



**Monday, May 1, 2023**

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## 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](#).

## Department of Education Publishes Fact Sheet Estimating Potential Effects of Republican Legislation to Raise the Debt Ceiling, Cut Federal Spending

Last week, the U.S. Department of Education published a [fact sheet](#) arguing that [H.R. 2811, the Limit, Save, Grow Act of 2023](#), which would raise the nation's debt ceiling and, in exchange, cap federal discretionary spending at Fiscal Year 2022 levels, would have devastating effects on the education system. "Congressional Republicans are holding the nation's full faith and credit hostage in an effort to impose devastating cutbacks that would hurt children and undermine education, raise costs for hardworking families, and set back economic growth," the fact sheet says. "And they are demanding these slashes while separately advancing proposals to add over \$3 trillion to deficits through tax giveaways skewed to the wealthy and big corporations." The fact sheet said that the bill would result in the following:

- **Make College More Expensive:** A 22 percent budget cut would likely eliminate Pell Grants altogether for 80,000 students while reducing the maximum award by nearly \$1,000 for the remaining 6.6 million recipients, making it harder to attend and afford college.
- **Eliminate Student Debt Relief and Borrower Supports:** The proposal would cancel the President's student debt relief plan, keeping much needed emergency student loan relief of up to \$20,000 for more than 40 million Americans recovering from the effects of the pandemic. It would also block the creation of new, more affordable student loan payment plans.

The fact sheet also included state-by-state breakdowns of these potential reductions.

## House Appropriations Committee Chairwoman Granger Outlines Markup Schedule for FY 2024 Bills

Today, House Appropriations Committee Chairwoman Kay Granger (R-TX) circulated a [letter](#) to her committee colleagues announcing the plan to start marking up the 12 annual spending bills later this month with the goal to wrap up committee action by mid-June. According to the letter, the committee would hold subcommittee markups on draft appropriations bills for Fiscal Year (FY) 2024 the week of May 15 and June 5, with full committee markups slated for the week of May 22 and June 12. That schedule is "preliminary and subject to change," she noted. Last month, Chairwoman Granger said

that she was aiming for floor action on some of the bills in early June. The current plan is for the House Appropriations Committee to release and consider appropriations bills with funding levels in line with those included in [H.R. 2811, the Limit, Save, Grow Act of 2023](#), which would cap federal discretionary spending at \$1.47 trillion for FY 2024 at FY 2022 levels or cuts of \$130 billion. House Republicans expect defense spending to be largely spared from the proposed spending cuts, with the potential for a slight overall funding boost for the military, while domestic programs would be subject to deep slashing.

## CFPB Seeks Approval to Conduct New Student Loan Survey

Last week, the Consumer Financial Protection Bureau (CFPB) published a [notice in the Federal Register](#) seeking approval to conduct a new survey of student loan borrowers. According to the notice, the survey would sample consumers in the Bureau's Consumer Credit Information Panel on their borrowing decisions, their experience managing their loans, and their expectations for the future. The CFPB invites the public to comment on the proposal before June 26, 2023.

## Bipartisan House Members Introduce Tax Free Pell Grants Act

Last week, House Ways and Means Subcommittee on Tax Chairman Mike Kelly (R-PA), Subcommittee on Health Ranking Member Lloyd Doggett (D-TX), Subcommittee on Trade Chairman Adrian Smith (R-NE), and Subcommittee on Worker and Family Support Danny Davis (D-IL) introduced the [Tax Free Pell Grants Act](#), which aims to remove financial and logistical barriers impairing students from securing higher education opportunities. The bill expands the use of Pell Grants on a tax-free basis, improves coordination with the American Opportunity Tax Credit (AOTC), and ensures students do not lose out on any AOTC benefits. "Simplifying our tax code means more in-pocket financial assistance for students seeking higher education," said Rep. Doggett. "And this legislation would also expand eligible expenses under the existing tax credit to include computers and childcare, which have become essential in helping many students get the education they need to achieve their dreams."

