



NCHER



BRIEFING

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NCHER Annual Conference: Take Advantage of Early Bird Registration Rate, Register Today!

NCHER will hold its Annual Conference on June 3-5, 2024 at the Hyatt Regency Clearwater in Clearwater, Florida. The conference, which is open and designed for everyone across the higher education finance industry, will provide attendees with ample opportunities to network, learn, and take information back home that they can use in their current jobs – from hearing about the current trends and hot topics to exploring new and potential business opportunities. The [draft agenda](#) is packed with important and engaging sessions as well as opportunities for small group discussions among industry experts. The current agenda includes:

- A pre-conference session where first-time and veteran attendees will do a deep-dive into federal policy reviewing recent and upcoming developments at the national and state levels.
- An update on the rollout of the 2024-2025 FAFSA [Free Application for Federal Student Aid] and what NCHER members can expect to occur over the next few months following Federal Student Aid’s rocky implementation of providing eligibility information to institutions of higher education.
- General sessions built around preparing you and your colleagues for the future: topics include reviewing the changing demographics of the current student population, examining the macro trends that will determine and influence the private education loan market in 2024/2025, examining the ongoing needs of colleges and universities and the role that third-party servicers can play in the current environment, and discussing student perspectives on higher education and how to create a successful marketing strategy for your services and programs and realize a return on investment.
- General sessions geared toward improving your operational and compliance strategies: topics include discussing the potential business and financial value of leveraging the value of artificial intelligence to improve higher education financing and reviewing the most pressing state regulatory topics impacting the membership and what steps compliance offices should be taking now to stay ahead of any potential review.
- Small group break-out sessions centered on industry sectors so that attendees can talk about the most pressing issues of the day with their peers. It will also include an NCHER staple – our annual “Ask the Attorney’s panel.

We urge all of the NCHER membership to [register](#) today and take advantage of the Early Bird registration rate, which expires on May 8th. Members can also make their hotel reservations at a discounted room rate of \$214 at the Hyatt Regency Clearwater as long

as the room block is available. Members can book their room [online](#) or by calling 877-803-7534 and telling the reservation agent that you are booking a reservation for the 2024 NCHER Annual Conference.

We look forward to seeing you for some fun and sun in Clearwater!

House Appropriations Subcommittee Announces Budget Hearing with Education Secretary Cardona

The House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies announced that it will hold a hearing on the Fiscal Year 2025 budget request for the U.S. Department of Education at 10:00 a.m. on Wednesday, April 10, 2024. The sole witness will be The Honorable Miguel Cardona, Secretary, U.S. Department of Education. As previously reported, the President's budget requests \$82 billion in discretionary funding for the Department, which includes a new free community college initiative and an increase in the Pell Grant program. "The Secretary looks forward to testifying before lawmakers next week on President Biden's Fiscal Year 2025 budget request for the Department," a Department spokesperson said in a statement. "He will make the case about why we need to invest in education and raise the bar for our nation's future." The hearing will be live-streamed on the [committee's YouTube page](#).

House Education and the Workforce Subcommittee Announces Hearing on Impact of FAFSA Challenges on Students and Families

The House Education and the Workforce Subcommittee on Higher Education and Workforce Development announced that it plans to hold a hearing titled, "FAFSA [Free Application for Federal Student Aid] Fail: Examining the Impact on Students, Families, and Schools," at 10:15 a.m., on Wednesday, April 10, 2024. In announcing the hearing, Subcommittee Chairman Burgess Owens (R-UT) said: "The Education Department's FAFSA rollout has been defined by poor communication, negligence, and incompetence that has wreaked havoc on the entire university system. FAFSA delays have left millions of students in limbo, unsure of their academic futures and unable to access additional guidance or assistance. This hearing will examine the dire consequences of the FAFSA failure and its impact on students, families, and colleges." Ranking Member Frederica Wilson (D-FL) added: "As students are patiently working through the college application

process, it is concerning that many continue to experience delays in the FAFSA process. As policymakers put the education architecture in place, administrators must ensure seamless execution. This is not happening, and we should have a clearer understanding of why. I look forward to hearing from our witnesses on this critical topic. We must remove obstacles that prevent students from accessing education.” The hearing will be live-streamed on the [committee’s YouTube page](#).

