495 Million for Students in Michigan

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MICHIGAN

Under the President's plan, Michigan students would receive an estimated $495 million in 1998, including:

- An estimated $231 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $248.7 million in Pell Grants for 138,600 low-income students. The President's proposal would provide an additional $55.9 million in 1998, and would benefit 12,000 more students than in 1997.[2]
- An estimated $15.3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MINNESOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $259.6 Million for Students in Minnesota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MINNESOTA

Under the President's plan, Minnesota students would receive an estimated $259.6 million in 1998, including:

- An estimated $121 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $128.9 million in Pell Grants for 73,900 low-income students. The President's proposal would provide an additional $29 million in 1998, and would benefit 6,400 more students than in 1997.[2]
- An estimated $9.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MISSISSIPPI

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $160.2 Million for Students in Mississippi

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MISSISSIPPI

Under the President's plan, Mississippi students would receive an estimated $160.2 million in 1998, including:

- An estimated $45 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $111.4 million in Pell Grants for 54,800 low-income students. The President's proposal would provide an additional $25 million in 1998, and would benefit 4,800 more students than in 1997.[2]
- An estimated $3.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MISSOURI

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $279.7 Million for Students in Missouri

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MISSOURI

Under the President's plan, Missouri students would receive an estimated $279.7 million in 1998, including:

- An estimated $122 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $146.5 million in Pell Grants for 80,500 low-income students. The President's proposal would provide an additional $32.9 million in 1998, and would benefit 7,000 more students than in 1997.[2]
- An estimated $11.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

MONTANA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $51.1 Million for Students in Montana

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

MONTANA

Under the President's plan, Montana students would receive an estimated $51.1 million in 1998, including:

- An estimated $15 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $34.2 million in Pell Grants for 17,500 low-income students. The President's proposal would provide an additional $7.7 million in 1998, and would benefit 1,500 more students than in 1997.[2]
- An estimated $1.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEBRASKA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $103.4 Million for Students in Nebraska

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEBRASKA

Under the President's plan, Nebraska students would receive an estimated $103.4 million in 1998, including:

- An estimated $49 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $50.4 million in Pell Grants for 29,300 low-income students. The President's proposal would provide an additional $11.3 million in 1998, and would benefit 2,500 more students than in 1997.[2]
- An estimated $3.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEVADA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $45 Million for Students in Nevada

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEVADA

Under the President's plan, Nevada students would receive an estimated $45 million in 1998, including:

- An estimated $28 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $15.9 million in Pell Grants for 9,100 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $1.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW HAMPSHIRE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $53.1 Million for Students in New Hampshire

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW HAMPSHIRE

Under the President's plan, New Hampshire students would receive an estimated $53.1 million in 1998, including:

- An estimated $27 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $23.5 million in Pell Grants for 13,200 low-income students. The President's proposal would provide an additional $5.3 million in 1998, and would benefit 1,100 more students than in 1997.[2]
- An estimated $2.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW JERSEY

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $296.4 Million for Students in New Jersey

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW JERSEY

Under the President's plan, New Jersey students would receive an estimated $296.4 million in 1998, including:

- An estimated $143 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $145.5 million in Pell Grants for 75,700 low-income students. The President's proposal would provide an additional $32.7 million in 1998, and would benefit 6,600 more students than in 1997.[2]
- An estimated $7.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW MEXICO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $108.1 Million for Students in New Mexico

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW MEXICO

Under the President's plan, New Mexico students would receive an estimated $108.1 million in 1998, including:

- An estimated $41 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $64.6 million in Pell Grants for 33,700 low-income students. The President's proposal would provide an additional $14.5 million in 1998, and would benefit 2,900 more students than in 1997.[2]
- An estimated $2.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NEW YORK

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $1.2 Billion for Students in New York

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NEW YORK

Under the President's plan, New York students would receive an estimated $1.2 billion in 1998, including:

- An estimated $422 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $744.6 million in Pell Grants for 369,500 low-income students. The President's proposal would provide an additional $167.3 million in 1998, and would benefit 32,100 more students than in 1997.[2]
- An estimated $42.6 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NORTH CAROLINA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $325.1 Million for Students in North Carolina

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NORTH CAROLINA

Under the President's plan, North Carolina students would receive an estimated $325.1 million in 1998, including:

- An estimated $157 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $157.4 million in Pell Grants for 85,900 low-income students. The President's proposal would provide an additional $35.4 million in 1998, and would benefit 7,500 more students than in 1997.[2]
- An estimated $10.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

NORTH DAKOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $46.2 Million for Students in North Dakota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

NORTH DAKOTA

Under the President's plan, North Dakota students would receive an estimated $46.2 million in 1998, including:

- An estimated $16 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $28.4 million in Pell Grants for 15,000 low-income students. The President's proposal would provide an additional $6.4 million in 1998, and would benefit 1,300 more students than in 1997.[2]
- An estimated $1.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OHIO

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $535.1 Million for Students in Ohio

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OHIO

Under the President's plan, Ohio students would receive an estimated $535.1 million in 1998, including:

