

# NASFAA Policy Update

December 17, 2019



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December 2019







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## Housekeeping

- Turn your computer speaker volume up
- For technical assistance:
  - Review the Tech Tips
  - Contact us using the Q&A
  - Email [webinars@nasfaa.org](mailto:webinars@nasfaa.org)
- Download the handout
- Complete the survey



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## Agenda

- Inside the Beltway
- Outlook
  - Higher Education Act Reauthorization
    - » House
    - » Senate
  - Building Blocks to HEA
  - Federal Budget & Funding
- Department of Education Update
- NASFAA Update
- Opportunities for Advocacy

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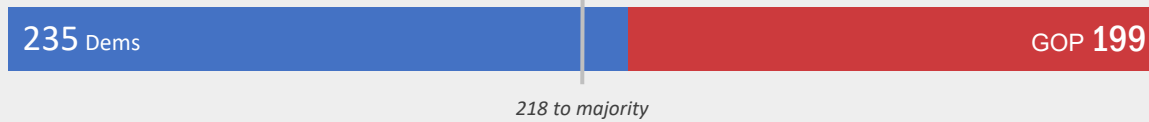
## Inside the Beltway



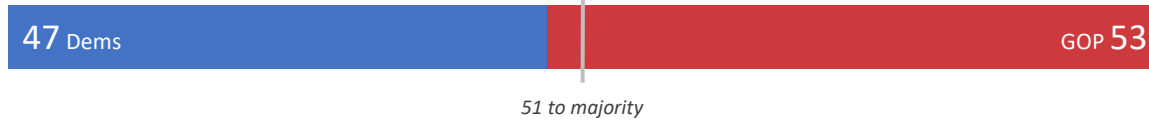
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## State of Play

### U.S. House of Representatives



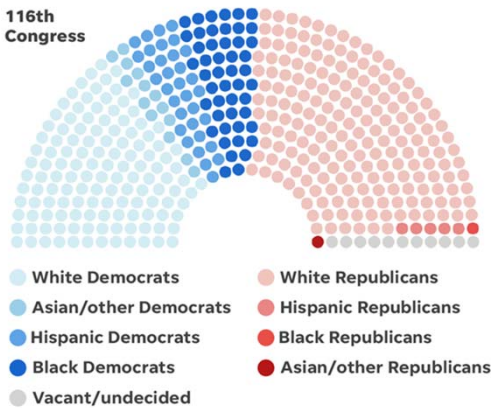
### U.S. Senate



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### The most diverse Congress in U.S. history

116th Congress



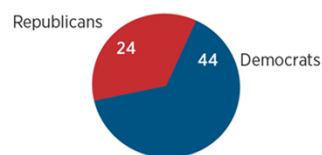
SOURCE Flourish data visualization



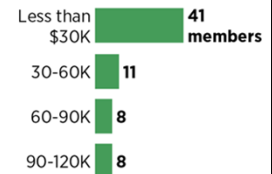
### Congressional student loan debts

68 members are still paying off student loans, either for themselves or a dependent.

#### Student loans by party:



#### Debt ranges:



Note: Amounts listed are minimum reported value of liabilities.  
Source: House and Senate financial disclosures, 2017 and 2018.  
Sara Wise/Roll Call



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## 2020 is Underway

The Democratic field is still crowded with 18 candidates, including five sitting United States Senators, two sitting U.S. Representatives, a handful of former members of Congress, and a former Cabinet Secretary and Vice President. Two 2020 hopefuls, Senators Elizabeth Warren (D-MA) and Bernie Sanders (D-VT) currently sit on the Senate Health, Education, Labor, and Pensions Committee.



