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## NCHER Sends Letters to House and Senate Appropriations Committees in Support of AMF Extension

Today, NCHER sent a [letter to the House Appropriations Committee](#) and a [letter to the Senate Appropriations Committee](#) urging its members to include a one-year extension of Account Maintenance Fees (AMF) paid to state and nonprofit guaranty agencies in the Fiscal Year 2024 Labor, Health and Human Services, Education, and Related Agencies Appropriations Act. In the letter, NCHER President James Bergeron provided background on AMF, noting that guaranty agencies are authorized under the Higher Education Act of 1965 to provide important services to students and their families, borrowers, and the federal government in order to increase access to and success in

postsecondary education and help manage the federal legacy student loan program at the local level. The fees are paid quarterly and based on the original principal balance of an agency's outstanding non-defaulted Federal Family Education Loan Program portfolio. According to the Congressional Budget Office, the annual extension of AMF authority is budget neutral. Mr. Bergeron continued that, if AMF is not extended, fewer families will receive important information that helps open the doors to college, fewer schools will receive basic administrative support, and guaranty agencies will be unable to perform critical functions that assist borrowers in avoiding default and protect federal taxpayers as the federal legacy program continues to wind-down its operations. The letter concluded by expressing appreciation for the committee's recognition of the vital role that guaranty agencies play in promoting student success and commended the extension of AMF authority for an additional year in the Consolidated Appropriations Act, 2023 (Public Law 117-328) as well as in prior appropriations bills.

## House Republicans Introduce Legislation Raising Debt Ceiling, Includes Spending Cuts to Block Federal Student Loan Forgiveness Plan and Payment Pause

Yesterday, House Republicans, led by Speaker Kevin McCarthy (R-CA) released the [Limit, Save, and Grow Act](#), which would raise the nation's debt limit by \$1.5 trillion, or through March of next year, in exchange for dramatically cutting federal spending. The plan calls for imposing caps on federal spending over the next 10 years that would, for the upcoming fiscal year, reduce spending by \$130 billion. Among the numerous policy provisions, the legislation would block the U.S. Department of Education's federal student loan forgiveness program, end the federal student loan repayment and collections pause, prohibit the the Biden Administration from carrying out the new Income Driven Repayment (IDR) plan proposed in August 2022, and proclude the Department from issuing significant regulations or executive actions that would increase the long-term cost of operating the federal student loan programs. It would also rescind unobligated COVID-19 relief funds. In [remarks](#), Speaker McCarthy said that the House will vote on the legislation next week and called on Senate Democrats and the President to engage House Republicans in negotiations to raise the national debt.

Following the legislation's release, the White House said that it will not support negotiations and urged the House to pass a simple extension. In a [statement](#) released today, Education Secretary Cardona said, "Today, Speaker McCarthy declared that he will force a catastrophic default and plunge America into recession unless he can claw back

school relief dollars and prevent millions of hardworking Americans – including over 83,000 borrowers in his own district – from getting the student debt relief they need coming out of the pandemic. It's a shame for students and working families across the country that Republican lawmakers, many of whom benefitted from hundreds of thousands of dollars in small business loan forgiveness, continue to fight hypocritically to deny critical student debt relief to millions of their own constituents. While President Biden, Vice President Harris, and I continue working to deliver much-needed relief to borrowers working to get back on their feet after the pandemic, Speaker McCarthy's proposal tells us everything we need to know about what he and his allies value—tax cuts for the super rich, special interests, and big corporations over support for hard working Americans.”

## House Appropriations Subcommittee Holds Hearing with Education Secretary Cardona

Earlier this week, the House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Subcommittee held a hearing with Education Secretary Miguel Cardona. In his opening statement, Chairman Robert Aderholt (R-AL) discussed his opposition to the U.S. Department of Education's federal student loan forgiveness plan arguing that it is unfair to those who did not take out loans, chose a less expensive school, or worked while attending school to avoid debt. Instead, he explained, the federal government should provide increased funding for Pell Grants and TRIO programs. In her opening statement, Ranking Member Rosa DeLauro (D-CT) expressed concerns about the effects of the budget cuts proposed by House Republicans. She shared that recent increases to higher education have allowed for increases in the maximum Pell Grant and made college more affordable for students.