- An estimated $226 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $288.4 million in Pell Grants for 158,300 low-income students. The President's proposal would provide an additional $64.8 million in 1998, and would benefit 13,700 more students than in 1997.[2]
- An estimated $20.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OKLAHOMA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $208.9 Million for Students in Oklahoma

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OKLAHOMA

Under the President's plan, Oklahoma students would receive an estimated $208.9 million in 1998, including:

- An estimated $73 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $129.8 million in Pell Grants for 67,800 low-income students. The President's proposal would provide an additional $29.2 million in 1998, and would benefit 5,900 more students than in 1997.[2]
- An estimated $6.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

OREGON

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $149.6 Million for Students in Oregon

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

OREGON

Under the President's plan, Oregon students would receive an estimated $149.6 million in 1998, including:

- An estimated $69 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $74.8 million in Pell Grants for 40,500 low-income students. The President's proposal would provide an additional $16.8 million in 1998, and would benefit 3,500 more students than in 1997.[2]
- An estimated $5.8 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

PENNSYLVANIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $578.6 Million for Students in Pennsylvania

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

PENNSYLVANIA

Under the President's plan, Pennsylvania students would receive an estimated $578.6 million in 1998, including:

- An estimated $256 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $294.7 million in Pell Grants for 156,400 low-income students. The President's proposal would provide an additional $66.2 million in 1998, and would benefit 13,600 more students than in 1997.[2]
- An estimated $27.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

RHODE ISLAND

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $67.6 Million for Students in Rhode Island

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

RHODE ISLAND

Under the President's plan, Rhode Island students would receive an estimated $67.6 million in 1998, including:

- An estimated $32 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $32.2 million in Pell Grants for 17,900 low-income students. The President's proposal would provide an additional $7.2 million in 1998, and would benefit 1,600 more students than in 1997.[2]
- An estimated $3.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

SOUTH CAROLINA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $170.8 Million for Students in South Carolina

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

SOUTH CAROLINA

Under the President's plan, South Carolina students would receive an estimated $170.8 million in 1998, including:

- An estimated $71 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $94.3 million in Pell Grants for 53,100 low-income students. The President's proposal would provide an additional $21.2 million in 1998, and would benefit 4,600 more students than in 1997.[2]
- An estimated $5.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

SOUTH DAKOTA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $45.8 Million for Students in South Dakota

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

SOUTH DAKOTA

Under the President's plan, South Dakota students would receive an estimated $45.8 million in 1998, including:

- An estimated $14 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $29.9 million in Pell Grants for 16,200 low-income students. The President's proposal would provide an additional $6.7 million in 1998, and would benefit 1,400 more students than in 1997.[2]
- An estimated $1.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

TENNESSEE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $244 Million for Students in Tennessee

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

TENNESSEE

Under the President's plan, Tennessee students would receive an estimated $244 million in 1998, including:

- An estimated $99 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $136.9 million in Pell Grants for 72,700 low-income students. The President's proposal would provide an additional $30.8 million in 1998, and would benefit 6,300 more students than in 1997.[2]
- An estimated $8.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

TEXAS

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $915.8 Million for Students in Texas

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

TEXAS

Under the President's plan, Texas students would receive an estimated $915.8 million in 1998, including:

- An estimated $395 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $495.7 million in Pell Grants for 266,400 low-income students. The President's proposal would provide an additional $111.4 million in 1998, and would benefit 23,100 more students than in 1997.[2]
- An estimated $25.1 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

UTAH

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $144.3 Million for Students in Utah

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

UTAH

Under the President's plan, Utah students would receive an estimated $144.3 million in 1998, including:

- An estimated $59 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $82.1 million in Pell Grants for 46,000 low-income students. The President's proposal would provide an additional $18.4 million in 1998, and would benefit 4,000 more students than in 1997.[2]
- An estimated $3.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

1 Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

2 Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

3 Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

VERMONT

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $33.4 Million for Students in Vermont

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

VERMONT

Under the President's plan, Vermont students would receive an estimated $33.4 million in 1998, including:

- An estimated $15 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $16.2 million in Pell Grants for 9,300 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $2.2 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

VIRGINIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $306.2 Million for Students in Virginia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

VIRGINIA

Under the President's plan, Virginia students would receive an estimated $306.2 million in 1998, including:

- An estimated $151 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $143.8 million in Pell Grants for 79,400 low-income students. The President's proposal would provide an additional $32.3 million in 1998, and would benefit 6,900 more students than in 1997.[2]
- An estimated $11.4 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WASHINGTON STATE

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $261.7 Million for Students in Washington State

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WASHINGTON STATE

Under the President's plan, Washington State students would receive an estimated $261.7 million in 1998, including:

- An estimated $120 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $132.7 million in Pell Grants for 69,600 low-income students. The President's proposal would provide an additional $29.8 million in 1998, and would benefit 6,000 more students than in 1997.[2]
- An estimated $8.9 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WEST VIRGINIA

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $97.2 Million for Students in West Virginia

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WEST VIRGINIA

Under the President's plan, West Virginia students would receive an estimated $97.2 million in 1998, including:

- An estimated $35 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $59.2 million in Pell Grants for 29,700 low-income students. The President's proposal would provide an additional $13.3 million in 1998, and would benefit 2,600 more students than in 1997.[2]
- An estimated $3 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WISCONSIN

