



# DAILY BRIEFING

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## Senate Banking Committee Holds Hearing on Renomination of Jerome Powell to Serve as Federal Reserve Chair

Today, the Senate Banking, Housing, and Urban Affairs held a hearing on the renomination of Jerome Powell to serve another term as Chair of the Board of Governors of the Federal Reserve System. In his [opening statement](#), Chairman Sherrod Brown (D-OH) said that he would support Chairman Powell's renomination as he had led the Federal Reserve's unprecedented actions to stabilize the nation's economy in the face of a global pandemic. He said that the Chairman recognized the importance of full employment – and what that means for all workers, particularly those at the margins of our economy. In his [opening statement](#), Ranking Member Patrick Toomey (R-PA) said that

he would support Mr. Powell's renomination because he had implemented a number of modest, sensible reforms that reduced regulatory burdens, including on small banks, and helped spur economic growth. He said that Chairman Powell acted swiftly and appropriately to stabilize the financial markets and the economy following the spread of COVID-19. At the same time, Ranking Member Toomey said that the Fed's pandemic actions came with a cost. "This negative-real interest rate environment continues to distort markets, risk asset bubbles, and punish savers," he said. "And the Fed has dramatically expanded its balance sheet with trillions in government bonds, effectively monetizing a lot of debt, facilitating profligate government spending. For the past eighteen months, I cautioned that the Fed was fighting the last war—a mystery pathogen that led governments to collectively shut down the global economy – when a new enemy is here: Inflation."

In his [testimony](#), Chairman Powell thanked President Joe Biden for nominating him again as the head of the Federal Reserve. He said that getting past the COVID-19 pandemic continues to be the single most important thing that we can do as a country. He said that the Fed's asset purchases program will end in March 2022 and the central bank will begin to reduce the nation's balance sheet later this year in response to the increase in economic activity. The Chairman said that inflation is on track to last well into the middle of this year. During the question-and-answer portion of the hearing, Chairman Powell told Sen. Mike Crapo (R-ID) that the economy has functioned right through waves of the viruses, though it continues to face risks to both growth and inflation. Chairman Powell told Sen. Mark Warner (D-VA) that it will take a longer expansion of the nation's recovery to bring more people back into the labor force. Sen. Warner pointed out that, while the United States had an efficient supply chain, it has proven to be fragile. Sen. Elizabeth Warren (D-MA) used her time to remark that concentrated corporate power has created the current conditions for price gouging. She said that higher profits show that companies are doing more than just passing through price increases. However, she did not repeat her previous claim that the Chairman's renomination would be dangerous.

For more coverage of the hearing, including an archived webcast, visit the [committee website](#). For further news coverage, see these articles from [The Hill](#) and [Roll Call](#).

## Senate Republicans Send Letter to Education Secretary Asking Questions About Federal Pandemic Spending

Today, Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies Ranking Member Roy Blunt (R-MO) and Senate Health,

Education, Labor, and Pensions Committee Ranking Member Richard Burr (R-NC) sent a [letter](#) to Education Secretary Miguel Cardona questioning the use of billions of dollars in COVID-19 pandemic aid. In the letter, the senators asked the U.S. Department of Education what it had done to ensure K-12 schools and colleges and universities spend the federal aid that they have been given and continue to provide in-person education. “What concerns us is that, as of December 30, 2021, 86 percent of funding remains unspent by K-12 school districts and 36 percent remains unspent by colleges and universities,” the letter said. “With more than \$266 billion specifically appropriated for K-12 schools, colleges, and universities to ensure the continuity of learning during the ongoing COVID-19 pandemic, and more than \$191 billion currently available, where is the disconnect between the Department and schools? Schools have the funding necessary to address the impacts of COVID-19 and keep students in school.” The letter said that Congress needs to have a clear understanding of the Biden Administration’s strategy and a full accounting of how the Department is using taxpayer funding.

## Economics of Education Review Finds Re-Enrolling and Graduating Can Boost Income

The Economics of Education Review recently released a report titled, [Returns to Bachelor’s Degree Completion Among Stop Outs](#). The report found that students who return to college after dropping-out and finish their bachelor’s degrees earn on average \$4,294 more immediately after graduation and see extra income growth of \$1,121 per year, on average. The study also found that students who re-enroll in postsecondary education but do not complete their degrees also make slight income gains. Amanda Gaulke, Assistant Professor of Economics in the College of Arts and Sciences at Kansas State University and researcher for the study, said that the average age at graduation for students who re-enroll and finish their degrees is 27 years old. She noted that these students have a lot of working years left to experience improved labor market outcomes. “This information is important for people who are wondering if they should return to school,” Ms. Gaulke said. “When thinking in terms of weighing costs and benefits, it is important for those people to know that there are real economic benefits of going back and completing a bachelor’s degree.”

## U.S. Department of Education News

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

The following announcement was posted to Federal Student Aid’s Knowledge Center

website:

- [\(GENERAL-22-02\) gov website – The U.S. Government’s One-Stop Location to Stop Ransomware](#)
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## Member News



The Kentucky Higher Education Assistance Authority (KHEAA) recently

sent out a [press release](#) informing the state’s students and families that the federal government has extended the pause on payments for federally held student loans until May. The release urges borrowers to make sure their loan servicer has their current contact information.

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## General News

[The Chronicle of Higher Education](#) and [Inside Higher Ed](#) report that a class-action lawsuit was recently filed against 16 private colleges and universities, charging them with running a “cartel” and violating antitrust laws in the way they calculate financial aid awards. The lawsuits says that the colleges’ current practices are forcing thousands of students to pay more than they should have to in order to enroll in postsecondary education.

[Student Loan Hero](#) examines the latest data released by the U.S. Department of Education to find where borrowers have the most – and least – federal student loan debt on average. Researchers also looked at average disbursements per enrolled undergraduate at the largest colleges and universities in the country.

[The Philadelphia Inquirer](#) includes an op-ed from its Editorial Board who argues that, in order to help Pennsylvanians, President Joe Biden must alleviate federal student loan debt.

[Yahoo News](#) examines who benefits from a break on federal student loan payments.

[\*Inside Higher Ed\*](#) reports that some colleges and universities are saying cloth masks will no longer meet their masking requirements, and are requiring medical-grade masks instead.

[\*Higher Ed Dive\*](#) reports that disruptions to academic programs with significant hands-on components, such as construction trades and mechanical and repair technology, heavily contributed to pandemic-related enrollment declines at community colleges, according to a new working paper from the National Bureau of Economic Research.

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