In his [written testimony](#), Secretary Cardona expressed concerns with the proposed spending cuts and said that they would reduce funding for Pell Grants and create more barriers to access higher education for students and families. He shared that the President's budget request includes an increase to the maximum Pell Grant by \$820 to \$8,215 for the 2024-2025 award year. He also shared the importance of expanding access to free community college through a new federal-state partnership and \$500 million for a new discretionary grant program that would allow grantees to offer up to two years of free community college to eligible students, including DREAMers, enrolled in eligible programs that lead to good-paying jobs, or that fully articulate to four-year degrees. He stated that the budget also includes \$2.65 billion to help administer federal student aid programs and to support students and families as they navigate the financial

aid process and loan repayment systems. Secretary Cardona also said that, to promote college access and completion of postsecondary education, the budget includes increases for Federal TRIO programs and GEAR UP programs. For additional coverage, including an archived webcast of the hearing, click [here](#).

## House Democrats Send Letter Urging Short-Term Pell Grants be Available to Students at For-Profit Institutions

A group of 16 House Democrats recently sent a letter to House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) and Ranking Member Bobby Scott (D-VA) urging them to expand eligibility to Pell Grants to students enrolled in short-term programs at for-profit colleges. The letter was also sent to House Speaker [Kevin McCarthy](#) (R-CA) and House Minority Leader [Hakeem Jeffries](#) (D-NY). The Jumpstart Our Business Startups (JOBS) Act, which was reintroduced earlier this year, would expand Pell Grants to cover short-term job training programs offered by community colleges and technical colleges but would exclude for-profit institutions. In the letter, the lawmakers argued that, with the inclusion of eligibility for for-profit institutions, safeguards should be put into place to ensure that Pell Grants are used to help students attend high-quality short-term programs. These safeguard could include linking programs eligible for Pell to student outcomes or involving states and employers in the vetting process. “We believe Congress should support access to all high-quality programs, including those offered at proprietary institutions, which currently serve nearly one million students in the United States,” the lawmakers said. “Many offer programs that are not available or not convenient for non-traditional students attending public institutions. Career programs at high quality proprietary institutions produce graduates who are ready to succeed in high-demand occupations, such as nurses, tradesmen and women, and truck drivers.”

## 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:

- [\(GENERAL-23-27\) OUTAGE ALERT – IRS DRT Outages April and May 2023](#)
- [\(GENERAL-23-26\) Spanish Version of a Fact Sheet for Prison Education Programs](#)

- [\(GENERAL-23-25\) Invitation to Participate in a Revised Second Chance Pell Experiment Under the Experimental Sites Initiative](#)
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## General News

McKinsey and Company published a report titled, [Fulfilling the Potential of U.S. Higher Education](#), which says that higher education must remain focused on its core mission of educating learners but evolve its practices to serve more Americans.

The U.S. Government Accountability Office released a report titled, [What Financial Aid Offers Don't Tell You About the Cost of College](#), explaining that the review of financial aid offers from colleges and universities across the U.S. found that most do not provide the important information students need about the cost of attending college.

The Brookings Institution published a report titled, [The Complication with FAFSA Simplification](#), which detailed the changes to the Free Application for Federal Student Aid (FAFSA) and the federal student aid process made by the FAFSA Simplification Act and their likely impact on the net price of college, after factoring in financial aid, for dependent students attending four-year institutions.

[Higher Ed Dive](#) reports that the U.S. Department of Education is struggling to fulfill its duties without a significant bump in administrative expenses for the Office of Federal Student Aid.

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