

### Tuesday, February 20, 2024

## In Today's Edition

- Join the NCHER Board of Directors and Play a Leadership Role on Higher Education Finance!
- Weekly Rundown
- Department of Education Holds Fourth Session of Negotiated Rulemaking on Federal Student Loan Forgiveness This Week
- Politico Examines Problems with FAFSA Rollout by Department of Education
- Senate Democrats Send Letter to Department of Education Asking for Expanded Eligibility for Parent PLUS Loans
- U.S. Department of Education News
- General News

## Join the NCHER Board of Directors and Play a Leadership Role on Higher Education Finance!

As NCHER continues to promote its advocacy, communications, and regulatory engagement agenda at the federal level, it is the time of the year to start preparing for upcoming elections for the NCHER Board of Directors. Have you thought about playing a leadership role at NCHER? Do you have ideas on improving membership services? Do you want to become more active on higher education policy at the federal level? Is your organization a voting member of NCHER? If so, consider submitting your name for a seat on the Board of Directors.

Next month, NCHER will hold elections for the following positions:

- 1. Chair-Elect. As an officer of NCHER, the Chair-Elect serves as vice chair of the Board of Directors, performing the duties and exercising the powers of the Chair in his/her absence or disability. The term begins on July 1, 2024, and includes the assumption of the duties as Chair on July 1, 2025, and as Immediate Past-Chair on July 1, 2026. This position and both subsequent positions serve on NCHER's Executive Committee.
- 2. Treasurer. The Treasurer oversees the keeping of full and accurate accounts of the finances of the Council. The two-year term begins on July 1, 2024 and concludes on June 30, 2026.
- 3. Directors at-Large. Board members are responsible for directing any and all activities and affairs of NCHER, including the organization's federal advocacy, communications, and research strategy. These two-year terms begin on July 1, 2024, and expire June 30, 2026.
- 4. Liaison Representatives. The NCHER Bylaws authorize the Board of Directors to appoint liaison representatives from the affiliate and school membership to provide advice and consultation and serve on the Board and its committees. The Board is interested in receiving nominations from the affiliate and school membership and intends to appoint multiple liaisons to serve on the Board.

In order to assist in the administration of the election, NCHER has formed a Nominating Committee which is composed of the Chair, Chair-Elect, and three of the most recent former Chairs who still remain active members, as prescribed by the NCHER By-Laws. The committee is responsible for soliciting recommendations from the voting membership and proposing a slate for election that will be mailed to each voting member by March 15, 2024. This notice is part of that solicitation as the committee works to ensure that the candidates for the Board of Directors are representative of the diversity of our organization.

If you would like to be considered for election or know someone who would be a great addition to the Board of Directors, email or call Angela Baier (College Invest / College Assist), Christiana Thornton (Granite Advance), Scott D. Giles (MOHELA), Scott A. Giles (Vermont Student Assistance Corporation), and/or Ron Gambill (ELFI) before Friday, March 1, 2024.



### 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 Holds Fourth Session of Negotiated Rulemaking on Federal Student Loan Forgiveness This Week

On Thursday and Friday, all-day, the U.S. Department of Education holds a fourth session of its Student Loan Debt Relief Committee, which will review and discuss <u>draft regulatory language</u> that would allow the agency to discharge the federal student loans owed by borrowers who are experiencing financial hardship and unlikely to be able to repay their debt. The draft proposal would outline several factors that the Department would use to determine financial hardship, such as household income, total debt balance, history of loan repayment, and receipt of a Pell Grant, but it does not define specific thresholds for those factors. In addition, the proposal would permit the Department to forgive loans if a borrower was (as determined by the agency) 80 percent likely to default within the next two years. NCHER will provide further coverage of the negotiated rulemaking proceedings later this week. For additional previews of this week's events, see these articles from <u>CNBC</u> and <u>Forbes</u>. For additional information on the neg-reg process, click here.

