



Thursday, April 11, 2024

## In Today's Edition

- Penn Wharton: Department of Education's New Student Loan Forgiveness Plan Estimated to Cost \$84 Billion
- House Appropriations Subcommittee Holds Budget Hearing with Education Secretary Cardona
- House Education and the Workforce Subcommittee Holds Hearing on Failure of FAFSA Rollout
- Missouri, Six Other States File Second Lawsuit Challenging U.S. Department of Education's SAVE Plan
- Republicans Choose Rep. Tom Cole as Chair of House Appropriations Committee
- FSA Announces 30 Percent of FAFSAs Have Inaccurate, Incorrect Data, Issues Updates to State Grant Agencies to Support FAFSA Completion Initiative
- Senate Democrats Send Letter to General Dynamics on Role in Launch of Bungled FAFSA
- National Student Clearinghouse Releases Report on Undergraduate Degree Earners
- Department of Education Reports Only 60 Percent of College Students Earned Degrees in Eight Years
- Excelencia in Education Report Finds Hispanic Students Accounted for Majority of Growth in Degree Attainment
- U.S. Department of Education News
- General News

## Penn Wharton: Department of Education's New Student Loan Forgiveness Plan Estimated to Cost \$84 Billion

Today, Penn Wharton released a new report that found the U.S. Department of Education's new federal student loan forgiveness plan would cost more than \$84 billion after analyzing the five components of the proposal that could be implemented before the November election. According to the analysis, the biggest cost of the plan is the proposal to cancel up to \$20,000 for all borrowers who have a balance that has grown due to unpaid interest. The budget model says that the partial or total relief on unpaid interest growth to more than 25 million borrowers would cost an estimated \$57.75 billion. The second biggest cost is the proposal to provide forgiveness to those who have been paying on their loans for more than 20 years, which would cost an estimated \$19.07 billion. The Department's plan to help borrowers experience hardship, such as those at high risk for defaulting or carrying other significant debts, would cost \$7.24 billion. The proposal to forgive the loans of those who qualify for loan forgiveness under other Income Driven Repayment plans was not included in the analysis since it was already included in the analysis of the Saving on a Valuable Education (SAVE) plan. The analysis estimated that the SAVE plan would cost \$475 billion. The Department's plan to forgive the debt of those who were enrolled in educational programs that are known for low financial outcomes also was not calculated in the analysis due a lack of information on how that part of the plan would work. "We estimate that the New Plans will cost \$84 billion in addition to the \$475 billion that we estimated for President Biden's SAVE plan, for a total cost of about \$559 billion across both plans," the analysis concluded. For additional coverage, see this article from [The Hill](#).

## House Appropriations Subcommittee Holds Budget Hearing with Education Secretary Cardona

Yesterday, the House Appropriations Subcommittee on Labor, Health and Human Services (HHS), Education, and Related Agencies held a hearing on the Fiscal Year (FY) 2025 budget request for the U.S. Department of Education. In his [opening statement](#), Subcommittee Chairman Robert Aderholt (R-AL) expressed concerns with the number of new programs, increases, and cuts included in the budget request submitted by Education Secretary Miguel Cardona, including increases to the Office of Federal Student Aid (FSA) that he said would be used to "carry out student loan debt transfers." He said that, even though the U.S. Supreme Court struck down the prior federal student loan forgiveness

program, the Department has doubled down on canceling loans through other avenues such as the new loan repayment plan that is even more generous. He said that it is clear that the Department's student loan forgiveness policies are unfair to Americans who did not go to college or paid back their loans, and they send a dangerous message to students: borrow more and just send taxpayers the bill.

In her [opening statement](#), Ranking Member Rosa DeLauro (D-CT) said that, under Secretary Cardona, federal financial aid to help students pay for college has increased and investments in colleges and universities have increased so that students from diverse backgrounds have a fair shot at a high-quality postsecondary education. She said that, thanks to the Biden Administration, four million borrowers living paycheck to paycheck under the weight of burdensome and oftentimes overwhelming student loan debt are receiving relief, helping families with the high cost of living. Ranking Member DeLauro said that she was proud to work with House and Senate Democrats and Republicans to complete work on the FY 2024 Labor, HHS, Education Appropriations Act that removed dozens of poison pill policy riders that would have blocked access to student loan relief, new income-driven repayment options, and rules that would protect students who are victims of sexual assault. She said that the President's request will help support working- and middle-class families and help secure future opportunities for America's children, regardless of their socio-economic status.

