

NASFAA Advocacy Update

April 2011



About the chart:

- **Issue** refers to the legislation, regulation, or policy that is subject to change.
- **Latest Developments** describes our advocacy efforts and the latest action on the issue
- **Status** indicates the success of our advocacy on the issue:



A **green arrow** indicates movement towards our recommendation.



A **red arrow** indicates movement away from our position.



A **yellow arrow** indicates mixed results, or inaction.

| Issue | Advocacy | Status |
|-----------------------|--|---|
| FY2011 Pell Funding | NASFAA spearheaded a successful campaign to defeat a proposal to cut funding for 2011-12 awards. The Republican-controlled House passed a bill to cut awards by as much as \$845, but the bill was defeated in the Senate. On April 14, Congress approved a bill that maintains the maximum Pell Grant at \$5,550 for the 2011-12 academic year and delays elimination of the year-round Pell to allow second awards for summer 2011. |  |
| FY2012 Pell Funding | The Republican-controlled House has passed a FY2012 budget outline that rolls back Pell funding to 2008 levels for the 2012-13 award year, but the Obama administration and House Democrats have issued proposals to maintain the \$5,550 maximum Pell Grant. NASFAA is now focusing its “Save Student Aid” Campaign to oppose Pell cuts in the FY2012 budget. |  |
| Tax Benefits | Congress extended several expiring higher education tax benefits as part of the Middle Class Tax Relief Act in December 2010. President Obama signed the bill into law. The bill extends the American Opportunity Tax Credit and the above-the-line tax deduction for qualified education expenses. It also extends expanded programs, including the Coverdell Education Savings Accounts and the student loan interest deduction, as well as two exclusions, including one for employer-provided educational assistance and another from income of amounts received under certain scholarship programs. |  |
| DREAM Act | The Obama administration urged Congress to pass legislation to allow immigrants who were brought to the country illegally as children to receive student aid, but Congress was unable to pass a bill. Immigration legislation is now being taken up in states where several legislatures are considering measures to either increase or decrease illegal immigrants’ access to higher education benefits. It is possible that Senator Dick Durbin (D-IL) may re-introduce the DREAM Act in the 112th Congress. |  |
| Private Student Loans | NASFAA has been advocating several bills in Congress to alleviate private student loan burdens. Several bills have been introduced to allow private loans to be discharged in bankruptcy, consolidated into the federal loan program and certified by financial aid offices; but these bills have stalled in Congress. NASFAA positively influenced the Senate version of the Christopher Bryski Student Loan Protection Act, by advocating for the removal of legislative language that required aid administrators to counsel students on provisions related to private loans. |  |
| GI Bill Improvements | Late last year, Congress passed the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 to cap aid at \$17,500 to beneficiaries who pay out-of-state tuition or attend a private institution, and to extend eligibility to those in the National Guard and Reserve. |  |
| Gainful Employment | NASFAA has partnered with other higher education organizations to question the validity of proposed regulations to measure gainful employment. NASFAA has advocated for using existing metrics to incentivize or restrict Title IV eligibility of programs. The Department delayed the release of final regulations, but says it still plans to issue final rules in the near future. |  |
| Credit Hour | NASFAA joined more than 70 other higher education associations, including accreditors, to urge the Department to rescind the federal definition of a credit hour included in the program integrity final regulations. In late March, the Department released guidance on this topic, but did not indicate that it plans to rescind, delay or amend the regulations that will take effect July 1. |  |
| State Authorization | NASFAA joined 60 other higher education associations and accrediting organizations to oppose the state authorization regulations or, at least, delay implementation for distance education programs for at least one year. In late March, the Department released guidance on this topic, but did not indicate that it plans to rescind, delay or amend the regulations that will take effect July 1. |  |