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Senate Appropriations Committee Announces Markup of Labor, HHS, Education Appropriations Act Next Week, House Begins August Recess Week Early

The Senate Appropriations Committee announced that it plans to consider its Fiscal Year 2025 Labor, Health and Human Services (HHS), Education, and Related Agencies Appropriations Act, which funds the U.S. Department of Education, at 9:30 a.m. on

Thursday, August 1, 2024. The markup session will be livestreamed on the [committee website](#).

Separately, the House Republican leadership announced that it was canceling votes scheduled for next week and sending their members home a week early for the month-long August recess. The lower chamber was supposed to consider several appropriations bills, including its version of the Labor, HHS, Education Appropriations Act, but moderates began expressing concern about the drastic budget cuts included in some of the funding measures while conservatives were in revolt about continuing to provide funding for many federal programs that they opposed. The House is not expected to be back for legislative business until September 9, 2024 when Congress will begin working on a short-term Continuing Resolution to keep the federal government open past the start of the fiscal year on October 1st.

House Education and the Workforce Committee Chairwoman Foxx Issues Subpoena on Department of Education's FAFSA Rollout

Today, House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC) issued a [subpoena](#) to Education Secretary Miguel Cardona compelling him to turn over documents associated with the rollout of the 2024-2025 Free Application for Federal Student Aid (FAFSA). In a press release, Chairwoman Foxx said that the subpoena comes after months of hedging and delays on the part of Secretary Cardona and other officials at the U.S. Department of Education. "Enough is enough," Chairwoman Foxx said. "Millions of students are relying on accurate information in order to determine their next steps, but the Biden-Harris administration is too concerned with hiding their incompetence to provide applicants with the certainty they need. From refusals to update staff to blocking a GAO [Government Accountability Office] investigation, it's clear that the Department of Education isn't going to give its co-equal branch the relevant information willingly, so today's subpoena is the only logical next step." The subpoena's cover letter highlights the numerous attempts to conduct oversight and obtain details about the rollout: On January 24, 2024, Senate Health, Education, Labor, and Pensions Committee Ranking Member Bill Cassidy (R-LA), Chairwoman Foxx, and 26 other Senators and House members transmitted a letter to GAO Comptroller General Gene Dodaro to ask the office to examine the 'rollout' of the simplified FAFSA. Subsequently, on May 31, Ranking Member Cassidy and Chairwoman Foxx wrote expressing their concerns about how the Department's failure to provide GAO full and complete

information and documents is hindering its ability to perform its FAFSA-related work for Congress. Further, on May 20, Comptroller General Dodaro wrote two letters providing great specificity about GAO's meetings with the Department, its requests, and its offer of accommodations to the Department for the purpose of obtaining the requested information and documents. Though GAO has received some information and documents, many pending requests remain with the Department over four months later.

NASFAA, NCAN, Other Groups Send Letter to Education Secretary Cardona Urging Full-Operability for 2025-2026 FAFSA By December 1st

The National Association of Student Financial Aid Administrators (NASFAA), National College Access Network (NCAN), National Association of College Admission Counseling, National Association of State Student Grant and Aid Programs, and State Higher Education Executive Officers Association recently sent a [letter](#) to Education Secretary Miguel Cardona asking him to ensure the 2025-2026 Free Application for Federal Student Aid (FAFSA) is fully-operational by December 1st. The groups insisted that there was "no path" for the Department to meet the usual October 1st deadline and that additional testing must be done to avoid challenges with the 2024-2025 form. "Meeting deadlines is critically important; just as important is transparency about when deadlines will not be met," the groups wrote. "This testing process cannot be shortchanged or skipped, or we will experience a repeat of this year – a never-ending game of whack-a-mole where workarounds are substituted for a holistic solution." The letter is a change for NASFAA and the other groups who have been urging the Department to meet the current October 1st deadline, but NCAN's Chief Executive Officer Kim Cook said in an interview that the groups started to question the date after the Department updated them on its progress. The groups said that they were comfortable with the December 1st date if the FAFSA was glitch-free by then. For additional coverage, see this article from [Inside Higher Ed](#).

AEI Report Advocates for Expanding Private Student Loan Market

Yesterday, the American Enterprise Institute (AEI) released a new report titled, [Expanding the Private Student Loan Market](#). In the report, AEI Senior Fellow Beth Akers says that, since taking office in January 2021, President Joe Biden and the U.S. Department of Education have directly forgiven over \$150 billion in student loan debt,

turning the federal student loan program into an entitlement program established by executive fiat, not Congressional assent. She says that, as borrowers come to appreciate that they will not be required to repay the funds they borrow, they will abandon any sense of thrift in paying for college and growth-motivated institutions will almost undoubtedly begin raising prices at an even faster clip. The current trajectory is fiscally irresponsible and will allow for a rapid deterioration of what was once the greatest higher education system in the world.