FSA COO Cordray Announces Reprocessing of Financial Aid Application Records

Today, U.S. Department of Education Office of Federal Student Aid (FSA) Chief Operating Officer Richard Cordray [announced](#) that the Department will automatically reprocess all FAFSA [Free Application for Federal Student Aid] records affected by the recent announcement on tax discrepancies, as well as other previously identified issues. Mr. Cordray said that FSA expects to begin reprocessing the records in the first half of April, though institutions of higher education can choose which Institutional Student Information Records to use when providing financial aid offers. The announcement was a reversal of the Department’s previous plans to not reprocess the full batch of federal student aid records that have been corrupted with incorrect tax information, and another glitch in the rocky implementation of the 2024-2025 FAFSA. For further coverage, see the following articles:

- [The FAFSA mess has eroded faith in Biden’s Education Department - USA Today](#)
- [Latest FAFSA blunder leaves colleges in ‘compromising’ position - The Hill](#)

House Republican Steering Committee Announces It Will Choose Chair of House Appropriations Committee Next Week

The House Republican Steering Committee announced that it will meet to choose the next Chair of the House Appropriations Committee, currently led by Rep. Kay Granger (R-TX), on April 9, 2024. Rep. Tom Cole (R-OK), who serves as Vice Chair of the committee and Chair of the Transportation-Housing and Urban Development Appropriations Subcommittee, is seen as the favorite, having locked up the endorsement of nearly every other top Republican on the committee. Rep. Cole is likely to win support from the Steering Committee, which tends to favor more establishment candidates for leadership posts. Rep. Robert Aderholt (R-AL), the most senior Republican after Rep. Granger and

Chair of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Subcommittee, has been considering a run but has not announced his candidacy. Rep. Aderholt has urged the House Steering Committee to delay the selection until the House Republican Conference has a chance to look at reforming the budget and appropriations process. For additional coverage, including remarks from Rep. Cole that there is no time to waste in electing a new Chair, see this article from [Roll Call](#).

Two Cosmetology Schools File Suit Against Department of Education's Gainful Employment Regulation

Earlier this week, Ogle School, based in Texas, and Tricoci University of Beauty Culture, which operates schools in Illinois, Indiana and Wisconsin, filed a [lawsuit](#) against the U.S. Department of Education in the U.S. District Court for the Northern District of Texas challenging the new gainful employment rule that is slated to take effect this summer. Both schools argued that the regulation poses an existential threat to cosmetology programs. "Nearly every such program will fail the tests created by this rule and lose the ability to process federal student aid as a result, thus making it exceptionally difficult for many of them to operate and serve their students," the lawsuit says. The gainful employment rule is expected to take effect on July 1 and will apply to nearly all institutions of higher education, but career training programs could lose access to federal funding if they do not pass two new metrics designed to gauge how much graduates earn and how much student debt they incur. The regulation would label the schools "a failure because their graduates purportedly earn too little and have too much debt," the lawyers for the two schools wrote, "even though those graduates of these relatively brief programs typically devote only around \$65 or \$83 to student-loan payments each month and default on their loans at rates well below what Congress has deemed unacceptable." The lawyers from Kilpatrick Townsend & Stockton and Clement & Murphy say the rule is a "regulatory overreach" by the Department and urge the court to grant a preliminary injunction by May 20 or before July 1.

