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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](#).

President Travels to Wisconsin, Previews Proposed Rule on Federal Student Loan Forgiveness

Later today, President Joe Biden is expected to deliver remarks at Madison College in Madison, Wisconsin where he is expected to discuss the U.S. Department of Education's proposed rule on federal student loan forgiveness. As previously reported, the Department has been working to create a new program to provide loan forgiveness to student and parent borrowers who have been in repayment for 20 years or more; borrowers who are eligible for forgiveness under income-driven repayment, closed school discharge, or other programs but are not enrolled; borrowers who are enrolled in low-value programs or institutions of higher education; borrowers who have accrued interest that is greater than their principal balance; and borrowers who are experiencing hardship in paying back their loans.

In a [press release](#) in advance of the event, the Department said that the plan would provide relief to over 30 million borrowers, including the 4 million borrowers who have already been approved for debt cancellation by the Department over the past three years, and released combined state-by-state totals for approved discharge across four existing major student loan forgiveness programs: Public Service Loan Forgiveness, Income-Driven Repayment, Saving On A Valuable Education, and Total and Permanent Disability. For further coverage, see the following articles:

- [Biden announces new student debt relief plan for millions of borrowers - The Hill](#)
- [Biden releases student loan debt relief plan for millions of borrowers - NPR](#)
- [Biden to announce new plans to provide student debt relief for millions - NBC News](#)
- [Gen Z wants student loan forgiveness without any accountability. It doesn't work that way. - Yahoo Finance](#)
- [Biden to Announce Student Loan Debt Relief Plans for Millions - The New York Times](#)

House of Representatives Slated to Consider H.R. 6655, a Stronger Workforce for America Act, This Week

This week, the U.S. House of Representatives is expected to consider [H.R.6655, A Stronger Workforce for America Act](#), which would reauthorize the Workforce Innovation

and Opportunity Act. The bill, which passed the House Education and the Workforce Committee by a vote of 44-1, will be considered under the suspension of the rules process that requires a 2/3rds vote to pass the chamber. "Every member is hearing from employers in their district about the shortage of skilled workers and their inability to fill the good-paying jobs that are available," Chairwoman Virginia Foxx (R-NC) said in a statement. "We have a real opportunity with support both in and out of Congress to open the doors of opportunity to America's students and workers." Ranking Member Bobby Scott (D-VA) added: "For far too long, we have left our workforce development system without the resources and tools it needs to connect workers with good-paying job opportunities and help employers access a pipeline of talented workers."

The bill would raise the current performance requirements for training providers, tighten requirements for state and local workforce boards, and expand the use of training accounts for individuals. It also adds digital literacy to the list of core competencies included in Adult Education programs and strengthens requirements for states to fund education programs in correctional facilities.

Fifth Circuit Issues Preliminary Injunction Blocking Department of Education's Borrower Defense to Repayment and Closed Discharge Rule

On Thursday, the U.S. Court of Appeals for the Fifth Circuit issued an [order](#) granting a preliminary injunction against the U.S. Department of Education's borrower defense to repayment and closed discharge rule. The court found that the Career Colleges and Schools of Texas (CCST), a trade group representing proprietary colleges, would likely succeed in its lawsuit challenging the policies and reversed a district court's ruling that the organization had not shown irreparable harm. "Not only do we disagree with that finding, but we assess a strong likelihood that the plaintiffs will succeed on the merits in demonstrating the Rule's numerous statutory and regulatory shortcomings," says the order. As previously reported, the borrower defense to repayment rule would make it easier for students to obtain loan discharges when their college or university misleads them or suddenly closes by streamlining the application process, expanding the types of misconduct that could trigger discharge, and providing more generous relief to defrauded borrowers. But the court said that the policy "upends thirty years of regulatory practice," and significantly facilitates "certain student loan discharges while creating uncertainty, complexity and potentially huge liability for the association's members." CCST sued the Biden Administration in February 2023 arguing that the new standards were illegal and

unfairly seek to provide borrowers with more debt relief. The regulations were expected to take effect on July 1, 2023, but the rules were blocked in August. At the time, the Fifth Circuit halted enforcement of the rules while it more fully considered the legal challenge.

Sen. Schmitt Sends Letter to Department of Education Expressing Concern About Delays in FAFSA Processing

Last week, Sen. Eric Schmitt (R-MO) sent a [letter](#) to Education Secretary Miguel Cardona asking questions about the U.S. Department of Education's repeated delays in processing the new 2024-2025 FAFSA [Free Application for Federal Student Aid] and its failure to properly implement the FAFSA Simplification Act. "Despite plenty of time and adequate funding, the Department of Education failed to properly implement the new FAFSA," Sen. Schmitt said. "Though the FAFSA Simplification Act passed in 2020, the form was not available for prospective students until December 2023, delaying the financial aid process. Colleges and universities did not begin to receive student data from completed applications until the end of March 2024, delaying the process further. Now, students are not expected to receive financial aid letters until April or even May. This is well past many universities' decision timelines and most final decisions are required before mid-May." Sen. Schmitt said that the Department has pushed "unnecessary and legally dubious loan bailout" initiatives while failing to prioritize its existing responsibilities under the federal student loan program. Even more concerning, he said that the agency has prioritized the applications of families with illegal aliens, devising 'workarounds' and loopholes to allow these applications to be submitted. "Based on all accounts, working families depending on FAFSA determinations are at the back of the queue in your Department. The Department needs to refocus its efforts and prioritize the FAFSA process to ensure students' education is not jeopardized," the letter concludes.

