



DAILY BRIEFING

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Senate Banking Committee Holds Hearing on Federal Reserve Board Nominees

Today, the Senate Banking, Housing, and Urban Affairs Committee held a hearing on three of the White House's nominations for the Federal Reserve: The Honorable Sarah Bloom Raskin to be Vice Chairman for Supervision and a Member of the Board of Governors of the Federal Reserve System, and Dr. Lisa DeNell Cook and Dr. Philip Nathan Jefferson to be Members of the Board of Governors of the Federal Reserve System. In his [opening statement](#), Committee Chairman Sherrod Brown (D-OH) pointed out the need for a fully-functional Board of Governors of the Federal Reserve with all seven members. He said all three nominees are dedicated to an independent central bank. With regard to Ms. Raskin, Chairman Brown said: "Unfortunately, we've seen a coordinated effort by

some to paint her as some sort of radical. That characterization requires a suspension of common sense.” He said all the nominees “will ensure workers – all workers – and their families reap the benefits of the economic growth they create. And these nominees will fight for all the communities that have been left on their own, from women and Black and brown workers, to rural towns, to all the places too long derided as the ‘Rust Belt.’” In his [opening statement](#), Committee Ranking Member Patrick Toomey (R-PA) criticized the nominees saying: “There are people on the left, including in the Biden administration, advocating that the Fed use its supervisory powers to resolve complex political issues, like what to do about global warming, social justice, and even education policy. These are important issues, but they’re wholly unrelated to the Fed’s limited statutory mandates and expertise.” At the conclusion of his remarks, Ranking Member Toomey indicated that he would support Dr. Jefferson’s nomination.

In her [prepared statement](#), Ms. Raskin discussed her background and said that financial regulators “must stay attentive to risks no matter where they come from: inside or outside the financial sector; well-identified asset bubbles or speculation; a set of threat actors that launch cyberattacks; or from nature and cataclysmic weather-related events.” She acknowledged the toll that inflation exacts on the consumer and indicated that reducing inflation needs to be a top priority for the Fed. The prepared statements of Dr. Cook and Dr. Jefferson can be found [here](#) and [here](#).

During the question-and-answer portion of the hearing, Ms. Raskin, in response to a question by Chairman Brown, said there are three principles to bank supervision: it is inappropriate for the Fed to make credit decisions, regulation is best achieved through collaboration, and all actions must stand within the law. Ms. Raskin, in response to a question from Ranking Member Toomey, said that it is inappropriate for the Fed to pick winners and losers when it comes to climate change. Sen. Elizabeth Warren (D-MA) discussed how the positions of all three nominees are consistent with the positions of Federal Reserve Board of Governors Chair Jerome Powell. In closing remarks, Ranking Member Toomey said that Ms. Raskin’s testimony was a remarkable case of “confirmation conversion” while Chairman Brown said that there has been a lot of hyperventilation about the nominees based on hyperbole and misinformation.

For further information on the hearing, including an archived webcast, visit the [committee website](#).

National Student Clearinghouse Research Center Report Finds College Completion Rates Are Rising

The National Student Clearinghouse Research Center recently released a report titled, [Completing College: National and State Reports](#), which found that the national six-year college completion rate increased by 1.2 percentage points from last year. The Center's data demonstrated that completion rates rose among white, Black, and Latinx students, while completion rates for Asian students remained largely the same as they were last year. The report also examined completion rates across various types of institutions of higher education and found students that started at community colleges saw the largest increase in completion rates at 1.5 percentage points. "Students who started college six years ago have been completing degrees and certificates at higher rates than in recent years," said Doug Shapiro, Executive Director of the Research Center. "This broad measure of performance for higher education as a nationwide system, including transfers among two- and four-year schools of all kinds, shows long-term improvements for students and colleges alike, gains that took hold mostly in the pre-pandemic period." This report is the tenth in a series of similar reports by the National Student Clearinghouse Research Center, which tracks longitudinal data around college completion rates. This report highlights updated findings from the cohort entering college in fall 2015 with outcomes tracked through June 2021. For further coverage, see these articles from [Inside Higher Ed](#) and [Higher Ed Dive](#).

