



DAILY BRIEFING

Thursday, November 18, 2021

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CBO Issues Score on Education and Labor Provisions of Build Back Better Act, House Set to Vote on Final Passage

Last night, the Congressional Budget Office (CBO) released a [cost estimate](#) for the education and labor provisions of [H.R. 5376, the Build Back Better Act](#), the President's social spending package making its way through Congress. Overall, CBO estimates that enacting the provisions would result in a net increase in the deficit totaling \$454.1 billion over the next 10 years. The bill would result in an increase in direct spending of \$457.9 billion and an increase in revenues of \$3.8 billion. The higher education provisions would

increase the maximum award for the Pell Grant program by \$550, increase funding for Historically Black Colleges and Universities and Minority Serving Institutions, and create a new College Retention and Completion grant program.

In a [statement](#) in response to CBO's cost estimate, House Education and Labor Committee Chairman Bobby Scott (D-VA) said, "The Congressional Budget Office's estimate confirms two important facts about the Education and Labor Committee's provisions in the Build Back Better Act. First, it shows that the Build Back Better Act makes historic investments in lowering costs for working families and helping Americans secure good-paying jobs. This proposal will make childcare affordable for families, secure universal preschool, help more students access healthy school meals, lower the cost of life-saving prescription drugs, and expand opportunities by investing in higher education and high-quality job training programs. Second, the CBO's estimate confirms that we can pay for these investments by making corporations and the wealthy pay their fair share in taxes. In fact, the Joint Committee on Taxation found that the entire package is fully paid for and would reduce the deficit over the long term. The Build Back Better Act will improve the lives of American families and set the foundation for a better future for students, workers, families, and our economy. I look forward to passing this proposal through the House later this week." But Ranking Member Virginia Foxx (R-NC) released a [statement](#) saying that the "CBO report has confirmed what we already expected—Democrats have been hiding the true cost of this monstrosity. The American people are concerned about the national debt, our exploding federal deficit, and skyrocketing inflation. Yet Democrats are pushing forward, full steam ahead—disastrous consequences be damned."

At present, the House Democratic leadership is waiting for CBO to release the entire score in order to vote on the bill. Pending the release, a vote on final package could take place tonight, tomorrow, or over the weekend. House Speaker Nancy Pelosi (D-CA) has told Democrats that the chamber will not begin its Thanksgiving recess until it votes on the measure. For more coverage, see this article from [The Hill](#).

11th Circuit Grants Motion to Rehear Challenge to *Hunstein*

Yesterday, the U.S. Court of Appeals for the 11th Circuit issued an [order](#) in which it vacated the previous opinion in the appeal of a District Court decision in *Hunstein v. Preferred Collection & Management Services, Inc.*, and agreed to rehear the appeal *en banc* (i.e. by the full court). In April 2021, a panel of three judges ruled that the transmission of data to a mail vendor by a collection agency can be an unauthorized third-party disclosure. With yesterday's action, the decision no longer represents the law in the 11th

Circuit. A rehearing date has not yet been set. For additional coverage, see this article from [insideARM](#).

House Education and Labor Subcommittees Hold Hearing on Implementation of COVID-19 Education Funds

Yesterday, the House Education and Labor Subcommittee on Early Childhood, Elementary, and Secondary Education and the Subcommittee on Higher Education and Workforce Investment held a joint hearing titled, “Examining the Implementation of COVID-19 Education Funds.” In her [opening statement](#), Higher Education and Workforce Investment Subcommittee Chairwoman Frederica Wilson (D-FL) said that the economic fallout resulting from the COVID-19 pandemic exacerbated the challenges faced by students and schools. She noted that colleges and universities across the country faced lower enrollment, reduced revenue, and school closure. She stated that half of the \$75 billion in funds provided to schools by Congress was intended to be used as emergency financial grants for students, and that the financial grants provided by the American Rescue Plan (ARP) prevented students from hunger and homelessness while helping offset revenue losses and preventing future outbreaks in institutions of higher education. Chairwoman Wilson expressed her belief that the ARP was key in preventing a total financial collapse of the education system. She urged the U.S. Department of Education to ensure that the funds to institutions are being used responsibly to support students, faculty, and staff. She expressed her belief that quality education is the surest path to the upper middle class and urged Congress to continue expanding support for students.

