NCHER BRIEFING

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NCHER Weekly Rundown

Weekly Rundown

The NCHER Weekly Rundown, which includes the latest information on important events in Washington, DC, is available today and can be downloaded from the NCHER website.

CBO Releases New Estimate on Department of Education’s Proposed Rule on IDR, Would Raise Costs By $230 Billion

Today, the Congressional Budget Office (CBO) released a new letter to the House Education and the Workforce Committee and Senate Health, Education, Labor, and Pensions Committee responding to questions about the cost of the U.S. Department of Education's proposed rule for a new income-driven repayment plan for federal student loans, as published in the Federal Register on January 11, 2023. CBO estimates that, if the final rule was unchanged from the proposed rule, the cost of the federal student loan program would rise by about $230 billion, on a net-present-value basis, over the 2023–2033 period. The letter also says that the cost of outstanding federal loans would rise by $76 billion, which would be recorded as an increase in the deficit, in 2023, the year in which the terms of those loans would be modified and the cost of new federal loans originated over the 2023–2033 period would rise by $154 billion, which would be recorded as adding to the deficit in the years in which loans were originated. Reacting to CBO's letter, House Committee Chairwoman Virginia Foxx (R-NC) said, "The administration's Income-Driven Repayment rule is nothing more than a backdoor attempt to provide free college by executive fiat. Transferring $230 billion from borrowers who willingly took out debt to taxpayers who did not is fiscally irresponsible and morally reprehensible. Make no mistake, I soundly reject this illegal abuse of power."

House Education Committee Ranking Member Scott Introduces Jobs to Compete Act

On Friday, House Education and the Workforce Committee Ranking Member Bobby Scott (D-VA) introduced the Jobs to Compete Act, which would expand Pell Grant eligibility to high-quality, short-term training programs. Specifically, the bill would:

- Expand Pell Grant eligibility to students enrolled in high-quality workforce programs between 150 and 600 clock hours.
- Require workforce programs to demonstrate to the U.S. Department of Education that they prepare their students for gainful employment, through earnings requirements including showing that program graduates: (1) earn at least more than a high school graduate in their state; and (2) have an earnings gain of at least 20 percent.
- Require workforce programs to prepare students for high-skill, high-wage, or in-demand jobs.
- Ensure credits earned in stackable workforce programs are transferable.

- Require institutions of higher education to demonstrate that they use at least 50 percent of their revenue from tuition and fees specifically for instructional spending.
- Ensure prospective students have access to key program outcome data and enrolled students have access to educational and career counseling.
- Ensure that only students in programs eligible for Workforce Pell Grants can receive short-term Direct Loans.
- Require workforce programs to be included on the eligible training providers list, as defined in the Workforce Innovation and Opportunity Act.
- Create a data sharing agreement between the U.S. Department of Labor and Department of Education to share outcome metrics data.

In a press release, Ranking Member Scott said, "Right now, adults cannot use a Pell Grant on short-term training programs, like IT or welding courses. As a result, many adults cannot afford to attend or complete courses that will help them get a good-paying job and compete in the modern economy. This is a disservice to our students, workers, and employers. The Jobs to Compete Act will take a long overdue step by expanding Pell Grant eligibility to high-quality, short term training programs. By providing adults more opportunities to participate in training programs, Congress will ensure more Americans have a pathway to the middle class, and businesses will be able to hire the well-trained workers they need."

For more information, including a fact sheet about the bill, click here.

Community College Research Center Releases Report on Increases in Dual Enrollment

The Community College Research Center recently released a new report that found dual enrollment programs, which allow high school students to take community college courses for credit toward both their high school diploma and a postsecondary education degree, saw a 12 percent increase this school year. Since 2011, dual enrollment has nearly doubled, with one in five community college students nationally participating in dual enrollment programs. The report says that this increase has been particularly helpful for community colleges struggling because of pandemic-related drops in enrollment, but the colleges often offer dual enrollment at a lower tuition rate, which can sometimes be costly for them to offer it. Some states are expanding access to dual enrollment and making large investments in their programs. In Arizona, Governor Katie Hobbs announced a $20 million increase in funding to support dual enrollment throughout the state and, in Florida, Governor Ron DeSantis proposed a scholarship program for K-12 teachers to teach dual enrollment courses on high school campuses to expand access. Alex Perry, head of the College in High School Alliance, told Politico, “There needs to be some kind of funding to support the community college costs, but I think we have a long way to go in terms of figuring out how to do this in a way that not just works for students, but also unlocks the ability for high schools and for colleges to offer these courses, particularly for underrepresented student populations who don't have access right now.”

ARRC Welcomes Official Launch of LIBOR Replacement Index Communication Tool

Today, the Alternative Reference Rates Committee (ARRC) welcomed the official launch of the Depository Trust and Clearing Corporation’s (DTCC) LIBOR Replacement Index Communication Tool. The ARRC has recommended that all determining persons, their agents, or other parties responsible for the dissemination of the change information regarding the London Interbank Overnight Rate (LIBOR) debt and securitizations should use DTCC’s LIBOR Replacement Index Communication Tool for communicating rate and conforming changes. According to the ARRC, maintaining and conveying accurate information about chosen alternative reference rates and convention changes is critical for a successful transition. The LIBOR Replacement Index Communication Tool helps achieve this vital function by providing consistency of rate and conforming change information for securities via user-friendly input templates and by providing connectivity across the financial ecosystem from issuers to investors and holders of the securities via widely accessible automated output.

U.S. Department of Education News

For today’s Federal Register, click here.

The following announcement was posted to the Information for Financial Aid Professionals website:

- (GENERAL-23-13) Availability of 2023 Title IV Audit Guide for Proprietary Schools and Third-Party Servicers

General News

The New York Times examines how shrinking colleges and universities are affecting the small towns where they are situated.

Inside Higher Ed reports on the feedback heard at the U.S. Department of Education's listening sessions on the bundled services exemption for third-party servicers.

Inside Higher Ed publishes an opinion piece about whether or not the U.S. is ready for the simplified Free Application for Federal STudent Aid.

Forbes publishes a column examining the inequity of higher education and earnings.

Inside Higher Ed reports on the growing state movement to support foster youth in postsecondary education.

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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