

News from the

**U.S. Senate Committee on
Health, Education, Labor and Pensions**

Michael B. Enzi (Wyoming), Chairman



**For Immediate Release
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Senate Approves Campus-Based Aid For Higher Education Institutions Affected By Hurricanes

Washington, D.C. - U.S. Senator Mike Enzi (R-WY), Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee today said the Senate has approved the “Natural Disaster Student Aid Fairness Act,” which provides the Secretary of Education the authority to reallocate campus-based aid program funds to institutions of higher education directly affected by Hurricane Katrina or Hurricane Rita, and those that have enrolled students by the disasters. It now awaits the President’s signature.

The bill, H.R.3863, waives institutional matching requirements for the Federal Work-Study, Supplemental Educational Opportunity Grants (SEOG) and Perkins Loan funds for affected institutions that participate in these programs during the 2005-06 academic year. As a result, affected institutions with scarce resources will be able provide immediate assistance to their eligible students and enable them to meet their higher education expenses for the academic year.

“I am pleased that we are able take this step to assist institutions and students that have been affected by the Gulf hurricanes and redirect program funds that would otherwise lapse,” Enzi said. “This bill will help meet the immediate needs of institutions of higher education and their students hit hard by the hurricanes.”

Key provisions of the “Natural Disaster Student Aid Fairness Act,” H.R. 3863, include:

- Extending availability of campus-based program funds so that funds that would have expired on Sept 30, 2005 will be available for obligation (reallocation) by the Secretary of Education until Sept. 30, 2006;
- Specifying that available funds will be reallocated to institutions located in a county or parish in LA, MS, TX or AL that was declared a major disaster due to Hurricanes Katrina or Rita or to those that have accepted displaced students. This group includes students affected institutions directly affected by the disaster, students with parents who have worked or resided in disaster area, and/or students who have suffered direct economic hardship due to Katrina or Rita;
- Requiring the Secretary to waive the matching requirements for Federal Work-Study (FWS), SEOG and Perkins Loan funds for 2004-05 and 2005-06 to institutions located in a county or parish in LA, MS, TX or AL that was declared a major disaster due to Katrina or Rita;
- Permits the Secretary to waive matching requirements for FWS, SEOG and Perkins at institutions of higher education that accept any affected students The waiver includes students who attended affected institutions, parents who worked or resided in disaster areas and/or suffered direct economic hardship due to Katrina or Rita, regardless of whether the institutions received reallocated funds;
- Requires the Secretary to waive the underpayment penalty for all institutions that return more than 10 percent of their allocations for 2004-05, regardless of whether they were located in a disaster area or enrolled affected students. Institutions that return 10 percent or less of their allocations are not subject to the underpayment penalty.

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