



DAILY BRIEFING

Monday, September 13, 2021

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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](#).

House Education and Labor Committee Passes Build Back

Better Act

On Friday afternoon, the House Education and Labor Committee passed the [education portion](#) of the Build Back Better Act by a party-line vote of 28-22. As previously reported, the legislation would carry out the reconciliation instructions included in the recently passed budget resolution and is largely based on the White House's American Families Plan. The bill would increase the maximum award under the Pell Grant program by \$500 from the 2022-2023 award year to the 2029-2030 award year; create a new America's College Promise program that provides grants to for tuition-free community college; create a new Retention and Completion Grant program geared toward improving retention, transfer, and completion rates; and provide tuition assistance for students at Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs). The legislation would also expand federal student aid eligibility to those students who are covered by the Deferred Action for Childhood Arrivals (DACA) policy and have Temporary Protected Status, count active-duty deferment periods toward the Public Service Loan Forgiveness Program, and provide additional funds to HBCUs, TCUs, and MSIs.

During committee consideration, Democrats and Republicans offered a number of amendments to the package, all of which were defeated, including the following:

- Alma Adams (D-NC) offered an amendment regarding equitable distribution of funds to HBCUs. The amendment was withdrawn.
- Fred Keller (R-PA) offered an amendment to implement means testing for student eligibility in the free community college program. The amendment was defeated by a vote of 21-27.
- Jim Banks (R-IN) offered an amendment to prohibit funding for institutions of higher education that fund Confucius Institutes. The amendment was defeated by a vote of 22-26.
- Jim Banks (R-IN) offered an amendment to prohibit Pell Grant recipients from conducting research on behalf of entities related to the Chinese government. The amendment was defeated by a vote of 20-28.
- Rick Allen (R-GA) offered an amendment to direct the U.S. Government Accountability Office to conduct a study examining the bill's impact on reducing college costs. The amendment was defeated by a vote of 20-28.

- Rick Allen (R-GA) offered an amendment to require institutions to repay Pell Grant funds up to the maximum yearly amount if Pell recipients do not graduate. The amendment was defeated by a vote of 22-28.
- Glenn Grothman (R-WI) offered an amendment regarding the eligibility of Pell Grants for DACA recipients. The amendment was defeated by a vote of 21-28.
- Glenn Grothman (R-WI) offered an amendment regarding student loan debt. The amendment was defeated by voice vote.
- Glenn Grothman (R-WI) offered an amendment to strike the increase in Pell Grants. The amendment was defeated by a vote of 22-28.
- Scott Fitzgerald (R-WI) offered an amendment barring funding for colleges and universities that have tied to foreign adversaries under the free community college program. The amendment was defeated by a vote of 21-28.
- Diana Harshbarger (R-TN) offered an amendment changing the title of the free community college program to the federal taxpayer-funded community college program. The amendment was defeated by a vote of 22-28.
- Julia Letlow (R-LA) offered an amendment to strike the bill's free community college proposal. The amendment was defeated by a vote of 22-28.

“Committee Democrats have taken a major step toward delivering a transformative investment in our families and in our future,” said Chairman Bobby Scott (D-VA). “The provisions in the committee’s portion of the Build Back Better Act will lower costs for nearly every American family, secure good-paying jobs for millions of American workers and set a strong foundation for America’s children. I want to congratulate and thank my colleagues for their hard work on this historic proposal.” House Majority Leader Steny Hoyer (D-MD) has said the Build Back Better Act could move to the House Floor the week of September 20, 2021.

House Ways and Means Committee Unveils Budget Reconciliation Provisions, Includes Pell Grant and Endowment Taxation

The House Ways and Means Committee recently released the [tax provisions](#) of the Build Back Better Act, which the committee will consider tomorrow. Among hundreds of other provisions, the draft legislation would:

- Exempt Pell Grant funds received by students from gross income for tax purposes.

- Provide a new credit for taxpayers that donate to colleges and universities in lieu of a charitable deduction.
- Repeal a rule barring students convicted of drug offenses from claiming the American Opportunity Tax Credit.
- Ease the excise tax on university endowments that was included in the Tax Cuts and Jobs Act of 2017.

For more coverage of the tax provisions, see this article from [Politico](#).

House Republicans Send Letter to Education Secretary Cardona Opposing Mass Cancellation of Student Loans

Last week, four House Republicans wrote a [letter](#) to Education Secretary Miguel Cardona opposing mass cancellation of federal student loans. In the letter, Reps. Ted Budd (R-NC), Warren Davidson (R-OH), Scott Perry (R-PA), and Barry Loudermilk (R-GA) write that they are concerned with the recent hiring of Toby Merrill, the U.S. Department of Education's new Deputy General Counsel, and her assertion made when working for the Harvard Law School's Project on Predatory Student Lending that the Department possesses the legal authority required to grant broad student loan debt forgiveness. The lawmakers argue that the Secretary has limited authority to provide mass cancellation of student debt. For more coverage, see this article from [Fortune](#).