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $254.3 Million for Students in Wisconsin

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WISCONSIN

Under the President's plan, Wisconsin students would receive an estimated $254.3 million in 1998, including:

- An estimated $130 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $115.7 million in Pell Grants for 64,500 low-income students. The President's proposal would provide an additional $26 million in 1998, and would benefit 5,600 more students than in 1997.[2]
- An estimated $8.5 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

U.S. DEPARTMENT OF EDUCATION

WYOMING

The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 Would Provide $29.9 Million for Students in Wyoming

On March 20, 1997, the President sent to Congress legislation to open the doors of college to more Americans. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 – part of the President's five-year balanced budget plan – would provide more than $81 billion over five years to middle- and low-income families struggling to pay for college. Already, more than 300 college and university presidents have expressed support for the President's higher education initiatives, which include:

Tax relief for middle-income families: $36.1 billion over five years. The President's HOPE Scholarship, a $1,500 tax credit for tuition paid for each of the first two years of college, would benefit 4.2 million students nationwide in 1998. The President's proposal would also allow a tax deduction for tuition and required fees up to $10,000 beginning in 1999 ($5,000 maximum in 1997 and 1998). This would help the families of 8.1 million students in 1998.

The largest Pell Grant increase in two decades. The HOPE Act would also increase and expand Pell Grants by $1.7 billion over the 1997 level – the first step toward providing at least $40 billion in grant aid over the next 5 years. Awards would be raised by as much as $300 for over 3.6 million low- and moderate- income students who currently receive Pell Grants. Also, an additional 348,000 needy students would be eligible for Pell Grants.

Student loan fees reduced by $2.6 billion. The President's proposal would cut loan fees 50 percent for 4 million low- and middle-income students, and 25 percent on 2.5 million other loans for students and parents. Relief from administrative fees provides borrowers with more money to meet college costs.

Extending the tax-free treatment of employer-provided educational assistance. The HOPE Act would allow students to deduct up to $5,250 of employer-provided educational assistance for undergraduate and graduate studies per year through 2000, and would provide a tax credit to small businesses that provide educational assistance. These provisions would save taxpayers $2.4 billion over 5 years.

WYOMING

Under the President's plan, Wyoming students would receive an estimated $29.9 million in 1998, including:

- An estimated $13 million in tax benefits for students and their families through the HOPE Scholarship tax credit and the tuition tax deduction.[1]
- A projected total of $16.1 million in Pell Grants for 8,700 low-income students. The President's proposal would provide an additional $3.6 million in 1998, and would benefit 800 more students than in 1997.[2]
- An estimated $0.7 million drop in loan fees for student loan borrowers, putting more money into the hands of students when they pay tuition bills and other college expenses.[3]

[1] Estimates for 1998 are based on the anticipated state distribution of Pell recipients in 1998-99 and the likelihood that a Pell or non-Pell student will receive a tax benefit.

[2] Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

[3] Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State.

The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

President Clinton's Higher Education Initiative with State-by-State Analysis

March 20, 1997

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President Clinton's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

TODAY, THE PRESIDENT WILL SEND TO CONGRESS NEW LEGISLATION TO HELP OPEN THE DOORS OF COLLEGE TO MORE AMERICANS. The Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 -- part of President Clinton's five-year balanced budget -- includes a $10,000 tuition tax deduction, a $1,500 Hope Scholarship tax credit, a substantial Pell Grant expansion and increase, a cut in student loan fees, new educational assistance from employers, and other provisions. The new legislation provides:

- √ **$38.4 billion over five years in tax relief** for middle-income families struggling to pay for college and make ends meet.
- √ **At least $40 billion in Pell Grants** over five years to provide more tuition assistance to low- and moderate-income families, the largest increase in two decades.
- √ **$2.6 billion in savings over five years in reduced loan fees** for student loan borrowers -- putting more money into the hands of students when they pay tuition bills and other college expenses.
- √ **Financial support for worker training** through the tuition deduction and the extension of the tax-free treatment of up to $5,250 per employee in employer-provided educational assistance.

KEY ELEMENTS OF THE HOPE ACT OF 1997

- **Includes a $1,500 per student HOPE Scholarship tax credit** for tuition and fees in the student's first year and another $1,500 in the second year if the student earns at least a B minus average. That credit will help 4.2 million students in 1998.
- **Provides a $10,000 tuition tax deduction** for higher education and training, which is expected to help the families of 8.1 million students in 1998.
- **Provides the largest Pell Grant increase in two decades** -- from $2,700 in FY 1997 to $3,000 in FY 1998. Over 3.6 million students now eligible will receive an increase of up to $300. This increase and other changes will make an additional 348,000 families eligible for the grant.
- **Lowers fees and reduces interest rates for millions of student borrowers.**

OVER 250 COLLEGE PRESIDENTS EXPRESS SUPPORT FOR THE PRESIDENT'S HIGHER EDUCATION PLAN. Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for the President's higher education initiatives.

NEW STATE-BY-STATE ANALYSIS SHOWS EVERY REGION OF THE COUNTRY BENEFITTING FROM THE HOPE ACT. For the 1998-99 academic year, these proposals will provide nearly $1.7 billion in Federal benefits for students in California, and over $300 million for students in Virginia.