Moody's Ratings Releases Report Identifying Top Higher Education Issues for 2024

Moody's Ratings recently released a new report identifying the top issues that higher education leaders should be focused on in 2024. Though the analysts say the most pressing issues for colleges and universities will vary by institution, the following are the top-tier issues that higher education leaders should keep in mind:

- The dreaded demographic cliff. Moody's estimates that the number of high school graduates will peak at 3.8 million in 2025 before dropping due to lower birth rates. This could spark fierce competition among colleges for students and increased

spending on recruitment. By 2030, Moody's forecasts that the number of high school graduates will fall to about 3.5 million. "Universities have been preparing for this for many years," Moody's Associate Managing Director Emily Raimes said. "If you look at the forecast, it's more of a slide. There isn't a one-year event here, but rather, this is something that will be something that colleges have to deal with over the next decade."

- Leadership turnover. The average tenure of a university president dropped from 8.5 years in 2006 to just under 6 years in 2022. Moody's analyst Patrick Ronk said this is in part because it is "stressful to be a senior leader at a university...It is a very political position regardless of who's in the White House." Additionally, there has been more high profile media coverage of higher education, Ronk said, and some leaders are finding that untenable.
- Grappling with Artificial Intelligence (AI): More than half of students think that AI will revolutionize teaching and learning methods. This is pushing colleges to figure out how to integrate this tool into their classrooms while also navigating concerns of academic integrity. "A lot of universities are acknowledging that this is becoming real," Mr. Ronk said. "So they should figure out how to best utilize it in an appropriate, innovative way...We're seeing a lot of schools either announce partnerships with Microsoft or OpenAI or trying to roll out their own AI policies and chatbots to make it a learning tool for students and a classroom assistance tool as opposed to trying to ban it or pretending it doesn't exist."

Federal Reserve Releases Consumer Credit Report for February

On Friday, the Federal Reserve released its [Consumer Credit - G.19 Report](#), which showed that consumer credit increased at a seasonally adjusted annual rate of 3.4 percent in February 2024. Revolving credit (mostly credit card debt) increased at an annual rate of 10.2 percent, while non revolving credit (mostly auto loans and student loans) increased at an annual rate of 0.9 percent. Total outstanding consumer credit stood at \$5.051 trillion at the end of February, up \$14.1 billion from January.

U.S. Department of Education News

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

[Federal Register Notice](#): The Secretary announces the annual updates to the Income Contingent Repayment (ICR) plan formula for 2024 to give notice to borrowers and the

public regarding how monthly ICR payment amounts will be calculated for the 2024-2025 year under the William D. Ford Federal Direct Loan (Direct Loan) Program. The adjustments to the income percentage factors for the ICR plan formula contained in this notice are applicable from July 1, 2024, to June 30, 2025, for any borrower who enters the ICR plan or has a monthly payment amount under the ICR plan recalculated during that period.

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

- [\(GE-24-02\) Financial Value Transparency and Gainful Employment Topics Page and FAQs Now Available](#)
- [\(GENERAL-24-34\) Reprocessing ISIRs with Known Data Issues and Resolution of Access Issues for Students who have Required Contributors without Social Security Numbers \(Updated April 4, 2024\)](#)
- [\(GENERAL-24-33\) SAIG Message Class File Update](#)

Member News



The Missouri Higher Education Loan Authority (MOHELA) released a [press release](#) announcing several changes being made to the servicing it currently performs for the Public Service Loan Forgiveness program and the Teacher Education Assistance for College and Higher Education Grant Program. The changes are being made by the U.S. Department of Education under its Next Generation of Federal Student Loan Servicing vision announced in May 2022.

General News

[Roll Call](#) reports that the election of Rep. Tom Cole (R-OK) as the new Chair of the House Appropriations Committee would shake up many of the leaders of the subcommittees, though Rep. Robert Aderholt (R-AL) is likely to stay as head of the Labor, Health and

Human Services, Education, and Related Agencies Appropriations Subcommittee.

[Inside Higher Ed](#) reports that, after the challenges facing implementation of the FAFSA, the U.S. Department of Education faces a crisis of credibility. Related, [The Chronicle of Higher Education](#) says that the Department's latest move to reprocess incorrect financial aid forms reveals the tension between two competing forces.

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