In his [testimony](#), Secretary Cardona said that the President's budget request strives to raise the bar for education in the United States and position our nation to lead the world for years to come. Even in an era of relative restraint, he said that the Department is pushing for investments that will carry out four of its priorities: Achieve Academic Excellence; Boldly Improve Learning Conditions; Create Pathways for Global Engagement; and Expand Access to Higher Education by Reducing Costs for Students and Investing in Student Supports. On higher education, Secretary Cardona said that the budget request invests in postsecondary success for all students, improving college affordability, retention, and completion. "To expand equitable and affordable access to an education beyond high school, the budget proposes to increase the maximum Pell Grant by \$100 for the 2025-2026 award year building on successful efforts to raise the discretionary maximum award by \$900 since the beginning of the Biden-Harris Administration," the Secretary said. "The budget also increases the mandatory Pell add-on by \$650 for a total maximum award of \$8,145 for students attending public and nonprofit institutions. The increase keeps the Administration on its path to double the maximum Pell Grant at such institutions by 2029." Secretary Cardona also highlighted the proposal for a new free community college program and a new Reducing the Costs of

College Fund that includes \$5 billion for awards to colleges and universities that provide an education at an affordable price to expand the number of students served and share best practices and scale evidence-based strategies that increase college completion rates, reduce cost burdens for students, and lower costs per graduate. He also said that the budget will build on the President's historic actions to reduce student loan debt and college costs by eliminating origination fees charged to borrowers on every new federal student loan, and mentioned the budget's increases for Federal TRIO programs and GEAR UP. The Secretary said that the increase in FSA's budget will allow it to "effectively operate the student aid programs, and additionally protect against cybersecurity breaches to ensure protection of borrowers' personal information, implement critical improvements to student loan servicing, continue to modernize its digital infrastructure, and ensure successful administration of the financial aid programs through a simplified application process for students and borrowers."

During the question-and-answer portion of the hearing, several subcommittee members raised issues impacting elementary and secondary education. The following were questions raised on higher education financing:

- Ranking Member DeLauro asked Secretary Cardona how he was holding predatory for-profit colleges and universities accountable. The Secretary said that the Department had increased enforcement of such colleges and provided debt relief for students impacted by fraud.
- Rep. Mark Pocan (D-WI) asked Secretary Cardona to talk about the importance of doubling the maximum award for the Pell Grant program. The Secretary said that the program is so important for low-income students and is central to whether they actually go to college. He said that the Department's budget would maintain the program's solvency.
- Rep. Julia Letlow (R-LA) said that institutions of higher education must receive data from the FAFSA [Free Application for Federal Student Aid] in a timely manner. She said that the FAFSA rollout has been an absolute disaster. She asked Secretary Cardona when he found out that there were going to be real problems with the FAFSA. The Secretary said that he understands the challenges that students and families are facing. "There's nothing more important right now at the Department of Education," he said. "We're working on this around the clock, because we want to make sure our students have information they need to make informed decisions." Rep. Letlow also asked how many FSA employees were working on the FAFSA v. how many were working on federal student loan forgiveness. Secretary Cardona said that FAFSA issues are a key focus for the Department and its employees. "I

don't want you to think they're not doing FAFSA because they're working on something else," he said. "FAFSA has been a priority since day one when we got into these positions, and it will continue to be a priority until we deliver for those students." Rep. Letlow concluded: "I hope this debacle never happens again. The American people want to see you focused on getting students into the classroom, not repaying loans for people who have already been there."