Benefits to Students under Hope and Opportunity for Postsecondary Education Act of 1997

(dollars in millions)

State	Total Pell Budget Authority in Award Year 1998-99	Combined Tax Benefits for Calendar Year 1998	Cut in Student Loan Fees for Award Year 1998-99	Total Benefits for Award Year 1998-99
Alabama	$144.2	$92	$5.8	$242.0
Alaska	8.7	13	0.3	21.9
Arizona	135.8	115	10.3	261.1
Arkansas	76.3	37	3.0	116.3
California	873.8	777	46.0	1696.7
Colorado	98.2	103	8.5	209.6
Connecticut	47.2	70	5.2	122.3
Delaware	10.4	20	1.0	31.4
District of Columbia	19.8	35	6.4	61.2
Florida	358.5	260	19.5	638.0
Georgia	168.8	125	11.6	305.4
Hawaii	14.5	29	0.8	44.2
Idaho	40.8	24	2.2	67.1
Illinois	275.1	314	20.0	609.0
Indiana	139.0	122	11.1	272.1
Iowa	93.0	71	8.4	172.4
Kansas	82.3	71	4.6	157.9
Kentucky	125.6	72	5.6	203.3
Louisiana	175.9	78	9.1	263.0
Maine	28.1	24	2.2	54.3
Maryland	99.0	114	6.1	219.1
Massachusetts	153.1	180	18.9	352.0
Michigan	248.7	231	15.3	495.0
Minnesota	128.9	121	9.6	259.6
Mississippi	111.4	45	3.7	160.2
Missouri	146.5	122	11.2	279.7
Montana	34.2	15	1.9	51.1
Nebraska	50.4	49	3.9	103.4
Nevada	15.9	28	1.1	45.0
New Hampshire	23.5	27	2.7	53.1
New Jersey	145.5	143	7.9	296.4
New Mexico	64.6	41	2.5	108.1
New York	744.6	422	42.6	1209.2
North Carolina	157.4	157	10.8	325.1
North Dakota	28.4	16	1.8	46.2
Ohio	288.4	226	20.7	535.1
Oklahoma	129.8	73	6.1	208.9
Oregon	74.8	69	5.8	149.6
Pennsylvania	294.7	256	27.9	578.6
Puerto Rico	412.3	--	2.6	414.9
Rhode Island	32.2	32	3.5	67.6
South Carolina	94.3	71	5.5	170.8
South Dakota	29.9	14	1.9	45.8
Tennessee	136.9	99	8.1	244.0
Texas	495.7	395	25.1	915.8
Utah	82.1	59	3.2	144.3
Vermont	16.2	15	2.2	33.4
Virginia	143.8	151	11.4	306.2
Washington	132.7	120	8.9	261.7
West Virginia	59.2	35	3.0	97.2
Wisconsin	115.7	130	8.5	254.3
Wyoming	16.1	13	0.7	29.9
Outlying Areas	12.1	0	0.0	12.1
TOTAL	**$7,635.0**	**$5,921.0**	**$466.5**	**$14,022.5**

Pell Benefits to Students under the President's FY1998 Budget Policy

(Recipients in thousands, dollars in millions)

State	Total Pell Recipients in Award Year 1998-99	Increase in Pell Recipients From Award Year 1997-98	Total Pell Budget Authority in Award Year 1998-99	Increase in 1998 Pell Budget Authority from 1997
Alabama	79.3	6.9	$144.2	$32.4
Alaska	4.6	0.4	8.7	1.9
Arizona	72.7	6.3	135.8	30.5
Arkansas	39.1	3.4	76.3	17.2
California	431.6	37.5	873.8	196.4
Colorado	53.7	4.7	98.2	22.1
Connecticut	26.9	2.3	47.2	10.6
Delaware	6.1	0.5	10.4	2.3
District of Columbia	10.6	0.9	19.8	4.5
Florida	189.5	16.4	358.5	80.6
Georgia	99	8.6	168.8	37.9
Hawaii	7.7	0.7	14.5	3.3
Idaho	21	1.8	40.8	9.2
Illinois	149.7	13	275.1	61.8
Indiana	77.4	6.7	139.0	31.2
Iowa	51.8	4.5	93.0	20.9
Kansas	45.2	3.9	82.3	18.5
Kentucky	65.2	5.7	125.6	28.2
Louisiana	86.2	7.5	175.9	39.5
Maine	15.2	1.3	28.1	6.3
Maryland	55.1	4.8	99.0	22.3
Massachusetts	82.1	7.1	153.1	34.4
Michigan	138.6	12	248.7	55.9
Minnesota	73.9	6.4	128.9	29.0
Mississippi	54.8	4.8	111.4	25.0
Missouri	80.5	7	146.5	32.9
Montana	17.5	1.5	34.2	7.7
Nebraska	29.3	2.5	50.4	11.3
Nevada	9.1	0.8	15.9	3.6
New Hampshire	13.2	1.1	23.5	5.3
New Jersey	75.7	6.6	145.5	32.7
New Mexico	33.7	2.9	64.6	14.5
New York	369.5	32.1	744.6	167.3
North Carolina	85.9	7.5	157.4	35.4
North Dakota	15	1.3	28.4	6.4
Ohio	158.3	13.7	288.4	64.8
Oklahoma	67.8	5.9	129.8	29.2
Oregon	40.5	3.5	74.8	16.8
Pennsylvania	156.4	13.6	294.7	66.2
Puerto Rico	180.5	15.7	412.3	92.7
Rhode Island	17.9	1.6	32.2	7.2
South Carolina	53.1	4.6	94.3	21.2
South Dakota	16.2	1.4	29.9	6.7
Tennessee	72.7	6.3	136.9	30.8
Texas	266.4	23.1	495.7	111.4
Utah	46	4	82.1	18.4
Vermont	9.3	0.8	16.2	3.6
Virginia	79.4	6.9	143.8	32.3
Washington	69.6	6	132.7	29.8
West Virginia	29.7	2.6	59.2	13.3
Wisconsin	64.5	5.6	115.7	26.0
Wyoming	8.7	0.8	16.1	3.6
Outlying Areas	6	0.5	12.1	2.7
TOTAL	4,009.4	348	$7,635.0	$1,716.0

