



# DAILY BRIEFING

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## House Appropriations Committee Releases FY 2023 Labor, HHS, Education Appropriations Act, Includes AMF Extension

This evening, the House Appropriations Committee released the [Fiscal Year 2023 Labor, Health and Human Services \(HHS\), Education, and Related Agencies Appropriations Act](#), which would provide \$242.1 billion in discretionary funding for the U.S. Department of Labor, U.S. Department of Health and Human Services, and U.S. Department of

Education, an increase of \$28.5 billion or 13 percent over the FY 2022 enacted appropriations bill. A summary of the legislation released by the committee can be found [here](#).

Key education provisions of interest to the NCHER membership include the following:

- The bill provides \$86.7 billion in discretionary funding for the Department of Education, which is \$10.3 billion above last year's level. The legislation provides \$24.6 billion for federal student aid programs, an increase of \$59 million above the FY 2022 enacted level.
- The legislation sets the maximum Pell Grant award at \$7,395 an increase of \$500 over the 2022 enacted level, funded by a combination of discretionary and mandatory funds.
- The bill provides \$920 million for the Federal Supplemental Educational Opportunity Grant program, an increase of \$25 million above the 2022 enacted level, and \$1.2 billion for Federal Work Study, an increase of \$34 million above the 2022 enacted level.
- The legislation provides \$1.3 billion for TRIO Programs and \$408 million for GEAR UP, which help first-generation college students prepare for, enter, and complete college. TRIO programs are increased by \$161 million and GEAR UP programs will see an increase of \$30 million.
- The bill extends the authority for account maintenance fees paid to guaranty agencies for an additional year.
- The legislation provides \$2.58 billion for federal student aid administrative expenses. It includes legislative language requiring that federal student loan servicers be evaluated on their ability to meet contractual requirements (including an understanding on federal and state law), future performance on the contracts, and history of compliance with consumer protection laws. It also requires that federal servicers are held accountable for meeting the requirements of their contract, the performance and expectations of subcontractors, and that contractors have the capacity to meet and are held accountable for performance on service levels, held accountable for and have a history of compliance with consumer protection laws, and have relevant experience and demonstrated effectiveness. The bill does not retain long-standing language requiring the Secretary of Education to allocate new borrower accounts to student loan servicers on the basis of their past performance, utilizing established common metrics, nor language allowing

borrowers who are consolidating federal student loans to select from any student loan servicer to service their new consolidated student loan.

- The legislation modifies the 90/10 rule to increase the percentage of non-federal funds that proprietary colleges must receive to 15 percent (making it a 85/15 rule).
- The bill amends the Higher Education Act to expand eligibility for federal student aid to included Deferred Action for Childhood Arrivals or DACA participants and those who have received temporary protected status under the Immigration and Nationality Act.

The Labor, HHS, Education, and Related Agencies Appropriations Subcommittee plans to meet in executive session to consider the bill tomorrow.

## White House Releases Spring 2022 Unified Regulatory Agenda, Department of Education Pushes Gainful Employment Rule to 2023

Yesterday, the White House Office of Management and Budget released the [Spring 2022 Unified Regulatory Agenda](#), which reports on the actions that federal agencies plan to issue in the near and long term. The [updated regulatory agenda](#) of the U.S. Department of Education indicates that there is one regulatory proposal in a pre-rule stage: the Secretary plans to amend current regulations on Federal TRIO programs, which may include technical improvements to programmatic eligibility and operations. The agenda also indicates that there are 15 items in the proposed rule stage, including the following:

- Borrower Defense to Repayment, PSLF, Etc. The Department intends to issue a Notice of Proposed Rulemaking (NPRM) on borrower defense to repayment, including determining what acts or omissions of an institution of higher education a borrower may assert as a defense to repayment of a loan made under the Federal Direct Loan and Federal Family Education Loan Programs and specify the consequences of such borrower defenses for borrowers, institutions, and the Secretary. The package is also expected to include language on discharges for Total and Permanent Disabilities, closed schools, false certification, interest capitalization, and improvements to the Public Service Loan Forgiveness Program. The NPRM is expected this month, in June 2022.
- Income-Driven Repayment, Pell Grants for Prisoners. The Department intends to create or adjust income-driven repayment plans to cap borrower payments at a set share of their income using the income-contingent repayment authority under the

Higher Education Act. The package will also propose regulations that would guide correctional facilities and eligible institutions of higher education that seek to establish eligibility for the Pell Grant for Prisons Education Programs, and propose regulations associated with changes in institutional ownership resulting in a change in control. The NPRM is expected to be released in July 2022.

- **Gainful Employment.** The Department is delaying its Notice of Proposed Rulemaking on gainful employment, ability to benefit, factors of financial responsibility, standards of administrative capability, change in ownership and change in control. The NPRM is being delayed until at least April 2023. This means that the earliest that these regulations could be effective is July 2024.
- **90-10 Rule.** The Department intends to make changes to the requirement governing whether proprietary institutions meet the requirement in 34 CFR 668.14(b)(16) that institutions receive at least 10 percent of their revenue from sources other than Federal education assistance funds. The NPRM is expected to be released in July 2022.
- **Debt Collection.** The Department intends to propose improvements to its debt collection practices. The Higher Education Act of 1965 and the Debt Collection Improvement Act govern the Department's debt collection practices, including administrative wage garnishment and tax and Federal benefits offsets. The NPRM is expected to be released in November 2022.