FSA Releases SAP Memo for Quarter Ending March 2024

Earlier this week, the U.S. Department of Education's Office of Federal Student Aid released a [Memorandum](#) containing Federal Family Education Loan Program calculations of quarterly Special Allowance Payment (SAP) rates for the quarter ending March 31, 2024. According to the memo, the quarterly SAP rates for the relevant three categories are below:

- **Treasury Bill Rate:** The Treasury bill rate is the average of the bond equivalent rates of the 13-week Treasury bills as published by the U.S. Department of the Treasury. For the quarter ending March 31, 2024, the average of the rates is 5.39 percent.
- **Commercial Paper Rate:** The commercial paper rate is the average of the bond equivalent rates of the quotes of the 3-month commercial paper financial rates in effect for each day in such quarter as reported by the Federal Reserve in Publication H-15 (or its successor) for such 3-month period. For the quarter ending March 31, 2024, the average of the rates is 5.42 percent.
- **SOFR Rate:** The Secured Overnight Financing Rate (SOFR) rate is the average of the bond equivalent rates of the quotes of the 30-day SOFR in effect for each day in such quarter as compiled by the Federal Reserve Bank of New York, after adjusting daily by adding the Tenor Spread Adjustment. For the quarter ending March 31, 2024, the average of the rates is 5.56 percent.

FSA Announces New Changes to Federal Student Loan and Grant Web Experience, Pauses PSLF Processing

Earlier this week, the U.S. Department of Education's Office of Federal Student Aid (FSA) [announced](#) that it would be making several changes to the federal student loan and grant programs to improve the web experience for students. The announcement says that the changes, which started in March 2024 and will happen in stages over the next few years, will allow students to fully manage their federal student loans and grants on StudentAid.gov. The changes include the following:

Loan Servicer Websites: Starting in March 2024, all federal loan servicer websites and email addresses will change from ".com" to ".gov." Most of these changes will be completed by April 2024. Some MOHELA borrowers will not see these changes implemented until late June 2024.

PSLF and TEACH Grants Management: Beginning May 1, 2024, the Public Service Loan Forgiveness (PSLF) and Teacher Education Assistance for College and Higher Education (TEACH) Grant programs will no longer be managed through a designated loan servicer. Instead, FSA is updating its systems and contact centers to fully manage these programs through StudentAid.gov. This means that beginning in May 2024 through July 2024, there will be a pause in the following activities:

- **PSLF form processing:** During this period, borrowers can still submit PSLF forms, but they will not be processed by FSA until after the pause ends.

- Payment count updates: Borrower counts will not be updated during the processing pause, but all payments will be reflected on StudentAid.gov account when the pause ends.
- Forgiveness of loans: If a borrower reaches loan forgiveness during the processing pause, he or she will either be refunded after the pause for any payments made beyond the 120 qualifying payments or see these payments applied to other outstanding federal student loans.

After the pause ends, FSA said that borrowers will be able to log into their StudentAid.gov accounts to find information about eligible and qualifying payments for PSLF. For additional coverage, see this article from [Business Insider](#).

Strada Education Network Releases New State Opportunity Index

On Tuesday, Strada Education Network [announced](#) the release of the State Opportunity Index, which was developed to help states build a stronger connection between education after high school and equitable pathways to opportunity. The organization hopes that the index will assist students in realizing the full value of their education and employers have the workforce they need to fill high-demand jobs. While there are still some gaps in available data, the inaugural index establishes a baseline for how states are doing in five priority areas: Clear Outcomes, Quality Coaching, Affordability, Work-Based Learning, and Employer Alignment. Highlights include the following:

- On Clear Outcomes: Strada says that students, institutions, employers, and policymakers need access to specific data — graduate earnings and career outcome information — to understand what their educational choices may mean for work, life, and income. The organization found that more than half of states are Leading or Advanced in some of the categories that are fundamental to strong education-to-employment data systems. But only a few states have enhanced their wage records to produce insights on the occupational outcomes of post-high school education programs. Fewer than half of states are Leading or Advanced in their ability to track outcomes from high school to employment or to provide open data files.
- On Affordability: Strada calculated the number of hours a student would have to work annually, earning their state's median wage for college students, to cover the net price of their degree program. The organization found that, based on the average net price of two- and four-year enrollment in relation to the median wage for employed students, California and Washington are the most affordable states to

attend college. A student paying the average net price in these states would be able to cover the costs of tuition, fees, and living expenses after aid by working fewer than 10 hours per week during the school year and full time during the summer. The least affordable states are Alabama, Georgia, Louisiana, Montana, New Hampshire, North Dakota, Ohio, Pennsylvania, and South Dakota. In these states, even a student working more than 30 hours per week during the school year and full time during the summer could not cover their expenses.