Explanation of State-by-State Tables

Table 1 -- Benefits to Students under the HOPE Act

The first column provides the total estimated Pell Grant funding in the 1998-99 academic year for students attending postsecondary institutions in the State.

The second column provides the total estimated reduction in taxes (as a result of the HOPE Scholarship and the higher education tax deduction) in the 1998 calendar year for students attending postsecondary institutions in the State.

The third column provides the total estimated reduction in loan fees in the 1998-99 academic year for students and parents attending postsecondary institutions in the State.

The final column is a total of the first three columns: **the total benefit for students in the State.**

Table 2 -- Pell Grant Benefits to Students

For students attending postsecondary institutions in the State in the 1998-99 academic year:

- the first column shows the number of Pell Grant recipients;
- the second column shows the increase in the number of recipients over the previous year;
- the third column shows the total Pell Grant funding; and
- the fourth column shows the increased Pell Grant funding over the previous year.

Methodology of State-by-State Analysis

Pell Grant Budget Authority for Academic Year 1998-99
Estimates are based on 1998-99 Pell Grant projections, adjusted by the 1994-95 academic year distribution of Pell recipients and funding among different States.

Combined Tax Benefits for Calendar Year 1998
Using a nationally-representative sample of postsecondary students, we first determined the likelihood of a Pell and non-Pell recipient receiving a tax benefit. Using these data and the Pell Grant distributions discussed above, we estimated the number of students that would receive a tax benefit in each state. We then used this relative distribution of tax beneficiaries to allocate calendar year 1998 benefit amounts ($5.9 billion) among the States.

Cuts in Student Loan Origination Fees for Academic Year 1998-99
Estimates are based on projected loan amounts and number of borrowers for academic year 1998-99, and the historical distribution of loans by State. Two percent of Stafford (subsidized) loan volume and one percent of unsubsidized loan volume equal the estimated student savings by State.

Highlights of the
Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

INITIATIVE	DESCRIPTION	AMOUNT	IMPACT
Title I: Higher Education Tax Incentives			
HOPE Scholarship Tax Credit	Up to $1,500 per-student tax credit for tuition and fees in student's first year and another $1,500 in the second year if student earns at least a B-average.	$18.6 billion over five years.	Expected to help 4.2 million students in 1998.
$10,000 Tax Deduction for Higher Education and Training	Phases up from $5,000 in 1997 to a $10,000 maximum deduction in 1999 for tuition and fees. Also available for training and lifelong learning.	$17.5 billion over five years.	Expected to help 8.1 million students in 1998.
Tax-Free Education Savings*	Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.	Education specific estimates not available.	Combined with tax deduction, IRA used for education will never be taxed. Will make over 20 million families eligible for such a benefit.
Educational Assistance from Employers	Extends tax exclusion for employer-provided education assistance through 2000, for both undergraduate and graduate education. Also provides tax credit to small businesses.	$2.4 billion between 1997-2001.	Benefits 1.7 million employees a year.
Community Service: Loan Forgiveness	Tax relief for community service loan forgiveness and for borrowers who repay through the income contingent repayment plan for 25 years.	$15 million over five years.	Not available.
Title II: Financial Aid for Needy Students			
Pell Grant Increase and Expansion	Largest increase in two decades -- from $2,700 in FY97 to $3,000 in FY98. Combined with the FY97 increase, the maximum grant has increased $530 since FY96.	At least $40 billion over five years. $1.7 billion more in 1998 than the FY97 appropriation -- a 25% increase in aid.	Over 3.6 million students now eligible will receive an increase up to $300. This increase will also make an additional 130,000 families eligible for the grant.
Pell Grant Expansion for Older, Low-Income Students	Increases eligibility for older, low-income students to receive a Pell Grant.	$3.9 billion over five years.	An additional 218,000 low-income students generally aged 24 or over will be newly eligible for Pell Grants. The new recipients will receive, on average, a grant of $1,431.
Cut in Student Loan Fees	Cuts loan fees from 4% to 2% on need-based Stafford loans -- and to 3% on other loans for students and parents.	$2.6 billion in savings for borrowers over five years	Loan fees will be cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans.