- Rep. John Moolenaar (R-MI) reiterated the previous question to Secretary Cardona of how many employees were working on FAFSA implementation v. loan forgiveness. The Secretary said that the Office of the Under Secretary was working on loan forgiveness and FSA was responsible for implementing the policy. Rep. Moolenaar asked how Secretary Cardona could support incentivizing students from not repaying their student loans; the Secretary said that he did not see it that way.
- Rep. Bonnie Watson Coleman (D-NJ) thanked the Secretary and President for their work in providing federal student loan forgiveness to as many students and parents as possible.
- Rep. Chuck Fleischmann (R-TN) asked Secretary Cardona why the Department was seeking to alter affordable access programs that allow college students to receive their educational materials at below market rates and before the first day of class, and whether the agency had conducted any studies on the issue. The Secretary said that he had spoken to many college leaders, heard different perspectives on the issue, and would see if there were any studies out there.
- Rep. Steny Hoyer (D-MD) expressed support for increasing funding for Pell Grants and commended Secretary Cardona for the budget request. But he also said that he was concerned college costs seem to increase at the same rate once Congress increases the maximum award. He asked the Department staff for more information on the issue.
- Chairman Aderholt asked Secretary Cardona for the share of borrowers who are currently repaying their federal student loans and what the Department was communicating to borrowers when it comes to repaying their loans. The Secretary said that 60 percent of students are currently in repayment and the Department was giving a one-year transition to borrowers to ensure that those struggling students could begin repaying their loans.
- Ranking Member DeLauro asked Secretary Cardona to discuss the improvements made to Public Service Loan Forgiveness, including efforts to streamline access to

the program. The Secretary said that the Department was helping to provide relief to public servants and to fix a broken system.

- Rep. Chuck Edwards (R-NC) asked Secretary Cardona how he would respond to working class Americans in his district who would be asked to pay for another student's federal loans. The Secretary said that the 4 million borrowers who received loan forgiveness are the working class or they have children who will benefit from fixing a broken system.

In her closing remarks, Ranking Member DeLauro said that it was important Congress support public education, as opposed to defunding education, and keep its commitment to low-income students to provide Pell Grants so they can go to college. In his closing remarks, Chairman Aderholt thanked the Secretary for attending today's hearing.

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

## House Education and the Workforce Subcommittee Holds Hearing on Failure of FAFSA Rollout

Yesterday, the House Education and the Workforce Subcommittee on Higher Education and Workforce Development held a hearing titled, "FAFSA Fail: Examining the Impacts on Students, Families, and Schools." In his [opening statement](#), Subcommittee Chairman Burgess Owens (R-UT) said that the U.S. Department of Education's rollout of the Free Application for Federal Student Aid (FAFSA) has been mired in delays and dysfunction, threatening to damage students, families, and institutions. He said that the FAFSA Simplification Act was federal law since day one of the Biden Administration, but officials punted the official launch for five additional months. When the Department finally rolled out the new FAFSA, students were met with sporadic glitches, never-ending queues, and a myriad of technical issues. Compounding the issue, the Department made multiple data errors, rendering hundreds of thousands of records inaccurate and unusable for schools. He said that these challenges may only be the tip of the iceberg as new errors are seemingly revealed every week. Chairman Owens said that these failures will not just impact taxpayers, but institutions that could see an estimated 20 percent drop in enrollment this fall and low-income students who require access to aid. He said that these delays do not even account for next year's FAFSA, which almost certainly will not be ready by this October. The Chairman concluded his remarks by saying that House Republicans will not give FSA any additional administrative funding until the challenges

are resolved and executive branch officials are held accountable.

In her [opening statement](#), Ranking Member Frederica Wilson (D-FL) said that, in 2020, Democrats and Republicans passed the FAFSA Simplification Act, which aimed to streamline the FAFSA and expand student aid eligibility, especially for those who usually would not be able to afford to go to college. But the hold-up in the law raises real questions about whether going to college in the fall is even doable for those who can not pay their own way without federal aid. She said that students needed their financial aid information months ago to make college decisions, yet many still do not have that information today. Ranking Member Wilson said that the current setbacks “put decades of progress in jeopardy, slamming the brakes on efforts to widen access to higher education and financial stability for students of color, first-generation students, and those from low-income backgrounds.” She said that, according to the National College Attainment Network, only 32.3 percent of students from low-income high schools completed the FAFSA form, a 32.9 percent decrease from the previous year, and only 32.2 percent of students in high-minority high schools have completed the form, a 33.3 percent decrease from the previous year. The Ranking Member said that this stark reality directly opposes the Simplification Act's intended purpose, serving as a slap in the promise of higher education. She concluded by saying that, while the Department must be held accountable, the immediate priority must be ensuring students and their families have the necessary resources to make informed decisions about their future.