## Bipartisan Senators Reintroduce College Transparency Act

Last week, Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA), Sen. Elizabeth Warren (D-MA); Sen. Roger Marshall (R-KS); Sen. Sheldon Whitehouse (D-RI); Sen. Chuck Grassley (R-IA); and Sen. John Hickenlooper (D-CO) reintroduced the [College Transparency Act](#), which ensures that students and families have better information as they consider higher education opportunities. The proposed bill aims to modernize the college reporting system for postsecondary education data by providing accurate reporting on student outcomes such as enrollment, completion, and post-college earnings across colleges and majors, while ensuring the privacy of individual students is securely protected. Under the updated system, institutions of higher education would report privacy-protected, student-level data to the National Center for Education Statistics (NCES), which would be responsible for securely storing student information, working with relevant federal agencies to generate post-college outcomes reports, and presenting the summary information on a user-friendly website for students and families.

Companion legislation was introduced in the House by Reps. Raja Krishnamoorthi (D-IL) and Joe Wilson (R-SC).

## CFPB Issues Interim Final Rule to Facilitate Orderly Wind-Down of LIBOR

On Friday, the Consumer Financial Protection Bureau (CFPB) [announced](#) that it was issuing an interim final rule amending the agency's rule regarding the transition away from LIBOR [London Interbank Overnight Rate] issued in 2021. The interim final rule updates the CFPB's previous final rule to make changes consistent with the Adjustable Interest Rate Act (LIBOR Act), enacted in March 2022, and rulemaking issued by the Federal Reserve. The changes include: (1) conforming the terminology used to identify the replacement indices and (2) adding an example of a 12-month LIBOR tenor replacement index that meets certain standards in Regulation Z.

## Department of Education Announces One-Year Extension of HEERF Spending on a Case-By-Case Basis

The U.S. Department of Education recently [announced](#) that it will offer a one-year extension to institutions of higher education who need additional time to spend COVID relief funds, on a case-by-case basis. More than 700 colleges and universities across the country have unspent funds from the Higher Education Emergency Relief Fund or HEERF,

according to a filing by the U.S. Department of Education with the White House Office of Management and Budget. However, the number of colleges with unspent funds is decreasing every week, as institutions continue to spend the emergency funds ahead of the June 30, 2023 deadline. Most of the remaining money can be used by colleges for institutional purposes such as purchasing technology or replacing revenue lost due to the pandemic. Colleges will be required to submit a request for a one-year extension by June 20th, explaining why they need the extension and how they plan to use their remaining COVID relief funds. The Department said that it plans to "assiduously determine" that colleges seeking an extension have a plan to address the lingering effects and impacts related to COVID-19.

## U.S. Department of Education News

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

The following announcements were posted to Federal Student Aid's Knowledge Center:

- [\(GEN-23-07\) Written Arrangements Between U.S. and Foreign Institutions](#)
- [\(APP-23-05\) 2023-24 Federal School Code List of Participating Schools \(May 2023\)](#)
- [2023-24 Federal School Code List of Participating Schools \(May 2023\)](#)
- [Annual Updates to the Income-Contingent Repayment \(ICR\) Plan Formula for 2023-2024 William D. Ford Federal Direct Loan Program](#)

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## General News

[The Hill](#) reports that Senate Majority Leader Chuck Schumer (D-NY) announced that the chamber's committees would hold hearings on certain parts of legislation passed by House Republicans last week to raise the nation's debt ceiling while cutting federal spending to "expose the true impact" of the legislation on the American people.

[Roll Call](#) reports that the U.S. Supreme Court has agreed to decide a challenge over how courts assess federal rulemaking - the so-called "Chevron deference" - setting up a major case for its next term that could change the balance of power between executive agencies, Congress, and the Judiciary.

The RAND Corporation recently released a [report](#) discussing how stackable credentials can improve equity in higher education.

[Forbes](#) publishes an article saying that the U.S. Department of Education has sent emails providing federal student loan forgiveness to the next group of borrowers covered by the settlement.

[Inside Higher Ed](#) reports that Connecticut lawmakers and higher education leaders are facing off over the proposed state budget. With COVID relief funds drying up and enrollment dwindling, it is a battle likely to play out in other states as well.

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