NCHER DAILY BRIEFING

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In Today's Edition

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.

House Speaker Pelosi Delays Vote on Bipartisan Infrastructure Bill until Thursday, Seeks Framework for

Reconciliation Package

Last week, House Speaker Nancy Pelosi (D-CA) announced that the U.S. House of Representatives would delay a vote on the Infrastructure Investment and Jobs Act, the bipartisan infrastructure package that passed the U.S. Senate earlier this summer. The current plan is for the chamber to debate the measure tonight, but to hold final passage until Thursday. Moderate Democrats have insisted that Speaker Pelosi allow the House to consider the legislation this week in exchange for supporting what maybe a slimmed down version of the Build Back Better Act, the budget reconciliation package moving through Congress. The House and Senate Democratic Leadership had set a topline spending total of $3.5 trillion for the budget reconciliation bill, but moderate members have called for reducing the bill to approximately $1 trillion. Media reports have cited that the leadership is seeking to finalize a "framework" this week that would include a topline spending number and a listing of the major provisions that would be included in any reconciliation bill. As a reminder, the House Education and Labor portion of the bill includes a new free community college program and funds to subsidize tuition at Historically Black Colleges and Universities and Minority-Serving Institutions; a new $9 billion college retention and completion grant; and a $500 increase to the maximum award for the Pell Grant program.

As a sign that the chamber is moving forward on the Build Back Better Act, over the weekend, the House Budget Committee voted to advance the collective reconciliation measures approved by the 13 House Committees to the House floor as a single legislative package. The House Budget Committee did not release the final score from the Congressional Budget Office for the combined bill. The Budget Committee's role in advancing budget reconciliation legislation is ministerial, no changes were made to the versions reported by the other committees. In announcing the House schedule for this week, House Majority Leader Steny Hoyer (D-MD) listed "consideration of the Build Back Better Act", but the House Rules Committee has yet to schedule a meeting on the bill to report a rule for its floor consideration.

For more coverage, see this article from ***The New York Times***.

Higher Education Organizations Urge Repeal of Taxability of Pell Grants for Non-Tuition Expenses

Last week, nearly 20 higher education organizations and associations sent a letter to the Senate Finance Committee urging the repeal of the taxability of Pell Grants used for non-tuition related expenses in the upcoming budget reconciliation package. The House Ways and Means Committee included a similar provision in the tax portion of the Build Back Better Act, the budget reconciliation legislation that was advanced by House Budget Committee this past weekend. Currently, the portion of Pell Grants spent on non-tuition related expenses is taxable. “We strongly urge you to repeal the taxability of Pell Grants in reconciliation by retaining the provision included in the Ways and Means portion of the Build Back Better Act,” the letter says.

Among the organizations signing the letter are the American Council on Education, the American Association of Community Colleges, the American Association of State Colleges and Universities, the Association of American Universities, the Association of Public and Land-grant Universities, and the National Association of Independent Colleges and Universities.

Twenty-Two Attorneys General Make Recommendations to Improve Public Service Loan Forgiveness

Last week, 22 Attorneys General wrote a **letter** to the U.S. Department of Education in response to a call for comments on how to improve the Public Service Loan Forgiveness (PSLF) program. The letter makes the following recommendations:

- Provide immediate relief to borrowers who have been “harmed by the misadministration” of the PSLF program and its 2018 addition, the Temporary Extended Public Service Loan Forgiveness program.
- Improve oversight and accountability when the Department selects a new servicer to administer PSLF.
- Extend the pause on payments on student loans through the end of the transfer of the administration of the PSFLF program to a new servicer.
- Conduct broad outreach to all borrowers potentially interested in forgiveness, including those who have yet to apply and those who have already received denials.
- Proactively correct any errors the Department discovers for all affected borrowers.

Pew Releases Recommendations to Improve Income Driven Repayment

The Pew Charitable Trusts recently released **recommendations** for how to improve Income Driven Repayment (IDR) plans through the upcoming negotiated rulemaking sessions that the U.S. Department of Education will be starting next week. In its publication, Pew said that Federal Student Aid estimates that about 30 percent of borrowers are enrolled in IDR plans. A Pew survey conducted in the spring 2021 found that 61 percent of borrowers enrolled in IDR plans cited lower payments as the reason they enrolled in such plans, but that 47 percent of those previously or currently enrolled still found their payments too high. The same survey also identified that 44 percent of those who had enrolled in an IDR plan found the application process difficult to navigate. Lastly, the survey found that a significant portion of respondents who had not enrolled in an IDR plan, 48 percent, said not being aware of these plans was the primary reason for their lack of enrollment.

The recommendations made by Pew include the following:

- Making payments more affordable for low-income borrowers, including lowering the percent of a borrower's discretionary income used to calculate payments, increasing the amount of income excluded to calculate payments, or considering other borrower expenses in payment calculations including those related to child care or health care.
- Reducing balance growth, including eliminating or limiting interest capitalization (such as waiving interest for low-income borrowers or instituting a monthly cap) in IDR plans to prevent balances from growing.
- Boosting enrollment among struggling borrowers by streamlining the number of existing IDR plans and allowing borrowers who have defaulted to enroll in IDR plans rather than first requiring them to enter loan rehabilitation.

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:

- (APP-21-17) Availability of 2022–23 CPS Web Applications Demonstration (Web Demo) System and 2022–23 CPS Mainframe Test System
  SEPTEMBER 27, 2021
- (LOANS-21-08) FY 2018 Official Cohort Default Rates Distributed Sept. 27, 2021
  SEPTEMBER 27, 2021
- (GENERAL-21-61) FSA Partner Connect – September 2021 Updates to FSA Partner Connect Website
  SEPTEMBER 24, 2021
- (GENERAL-21-60) Reminder: Mandatory SAIG Software Upgrade by Oct. 23, 2021 to Maintain Access to the SAIG

SEPTEMBER 24, 2021

General News

Inside Higher Ed reports that the federal fiscal year begins on Friday, but there is still time for lawmakers to avoid shutting down the federal government. However, if they cannot do it, higher education should not have much to worry about -- as long as the shutdown does not last too long.

CNBC reports that federal student loan forgiveness is still up in the air and what students and parents should do in the meantime.

The New York Times reports that the Biden Administration has provided almost $10 billion in federal student loan forgiveness, but calls are growing for more.

U.S. News and World Report profiles several colleges and universities that are currently meeting full financial need for their students with no loans. These colleges have gone loan-free to reduce their students' debt loads.

Inside Higher Ed reports that algorithms make the admissions process more precise and more effective for many colleges. But do they result in colleges filling their classes but not giving enough aid for a student to succeed in higher education?

Higher Ed Dive provides further coverage of the announcement that students from families earning up to $100,000 will now be able to freely apply to the College Board's CSS Profile, a tool used by some 300 colleges to award students institutional financial aid packages.

Scholarships 360 examines what to do if your student loans are sold to a collection agency - there can be financial consequences.

Verify reports the U.S. Department of Education's Office of Federal Student Aid announced that federal student loans serviced by two companies would be transferred to new servicers — Edfinancial Services for Granite State borrowers.

Bankrate reports that the Federal Student Aid ID (FSA ID) is the account used to access the U.S. Department of Education's online system and what students need to know to manage federal student aid online.

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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