*The IRA proposal is not part of the HOPE Act but will be transmitted to Congress separately.

Summary of the Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997

March 20, 1997

Today's employers look for job applicants with more than a high school diploma. Since the success of the post-World War II GI Bill, the Federal Government has expanded college aid, making it possible for more Americans to attend college. But for too many, the financial strains of continuing their education are still severe. The President's Hope and Opportunity for Postsecondary Education (HOPE) Act of 1997 ensures that these barriers to higher education continue to fall for all Americans and provides tax relief for middle-income families struggling to pay for college.

Title I: HIGHER EDUCATION TAX INCENTIVES

HOPE Scholarship Tax Credits

- Up to a $1,500 per student credit for tuition and fees for course work beginning on or after July 1, 1997.
- Credit can be claimed in two tax years for any student who has not finished 13th and 14th years of education.
- The tax credit is expected to help 4.2 million students (1998), and would save families $18.6 billion over five years.

The non-refundable tax credit is available for students enrolled on at least a half-time basis during the first two years of postsecondary education. The credit may be claimed in no more than two years. To receive the credit for the second time, the student must have at least a B minus grade point average in course work completed before that year. Federal grants (but not loans or work-study) generally would reduce the allowable tax credit. No credit would be available for any student convicted of a drug-related felony.

The credit would be phased out for taxpayers filing a joint return with adjusted gross income between $80,000 and $100,000. For taxpayers filing single and head-of-household returns, the credit would be phased out for adjusted gross income between $50,000 and 70,000. (The phase-out ranges and the amount of the credit would be indexed).

Tax Deduction for Higher Education and Training

- $10,000 per family maximum deduction for lifelong learning ($5,000 maximum in 1997 and 1998).
- Available for job training and re-training, in addition to traditional undergraduate and graduate education.
- Deduction is "above the line" -- available even if the taxpayer does not itemize.
- Expected to help 8.1 million students (1998), and would save families $17.5 billion over five years.

The deduction could be claimed for out-of-pocket tuition and fees paid for any student enrolled at least half-time in a degree or certificate program, including graduate programs, at an eligible postsecondary institution. In addition, the deduction would be available for the cost of training -- whether or not it leads to a degree -- that helps the student, older worker, or job-seeker improve or acquire job skills. A student in the first two years of postsecondary education could choose either the credit or the deduction, but not both. The deduction phases in, beginning with a $5,000 maximum per family for payments made after December 31, 1996 to cover course work beginning on or after July 1, 1997. It increases to a $10,000 maximum deduction beginning in 1999. The deduction would be phased out at the same income levels as the credit.

*Tax-free Education Savings**

- Families with incomes up to $100,000 would be eligible for IRAs, and could make penalty-free withdrawals for higher education.

- Combined with tuition deduction (above), the IRA savings spent by middle-income families on tuition and fees would never be taxed.

* As part of his balanced budget plan, the President has proposed a number of changes to IRAs to make it possible for families to use them to pay for education tax-free. Although the specific legislation providing for these changes is not included in the HOPE Act, it will be transmitted to Congress soon.

The President's budget plan would allow IRAs to be used for postsecondary education expenses free from early withdrawal tax penalties, and would make over 20 million families eligible to make tax-deductible IRA contributions. Currently, if an individual (or spouse) already participates in an employer's retirement plan, eligibility is phased out for taxpayers filing a joint return with adjusted gross income between $40,000 and $50,000 (between $25,000 and $35,000 for single filers). The proposal would expand the phase-out ranges for 1997 through 1999 to $70,000 to $90,000 for joint filers ($45,000 to $65,000 for single). Beginning in 2000, the phase-out range would match the ranges described for the higher education tax credit. The proposal would also create a special IRA that could be used to save for education and other needs, subject to the same income limits.

Educational Assistance from Employers

- Extends tax exclusion for employer-provided education assistance (Section 127) through the year 2000, for both undergraduate and graduate education.

- Tax credit to encourage small businesses to offer educational assistance to employees.

- Benefits 1.7 million employees a year.

The current exclusion from an employee's income of up to $5,250 per year of postsecondary educational assistance provided by an employer expires this year, and expired for graduate-level assistance last year. The President would extend the exclusion, and reinstate the graduate-level component, through the year 2000. In addition, for 1998-2000, small businesses would be given a new incentive to provide educational assistance to their employees through a ten-percent tax credit for amounts paid under an employer-provided educational assistance program for education provided by a third party.

Community Service: Loan Forgiveness

- Tax-free loan cancellation for public service and forgiveness under the income contingent repayment plan.

Under current law, a charity or private educational institution that forgives a loan as part of a program that enables graduates working in certain professions (such as rural medicine or teaching) to pay off their student loans through community service must report the loan forgiveness as income to the graduate. This proposal would exclude the loan forgiveness from an individual's income and clarify that the same treatment would be provided for forgiveness under the income contingent loan repayment plan for direct loans.

