



DAILY BRIEFING

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House Democrats Release Updated Version of Build Back Better Act, Hope for Vote Later Today or Tomorrow

Yesterday, House Democrats released updated [legislative text](#) for the Build Back Better Act, the social spending package that the White House and Congress is trying to pass through the budget reconciliation process. The 2,135 page legislative text follows the release of the [revised framework](#) released last week by the White House that it believed were representative of negotiations between moderate and progressive Democrats. The new draft retains all of the higher education included in the White House's framework (which are outlined below), but also includes a new \$5 billion Community College and Industry Partnership Grant program to expand workforce development programs in high-skill, high-wage, or in-demand industry sectors or occupations. The Secretary of Education would work in coordination with the Secretary of Labor to award the grants. The new draft also strikes the provision in the previous version of the Build Back Better Act that would have eliminated the endowment tax on wealthy colleges and universities if

they spend a third of their tuition revenue on financial aid for students. The tax cut would have cost \$2.3 billion over the next 10 years.

The following are the remaining higher education provisions included in Title II of the legislation:

- **Pell Grant Increase:** The bill would increase the maximum award for the Pell Grant program by \$550 for public and nonprofit institutions of higher education for the 2022-2023 through 2025-2026 award years. Students attending for-profit institutions are not eligible for this increased amount.
- **DACA and TPS Eligibility for Title IV Grants, Loans, or Work Assistance:** The bill would amend the Higher Education Act to permit eligibility for grants, loans, or work assistance (for award years 2022-2023 through 2029-2030) for individuals that are subject to a grant of deferred enforced departure, a participant in the Deferred Action for Childhood Arrivals program (DACA), or have temporary protected status.
- **Pell Grant Increase for Recipients of Means-Tested Benefits:** The bill would amend the Higher Education Act to deem FAFSA [Free Application for Federal Student Aid] application filers (or the filer's spouse or parents, as applicable) who received a federal means-tested benefit in the previous 24-month period to have a -\$1,500 student aid index. which would qualify them for the maximum Pell Grant. This authority is effective for award years 2024-2025 through 2029-2030.
- **Retention and Completion Grants:** The bill would provide \$500 million (available through FY 2030) to award grants to implement or expand evidence-based reforms or practices to improve student outcomes at colleges and universities. The bill includes two evidence tiers to describe reforms or practices that may be carried out through a grant. Eligible entities are defined as a state, a higher education system, or Tribal College or University (TCU). A priority is provided for eligible entities that use a significant share of grant funds to improve enrollment, retention, transfer, completion rates, or labor market outcomes of students of color, low-income students, students with disabilities, students in need or remediation, first generation college students, student parents, or other underserved student populations. Eligible entities, other than TCUs, must provide a match each fiscal year of the grant.
- **Institutional Aid** – The bill provides the following amounts of institutional aid:
 - \$470.6 million for Hispanic-Serving Institutions for each of the FYs 2022 through 2026;

- \$470.6 million for Historically Black Colleges and Universities and Predominantly Black Institutions for each of the FYs 2022 through 2026;
 - \$141.1 million for TCUs for each of the FYs 2022 through 2026;
 - \$70.6 million for Alaska Native-serving institutions or Native Hawaiian-serving institutions for each of the FYs 2022 through 2026;
 - \$23.5 million for Asian American and Native American Pacific Islander-serving institutions for each of the FYs 2022 through 2026; and
 - \$23.5 million for Native American-serving nontribal institutions for each of the FYs 2022 through 2026.
- **Research and Development Infrastructure Competitive Grants** – The bill authorizes a new grant program that would provide grants to four-year Minority-Serving Institutions (MSIs) that are not classified as “very high research activity” institutions under the Carnegie Classification system to support research and development infrastructure at such institutions. Institutions would be eligible for either planning grants (for a 2-year period) or implementation grants (for a 5-year period) on a competitive basis. Separate competitions would be held for each individual category of MSI. The program would be funded at \$3 billion in FY 2022.

Following a meeting of the Democratic Caucus this morning, House Speaker Nancy Pelosi (D-CA) told reporters that she would like the chamber to consider and pass the Build Back Better Act later today or tomorrow. Speaker Pelosi said that her leadership team had had productive conversations with both progressive and moderate members over the last 24-hours, and they were feeling good about clearing the bill, as well as a separate bipartisan infrastructure package, this week. The Speaker said that she was currently working to address additional concerns from a handful of moderates who want to see an official score on the bill from the Congressional Budget Office before they will commit to voting for final passage. However, a score from the Joint Committee on Taxation showing that the legislation would be largely paid for with tax increases on wealthy Americans was a step in the positive direction for her members. Asked for a firm timeline for consideration of the bill, Speaker Pelosi said to “stay tuned.”

For further coverage, see these articles from [The Hill](#), [Roll Call](#), and [Yahoo News](#).

Department of Education Continues Second Sessions of Negotiated Rulemaking on Student Aid, No Consensus Reached on Borrower Defense to Repayment Changes

Today, the U.S. Department of Education held the fourth day of the second series of

negotiated rulemaking sessions for its Affordability and Student Loans Committee, which has been formed to review and revise federal regulations around total and permanent disability discharge, closed school discharge, interest capitalization, the Public Service Loan Forgiveness Program, the borrower defense to repayment process, Pell Grants for Prison Education programs, and income-driven repayment.

