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Weekly Rundown

The NCHER Weekly Rundown, which includes the latest information on important events in Washington, DC, is available today and can be downloaded from the [NCHER website](#).

President Signs Short-Term Continuing Resolution, Department of Education Funded Through March 22

Late Friday, President Joe Biden signed H.R. 7463, the Extension of Continuing Appropriations and Other Matters Act. As previously reported, the new short-term

Continuing Resolution (CR) extends funding for six appropriations bills (covering Agriculture, Energy and Water, Interior, Transportation-Housing and Urban Development, Commerce-Justice-Science, and Military Construction-Veterans Affairs) until this Friday, March 8th, and extends funding for the remaining appropriations bills, including the U.S. Department of Education, until March 22nd. The CR includes several changes to the Student Aid Index as made by the FAFSA (Free Application for Federal Student Aid) Simplification Act. The bill also puts \$3.5 billion over 10 years into the Pell Grant program. In a statement, the President said that the extension was "good news for the American people" but noted that "this is a short-term fix – not a long-term solution. In the days ahead, Congress must do its job and pass full-year funding bills that deliver for the American people." For additional coverage, see this article from [CBS News](#).

Department of Education Begins Third Session of Negotiated Rulemaking on Institutional Quality and Program Integrity

Today, the U.S. Department of Education began the third of three sessions of its Institutional Quality and Program Integrity Committee, which is being tasked with revising federal regulations around cash management, accreditation, withdrawals and return of Title IV funds (R2T4), state authorization, distance education, and program eligibility for TRIO Programs. During the morning session, the committee negotiators discussed the Department's proposed regulatory language on R2T4 and distance education. After discussion on R2T4, the committee failed to reach consensus. With respect to distance education, most of the discussion centered on the Department's proposal to limit asynchronous instruction in clock hour programs. The Department's negotiator and other negotiators put off a consensus check on this topic pending discussion of additional guardrails around asynchronous instruction. In the afternoon, the committee began discussion on state authorization with many institutional negotiators asking clarifying questions and objecting to the Department's proposals in this area. The committee began public comment before it could finish its discussion on state authorization and is expected to begin with this topic with tomorrow's session.

For further information or to register to listen to the proceedings, visit the [event website](#).

Government Accountability Office Releases New Report on Direct Loan Performance and Risk Reporting

Today, the U.S. Government Accountability Office (GAO) released a new report titled, [Federal Student Loans: Education Should Enhance Reporting on Direct Loan Performance and Risk](#). According to the report, the U.S. Department of Education administers the William D. Ford Federal Direct Loan program, which has grown substantially over the last 30 years. The Department is designing and testing a new model to estimate future costs of the Direct Loan program that it aims to begin using with the President's budget request for fiscal year 2028. Department officials have said the new model is being designed to better reflect the complexity of both borrower behavior and the Direct Loan program. GAO examined costs in accordance with the Federal Credit Reform Act of 1990 (FCRA), the Congressional Budget Office fair value, Financial Accounting Standards Board (FASB) Current Expected Credit Losses, and FASB fair value (private sector). The report says that the four approaches do not affect the eventual budgetary costs over time but do result in different initial cost estimates. Estimated initial costs under the non-FCRA approaches are generally higher than what is initially estimated under FCRA due to a variety of factors, such as the addition of market risk and other risks. Regardless of the approach used, the Department must be able to predict future cash flows as it is fundamental to calculating reliable cost estimates. GAO continued that the Department publishes information about the Direct Loan program's performance and risks that is generally consistent with guidance, but there are areas where the agency could enhance its reporting by expanding the sensitivity analysis to cover a wider range of economic circumstances. The report says that the Department could improve its reporting of such factors as graduation rates, borrowers' ratios of income to monthly payments, and borrowers' unemployment rates. For example, credit agencies analyze borrower graduation rates, which can be an indicator of future default rates, and the agencies also look at trends in borrower data such as the ratio of borrower income to monthly loan payments. The Department could also analyze whether student loan portfolios are concentrated by the borrower's type of degree, the type of educational institution, or geographic location of borrowers, provide trend data on loan origination costs, servicing costs, and management costs, and report on the impact on costs related to unemployment or wage growth. GAO also recommended that the Department make annual reports more detailed to help Congress make decisions about the program and to help the public understand its use of taxpayer dollars such as providing more detail on borrower income-to-monthly-payment ratios and other key drivers of program costs.

Department of Education Releases Electronic Announcement Providing Additional Details on Delivery of

ISIRS

Today, the U.S. Department of Education released a new [Electronic Announcement](#) providing additional details on what institutions of higher education can expect regarding the delivery of 2024-25 Free Application for Federal Student Aid (FAFSA) Institutional Student Information Records (ISIRs) to institutions, state higher education agencies, and scholarship organizations as forms begin to be processing in the first half of March. The announcement includes the following details:

- As the Department begins to prepare the system, it will initiate a planned pause to StudentAid.gov for a number of hours. Once the Department reopens the site, additional work will be required to test the systems prior to ISIR delivery.
- In the days following, the Department will start transmitting very small batches of ISIRs (1-2) to a few dozen schools identified on the first submitted applications as part of the process to test ISIR delivery. During this testing phase, the Department will get feedback from that small subset of schools to identify any technical issues or changes that need to be made before starting to ramp up ISIR delivery to a broader set of institutions.
- Once the testing phase concludes, the Department will gradually ramp up delivery. During this period, some institutions may receive no ISIRs or as little as one ISIR each day depending on the schools identified by the applicant. Some institutions may receive multiple batches of ISIRs per day.
- Once the Department has ramped up delivery, it anticipates it will take about two additional weeks to process all applications that have already been submitted. This is consistent with the timeline announced on January 30. The Department will provide regular updates on its progress towards completing processing of submitted FAFSA applications on the Knowledge Center. Once processing has begun, new applications submitted while it is processing completed applications will be added to the end of the queue.
- When the budget and appropriations process has completed and determined the 2024-25 maximum award for the Pell Grant, ISIRs will be reprocessed to reflect any update.

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:

- [\(GENERAL-24-16\) SAIG Message Class File Update](#)
 - [SAIG Message Class File](#)
 - [Comment Request: Revised Second Chance Pell Experiment and Prison Education Program \(PEP\) Data Collection](#)
 - [\(COD-24-01\) 2024-2025 COD Technical Reference \(Initial\) Now Available](#)
 - [2024-2025 COD Technical Reference \(Initial\)](#)
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General News

[The Hill](#) lays out this week's legislative agenda as President Joe Biden prepares to deliver the State of the Union address while both the House and Senate try to avert the next shutdown of the federal government on Friday.

[Inside Higher Ed](#) publishes a piece titled "Untangling the Bungled FAFSA [Free Application for Federal Student Aid] Launch," in which critics of the U.S. Department's rollout of the new 2024-2025 FAFSA said that "politics, priorities, and a set of unforced errors unraveled the Education Department's best-laid plans for a federal aid overhaul."

[Politico](#) discusses the political jockeying already happening after Senate Minority Leader Mitch McConnell (R-KY) announced that he will not run for a leadership position again.

The State Higher Education Executive Officers Association released its [Quarterly Policy Review](#), which covers its member initiatives in areas such as college affordability, college access, and college completion.

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