## Senate Banking Committee Holds Hearing on Monetary Policy Report with Federal Reserve Chair Powell

Today, the Senate Banking, Housing, and Urban Affairs Committee held a hearing titled, “The Semiannual Monetary Policy Report to Congress,” with Federal Reserve Board of Governors Chairman Jerome Powell. In his [testimony](#), Chairman Powell said that the Fed understands the hardship that high inflation is causing, saying that he is strongly committed to bringing inflation back down and are moving expeditiously to do so. “We have both the tools we need and the resolve it will take to restore price stability on behalf of American families and businesses,” Chairman Powell said. “It is essential that we bring inflation down if we are to have a sustained period of strong labor market conditions that benefit all.” During the question-and-answer portion of the hearing, Chairman Powell said that raising interest rates would help “moderate demand” but not necessarily decrease the prices of food or gas. He attributed rising inflation to Russia’s invasion of Ukraine and COVID-19 lockdowns in China for disrupting the supply chain. Though he also added that, “inflation was high certainly before the war in Ukraine broke out.” Chairman Powell

stated that he anticipates the Federal Reserve will continue to provide ongoing rate increases, though the pace of those changes will continue to depend on the incoming data and the evolving outlook for the economy. Toward the end of the hearing, the Chairman said that a recession is “certainly a possibility” because of rapid interest rate hikes. For additional coverage, including an archived webcast of the hearing, visit the [committee website](#). For further news coverage, see this article from the [Newsweek](#).

## FSA Announces End of Mobile App, Plans to Direct All Borrowers to StudentAid.gov

The U.S. Department of Education’s Office of Federal Student Aid (FSA) has decided to end its support of its [Mobile App](#) and instead direct all student and parent borrowers to [StudentAid.gov](#) where applicants already submit their FAFSA [Free Application for Federal Student Aid], according to the National Association of Student Financial Aid Administrators. FSA says that, on June 30th, when users open the mobile app, they will be informed that the application is no longer available. The messaging campaign will run through July 10th and also include updates to banner text and other content. According to FSA, there was low consumer engagement on the app and fewer than 2 percent of applicants submitted their FAFSA using the mobile app. The app was launched in 2018 with the aim of making it easier for students and parents to access and complete the FAFSA on a mobile device.

## White House Issues Proclamation on 50th Anniversary of Pell Grant Program

Today, the White House issued a [Proclamation on the 50th Anniversary of the Federal Pell Grant Program](#). The proclamation says that, for 50 years, the Pell Grant program has been the cornerstone of the nation’s efforts to create a financial pathway for tens of millions of low- and middle-income students to attend college. It also designates tomorrow, June 23rd, as the 50th Anniversary of the Federal Pell Grant Program and calls upon the public to observe this milestone and to recognize the significant contribution that Pell Grants have made to strengthen our prosperity by making a college education more available to all of our children.

## U.S. Department of Education News

For today’s *Federal Register*, click [here](#).

The following announcement was posted to the Federal Student Aid's Knowledge Center Website:

- [\(COD-22-04\) 2022-23 COD System Peak Processing Reminders](#)
  - [Comment Request: William D. Ford Federal Direct Loan Program \(Direct Loan Program\) Promissory Notes and Related Forms](#)
  - [Comment Request: Preferred Lender Arrangements](#)
  - [Comment Request: Loan Cancellation in the Federal Perkins Loan Program](#)
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## Member News



MOHELA, a nationally recognized leader in student loan servicing and higher education financing, is recruiting for a Staff Counsel in St. Louis, MO, with two

(2) or more years of related experience. To apply, please supply cover letter and resume to [hr@mohela.com](mailto:hr@mohela.com). According to the job posting, the fundamental reason this position exists is to give legal advice, ensure representation in legal proceedings, prepare legal research and legal and policy analysis of issues to and administer contracts on behalf of the Authority. The Staff Counsel is under the general direction of the General Counsel and reports to the General Counsel. For more information, click [here](#).

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## General News

[The Hill](#) reports that the White House is still considering a plan to provide federal student loan forgiveness.

[Newsweek](#) includes an op-ed by retired federal bankruptcy court judge, Sarah Sharer Curley, who argues that the federal government should not cancel student loan debt. Instead, let bankruptcy law forgive them.

[MarketWatch](#) reports that a Purdue graduate is slamming its income-share agreement/alternative student loan, which was recently suspended by the university: ‘It was extremely difficult, before I got my monthly payments down, to be able to pay rent, buy food.’

The American Association of University Professors published a [report](#) with new data from its annual Faculty Compensation Survey, which found that average salaries for full-time faculty members increased 2 percent from 2020–21 to 2021–22.

[Inside Higher Ed](#) reports that, based on the latest Student Voice survey, college students are more than six times likelier to say they feel very safe on campus than to feel not too safe or not at all safe.

[The Washington Post](#) reports that Virginia Gov. Glenn Youngkin recently asked the General Assembly to use funds earmarked for financial aid for undocumented students instead for financial aid at Virginia’s five Historically Black Colleges and Universities, drawing criticism from civil rights groups.

[AP News](#) reports that students attending Tennessee’s public community colleges and applied technical colleges will not face a tuition or fee increase for the upcoming academic year after the Board of Regents voted to keep tuition rates stable.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).



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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793  
Washington, DC 20035

Phone: **(202) 822-2106**  
Fax: (202) 822-2142