- **On Work-Based Learning:** Strada conducted a nationally representative survey of individuals who completed their college education (public two- and four-year institutions) between 2020 and 2023. The survey asked these recent graduates whether they participated in an internship during the course of their education, and if so, whether they were paid. The organization found that, nationally, just under half of recent graduates from four-year colleges and universities and one-quarter of recent two-year college graduates completed an internship (both paid and unpaid). Slightly more than one-quarter of recent bachelor's degree graduates and 10 percent of recent associate degree completers held a paid internship while enrolled.

U.S. Department of Education News

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

[Federal Register Notice - Reaffirmation Agreement](#): The Higher Education Act of 1965, as amended (HEA), established the Federal Family Education Loan (FFEL) Program, and the William D. Ford Federal Direct Loan (Direct Loan) Program under Title IV, Parts B and D respectively. The HEA provides for a maximum loan amount that a borrower can receive per year and in total. This renewal without change of the information collection is necessary for the Department of Education (the Department), as a holder of some FFEL Program loans and all Direct Loans, and all FFEL Program lenders to capture the borrower's formal agreement to repay any excess amount of FFEL or Direct Loan program loans that the borrower received according to the terms and conditions of the promissory note the borrower signed. The form has not been changed since its last update.

[Press Release - U.S. Departments of Education and Labor Continue Biden-Harris Administration's Push for Better Pay and High-Quality Pathways into Education](#)

[Professions](#)

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

- [\(GENERAL-24-32\) Volume 4: Processing Aid and Managing FSA Funds and Volume 1: Student Eligibility Errata Now Available \[2024-25 Federal Student Aid Handbook\]](#)
- [\(GENERAL-24-31\) 2024-25 FAFSA Tax Data Follow-up: Releasing List of Unaffected FAFSA Records to Schools \(Updated April 3, 2024\)](#)
- [\(COD-24-02\) 2024-2025 COD Technical Reference \(April 2024 Update\) Now Available](#)
- [\(LOANS-24-05\) Updates to Borrowers' Federal Student Loan and Grant Web Experience](#)
- [\(GENERAL-24-30\) Updates on the Use of eZ-Audit for the Electronic Submission of Annual Financial and Compliance Audit Statements for Proprietary Institutions](#)
- [\(GENERAL-24-29\) Update on Tax Data Received from the FA-DDX and Manually Entered Information](#)
- [\(EDESUITE-24-02\) Beta Test Volunteers Needed for EDEXpress 2024-25, Release 2.0](#)

General News

American Enterprise Institute's Dr. Beth Akers pens a [blog post](#) saying that the federal government should take a big step back on student loans.

[Inside Higher Ed](#) reports that some selective institutions of higher education are expected to hit the \$100,000 sticker price soon, though such pricing would likely have more of a psychological and political impact than a financial one.

[insideARM](#) reports that a recent order issued by the Consumer Financial Protection Bureau makes it clear: nonbanks should prepare for additional supervisory activities.

[Inside Higher Ed](#) reports that Congress has sent colleges and universities more than \$1.3 billion in Congressional-directed / earmarks projects.

[The Hill](#) looks at where polls stand in seven swing states for the upcoming election for President.

[Forbes](#) reports that the reauthorization of the Federal Aviation Administration includes a provision banning mass federal student loan forgiveness for borrowers who attended certain professional flight training programs, and advocates are sounding the alarm that this could be a concerning precedent.

[Newsweek](#) reports that Senate Democrats have introduced legislation codifying the U.S. Department of Education's Saving on a Valuable Education / SAVE Plan so that it cannot be overturned by future officials.

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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