During today's session, committee members continued the discussion on the proposed language around borrower defense to repayment. Committee members, led by the financial aid administrator representative, discussed the timeline and the adjudication process for approving a borrower defense claim application. Several committee members voiced concern that the Department had failed to include a specific timeframe in which the agency would have to make a determination of a borrower defense to repayment claim. When 180 days was suggested, the Department objected to a specific timeframe and noted 180 days would not be enough time. The Department agreed to go back and discuss what timeframe might be possible to add to the regulations that provides both borrower protection and flexibility to the Department. Following the discussion, the Department took a 'temperature check' on adjudication of claims; no consensus was reached by the committee. Committee members then turned to the proposed reconsideration process. The legal aid representative stated that it should be available for both group and individual claims, and be more expansive than the current language. The veterans' representative suggested that the language be expanded to include errors in the process, as opposed to just having new evidence to present. Following the discussion, the Department took a 'temperature check' on reconsideration; no consensus was reached by the committee. Committee members then turned their attention to relief. The state regulator, veteran, and legal aid representatives said they supported the move to provide full relief, but the reliance on the requirement that a borrower's claim cover systemic problems was concerning. On the remaining borrower defense to repayment issues, the financial aid representative criticized the six-year look-back provision, saying that most institutions of higher education do not keep records beyond three years. Once again, following the discussions, the federal negotiators took a 'temperature check;' no consensus was reached by the committee. The committee members then turned their attention to the proposed language on pre-dispute arbitration and class action waivers. Following that discussion, the committee began to review the proposed language to income-driven repayment plans for the Direct Loan program.

The next committee meeting will take place tomorrow from 10:00 a.m. – 12:00 p.m. and 1:00 p.m. – 4:00 p.m. with a public comment period from approximately 3:30 p.m. – 4:00 p.m. Those who are interested in attending the sessions are required to register

separately for each day. To register as a participant, click [here](#).

Senate Democrats Send Letter to Loan Servicers Asking for Transition Plans

Yesterday, Senate Democrats, led by Sens. Elizabeth Warren (D-MA), Edward Markey (D-MA), Chris Van Hollen (D-MD), Richard Blumenthal (D-CT), Sherrod Brown (D-OH), Robert Menendez (D-NJ), and Tina Smith (D-MN), sent letters to three federal student loan servicers asking them to share their transition plans as they prepare to exit the student loan program. The letters to the [Pennsylvania Higher Education Assistance Agency](#), [Granite State Management & Resources](#), and [Navient Corporation](#) also called on the servicers to correct any past errors with borrowers' accounts.

In the letters, the senators raised concerns about transferring tens of millions of borrowers' accounts to new loan servicers as federal student loan payments are scheduled to resume in February 2022. "This matter is made more urgent because there are only 90 days until the end of the pause in student loan payments that has been in place since the beginning of the COVID-19 public health emergency, which will result in a resumption of payments of scheduled payments on January 31, 2022, for tens of millions of borrower's accounts," the letters stated. "This restart is expected to be an unprecedented logistical challenge for borrowers, the Department of Education, and loan servicers. After having their payment and interest suspended for nearly two years, more than a third of all federal borrowers will also be returning to repayment with a new servicer, which has the potential to lead to confusion, delays, and an unusually high need for customer service support." The senators said that they are seeking information about plans to ensure that borrowers' accounts and information are accurate and additional detail for document retention and transitional staffing, so borrowers are not further harmed as payments resume. The senators asked for responses to their questions by November 17, 2021.

U.S. Department of Education News

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

The following announcement was posted to the Federal Student Aid Knowledge Center's website:

- [\(GENERAL-21-72\) Veterans Day Federal Holiday Processing and Customer Service Hours](#)
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General News

[Inside Higher Ed](#) reports that the Bill & Melinda Gates Foundation recently unveiled a new tool to help college leaders and policy makers carry out its recommendations on how institutions of higher education can increase equity and attainment.

[The Chronicle of Higher Education](#) reports that a new free community college program is dead in Congress, but it is alive and well in the states.

[Forbes](#) publishes a column examining what the (heavily redacted) memorandum on federal student loan forgiveness means for mass student debt cancellation.

[The Pulse](#) reports that the overhaul of the Public Service Loan Forgiveness program will ease student loan debt for thousands of public servants.

[WKDZ](#) reports that Sen. Rand Paul (R-KY) is set to introduce the Tax- Free Education Act to make student loan payments 100 percent tax-deductible.

[Inside Higher Ed](#) reports that students are increasingly enrolling in nursing programs as nurse shortages threaten hospitals across the country. But colleges and universities are having difficulty expanding their nursing programs because of limited funds, faculty, and space.

[Diverse Issues in Higher Education](#) reports that employers interested in diversifying their workforces should consider strengthening their virtual recruiting efforts as a path to more equitable hiring practices, according to a new study conducted by the National Association of Colleges and Employers.

[CNBC](#) reports that college costs have increased by 169 percent since 1980, but pay for young workers was up by just 19 percent over that same time period, according to a recent report from Georgetown University.

[Forbes](#) reports on what borrowers should know as federal student loans transfer from Navient to Maximus.

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