# Politico Examines Problems with FAFSA Rollout by Department of Education

This morning, Politico published a lengthy <u>article</u> examining the problems with this year's rollout of the new 2024-2025 Free Application for Federal Student Aid (FAFSA) by the U.S. Department of Education. The article says that FAFSA processing issues will mean millions of families across the country must wait weeks or months longer than usual to receive their financial aid packages this spring with several colleges and universities already pushing back their usual May 1 deadline for students to commit to their school. Politico quoted David Bergeron, a former Department official, who said, "This is equivalent at some level to the IRS [Internal Revenue Service] not being able to collect tax

returns on April 15. For people whose kids are in high school today or starting college in the fall, this is a basic operation of government that they just assumed would move along as expected." The article goes on to say that House and Senate Democrats and Republicans have been critical of the Department's handling of the FAFSA rollout. In response to Congressional requests, the U.S. Government Accountability Office has opened two investigations into the issue. Politico also quoted Jon Fansmith, Senior Vice President for Government Relations at the American Council on Education, who said, "There's very little you can point to at this point and say, 'this is going well. We know that they're doing the best that they can, but at a certain point, it doesn't excuse what we're seeing."

Department officials have blamed several factors for the problems with the FAFSA: the sheer complexity of the task of revamping the federal financial aid system mandated by Congress, a lack of adequate funding for Federal Student Aid provided by Congress, and a last-minute change to the financial aid formula after the Department mistakenly failed to properly account for inflation. However, federal officials are also privately pointing fingers at a major outside vendor, General Dynamics Information Technology (GDIT), which was tasked with building out and operating the new FAFSA processing system for missed deadlines and delays. The article notes that Education Secretary Miguel Cardona has personally had multiple calls over the past few months with Amy Gilliland, GDIT President, in an attempt to resolve the delays and speed along the project. Department officials also brought in the U.S. Digital Service, a White House Office set up in the wake of the Obamacare website debacle to help federal agencies deal with technology projects, as concerns increased about the slipping timeline. A Department spokesperson said only that the agency had "pulled in a top team from the U.S. Digital Service" that "works closely" with the department and its contractors "to support this critical project."

## Senate Democrats Send Letter to Department of Education Asking for Expanded Eligibility for Parent PLUS Loans

Last week, nine Democratic senators, led by Sen. Chris Van Hollen (D-MD), sent a <u>letter</u> to Secretary of Education Miguel Cardona urging the U.S. Department of Education to revise its existing regulations regarding Parent PLUS loans, citing "deep concern that Parent PLUS borrowers have been left out of key student loan actions the Administration has taken." In the letter, the lawmakers asked the Department to expand eligibility for more generous income-driven repayment plans, such as the SAVE Plan, to Parent PLUS borrowers. The letter highlights how the Parent PLUS program, initially intended to assist higher-asset families, now disproportionately burdens low-income families, particularly

those of color. "As borrowing terms have changed, tuition has skyrocketed, and the purchasing power of the Pell Grant has fallen, families with limited resources, particularly families of color, have increasingly turned to Parent PLUS loans to help finance their children's education," the senators said. "According to a 2022 report from the Century Foundation, the percent of Latino Parent PLUS borrowers with an expected family contribution (EFC) of zero nearly doubled and the percent of Black Parent PLUS borrowers with an EFC of zero quadrupled between 2000 and 2018." The letter also calls for the inclusion of Parent PLUS borrowers in upcoming federal regulations resulting from negotiated rulemaking sessions on student debt relief, emphasizing the importance of addressing intergenerational debt.

## 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:

- Comment Request: PLUS Adverse Credit Reconsideration Loan Counseling
- Comment Request: Personal Authentication Service (PAS) for Federal Student Aid
   ID
- (GENERAL-24-12) Additional 2024–25 Test ISIR Data File and Other Tools
   Available
- Comment Request: Work Colleges Application and Agreement
- Comment Request: Work-Study Colleges Expenditure Report

#### **General News**

House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) and Ranking Member Bobby Scott (D-VA) released a new <u>poll</u> from the National Institute for Civil Discourse that found strong support for short-term Pell Grants. Among the results, 79 percent of survey respondents believe that career-connected learning supported through Workforce Pell gets too little support relative to college.

<u>Inside Higher Ed</u> discusses a new survey from Third Way that found graduate students want greater transparency about outcomes prior to enrolling in an advanced degree

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program.

The Western Interstate Commission for Higher Education released a new <u>Issue Brief</u> raising concerns that pandemic learning loss could create another enrollment hurdle for higher education. The organization recommended that higher education leaders should track K-12 assessment results in order to have the most information possible while setting expectations for enrollees.

<u>CNBC</u> highlights a report from the Employee Benefit Research Institute that Americans making student loan payments have up to 36 percent less saved for retirement.

Roll Call reports that Senate Republicans just had a good week - they were able to secure their favored candidates in several races that will determine which party has a majority in the U.S. Senate come November.

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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