In his [opening statement](#), Ranking Member Greg Murphy (R-NC) said that ensuring taxpayer money is used responsibly and effectively is one of Congress’ most important oversight priorities. He stated that the \$75 billion in funds provided by Congress became a lifeline for colleges and universities that were already struggling prior to the pandemic, but institutions of higher education are not exempt from oversight and accountability. He cited data that 40 percent of all students in higher education fail to graduate within six years and noted many students that do graduate within that time period feel unprepared for the workforce and worse off financially. He expressed his belief that additional federal funding will not provide better outcomes for students as colleges and universities will spend their funds on high administrative costs rather than innovative learning strategies. He concluded his remarks by stating that Congress must fulfill its responsibility to provide greater oversight, but the Department may be too focused on implementing a

“progressive wish-list” rather than responsibly overseeing the \$85 billion in funds.

In his [testimony](#), Under Secretary of Education James Kvaal stated that the Higher Education Emergency Relief Fund (HEERF) was a lifeline for students facing economic losses due to the COVID-19 pandemic and aided homeless and hungry students. He noted that, in early 2020, college students were ineligible for much of the financial assistance provided by the federal government despite facing the same impact and financial hardship caused by the pandemic. He noted the technological needs of students and staff that became apparent due to the pandemic, and cited data that colleges and universities entered the pandemic with historically low student funding. He stated that the ARP contributed more than half of the \$76 billion in relief funds provided by HEERF, and that the funding had a major and positive impact on students and colleges. He cited a letter received from the President of Jackson College in Michigan, which detailed how HEERF paid for student tuition and fees, food, housing, course materials, mental healthcare, and childcare. Under Secretary Kvaal cited a recent survey of college presidents that said 93 percent funded emergency scholarships that prevented students from dropping out while 70 percent were allowed to continue employing faculty and staff. He cited further data which found seven million students received emergency scholarships worth an average of \$850 each, allowing them to survive the pandemic and remain in school. He stated that there is still a long road to recovery for students as evidenced by data that shows a drop of college enrollment by 700,000 students. He said that the Department has provided clear and comprehensive guidance to colleges and universities and established strong internal controls to ensure that funds are spent appropriately.

During the question-and-answer portion of the hearing, House Elementary and Secondary Education Subcommittee Chairman Gregorio Sablan (D-NMI) asked how the Department is monitoring and overseeing institution compliance with the distribution of additional funds. Mr. Kvaal responded that the Department has published a set of clear guidelines and disseminated that information out through multiple webinars. He said the agency also created quarterly and annual reporting requirements, imposed additional oversight for colleges who are considered “risky,” and required for-profit universities to sign statements indicating their agreement to ensure proper use of funds. Ranking Member Murphy asked if public institutions of higher education should abide and enforce policies that are consistent with the First Amendment to the U.S. Constitution. Mr. Kvaal answered that is the law. Rep. Joe Courtney (D-CT) asked if there is any data on the effect of the ARP or higher education funding on student borrowers. Mr. Kvaal answered that there is no data yet on borrowing

levels. Rep. Jim Banks (R-IN) asked if the Department is continuing President Donald Trump's approach in requiring colleges and universities to report foreign monetary gifts or foreign funding. Mr. Kvaal stated his belief that most universities want to comply with the requirements. He added that many college presidents are confused as to what the actual requirements are and, as such, the Department is working to help ensure clarity. Rep. Mark Takano (D-CA) asked how HEERF funds are being used to support students to ensure the health and safety of the campus community. Mr. Kvaal answered that the Department has observed HEERF funds be used to help students access technology or needed resources, keep faculty hired, and deal with issues like mental health.