Title II: FINANCIAL AID FOR NEEDY STUDENTS

Pell Grant Increase and Expansion

- Largest increase in Pell Grants in two decades.

- $300 boost in the Pell Grant maximum, to a $3,000 maximum award. Since FY 1996, the maximum award will have increased $530.

- A 25 percent funding increase over last year -- $1.7 billion more than the FY 1997 appropriation.

- 3.6 million students now receiving Pell Grants will be eligible to receive an increase of up to $300. The increase will make 130,000 more moderate-income families eligible for the grant.

- Older student provision will make Pell Grants available to additional 218,000 low-income students generally aged 24 or over.

- With these changes, the number of Pell Grant recipients will exceed 4 million in FY 1998.

- At least $40 billion available for Pell Grants for needy students over five years.

Pell Grants are the foundation of student aid for low- and moderate-income families. Increasing the maximum award to $3,000 provides more aid to currently eligible students, and makes an additional 130,000 students eligible for the grants. In addition, the proposal would increase the eligibility of older, low-income students. With this change, more low-income students who are 24 years old or older and financially independent from parents would receive a Pell Grant. Pell Grants are particularly beneficial for low-income students who have little or no tax liability because of the high award level and its availability for all four years of undergraduate education.

Cut Student Loan Fees and Interest

- Borrower-paid loan fees cut in half for 4 million low- and middle-income students, and by a quarter for 2.5 million other loans to student and parent borrowers.

- $2.6 billion in borrower savings over five years produced by the fee cut alone.

- Interest rate during in-school period cut for 2 million students, saving them an additional $1 billion.

Before 1993, borrowers lost up to 8 percent of their student loans in required fees before the money ever reached them. In 1993, the President's aggressive student loan reforms spurred a 50 percent cut in allowable fees that has already saved families nearly $2 billion. The President's plan proposes -- for both the Direct and guaranteed loan programs -- to cut loan fees from 4 percent to just 2 percent on need-based Stafford loans, and to 3 percent on other loans for students and parents.

The Congressional Budget Office and other analysts have noted that lender costs during the in-school period -- when students are not required to make payments on their loans -- are very low. The budget reduces the interest rate during that period by one percentage point.

The proposal provides these benefits to students while saving taxpayers $3.5 billion over five years by streamlining the guaranty agency system to make it more efficient and cost effective and by eliminating excess lender profits.

College Work-Study*

- Budget funds 1 million College Work-Study slots by the year 2000.

- Incentives to reach the goal of 100,000 work-study reading tutors by 1999.

The President's 1998 budget also increases aid for students through subsidized jobs in the College Work-Study program. The President has called on colleges to commit half of the increased funding since FY 1996, $120 million for FY 1998, to supporting community service jobs. The Secretary of Education recently waived the institution's required portion of the awards for students that participate as reading tutors -- part of America's Reading Challenge, helping to ensure that every child can read independently and well by the end of third grade. The President's budget is on a path to achieve the President's goal to raise the number of Work-Study recipients to a million by the year 2000, and 100,000 reading tutors by 1999.

* College Work-Study proposal is included in the President's budget request and appropriations language but not in the HOPE Act.

Case Studies:
How the President's Higher Education Proposals Benefit Typical American Families

Two Examples of How to Save for College Tax-Free

Taken together, the Administration's proposal to allow penalty-free withdrawals from IRAs for college tuition and the tuition tax deduction allow families to save tax-free for their children's education. Families pay no income taxes on money they contribute to an IRA, and the interest accumulates tax-free. Under the Administration's proposal, families would be allowed to withdraw money from their IRA to pay higher education expenses without paying the usual excise tax. And because they can deduct tuition expenses of up to $10,000 per year from taxable income, they will not have to pay the income tax normally due on IRA withdrawals. *This adds up to tax-free saving for college.*

The following examples demonstrate how the Administration's proposals help families save for their children's college tuition:

Example 1
$35,000 Family Income

A family with combined income of $35,000 per year in a 15% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away almost $1,090 per year *after taxes*. That means that they need to earn more than $1,280 per year *before taxes*, **a difference of $325 per year to reach the same savings goal.**

Example 2
$60,000 Family Income

A family with combined income of $60,000 per year in a 28% marginal tax bracket saving for college expenses of $10,000 per year for 4 years. The family earns an 8% annual return.

- Under the Administration's proposal this family would need to put $955 per year in before-tax savings into an IRA for 18 years.
- Without the Administration's proposal, the same family would need to put away $1,220 per year *after taxes*. That means that they need to earn nearly $1,700 per year *before taxes*, **a difference of almost $750 per year to reach the same savings goal.**

Four Examples of How the HOPE Act Works

The tax liabilities used in the following four examples are based on the personal exemption, standard deduction and the beginning point for the 28 percent rate bracket assumed to be in effect in 1998, the first year the increased Pell Grants will be available under the President's proposal. Under the proposal, the maximum tuition deduction for 1998 is $5,000. It is $10,000 for years thereafter. Tax liabilities are estimated on the assumption that itemized deductions of 18 percent of adjusted gross income are claimed if that amount exceeds the standard deduction.

