NCHER DAILY BRIEFING

Thursday, February 23, 2023

In Today's Edition

Join the NCHER Board of Directors and Play a Leadership Role on Higher Education Finance, Run for Chair-Elect or Director at-Large!

As NCHER continues to promote its advocacy, communications, and regulatory engagement agenda at the federal level, it is the time of the year to start preparing for upcoming elections for the NCHER Board of Directors. Have you thought about playing a leadership role at NCHER? Do you have ideas on improving membership services? Do you want to become more active on higher education policy at the federal level? Is your organization a voting member of NCHER? If so, consider submitting your name for Chair-Elect or a seat on the Board of Directors.

Next month, NCHER will hold elections for the following positions:

- Chair-Elect. As an officer of NCHER, the Chair-Elect serves as vice chair of the Board of Directors, performing the duties and exercising the powers of the Chair in his/her absence or disability. The term begins on July 1, 2023, and includes the assumption of the duties as Chair on July 1, 2024, and as Immediate Past-Chair on July 1, 2025. This position and both subsequent positions serve on NCHER's Executive Committee.
- Five Directors at-Large. Board members are responsible for directing any and all activities and affairs of NCHER, including the organization's federal advocacy, communications, and research strategy. These two-year terms begin on July 1, 2023, and expire June 30, 2025.

In order to assist in the administration of the election, NCHER has formed a Nominating Committee which is composed of the Chair, Chair-Elect, and three of the most recent former Chairs who still remain active members, as prescribed by the NCHER By-Laws. The committee is responsible for soliciting recommendations from the voting membership and proposing a slate for election that will be mailed to each voting member by March 15, 2023. This notice is part of that solicitation as the committee works to ensure that the candidates for Chair-Elect and Directors at-Large are representative of the diversity of our organization.

If you would like to be considered for election or know someone who would be a great addition to the Board of Directors, email or call Christiana Thornton with the New Hampshire Higher Education Assistance Foundation Network (cthornton@gsmr.org), Angela Baier with College Invest / College Assist (abaier@collegeinvest.org), Scott D. Giles with MOHELA (ScottG@mohela.com), Scott A. Giles with the Vermont Student Assistance Corporation (giles@vsac.org), and/or Ron Gambill with ELFI (rgambill@elfi.com) before Friday, March 3, 2023.

Department of Education Releases Data Showing Majority of Student Loan Forgiveness Applicants are from Democrat-led Districts

Politico recently reported that it had conducted an analysis of U.S. Department of Education data released on Friday, which revealed that 33 Congressional districts with the most applicants for federal student loan forgiveness were won by Democratic candidates in the midterm elections held in November 2022. The district with the highest percentage of applicants was Rep. Mike Quigley's district in Illinois where 73 percent of estimated eligible borrowers or automatically eligible borrowers applied for forgiveness. Among Republican-led districts, Rep. George Santos' district had the highest percentage - 70 percent - of estimated eligible borrowers who applied or were automatically deemed eligible.

Common App Releases New Data on College Applications

Earlier this month, the Common App released a new report examining recent trends in college applications. The report found that, in 2022-2023, the volume of applications increased by 30 percent compared to 2019-2020 prior to the pandemic. For first-year applicants, the report found that applications increased by 21 percent. The report found that there was a decline in reporting admissions test scores, currently between 40 and 45 percent, when compared to 2019-2020 when 74 percent of applicants submitted test scores. This reflects a larger shift in decisions by colleges and universities to allow test-optional admissions over the last three years. The report also found that underrepresented minority applicants increased by 31 percent since 2019–2020, while first-generation applicants increased by 36 percent, nearly three times the rate of continuing-generation applicants over the same period.

Public Comments on Low Value Programs Show Higher Education Groups Open to Changes While Others Oppose

Recently, several higher education groups responded to the Request for Information (RFI) released by the U.S. Department of Education regarding its plan to publish a list of college programs with low financial value. The RFI asked for public comments on the factors the Department should consider when creating a ranking system, and echoes a proposal from the Obama Administration that called for the creation of a rating system of all colleges and universities to increase transparency about which institutions left students with large amounts of federal student loan debt. However, the Obama Administration never finalized its proposal that was met with criticism. The Department allowed comments to be submitted until February 10th.

In a letter on behalf of two dozen higher education organizations, American Council on Education President Ted Mitchell criticized the Department's proposal arguing that it is not possible to create a federal metric that would determine programmatic value across a wide variety of colleges and universities around the country. "We share the Department's desire to help inform students and to shed light on bad actors," Mr. Mitchell wrote. "But unless the significant data gaps and fundamental flaws can be resolved, moving forward with such a list as a public tool intended for consumer information is likely to do far more harm than good." In contrast, Arnold Ventures Higher Education Fellow Clare McCann and Vice President of Education Kelly McManus supported the plan arguing that increased transparency coupled with stringent federal regulations could help students avoid low-quality programs. "The debt-to-earnings rate effectively identifies programs that leave students too deeply indebted for their educational programs," the public policy experts wrote. "The earnings threshold effectively identifies programs where students are not better off than they likely would be had they never enrolled in college."

For additional coverage, see this article from Higher Ed Dive.

Federal Reserve Releases Minutes Pointing to Modest Growth in Spending But Continued Concern About Inflation

Yesterday, the Federal Reserve Board of Governors released the minutes of its meeting of the Federal Open Market Committee (FOMC) held on January 31-February 1, 2023. At that meeting, the FOMC raised the federal funds rate by 50 basis points, though the increase was smaller than in previous meetings. The minutes indicated that participants believe recent economic indicators pointed to modest growth in spending and production across the country. FOMC members also concurred that job gains had been robust in recent months, the unemployment rate had remained low, and inflation had eased somewhat but remained elevated. Members stated that Russia's war against Ukraine was causing tremendous human and economic hardship and was contributing to elevated global uncertainty; as such, FOMC participants remained highly attentive to inflation risks.

In a discussion of the household sector, committee members observed that real consumer spending had declined in November and December - in part reflecting the tightening in financial conditions over the past year - and anticipated that consumption would likely grow at a subdued rate in 2023. Participants also noted that excess savings accumulated during the pandemic had continued to support consumption, although several participants remarked that the importance of this factor would likely wane over time as excess savings continued to be drawn down or eroded by inflation. A couple of participants observed that some consumers were shifting their spending to less expensive alternatives while other participants noted the effects of higher interest costs in restraining consumption or inhibiting the ability of some households to repay their loans and that inflation was eroding households' purchasing power.

The minutes stated that the committee continues to seek to achieve maximum employment and inflation at the rate of 2 percent over the longer run and members anticipated that ongoing increases in the target range would be appropriate in order to attain a stance of monetary policy that is sufficiently restrictive to return inflation to 2 percent over time. Members concurred that, in determining the extent of future increases in the target range, they would take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. The participants also agreed that they would continue reducing the Federal Reserve's holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The next meeting of the FOMC is scheduled for March 21-22, 2023.

U.S. Department of Education News

For today’s *Federal Register*, click here.

General News

The Washington Post published an opinion piece from former House Education and Labor Committee Chair George Miller (D-CA) on the legality of the Biden Administration’s federal student loan forgiveness plan that will be considered by the U.S. Supreme Court next week.

Forbes reports what on what student and parent borrowers should do if the U.S. Supreme Court blocks the federal student loan forgiveness plan.

Higher Ed Dive reports that the U.S. Department of Education has decided to rescind Trump-era regulation on religious student groups.

The Hechinger Report published an article explaining that, as colleges and universities move away from U.S. News and World Report rankings, it is hard for perspective students to find reliable information to inform their postsecondary education decisions.

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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