



DAILY BRIEFING

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Tax, Conservative Groups Send Letter to Education Secretary Cardona Urging Him Not to Extend Federal Student Loan Payment Pause

Today, several conservative and tax groups send a letter to Education Secretary Miguel Cardona urging him to end the moratorium on federal student loan payments. In the letter, the groups say that the moratorium is fundamentally unfair and is a special favor for affluent elites at the expense of low- and middle-income Americans. The policy also contributes to out-of-control spending, makes surging inflation worse, and costs

taxpayers \$5 billion each month. “A moratorium on student loan payments is unfair to blue-collared Americans who did not rack up tens of thousands of dollars of debt and those who proactively paid off their debt,” the letter says. “Many Americans pursued other opportunities instead of going into debt for an expensive four-year degree, such as less expensive schooling, serving in the military to receive education assistance, or working long hours to put themselves through school.” For additional coverage of the letter, see this article from [The Hill](#).

CBO Releases Cost Estimate on Adjustable Interest Rate Act

Last week, the Congressional Budget Office released its cost estimate for H.R. 4616, the Adjustable Interest Rate (LIBOR) Act of 2021, as passed by the U.S. House of Representatives on December 8, 2021. H.R. 4616 would establish a process for certain financial contracts that currently reference the London Interbank Offered Rate (LIBOR) to instead reference a replacement benchmark interest rate upon the occurrence of certain events affecting LIBOR. Using information from the Federal Reserve Board of Governors, CBO estimates that enacting H.R. 4616 would not affect the operating costs of the Federal Reserve System. In apparent reference to the statutory special allowance rate formula for certain Federal Family Education Loan Program loans, the cost estimate notes that some federal contracts for student loans and mortgages currently reference LIBOR, so replacing that rate could have budgetary effects. However, CBO expects that agencies will select the same replacement rates under current law, so enacting H.R. 4616 would have no effect on federal spending.

Federal Court Rules Autodialers Must Generate Numbers Using Random or Sequential Number Generator

U.S. District Court for the Central District of California Judge Stephen Wilson recently issued an opinion in [Eggleston v. Reward Zone USA LLC](#) where he dismissed claims that text messages sent by a defendant violated Section 227(b) of the Telephone Consumer Protection Act (TCPA). As part of the case, the plaintiff alleged that she received text messages containing spam advertisements and/or promotional offers and that the defendant used an automatic telephone dialing system and a prerecorded or artificial voice to contact her without prior express consent, in violation of the TCPA. The TCPA defines an autodialer as “equipment which has the capacity to store or produce telephone numbers to be called, using a random or sequential number generator, and to dial such

numbers.” Relying on the 2021 U.S. Supreme Court decision in *Facebook v. Duguid*, Judge Wilson ruled that an autodialer must use a number generator to generate the phone numbers, not just to index phone numbers and select numbers from that index, as the plaintiff claimed. With respect to the claim that the text messages constituted an artificial or prerecorded voice, Judge Wilson held that this interpretation “is simply beyond the bounds of common sense.” For further coverage of the case, see this article from [insideARM](#).

White House Releases Fact Sheet Detailing Resources for Higher Education Under the American Rescue Plan

Yesterday, the White House released a [fact sheet](#) highlighting the state-by-state breakdown of funding for colleges and universities provided by the American Rescue Plan (ARP), which was passed to address the spread of the COVID-19 pandemic. Under the \$1.9 trillion provided by the U.S. Department of Education:

- \$39.6 billion went to the Higher Education Emergency Relief Fund;
- \$2.7 billion was allocated to Historically Black Colleges and Universities
- \$190 million was provided to Tribally Controlled Colleges and Universities;
- \$11 billion went to Hispanic Serving Institutions;
- \$5 billion was provided to Asian American and Native American Pacific Islander-Serving Institutions;
- \$1 billion went to Predominantly Black Institutions; and
- \$10 billion was provided to Community Colleges.

California colleges received the largest part of the emergency relief aid. The state was allocated nearly \$5.3 billion for its 535 colleges and universities, including \$2.1 billion for community colleges. Texas received more than \$3.4 billion for 299 colleges. Other states that received large emergency funds included New York with more than \$2.7 billion and Florida, with nearly \$2.4 billion for their colleges. Alaska received the least amount of aid at \$42 million for nine colleges and universities, followed by Wyoming, which got over \$44 million for 10 colleges.

A recent [survey of college presidents](#) conducted by the American Council on Education highlighted by the fact sheet found that the emergency relief funding enabled 93 percent of colleges to provide direct financial support to students at risk of dropping out; 81

percent of colleges to keep student net prices similar to pre-pandemic levels; 70 percent of colleges to continue to employ faculty, staff, and other employees otherwise at risk of unemployment; and 63 percent of colleges to keep students and faculty safe by purchasing COVID-19 tests, health screenings, and health care.

CBO Releases Monthly Budget Review for February

Today, the Congressional Budget Office (CBO) released the [Monthly Budget Review for February 2022](#), which estimates the federal budget deficit was \$475 billion in the first five months of Fiscal Year (FY) 2022. That amount is less than the deficit recorded during the same period in the two prior fiscal years. It is less than half the shortfall recorded for the same months in FY 2021 (\$1.047 trillion) and three-quarters of the deficit recorded in FY 2020 (\$624 billion), just before the start of the coronavirus pandemic. CBO estimates that, from October 2021 through February 2022, federal revenues were \$371 billion (or 26 percent) higher, and outlays were \$201 billion (or 8 percent) lower than they were during the same period a year ago.

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 website:

- [NSLDS GA TEF File](#)
- [Perkins TEF File](#)

Member News



ConServe [announced](#) that, in conjunction with the company's "Matching Gift Program", it donated to the American Heart Association for the Rochester and

Buffalo Regions and its team supports and funds the efforts of numerous agencies that strive to make a difference. "Our team of caring and committed employees takes great pride in supporting a diverse group of local and national agencies that help to make life a little easier for many people who are struggling with health challenges," said George Huyler, Vice President of Human Resources at ConServe.

General News

[CNBC](#) previews the three reasons why the White House may extend the payment, interest, and collections pause for federal student loan borrowers.

[Forbes](#) publishes a column outlining the four reasons why Congress has not cancelled federal student loan debt.

AARP publishes a [column](#) reviewing how student and parent borrowers can get student loan forgiveness from the federal government.

The American Medical Association publishes a [column](#) reviewing how Congress can save resident physicians \$12,000 a year. A proposal would allow borrowers to qualify for interest-free deferment on their student loans while serving in a medical or dental internship or residency program.

[Bankrate](#) reviews how student borrowers can receive loan forgiveness under the Perkins Loan program.

[Inside Higher Ed](#) reports that a new study from the University System of Georgia found that students who study abroad graduate faster than their peers.

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