



# DAILY BRIEFING

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## Senate Budget Committee Democrats and White House Work to Reach Agreement on Budget Resolution, Includes Budget Reconciliation

Several news outlets are reporting that Senate Budget Committee Democrats met last night with Senate Majority Leader Chuck Schumer (D-NY) and White House National Economic Council Director Brian Deese and White House Legislative Affairs Director Louisa Terrell to discuss developing a budget resolution that would authorize a reconciliation package that could be used to enact most of President Joe Biden's proposals from his [American Jobs Plan](#) and [American Families Plan](#). Senate Democrats

hope to reach agreement as soon as this week on the topline spending and revenue numbers for reconciliation instructions they plan to include in the budget resolution for Fiscal Year 2022. They are expected to meet again tonight. In talking to reporters, Sen. Chris Van Hollen (D-MD) said “there's a very decent chance” they will reach an agreement in the Tuesday evening meeting that can be presented to the broader Democratic caucus later in the week. Once an agreement is reached on spending and revenue targets, the figures would be turned into instructions to various committees to flesh out into implementing legislation that could pass the Senate in the coming weeks. For more coverage, see this article from [Roll Call](#).

## Department of Education Announces Temporary Changes to FAFSA Verification Process

Today, the U.S. Department of Education (the Department) [announced](#) that it was making temporary changes to the federal student aid verification process for the 2021–22 award year. According to the announcement, the temporary changes will provide relief to millions of students and colleges facing challenges as a result of the COVID-19 pandemic. The Department will focus aid verification on identity theft and fraud for the upcoming application cycle, aiming to reduce barriers that have prevented students most in need from accessing critical financial aid funds. Today's action is part of the Department's broader efforts to provide relief to students and borrowers impacted by the pandemic, and address inequities made worse by COVID-19. "This has been an exceptionally tough year," said Richard Cordray, Chief Operating Officer of Federal Student Aid (FSA). "We need to ensure students have the most straightforward path to acquiring the financial aid they need to enroll in college and continue their path to a degree. Targeting verification to focus on identity theft and fraud this aid cycle, ensures we address immediate student needs, continue to protect the integrity of the Federal Pell Grant Program, and reduce barriers to access for underserved students. We will continue to evaluate what improvements can be done longer-term to make the verification process more equitable while still preventing fraud."

Verification is an administrative process by which the Department requires a subset of federal student aid applicants who are eligible for Pell Grants to submit additional documentation, such as transcripts of tax returns, to verify their income and other information reported on the Free Application for Federal Student Aid (FAFSA) form. Non-Pell-eligible applicants are not selected for income verification. The process can be extremely challenging for students, particularly because at least 20 percent of Pell-eligible applicants are exempt from tax filing due to their low-income levels. This prevents them from using the automated Data Retrieval Tool to easily import verified income data

from the Internal Revenue Service onto their FAFSA form and can impose difficulties in acquiring the necessary documentation to prove their income. The Department's press release says that, typically, more than three million potential Pell Grant recipients are selected for verification each year. Due to the challenges they face in acquiring the required documentation, some students never complete verification, and thus do not receive the financial aid they need to enroll. Targeting verification for the 2021–22 FAFSA cycle will make it easier for millions of students from low-income backgrounds to access federal financial aid and alleviate some of the burden faced by financial aid administrators, allowing them to focus their time and resources on administering emergency relief funds, getting students into and through higher education, including by updating FAFSA information for students who have lost their jobs due to the pandemic, and by helping students learn about and access emergency financial aid grants provided under the Higher Education Emergency Relief Fund.

## Senate HELP Committee Holds Hearing on Three Nominations at the Department of Education

Today, the Senate Health, Education, Labor, and Pensions Committee held a hearing to consider the nominations of Catherine Lhamon to serve as Assistant Secretary for Civil Rights, Elizabeth Brown to serve as General Counsel, and Roberto Rodriguez to serve as Assistant Secretary for Planning, Evaluation, and Policy Development at the U.S. Department of Education. In her [opening statement](#), Chairwoman Patty Murray (D-WA) discussed each of the nominees who she said were well-qualified for their positions. She stated that Ms. Lhamon was confirmed by the U.S. Senate by voice vote in 2013 to be the Assistant Secretary for Civil Rights for former President Barack Obama, the same position for which she is presently nominated. Chairwoman Murray said that Mr. Rodriguez has proven his ability to support students and schools through his non-profit work and time on the White House Domestic Policy Council under President Obama, where he worked on a range of higher education issues such as supporting community colleges and increasing Pell Grants. She said that Ms. Brown worked as the Chief Performance Officer at the White House Office of Management and Budget for the Obama Administration. “We must keep pushing on other fronts too, like making sure every student receives a high-quality public K-12 education, families can access affordable and high-quality child care and pre-K, students can access and persist in higher education while minimizing the burden of student debt, and schools and child care facilities are safe—from pandemics, environmental hazards, gun violence, and more,” she said. The Chairwoman said that she looks forward to hearing from the nominees about how to tackle the challenges that they will face in supporting students, including

preventing for-profit colleges from taking advantage of students, and seeing how the Department supports students in recovery from the pandemic.