The written testimony for each of the witnesses can be found here:

- [Mark Kantrowitz, President, Cerebral, Inc.](#)
- [Justin Draeger, President and Chief Executive Officer, National Association of Student Financial Aid Administrators \(NASFAA\)](#)
- [Kim Cook, Chief Executive Officer, National College Attainment Network \(NCAN\)](#)
- [Rachelle Feldman, Vice Provost, Enrollment, University of North Carolina Chapel Hill](#)

During the question-and-answer portion of the hearing, several subcommittee members raised issues of interest to the NCHER membership, including the following:

- Chairman Owens asked why the Department downplayed problems with the FAFSA over the last three years. Mr. Draeger said that he did not know why the Department was not more forthcoming with the challenges that it was having with the FAFSA. Mr. Kantrowitz said that the Department’s “overly sunny” press releases

are trying to spin a disaster as though it was successful. He said that it is inconceivable the Department would not just come out and tell the truth.

- Rep. Pramila Jayapal (D-WA) asked why students were not filling out the FAFSA prior to passage of the FAFSA Simplification Act. Ms. Cook provided a historical background on why Congress passed the new law.
- Rep. Glenn Thompson (R-PA) asked about the root cause of errors that institutions are currently facing. Mr. Draeger said that 20 percent of the errors are the FAFSA processing system pulling over wrong data elements from the Internal Revenue Service and an additional 20 percent is where the form is not generating enough information for financial aid administrators to put together a financial aid package.
- Ranking Member Wilson asked for data on FAFSA completion and said that she was concerned about the long-term impact of the challenges with the 2024-2025 FAFSA. Ms. Cook said that about 30 percent fewer FAFSAs have been submitted by high school seniors as compared to last year but the numbers are 7 percent worse for low-income communities.
- Rep. Glenn Grothman (R-WI) asked whether the Department has taken responsibility for its mistakes and whether anyone should lose their job because of the botched rollout. Mr. Draeger said that he has yet to hear any sort of apology from the Department, not even to schools but to students and families. He said that, if a financial aid director or a college president delayed financial aid for six months, the professional price that would be paid would be very steep.
- Rep. Suzanne Bonamici (D-OR) asked how the Department's College Support Strategy was working around the country. Ms. Cook said that the strategy will assist institutions of higher education process financial aid data and ensure high school students get the additional support that they need to complete the FAFSA. Rep. Bonamici asked how states and other stakeholders can use NCAN's FAFSA tracker to increase FAFSA completions. Ms. Cook said that she hopes the FAFSA tracker will help school district leaders see where targeted assistance is needed the most.
- Rep. Jim Banks (R-IN) asked what Congress can do to hold the Department accountable. Mr. Draeger said that the House and Senate should look at FSA's structure as a performance-based organization and commended the committee for asking the U.S. Government Accountability Office to examine the botched rollout. Rep. Banks asked whether there was a connection between the Department's work on FAFSA and federal student loan forgiveness. Mr. Kantrowitz said that it was



clearly a distraction - he did not know how many staff were involved in FAFSA but it surely meant that there was not an “all hands on deck” approach.

- Rep. Lucy McBath (D-GA) asked how the Department’s decision to provide relief on reporting requirements around gainful employment and financial value transparency would assist institutions of higher education. Mr. Draeger said that colleges and universities appreciated the delay but it was only for two months. He said that institutions want a delay in reporting commensurate with the delay in FAFSA processing.
- Rep. Brandon Williams (R-NY) asked what grade the Department should receive for its FAFSA rollout and whether FSA will have the FAFSA up and running in October. Mr. Kantrowitz gave the Department’s performance an F; Mr. Draeger gave it an F; Ms. Cook gave it a C; and Ms. Feldman gave it a D for disappointing. Mr. Kantrowitz, Mr. Draeger, and Ms. Feldman said that their confidence was low that the system would be ready in a few months.
- Rep. Teresa Leger Fernandez (D-NM) discussed the decrease in FAFSA completion, said that Congress must be in the solutions game, and asked what strategies can best support students and families. Ms. Cook said that Congress should support school districts and community-based organizations in getting as much time as they can with students to help them complete their FAFSAs, and all states should increase and extend their FAFSA completion campaigns into the summer.
- Rep. Bob Good (R-VA) asked whether FAFSA implementation was really a priority for the Biden Administration. Mr. Draeger said NASFAA told new Department officials that the changes to the FAFSA should be a priority but they spent time on four negotiated rulemakings, debt forgiveness, student loan servicing, return to repayment, Fresh Start, etc.
- Rep. Alma Adams (D-NC) asked what challenges under-resourced institutions are facing when it comes to helping students navigate the financial aid process. Mr. Draeger said that under-resourced colleges and universities have fewer staff and fewer resources and they are being asked to do things manually and will not be able to get financial aid offers out as quickly as their peers.
- Rep. Nathan Moran (R-TX) described his experience in completing the FAFSA for his high school daughter and asked whether the development of the 2025-2026 FAFSA is behind compared to a normal year. Mr. Kantrowitz said that, normally, FSA publishes the draft FAFSA in February for the upcoming October 1st year; right