Example 3
$60,000 Family Income
Married Couple With One Child in College
1998 Benefit: $1,500

Larry and Jill O'Neill are a married couple with two children. Larry and Jill earn $60,000 in 1998. They claim both children as dependents because they provide more than half of their support. Bobby, the O'Neills' older child, enrolls as a freshman in a community college in the fall of 1998 and is charged $1,500 in tuition and required fees. Bobby's parents pay his tuition. Under the President's proposals, the O'Neill are entitled to a HOPE Scholarship tuition credit of $1,500. (Because a credit is being claimed for Bobby's freshman year, his grade point average does not affect his eligibility for the credit.) The credit reduces their tax liability by $1,500. **Thus, the O'Neills get a total benefit of $1,500 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $1,500	Tuition cost: $1,500
Pell grant: $0	Pell grant: $0
Tax liability: $5,760	Tax liability: $4,260

Example 4
$10,000 income
Independent College Student
1998 Benefit: $3,458

Joe Jefferson is a college freshman in the fall of 1998. He is single and supports himself. He earns $10,000 in 1998. In September 1998, Joe enrolls in college and pays $3,025 in tuition and required fees for the fall semester. In December he is charged $3,025 in tuition and fees for the spring semester. Under the President's proposals, Joe is entitled to a Pell grant of $3,000 that he uses to pay part of his tuition. He pays the remaining $3,050 with a combination of savings and loans. Under the President's proposals, he is entitled to a tuition deduction for his $3,050 payment. The deduction reduces Joe's tax bill by $458, which is more than his total tax liability for the year. **Thus, Joe gets a total benefit of $3,458 from the President's proposals, $3000 in Pell Grants and $458 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,050	Tuition cost: $6,050
Pell grant: $0	Pell grant: $3,000
Tax liability: $458 (less $3 EITC)	Tax liability: $0 (plus $3 EITC refund)

Example 5
$30,000 Family Income
Married Couple with One Child in College
1998 Benefit: $1,050

Victor and Susan Montoya are a married couple with one child, Maria. Tom and Susan earn $30,000 in 1998. They claim Maria as a dependent because they provide more than half of her support. Maria attends college for two semesters in 1998 and is charged $6,850 in tuition and required fees at the beginning of the year. Under the President's proposals, Maria receives a Pell grant for $1,850. Her parents pay $1,000 of her tuition. She pays the rest of the tuition bill with a combination of savings and loans. Under the President's proposals, the Montoyas are entitled to a tuition deduction for the $5,000 their family has paid in tuition and required fees. The deduction reduces the Montoyas' tax bill by $750. **Thus, the Montoyas get a total benefit of $1,050 from the President's proposals, $300 in additional Pell Grants and $750 in reduced taxes.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,850	Tuition cost: $6,850
Pell grant: $1,550	Pell grant: $1,850
Tax liability: $2,220	Tax liability: $1,470

Example 6
$90,000 Family Income
Married Couple With Two Children in College
1998 Benefit: $1,450

Paul and Debbie Green are a married couple with two children, David and Barbara. Paul and Debbie have income of $90,000 in 1998 (including income from an IRA withdrawal, described below). They claim David and Barbara as dependents because they provide more than half of their support. In 1998, David is enrolled in college for the second semester of his junior year and the first semester of his senior year. Barbara is enrolled in the second semester of her freshman year and the first semester of her sophomore year. At the beginning of 1998, Barbara has a B+ grade point average. David's bill for tuition and required fees is $5,000, and Barbara's is $1,500. Paul and Debbie pay their children's tuition and required fees with a combination of savings, including $2,000 they withdraw from their IRAs, and loans. Under the President's proposals, they avoid any penalty for early withdrawal from their IRAs, and they are entitled to a credit of $750 for Barbara's tuition and a deduction of $2,500 for David's tuition. (Because their income places them in the middle of the $80,000 to $100,000 phase-out range, they claim half the maximum credit and deduction.) The credit and the deduction reduce their tax liability by $1,450. **Thus, the Greens get a total benefit of $1,450 from the President's proposals.**

Without the President's Proposals	With the President's Proposals
Tuition cost: $6,500	Tuition cost: $6,500
Pell grant: $0	Pell grant: $0
Tax liability: $12,128	Tax liability: $10,678
Penalty for early withdrawal: $200.	

COLLEGE AND UNIVERSITY PRESIDENTS SUPPORT PRESIDENT CLINTON'S HIGHER EDUCATION INITIATIVE

Already, over 250 college presidents -- representing community colleges, public and private colleges and universities -- have expressed support for President Clinton's higher education initiatives.

- 70 community college presidents and 280 community college trustees signed the American Association of Community Colleges and Trustees letter of support for the President's higher education initiatives
- 105 private college presidents joined the president of Dickinson College in signing a letter of support for the President's initiatives
- 23 California State University presidents joined the Chancellor of the California State University System in a letter of support for the President's initiatives
- 63 Christian college presidents signed the Coalition for Christian Colleges & Universities letter commending the President for his higher education efforts
- The American Council on Education Board of Directors, which represents 1,700 college and university presidents, passed a resolution in support of the President's initiatives
- The National Association of Student Financial Aid Administrators, representing over 3,100 colleges and universities, expressed support for the President's initiatives