In his [opening statement](#), Ranking Member Richard Burr (R-NC) stated that he would support Mr. Rodriguez's nomination. He said that he has two chief concerns with two issues in which the nominees would be engaged if they were confirmed. First, they would be navigating pieces of the previous administration's Title IX rule. Ranking Member Burr said that former Secretary of Education Betsy DeVos's Title IX rule provides due process protection to all students. But the last time Ms. Lhamon held this position schools were allowed to forgo due process for students in Title IX cases. He said he thinks the Department should be careful in making any changes to the rule. Second, he said that he does not believe that Ms. Lhamon understands the limits of agency guidance, when compared to federal regulation. He said, in the past, federal guidance that the Department implemented was overly prescriptive. Ranking Member Burr asked to submit six letters into the record representing the views of hundreds of professionals opposing Ms. Lhamon's return to the Office of Civil Rights. Ranking Member Burr also said that the General Counsel has the most difficult job ensuring that Department officials follow the law the way Congress wrote it. He said an issue that he is concerned about is the Biden Administration's position that they have the authority to issue mass student loan forgiveness. "The Department of Education is expected to issue a legal opinion on that issue," he said. "However, the Trump Administration determined that the Department did not have such authority and their legal argument is very convincing. Ms. Brown you will likely play a role in formulating and signing off on the legal opinion for this Administration, so I am interested in hearing your thoughts on that. In my view, nowhere in the law do I see that authority. To quote the Supreme Court, 'Congress...does not, one might say, hide elephants in mouse holes.' To find that the federal government has had this authority and no one knew it until now would be a huge elephant so to speak."

In her [testimony](#), Ms. Lhamon, stated that she is thankful to be considered again for the position as Assistant Secretary for Civil Rights. She mentioned her previous federal government roles in which advocating for civil rights stood out in her personal life. She emphasized the point that the work of the Office of Civil Rights is and has always been bipartisan as the office "achieved breathtaking results for students and schools, serving as stewards against harms Congress promised the country no person should live." In her [testimony](#), Ms. Elizabeth Brown stated that the American Dream depends on a quality education, and an excellent education should be available to everyone. She stated that the Department's role in supporting students whose academic progress and mental health have been deeply impacted by the COVID-19 pandemic, closing the widening achievement gap, and providing opportunity to adults reentering the workforce are of

critical importance to the recovery of the U.S. She said that believes the work of the Department's General Counsel is vital to that effort. Together with the over 100 career lawyers and other professionals in the Office of General Counsel, the General Counsel plays a critical role in advancing the Department's mission by providing sound legal advice and counsel to the Secretary and officials across the Department. She said that, with more than 30 years of experience working for the government, a Presidential transition team, a major university, and a law firm, she is prepared for this role. In his [testimony](#), Mr. Rodriguez stated that, if confirmed, he will bring a steadfast commitment and a sense of duty to the Department that have been the hallmark of his public service. He discussed his personal life experiences which involve building education equity and opportunity. He said that he believes equal access and educational excellence are at the heart of the Department's mission, and there has never been a more important time to fulfill that mission as America recovers from this pandemic and looks forward to a better future. He said that, if confirmed, he will be committed to bringing a holistic, bottom-up and inclusive approach to education policymaking; to promote innovation and a learning culture that will complement, inform and guide policy and program implementation; and to pursue the strategic use of data in ways that are open, transparent and actionable for the benefit of educators, families, students and borrowers.

While most of the question-and-answer portion of the hearing was directed to Ms. Lhamon, Ranking Member Burr asked Ms. Brown how she would manage conflicting opinions within the Office of General Counsel, given that is "stacked with appointees who believe student loans can be canceled out of thin air." In response, Ms. Brown said that, if confirmed, she will dig into the issue. She said her style is to bring different people around a table so that she can be sure she thoroughly understands the issue and hears different perspectives, and then make the best recommendation to the Secretary. Ms. Brown said that, in her office, the buck stops with her. Sen. Bill Cassidy (R-LA) also addressed student loan debt, asking Ms. Brown whether a moral hazard is created where students pursuing a masters in film have on average \$161,000 in debt but will only earn \$30,000 per year. In response, Ms. Brown said her job would be to advise on the legal aspects, not policy. She mentioned that student debt is highly regulated.

For additional coverage of the hearing, including an archived webcast, visit the [committee website](#).