House Education and Labor Committee Ranking Member Virginia Foxx (R-NC) asked for a copy of the unredacted student loan report and other accompanying reports requested by Republicans within the next month. Mr. Kvaal indicated that the Department would provide the reports. House Education and Labor Committee Chairman Bobby Scott (D-VA) asked for a commitment to developing federal policy that can determine good vs. bad for-profit universities. Mr. Kvaal committed to helping Congress on this issue. Chairman Scott also asked what the Department is doing to help prepare students for the resumption of student loan payments on February 1, 2022. Mr. Kvaal answered that the Department is reaching out to student and parent borrowers and exploring opportunities to make information widely available over loan repayment options. Rep. Glenn Grothman (R-WI) asked if Congress should be more proactive in the future in order to prevent disruption in education as a result of closing institutions. Mr. Kvaal answered that it is very important to determine opportunities to keep colleges and universities open, and the agency is making use of new internal controls to monitor schools. Rep. Kathy Manning (D-NC) asked for detail on how emergency relief funds have been useful in supporting Historically Black Colleges and Universities during the pandemic. Mr. Kvaal answered that it is important to support colleges and universities which are committed to expanding equity and diversity. He said that Delaware State is an example of a university which has used funds to clear institutional debts to allow students to re-enroll or access their transcripts.

Rep. Bob Good (R-VA) asked if illegal immigrants should have the same eligibility for education funding as American families. Mr. Kvaal answered that it is true that the Biden Administration published a regulation clarifying that all students are eligible for financial support under the HEERF. He said the Department believes this is in line with the statute. Rep. Fred Keller (R-PA) asked if there was any plan by the Department to make sure all colleges and universities are measured in the same way. Mr. Kvaal answered that it is very important to the Department to make sure all institutions are helping students graduate

and prepare for post-graduation career plans. Rep. Keller asked if the new enforcement unit will look into all school types who are alleged to have misled their students and parents. Mr. Kvaal answered that students and taxpayers should always be put first. Rep. Mondaire Jones (D-NY) asked how the Department is monitoring the allocation of funds to ensure institutions are not able to access multiple sources of funding which would be in violation of the law. Mr. Kvaal answered that the Department is working hard to make sure institutions are eligible for whatever funds they draw down, including cross collaboration. He added that the Department has imposed auditing requirements on for-profit universities and required signatures from executives or principal owners of for-profit universities to ensure understanding of HEERF regulations. Rep. Lisa McClain (R-MI) asked what the Department is doing to stop the rising cost of tuition. Mr. Kvaal answered that the biggest reason for rising tuition costs at public colleges, which is where three quarters of students reside, has been due to state budget cuts and deprioritizing education over time. He said that bipartisan action to invest in colleges during this recession will hopefully help avoid a repeat of past experiences. Rep. McClain asked if he was suggesting that college programs should also be ran more efficiently. Mr. Kvaal answered that being more efficient is also an important factor and emphasized the importance of investing in programs that help students complete college as the national completion rate is only about 60 percent.

For additional coverage, including an archived webcast of the hearing, visit the [committee website](#). For additional news coverage, see this article from [Inside Higher Ed](#).

National Student Clearinghouse Research Center Report Updates Higher Education Enrollment for Fall 2021

The National Student Clearinghouse Research Center (NSCRC) recently released an updated [report](#) on higher education enrollment for the fall of 2021. The report found that roughly two months into the second fall semester of the COVID-19 pandemic, postsecondary education enrollment is running 2.6 percent below last year's level, for a total 5.8 percent drop since 2019. Undergraduate enrollment declined 3.5 percent from last fall or 7.8 percent from fall 2019. Graduate enrollment grew 2.1 percent, maintaining the upward trend from last fall for a total 4.9 percent growth since 2019. Undergraduate enrollment continued to trend downward across all sectors, with the steepest drops in private for-profit institutions, public four-year institutions, and public two-year institutions. Undergraduate female student enrollment declined slightly more than males

(-4.1 percent and -3.4 percent, respectively). Continued enrollment losses among traditional college-age students remain concerning. Moreover, freshman enrollment went down again (-2.7 percent from last fall or -13.1 percent since 2019) in all sectors, except private nonprofit four-year institutions. For more coverage, see this article from [The Chronicle of Higher Education](#).