ARRC Announces Fifth SOFR Symposium: The Final Year

The Alternative Reference Rates Commission (ARRC) recently announced that it will hold the Fifth Secured Overnight Financing Rate (SOFR) Symposium, which will discuss the transition away from the London Interbank Offered Rate (LIBOR), next Monday, September 20, 2021. Next week's event, which will start at 12:00 p.m. ET, will cover the transition away from LIBOR to SOFR from the perspectives of the U.S. Securities and Exchange Commission (SEC) and buy-side institutions. The event will open with remarks by SEC Chair Gary Gensler and then address the impact of supervisory guidance on the transition. In the invite, the ARRC states that registration is limited, so it will be best to register soon. For more information or to RSVP, click [here](#). The upcoming event builds on the [ARRC's SOFR Symposium](#) series (see recordings from Parts [I](#), [II](#), [III](#), and [IV](#)).

GEPI Releases Analysis of Congressional Proposals to Increase Pell Grants

The Gender Equity Policy Institute (GEPI) recently released a report titled, [Tackling the Student Debt Crisis: An Analysis Of Congressional Proposals To Increase Pell Grants](#). This report analyzed data on past and current student demographics, college costs, and student loan debt to examine the impact of improvements to the Pell Grant program, with particular focus on how the benefits would be distributed across gender, race, and ethnicity. The Institute projects that by doubling the Pell Grant program:

- Community college students who receive the maximum award will graduate debt-free.
- Bachelor's degree students who receive the maximum award will see a 79 percent reduction in debt.
- Students, on average, will see their loan debt slashed in half or more.

GEPI stated that more than 25 million U.S. adults could benefit from increasing the Pell Grant. In particular, 1 in 4 adults under the age of 40 would be eligible for a Pell Grant. Of the 25.2 million people eligible for a Pell Grant award, 11.7 million have college credit but no degree and 53 percent of women eligible for an award would be women of color.

Virginia State Commission Adopts Regulations Implementing Student Borrower Bill of Rights

Last week, the Commonwealth of Virginia's State Corporation Commission (SCC) adopted [regulations](#) that would implement the new Student Borrower Bill of Rights that became law in 2020. The new law and the implementing regulations would require student loan servicers to be licensed with the commonwealth and submit to reporting requirements, oversight inquiries, and numerous affirmative acts on behalf of borrowers. The regulations are effective October 1, 2021. For more coverage, see this article from [CBS 19 News](#).

U.S. Department of Education News

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

The following announcements were posted to the Information for Financial Aid Professionals website:

- [Mandatory SAIG Software Upgrade - Upgrade to EDconnect 8.5 and Updated TDClient Software by Oct. 23, 2021 \(EA ID: GENERAL-21-56\)](#)
- [COD Common Record XML Schema Version 5.0a Now Available \(EA ID: COD-21-06\)](#)

- [\(ANN-21-10\) Live Internet Webinar – Federal Update Sept. 28, 2021 Webinar](#)
 - [Third Party Access to the Department’s Information Technology Systems and Notice of Criminal Penalties for Misuse of Access Devices](#)
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General News

[The New York Times](#) reports that \$10 billion in student loan debt has been erased under the actions of the U.S. Department of Education, but there continues to be calls for more. Even without the blanket forgiveness that progressives have pushed, the Biden Administration has sped up and broadened its relief efforts before borrowers are set to resume payments in January.

The Consumer Financial Protection Bureau released a [blog post](#) that asks – “Did you get a notice that your student loans are transferring to a new servicer? Learn more about what this means for you.”

[Inside Higher Ed](#) reports that a new study argues that debt aversion and transportation problems pose major barriers to college completion for Latinx students.

[International Business Times](#) reports on which states’ residents owe the most in student loan debt.

[The Society for Human Resource Management](#) reports that only 8 percent of employers made contributions to their employees’ student loans last year, according to its 2020 survey and encourages more employers to offer this important employee benefit.

[Forbes](#) reports that Amazon has become the latest major national corporation to offer tuition-free college as an employee benefit. The company plans to cover 100 percent of tuition, as well as fees and the costs of books, for its 750,000 hourly employees. The benefits will be provided through Amazon’s Career Choice program.

[MarketWatch](#) examines whether income share agreements help people pay for college or are they loans that help providers evade federal and state regulation?

[Inside Higher Ed](#) reports that 6 in 10 American adults say that a college degree is worth the time and money, according to a survey released today from the Association of

American Colleges and Universities and Bipartisan Policy Center.

[*Diverse Issues in Higher Education*](#) reports that few federal resources have been allocated to help students complete their postsecondary education degrees. This year, however, the Biden Administration proposed the creation of a new \$62 billion College Completion Fund as part of its American Families plan. Activists hope by pushing the passage of the program, more Americans can live a better life and achieve their dreams through education.

[*Inside Higher Ed*](#) and [*University Business*](#) report that President Joe Biden recently announced that he is requiring large private businesses and federal contractors to mandate COVID-19 vaccinations for their employees, a move that is expected to affect colleges and universities.

[*The Chronicle of Higher Education*](#) reports that, this fall, unvaccinated students face new campus rules and restrictions.

[*Inside Higher Ed*](#) and [*The Chronicle of Higher Education*](#) report that *U.S. News & World Report* is releasing its rankings of colleges and universities -- largely unchanged from last year and rejecting arguments that it should drop SAT and ACT scores from rankings.

[*22 News WWLP*](#) covers an interview with Sen. Elizabeth Warren (D-MA) as she fields questions about the status of student loan forgiveness.

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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