## BPC Releases Post on the Return of Student Loan Payments

The Bipartisan Policy Center (BPC) recently released [a blog post](#) that recommends the U.S. Department of Education provide clear information about the return of student loan repayment and proactively offer borrowers repayment options designed to minimize their financial distress. BPC said that the Department and its federal student loan servicers should also notify all borrowers of their balances and payment schedules well ahead of the reinstatement, as student and parent borrowers may need time to adjust their budgets or make household decisions to manage reentering repayment. BPC noted that many borrowers would benefit from enrollment in an income-driven repayment (IDR) plan. As opposed to standard repayment plans, IDR plans tie payments to a portion of a borrower's discretionary income. The post says that, to ensure borrowers have easy access to affordable monthly payments, BPC's [Task Force on Higher Education Financing and Student Outcomes](#) endorsed providing borrowers with a single IDR plan, making it the default repayment plan, and allowing for automatic income verification through data-sharing - changes that BPC believes would put downward pressure on default and delinquency rates.

## Groups Urge *U.S. News* to Stop Using SAT or ACT in College Rankings

New America and 10 other education groups sent a [letter](#) to the editors of *U.S. News and World Report's* Best Colleges Rankings asking them to end the practice of using average SAT and ACT scores of incoming students to calculate their Best Colleges rankings. "Using average scores of incoming students to rank an institution has never made sense but is even more preposterous during a deadly pandemic," the letter says. "The Best Colleges ranking has been the leading college rankings publication for years, and its impact on consumers and institutions alike cannot be overstated." The letter also mentioned that ending the use of standardized admissions test scores in rankings would find support among Americans nationwide. "A nationally-representative [survey](#) from New America shows that two-thirds of Americans agree with colleges' decision to go test-blind and test-optional this year. Of those who agreed, around half say that institutions should remain test-optional or never use standardized admissions test scores in the future. Just 7 percent say that standardized admissions test scores should factor heavily in admissions decisions going forward. If more colleges follow this lead, it will only make *US News's* methodology more out of touch with the public's interest." For additional coverage, see these articles from [Inside Higher Ed](#) and [Higher Ed Dive](#).

## U.S. Department of Education News

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

The following announcements were posted to the Information for Financial Aid Professionals website:

- [2022-2023 ISIR Guide \(EA ID: APP-21-07\)](#)
  - [Additional 2019-20 Direct Loan Program Year Closeout Information \(EA ID: DL-21-05\)](#)
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## Member News



Edfinancial [announced](#) that it is looking to hire a new Chief Compliance Officer (CCO) to start no later than October 2021. Interested parties should send their resume to Wanda Hall via email at [whall@edfinancial.com](mailto:whall@edfinancial.com). According to the post, the CCO will be responsible for the administration of Edfinancial's compliance management program, which includes the primary components of written policies and procedures, training, monitoring, and corrective action, the goal of which is compliance with all applicable federal and state laws and regulation.

The CCO reports directly to the Chief Executive Officer. Collaboration with other company departments is necessary to direct compliance issues to appropriate channels for investigation and resolution and will work with General Counsel as needed to resolve difficult legal compliance issues. The CCO communicates directly with and leads various projects for the company's servicing customers including the U.S. Department of Education/Federal Student Aid, banks, federal and state agencies, and not-for-profit entities.

## General News

[Inside Higher Ed](#) reports that the House Appropriations Committee is planning to mark up an initial draft of its funding bill for federal higher education programs on Thursday. The bill largely aligns with President Joe Biden's budget and includes substantial increases to student financial aid and science research.

[Fox Business](#) reviews the issue of whether President Joe Biden will cancel student loan debt by executive order.

[Inside Higher Ed](#) reports that a coalition of 24 higher education associations, organizations, and advocacy groups have launched a national campaign in support of doubling the maximum Pell Grant by the program's 50th anniversary, which will be next June.

[University Business](#) and [Higher Ed Dive](#) report that, starting in January 2022, students who wish to attend public colleges and universities in Illinois will no longer have to submit SAT or ACT scores after Governor J.B. Pritzker signed into law a bill that makes admissions test-optional. The state's Fair Admissions Act aims to break down barriers that have prevented students from pursuing a degree.

[Diverse Issues in Higher Education](#) reports that the National Student Clearinghouse Research Center's report on retention and persistence rates for the fall 2019 freshman cohort, shows a marked decrease in return enrollment and is a direct reflection of the pandemic-related struggles experienced by first-year higher education students during the onset of COVID-19. Latinx students, part-time students, and community colleges were hardest hit.

[The Sacramento Bee](#) reports that California has a new 'student loan bill of rights' and examines how it will help borrowers.

[Forbes](#) reports that federal student loan payments are due starting in October and examines what borrowers need to know.

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