now, we still do not have a draft of the new form. He said that he believes FSA will have to delay the October 1st date later this year.

- Rep. Joe Courtney (D-CT) talked about the financial difficulties that some small private colleges are having in his district, and asked what it would take to increase FAFSA completion rates. Ms. Cook said that it will take weeks to increase the rates and it must be done now while high school seniors are in school.
- Rep. Lloyd Smucker (R-PA) asked what impact the FAFSA rollout debacle will have on the public trust. Mr. Kantrowitz said that more students will likely not fill out the FAFSA and, thereby, qualify for Pell Grants to help them enroll in postsecondary education.
- Ranking Member Bobby Scott (D-VA) said that no one on the committee is happy with what is going on and it is worse than what the witnesses are saying as the six-month delay came only after a one-year extension passed by Congress. At the same time, he reiterated the importance of why Congress passed the FAFSA Simplification Act.
- Rep. Erin Houchin (R-IN) asked what guidance the Department has issued to students who need to do corrections on their FAFSA. Ms. Feldman said FSA has issued an Electronic Announcement talking about the process that students will use to correct their FAFSAs.
- Chairwoman Virginia Foxx (R-NC) asked who was responsible for implementing the FAFSA Simplification Act and processing the FAFSA. Ms. Feltman, Mr. Draeger, and Mr. Kantrowitz said that it was the Department's responsibility. Mr. Kantrowitz said that processing the FAFSA is a central component of FSA's role in higher education. Chairwoman Foxx ended her comments by calling on Education Secretary Miguel Cardona to explain his abysmal leadership to the American people and said that something needs to change.

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

## Missouri, Six Other States File Second Lawsuit Challenging U.S. Department of Education's SAVE Plan

On Tuesday, Missouri, Arkansas, Florida, Georgia, North Dakota, Ohio, and Oklahoma filed a [lawsuit](#) in U.S. District Court for the Eastern District of Missouri against the U.S. Department of Education challenging the creation of the Saving on a Valuable Education

(SAVE) Plan. The lawsuit states that the SAVE Plan is unconstitutional and will cost taxpayers \$475 billion. “With the stroke of his pen, Joe Biden is attempting to saddle working Missourians with a half trillion dollars in college debt,” Missouri Attorney General Andrew Bailey said in [announcing](#) the lawsuit. “The United States Constitution makes clear that the President lacks the authority to unilaterally ‘cancel’ student loan debt for millions of Americans without express permission from Congress. The President does not get to thwart the Constitution when it suits his political agenda. I’m filing suit to halt his brazen attempt to curry favor with some citizens by forcing others to shoulder their debts.” The states argue that the current suit is equivalent to the case involving the creation of a federal student loan forgiveness program that was struck down by the U.S. Supreme Court last summer. “Just last year, the Supreme Court struck down an attempt by the President to force teachers, truckers, and farmers to pay for the student loan debt of other Americans – to the enormous tune of \$430 billion,” the lawsuit reads. “In striking down that attempt, the Court declared that the President cannot ‘unilaterally alter large sections of the American economy.’ Undeterred, the President is at it again, even bragging that ‘the Supreme Court blocked it. They blocked it. But that didn’t stop me.’ This is the second challenge to the SAVE plan led by Republican states. Kansas, along with 10 other states, filed a different case arguing against the legality of the plan. For further coverage, see this article from [CNN](#).