But, Dr. Akers says that the federal government should harness the power of private-sector participation to right the ship of student lending. First, lawmakers should scale back the federal graduate and parent loan programs, which compose a majority of new student loan volume. "A thriving private graduate student loan market existed as recently as 2006, and lenders have long been willing and able to lend to such borrowers," she says. Dr. Akers says that privatizing the federal undergraduate loan program is possible as well, but such a reform should accompany other policy changes to improve the functioning of the private student loan market. These include expanded financial aid for low-income students and those in socially valuable programs and regulatory changes to allow private lenders to embrace high-quality methods of underwriting. So long as lenders are permitted to use only credit scores to underwrite loans and are not allowed to use novel metrics like projected earnings and degree-program return on investment (ROI), their ability to lend is significantly constrained. Next, a new administration should appoint a Consumer Financial Protection Bureau Director open to lenders underwriting student loans using novel metrics. This change would signal to private lenders that federal regulators no longer rely on past guidance warning them against lending based on ROI and projected earnings. Finally, a new administration should also undo many of the Biden Administration's loan forgiveness efforts (though not retroactively), reining in the income-driven repayment program and the Saving on a Valuable Education Plan.

Department of Education Unveils New Toolkits to Use College Scorecard in the Classroom

Earlier this week, the U.S. Department of Education released a new [blog post](#) announcing the creation of two new free toolkits to expand the utility of the College Scorecard. The first toolkit, called the "College Scorecard for the Classroom: Empowering Data-Driven Decision-Making" will help teachers bring College Scorecard data into the classroom and help students understand how to use current data and better navigate their postsecondary education options. The second toolkit, called "Professional Development Toolkit for College Access Advisors," gives school counselors and higher education

stakeholders the knowledge and training they need to use the College Scorecard in their professional life. It is a 1-hour session that will walk users through everything College Scorecard has to offer students and prospective consumers. The Department says that each toolkit not only contains step-by-step guides, but includes presentation materials and supplementary resources to enhance the learning experience. These materials are designed to engage participants, whether they are applied in a classroom setting or as part of a professional development workshop.

FTC Cracks Down on Third-Party Debt Relief Company Targeting Consumers in Puerto Rico

Earlier this week, the Federal Trade Commission (FTC) [announced](#) that it had stopped Florida-based Start Connecting LLC and Columbia-based Start Connecting SAS (collectively doing business as USA Student Debt Relief) from targeting Spanish-speaking consumers in Puerto Rico, pretending to be affiliated with the U.S. Department of Education and its loan servicers, and making false promises of low, permanently fixed monthly payments and loan forgiveness. At the request of the FTC, a federal court temporarily halted the scheme and froze the assets of the company; the commission is seeking to end the unlawful practices and secure redress for the thousands of consumers who have been harmed. “By pretending to be affiliated with the Department of Education and misrepresenting features of its free income-driven loan repayment programs, these scammers bilked millions from the consumers these programs were designed to help,” said Samuel Levine, Director of the FTC’s Bureau of Consumer Protection. “We are pleased that the court preliminarily shut down this predatory operation and froze its assets, and we will continue our efforts to crack down on junk fees, unwanted calls, and exploitation of consumers struggling with student loan debt.” According to the complaint, since April 2019, the companies and their owners have charged consumers illegal advance fees of several hundred dollars followed by monthly fees of as much as \$29. Although the companies claimed it would apply consumers’ monthly payments to their loan balances, its operators pocketed consumers’ money and offshored much of the funds to Colombia.

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:

- [\(GENERAL-24-91\) Volume 8, Volume 9, and Errata to AVG Now Available \[2024-25 Federal Student Aid Handbook\]](#)
 - [\(GENERAL-24-90\) New and Updated Financial Value Transparency and Gainful Employment FAQs Now Available](#)
 - [\(GENERAL-24-89\) NSLDS Professional Access Website – Renewing Credentials for the NSLDS Reports Tool](#)
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General News

[Roll Call](#) reports that Sen. Bernie Sanders (I-VT) hinted at throwing his hat in the ring for the vacancy on the powerful Senate Finance Committee, created by the upcoming resignation of Sen. Bob Menendez (D-NJ), that will give him a perch to push back against Wall Street and corporate America.

[Higher Ed Dive](#) looks at the complicated world of tuition pricing - despite attention to lofty sticker costs, the practice of discounting has reached new highs, confusing students and straining revenue for institutions.

[Real Clear Education](#) finds that higher education is the key to bridging political divisions in the country.

[Higher Ed Dive](#) reports that enrollment woes are hitting both public and private colleges - analysts with the ratings agency described a “tough year” in the higher education world as revenue pressures ran into rising costs.

[The Wall Street Journal](#) examines how student loans work for new borrowers and says opt for federal student loans first and use private student loans to fill the gap when other forms of financial aid are not enough.

[Forbes](#) reports that federal student loan forgiveness and repayment plans are facing months of disruption due to legal challenges to the U.S. Department of Education’s Saving on a Valuable Education Plan.

[The Hill](#) examines how former President Donald Trump could roll back recent changes to student loans and Title IX by the Biden Administration.

[Newsweek](#) examines what Vice President Kamala Harris, the new Democratic nominee for President, has said about student loan forgiveness. Related, [Inside Higher Ed](#) reports that Vice President Harris has championed loan forgiveness, crackdowns of the for-profit institutions, and free college.

The Urban Institute recently issued a new report titled, [Ensuring Americans Can Retire Free from Student Loan Debt](#), which shows that American Indian and Alaska Native, Black, and Hispanic communities face higher delinquency rates than older Americans. To improve financial security for older borrowers, especially borrowers of color, federal policymakers could provide debt relief to long-term borrowers, allow borrowers to keep their Social Security benefits, and prevent future generations from taking on too much debt.

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National Council of Higher Education Resources

1050 Connecticut Ave NW #65793

Washington, DC 20035

Phone: **(202) 822-2106**

Fax: (202) 822-2142

[MailPoet](#)