Strada's "Lessons Earned" Podcast Talks with AEI's Dr. Beth Akers on Return on Investment of College

Today, Strada Education Network hosted the [latest episode](#) of its "Lessons Earned" podcast with American Enterprise Institute Senior Fellow Dr. Beth Akers where she offered advice for students and those guiding them as they decide where to apply, what to study, and how to make the most of their educational investments. During the discussion with Strada Impact President Ruth Watkins, Akers recommended several key points when considering the return on investment of college:

- Separate your college choice from your identity. "It's OK to be more practical about this decision in a time when everyone else is being really, really romantic about it," Dr. Akers said. In recent years, students and parents have faced increasing pressure to announce each college application and acceptance on social media and publicly compare notes with other families. She said parents can be more practical and financially oriented about these decisions versus romanticizing it.
- Do the math. Students need to go into the college decision-making process with their eyes open to the fact that this is a financial tradeoff, Dr. Akers said. "You're going to think about spending some money, and you're also going to think about what that money that you spend is going to get you. And to me, that's the simplest framing of this question," she said. "The idea of a tradeoff is something that we're comfortable with in all other aspects of our life, right? We do this all the time, but we don't often give people permission to think of college in such simple terms."
- Rely on the data. Education consumers are becoming much more savvy investors, in part because of tools like the College Scorecard to help students compare higher education institutions in five areas: cost, graduation rate, employment rate, average amount borrowed, and loan default rate. Dr. Akers said the scorecard was "a fantastic improvement in the ability to empower students to make decisions for themselves."
- Demand transparency about what a particular college will cost versus how much graduates will earn. "I'm not saying that everybody should go find the highest-

earning schools, the highest-earning major, and then gun for that. That's not at all what I want to happen," Dr. Akers said. But if they decide to enter a lower-paid profession such as teaching or social work, "we need to be honest with people about what lies ahead for them...I don't want to fool anybody into thinking that going to an expensive private college to then be a teacher is a lucrative path or a path that offers a high return on investment."

- Consider alternatives to traditional two- and four-year higher education institutions. Exploring providers that offer lower-cost online education, short-term boot camps, or credential programs may offer students a clearer and faster path to well-paying jobs that are available right now, Dr. Akers said.
- Finish what you start. Economists have been saying for decades that college is "worth it," Dr. Akers said, with a 15 percent return on investment for bachelor's and associate degrees. Some studies demonstrate that it is an extra \$1 million in lifetime earnings for bachelor's degree holders. "The whole premise here is that you borrow and make an investment, and it's an affordable fee to repay those loans because of the bump in income that comes from completing a degree," she said. "But we know that half a degree does not get you half of the earnings bump that comes from having a degree. In fact, it gets you pretty much nothing at all. So, you can very easily rack up debt that would get you halfway through a degree and have none of the additional earnings that would make repayment of that debt affordable."

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:

- [\(GENERAL-21-76\) Thanksgiving Day Federal Holiday Processing and Customer Service Hours](#)

Member News



[PennLive](#) reports that Pennsylvania's nurses could get up to \$7,500 of their student loans paid off thanks to COVID-19 relief funds.

The one-time student loan forgiveness program will provide debt reduction under a program that the Pennsylvania Higher Education Assistance Agency's (PHEAA) board authorized on Thursday. The loan forgiveness program is intended to be a way to elevate concerns around the number of nurses available to work in the commonwealth and draw others into the profession with the hope of future financial assistance programs, said PHEAA's Vice President of State Grant and Special Programs Elizabeth McCloud.

General News

[Forbes](#) and [WTTW News](#) report that, according to a new survey from the Student Debt Crisis Center, 89 percent of student loan borrowers are not ready to pay back their federal student loans once the payment pause begins on February 1, 2022.

[Fox Business](#) reports that some of the nation's most valued workers like teachers, police officers, and medical professionals are struggling to repay their student loans, according to a report from the Teachers Insurance and Annuity Association.

[Real Simple](#) reports on top-paying careers that do not require a college degree.

[The Chronicle of Higher Education](#) reports that most students fleeing their countries cannot access higher education, but a bold new effort could bring them to U.S. campuses.

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