## Republicans Choose Rep. Tom Cole as Chair of House Appropriations Committee

Yesterday, House Republicans formally chose Rep. Tom Cole (R-OK) as the new Chair of the House Appropriations Committee, following the unexpected resignation of Rep. Kay Granger (R-TX). Rep. Granger announced that she was relinquishing the gavel because of her retirement in November. Rep. Cole is the current Chair of the House Rules Committee and the Chair of the Transportation and Housing and Urban Development Appropriations Subcommittee and was considered a shoo-in for the job, which is at the heart of the infighting that continues to threaten Republicans in the chamber. For additional coverage, see these articles from [The Hill](#) and [Roll Call](#).

## FSA Announces 30 Percent of FAFSAs Have Inaccurate, Incorrect Data, Issues Updates to State Grant Agencies to Support FAFSA Completion Initiative

Earlier this week, the U.S. Department of Education's Office of Federal Student Aid (FSA) issued an [Electronic Announcement](#) where it revealed that approximately 30 percent of FAFSA [Free Application for Federal Student Aid] forms are potentially affected by known processing or data errors. According to FSA, 20 percent of all FAFSA forms require corrected tax information from the Internal Revenue Service (IRS) as a result of problems with the FAFSA processing system and the IRS FUTURE Act Direct Data Exchange. The Department says that it is currently targeting to reprocess those Institutional Student Information Records (ISIRs) and start sending them to schools by May 1. However, FSA said that reprocessing those records will require building the capability to update tax information during reprocessing, rather than simply retrieving it once, which includes significant programming and testing within the processing system. The Department expects most, but not all, of these reprocessed ISIRs to reduce student aid eligibility. FSA said that roughly 10 percent of FAFSAs also need to be redone because of problems with the application's processing system to correct the Student Aid Index for records of dependent students with assets, as outlined on March 22nd. The Department plans to reprocess those records next week, but also said it expects "the vast majority" of those updated records will reduce student aid eligibility.

FSA said as many as 16 percent of FAFSAs need corrected information from students such as a parent's signature, consent to retrieve federal tax information, or other issues. This pool of applications could partly overlap with the forms that need to be reprocessed. The Department said that institutions of higher education and state agencies will receive a subsequent ISIR transaction for each reprocessed record. In order to move forward expeditiously, schools and states can exercise their judgment to use the original ISIR—not the reprocessed record—as the basis to make financial aid offers and awards. However, if the reprocessed ISIR results in greater financial aid eligibility for students, schools and states will be required to revise their financial aid offer based upon the reprocessed ISIRs.

Separately, FSA also issued an [Electronic Announcement](#) providing an update for state grant agencies to support the FAFSA Completion Initiative and providing guidance to agencies to participate in outreach to applicants regarding federal means-tested benefits programs. First, the Department is informing state grant agencies of forthcoming revisions to the 2024-2025 Student Aid Internet Gateway (SAIG) Participation Agreement that will enable them to disclose FAFSA Filing Status Information to school districts, secondary schools, and the following eligible entities for purposes of encouraging FAFSA completion:

- Grantees of the U.S. Department of Education under the TRIO Programs and the Gaining Early Awareness and Readiness for Undergraduate Program.
- American Indian and Alaska Native Educational entities.
- Nonprofit college access organizations that may be eligible on a case-by-case basis. If the state grant agency determines that a nonprofit college access organization that is not explicitly named in the guidance meets the criteria, they are permitted to enter into a written agreement with the nonprofit for the FAFSA Completion Initiative.

Second, the Department is informing state grant agencies that, once the updated SAIG Participation Agreement is signed, agencies can use FAFSA data, such as the Student Aid Index, Pell Grant status, and the FAFSA applicant's email address, to outreach to applicants about means-tested benefits for which they may be eligible. To conduct this outreach, state grant agencies should limit the use of FAFSA data to only communicating to FAFSA applicants about benefits programs for which they may qualify. After signing the new agreement, state grant agencies can use FAFSA data and FAFSA applicant contact information to conduct this outreach for the following benefits programs only through June 30, 2024:

- Affordable Care Act
- Affordable Connectivity Program
- Child Tax Credit
- Medicaid
- Supplemental Nutrition Assistance Program (SNAP)

The Department said that it will provide guidance at a later date on the benefits programs that will be covered under this outreach after July 1, 2024.