House and Senate Democrats Introduce Fair College Admissions for Students Act

Yesterday, House and Senate Democrats, led by Rep. Jamaal Bowman (D-NY) and Sen. Jeff Merkley (D-OR), introduced the [Fair College Admissions for Students Act](#) to prohibit institutions of higher education participating in federal student aid programs from giving admissions preference to legacy students defined as those students that are descendants of alumni or large donors. The bill would also grant the U.S. Secretary of Education the ability to exempt Historically Black Colleges and Universities, Minority-Serving Institutions, and Tribal Colleges and Universities from the legacy preference prohibition for an award year. Reps. Sheila Jackson Lee (D-TX), Alexandria Ocasio-Cortez (D-NY), Cori Bush (D-MO), Jesús García (D-IL), Ayanna Pressley (D-MA), and Pramila Jayapal (D-WA) are original cosponsors of the bill. "Students whose parents didn't attend or donate to a university are often overlooked in the admissions process due to the historically classist and racist legacy and donor admissions practices at many schools

across the country,” Rep. Bowman said upon introduction of the legislation. For further coverage, see this article from [Inside Higher Ed](#).

CAP Report Examines Use of Performance Contracts to Hold Institutions Accountable

The Center for American Progress (CAP) recently published a report titled, [Holding Higher Education Accountable in Federal-State Partnerships: Lessons Learned From Colorado Performance Contracts](#), which looked into the potential that performance contracts have in holding institutions of higher education accountable in federal-state partnerships. CAP used the Colorado Opportunity Fund (COF), a voucher-based system for higher education, as a case study; the Colorado Department of Higher Education hoped these vouchers would encourage colleges and universities to improve student outcomes and hold them accountable to the state. While CAP found weaknesses in the COF performance contract system, it provided several reform measures that would make such partnerships more successful. To improve and scale-up a performance-based contract system, CAP recommended that policymakers:

- Ensure that an accountability system using performance contracts utilizes incentives for institutions to make improvements.
- Increase monitoring by government agencies.
- Streamline data reporting.
- Mitigate power dynamics between institutions and state agencies.
- Consider private colleges for inclusion in federal-state partnerships.

The report recognized the difficulties posed by the implementation of a national performance-based contracts system but added that colleges and universities should be held to higher standards on student outcomes if they receive an influx state and federal dollars.

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:

- [2022-23 Federal School Code List of Participating Schools \(February 2022\)](#)
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Member News



ConServe [announced](#) that its ConServe Cares charitable giving program would allocate its January 2022 program to the American Red Cross. ConServe Cares enables employees and the organization to support various community engagement and investment efforts. George Huyler, Vice President of Human Resources at ConServe, said, “We are grateful to the employees participating in the ConServe Cares Program. I am always very impressed by the commitment of our employees to our communities.”



iGrad announced that it launched a new platform with San Francisco State University to provide students with a comprehensive financial literacy resource. [The iGrad platform](#) includes customized and interactive information on topics such as building credit, money management, and student loan calculators. iGrad’s Vice President of Business Development Donna Miller said, “Now more than ever, college students are facing tremendous financial challenges impacting enrollment, retention, and the level of student loan debt, which is already the second-largest category of debt in the country.”



The Kentucky Higher Education Assistance Authority published its [Money Tip for Students](#) for February 2022, focusing on the importance of planning for retirement. The tip discusses

the differences between a 401(k) savings account and an individual retirement account (IRA) and encourages students to start thinking about retirement planning sooner rather than later. “The best time to start planning for your future retirement is when you’re young. You should research your options for investing early so money you invest now has more time to grow and help you when you get older,” said Gov. Andy Beshear.

General News

National Association of Student Financial Aid Administrators (NASFAA) President Justin Draeger [writes](#) about the discontent that borrowers feel about loan servicing, much of which actually seems to stem from the student loan system itself.

[Fox Business](#) reports that resuming federal student loan payments without providing debt forgiveness would be 'disastrous,' Congressional Democrats are warning. More than 80 lawmakers signed a letter urging the President to cancel student loans.

[Fox 10 Phoenix](#) reports that 10-year fixed rates for private student loans recently plunged after steadily increasing for four weeks.

[L.A. Focus](#) reports on a new \$146 million work service program for college students that offers \$10,000 stipends for college expenses to more than 6,000 students who participate in local community projects. The effort called “Californians for All College Corps” requires students enrolled in the program to complete 450 hours of community service over the course of the school year to receive the funding.

[The Chronicle of Higher Education](#) reports that, as Historically Black Colleges and Universities reel from a wave of bomb threats, higher education experts are reflecting on racist violence from Reconstruction to the present.

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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