## Senate Democrats Send Letter to General Dynamics on Role in Launch of Bungled FAFSA

Yesterday, Sens. Elizabeth Warren (D-MA) and Ron Wyden (D-OR) sent a [letter](#) to General Dynamics asking a series of questions on the company's role in the "bungled launch" of the new Free Application for the Federal Student Aid (FAFSA). In the letter, the senators note how the new FAFSA has been riddled with technical issues, many of which remain unresolved, and how the failures are hurting students. The letter says that, in June 2022, General Dynamics Information Technology (GDIT) received a \$121.8 million

contract to modernize the FAFSA following the changes made in the FAFSA Simplification Act. But little attention has been paid to the role of GDIT in the process. “General Dynamics promised that ‘(t)he new system will improve the overall customer experience, as well as deliver cost savings and operational flexibility to quickly scale in response to any future regulations or requirements’ and that ‘this modernization contract enables (General Dynamics) to further advance Federal Student Aid’s higher education mission,’” the letter says. “These promises were not kept; indeed, it now appears that your efforts to date have been a near-total failure and that the FAFSA problems caused by this failure are harming millions of students and hundreds of colleges.” The letter asks for answers to questions by April 23, 2024. For additional coverage, see this article from [The Hill](#).

## National Student Clearinghouse Releases Report on Undergraduate Degree Earners

Today, the National Student Clearinghouse released a new report titled, [Undergraduate Degree Earners](#), which found that the number of undergraduate degree earners fell for the second year in a row in the 2022-23 academic year (-2.8 percent or -99,200 from a year earlier), after many years of gradual increases. First-time completers, accounting for 73.3 percent of all completers in 2022-2023, fell by 73,600 or 2.8 percent. The report found that more students earned a certificate this year than in any of the last ten years. That growth in certificate earners is made up entirely by a 6.2 percent (+26,900) increase of those earning their first-ever award, building on last year’s growth (+6.5 percent or +26,700 from 2020-21) for a two-year increase of 13.1 percent (+53,600). In contrast, fewer students earned an associate degree this year than in any of the last ten years, and bachelor’s earners declined to their lowest level since 2015-16.

The majority (54.6 percent) of this year’s decline in graduates with a prior award is attributable to fewer students with an associate degree returning to earn their bachelor’s (-3.3 percent, -14,000). The number of students with a prior certificate that earned an associate degree fell for the first time since 2017-18 (-2.5 percent, -2,000), returning to 2020-21 levels. The number of bachelor’s and/or master’s degree holders who returned to earn a certificate, a population which reached unprecedented heights in the last two years (nearly 85,000 completers per year, up from just 72,100 in 2016-17), has begun to decline (-3.7 percent, -3,100). The report also found that half (51.7 percent) of this year’s growth in first-time certificate earners is attributable to 18-20-year-olds (+11.3 percent, +13,900). For additional coverage, see this article from [Inside Higher Ed](#).

## Department of Education Reports Only 60 Percent of College Students Earned Degrees in Eight Years

Earlier this week, the U.S. Department of Education released a new report titled, [High School Longitudinal Study of 2009: A First Look at the 2021 Postsecondary Enrollment, Completion, and Financial Aid Outcomes of Fall 2009 Ninth-Graders](#). The report follows a nationally representative sample of students who were ninth-graders in fall 2009 from high school into postsecondary education and the workforce; data collection was conducted in 2021, approximately 8 years after high school graduation for most of the cohort. Key findings include the following:

- About two-fifths of students who had enrolled in postsecondary education (40 percent) had not completed a postsecondary degree or certificate in 8 years. Some 8 percent had earned a postsecondary certificate or diploma as their highest credential, 10 percent had earned an associate's degree as their highest credential, 35 percent had earned a bachelor's degree as their highest credential, and 7 percent had earned a graduate degree as their highest credential.
- Among fall 2009 ninth-graders who had completed a postsecondary degree or certificate in 8 years, about four-fifths (81 percent) completed their highest degree in a field other than science, technology, engineering, or mathematics.
- A higher percentage of students whose parents had a bachelor's degree or higher enrolled in graduate programs (21 percent) compared to students whose parents had a high school credential or lower (7 percent) and students whose parents had a postsecondary certificate or associate's degree (9 percent).
- Nearly a third of students who enrolled in a postsecondary credential or degree program (30 percent) had not earned a postsecondary credential and were no longer enrolled by June 30, 2021. Another 4 percent had not earned a credential and were enrolled in a less-than-4-year institution, and 3 percent had not earned a credential and were enrolled in a 4-year institution. The remaining 62 percent had attained a credential.
- A greater percentage of students whose family income in 2011 exceeded \$115,000 had earned a postsecondary credential by June 30, 2021 (78 percent), compared to students at lower family income levels (49 to 70 percent).
- Among students who had not earned a postsecondary credential in 8 years, 17 percent participated in dual enrollment programs. This was smaller than the

percentage of those who participated in dual enrollment among students who had earned a postsecondary credential (33 percent).

- The percentage who received a Pell Grant was greater than the percentage who received a federal loan for Asian (67 vs. 49 percent), Black (85 vs. 73 percent), and Hispanic (74 vs. 53 percent) students. In contrast, among White students, the percentage who received a loan (61 percent) was greater than the percentage who received a Pell Grant (48 percent).
- Among students who received federal student loans for undergraduate education, the average cumulative amount received was \$17,900, which exceeded the average cumulative amount of grants received by Pell Grant recipients (\$10,800). This pattern held true for all race and ethnicity groups, except Native Hawaiian or Pacific Islander students, for whom there was no statistically significant difference between the two amounts.

For additional coverage on the report, see this article from [Inside Higher Ed](#).

## Excelencia in Education Report Finds Hispanic Students Accounted for Majority of Growth in Degree Attainment

Excelencia in Education recently released a new report titled, [Latinos in Higher Education: 2024 Compilation of Fast Facts](#), which found that Hispanic students accounted for the vast majority of the growth in the number of people earning college degrees in the U.S. The report found a 4 percent increase in degree attainment in the past five years with Hispanic students accounting for 79 percent of the change. But Hispanic students are more likely to face difficulties in areas such as retention rates and earning associate degrees. The retention rate for Latino students who enrolled in the fall of 2021 sits at 63 percent across all sectors, lower than the national average of 67 percent, and only 27 percent of Hispanic students received an associate degree, lower than the 44 percent of other student groups who got the same degree. Latino students are also the most likely to be first-generation college students, more likely to qualify for Pell Grants, and less likely to take out student loans. The study also noted that Hispanic-Serving Institutions, or schools with a student population that is at least 25 percent Hispanic, make up 20 percent of the higher education options while serving 63 percent of Hispanic undergraduates. For further coverage, see this article from [The Hill](#).

## 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:

- [\(GENERAL-24-38\) 2024-25 FAFSA Data Update: Detailed List of FAFSA Records to Schools and State Agencies with Reprocessing Indicators](#)
  - [\(GENERAL-24-37\) Updates on Timelines for Corrections and Reprocessing and What it Means for Partners](#)
  - [\(GENERAL-24-36\) OUTAGE ALERT – StudentAid.gov Maintenance on April 11, 2024](#)
  - [\(GE-24-03\) Updates on New Regulatory Provisions Related to Certification Procedures and Ability-to-Benefit](#)
  - [\(GENERAL-24-35\) Updates to the FAFSA Completion Initiative and Means-Tested Benefits Outreach](#)
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## General News

[Inside Higher Ed](#) provides further coverage of yesterday's hearing in the U.S. House Education and the Workforce Committee on the rollout of the 2024-2025 Free Application for Federal Student Aid.

[USA Today](#) publishes an op-ed saying that the Biden Administration is setting federal student loan borrowers up for disappointment and hardship with its lack of clarity and overpromises on higher education financing.

[The Hill](#) reports that a hot economy has dampened hope for an interest rate cut by the Federal Reserve.

Student Loan Servicing Alliance's Scott Buchanan provided [testimony](#) to the Senate Banking, Housing, and Urban Affairs Subcommittee on Economic Policy saying that Congress must fix the problems in the federal student loan program as opposed to blaming loan servicers for simply following the law.

An online version of this Daily Briefing is available to view and print from the [Daily Briefing Section](#) of the [NCHER e-Library](#).

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