(Photos from Nytimes.com, 2019)

➡ Check out NASFAA's 2020 Presidential Tracker and stay up to date on the candidate's higher education proposals at [www.nasfaa.org/2020](http://www.nasfaa.org/2020)

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## HEA Reauthorization

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## HEA Reauthorization

- Last reauthorization in 2008
  - Current version of HEA technically expired in 2013
- **House**
  - **Republicans:** Promoting Real Opportunity, Success and Prosperity Through Education Reform (PROSPER) Act
    - » Passed House education committee in December 2017
  - **Democrats:** Aim Higher Act & College Affordability Act
    - » Aim Higher Act - Introduced July 2018 and Starting point for HEA conversations in the House in 2019
    - » College Affordability Act – Introduced October 2019
- **Senate**
  - No fully comprehensive bills from either side yet, but Sen. Alexander’s pending retirement adds a new dynamic.
  - Student Aid Improvement Act – Introduced September 2019

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## HEA Issue Priorities

Issue	House Republicans	House Democrats	Senate Republicans	Senate Democrats
“One Grant, One Loan”	✓		✓	
FAFSA simplification	✓	✓	✓	✓
Risk-sharing	✓	✓	✓	✓
Repayment simplification	✓	✓	✓	✓
Free college for two years		✓		✓
Pell Grant increases tied to inflation		✓		✓
Pell Grants for short-term programs	✓	✓	✓	✓
Pell Grant “bonus” for increased credit load	✓			✓
Eliminate origination fees	✓	✓		✓
Loan refinancing		✓		✓
Campus-based aid allocation formula changes	✓	✓		✓

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## HEA Reauthorization: This Session

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	Senate Student Aid Improvement Act	House College Affordability Act
1. Introduced in Committee	✓	✓
2. Committee mark-up		✓
3. Pass out of Committee		✓
4. Pass out of full House or Senate		
5. Conference House & Senate bills		
6. Both chambers pass final version		
7. President signs into law		

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## Feasibility of HEA Reauthorization This Congress

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### Overall Dynamics

- While certainly not impossible, the likelihood of a comprehensive bipartisan HEA is beginning to look unlikely due to political dynamics and the approaching 2020 election.
- There has been resistance to stand alone legislation, with Senator Murray publicly saying she will continue to push for comprehensive reauthorization.
- It remains unclear if any standalone legislation will go through, but some suggest the possibility of a FAFSA simplification bill after the election as a nod to Senator Alexander before he retires at the end of 2020.

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## ► Building Blocks to HEA



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## Hot Topics for HEA

- Financial aid offers
- Student loan origination fees
- Consumer information and disclosures
- Annual loan counseling provisions

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## FAFSA Act

- Bipartisan Faster Access to Federal Student Aid (FAFSA) Act, introduced in the Senate in November 2018 and passed Senate in December 2018.
- In December bill was resurrected as an amendment to the FUTURE Act and passed out of both the House and Senate and signed into law. The bill will:
  - Allow for direct cross-agency sharing between IRS and ED
    - » All items currently brought over from the DRT
    - » Applicant's filing status
  - Addresses burden associated with verification, including verification of non-filing
  - Permits ED, with applicant's consent, to share tax return information related to the application, award, and administration of aid with allowable entities (institutions of higher education, state grant agencies, etc.
  - Permits sharing of taxpayer information between ED and IRS related to IDR and TPD
  - Provide permanent funding for minority serving institutions

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## NASFAA's 2020 Candidate Higher Ed Tracker

	Full or Partial Loan Forgiveness Proposal	PSLF Reform/ Expansion Proposal	Tuition-Free or Debt-Free College Proposal	Basic Needs/ Food Insecurity Proposal	Quality/ Accountability Proposal
Vice President Joe Biden		✓	✓		
Sen. Cory Booker		✓	✓		
Mayor Pete Buttigieg	✓	✓	✓		
Secretary Julian Castro	✓	✓	✓		✓
Sen. Amy Klobuchar		✓	✓		
Sen. Bernie Sanders	✓	✓	✓		
Sen. Elizabeth Warren	✓	✓	✓	✓	✓
Andrew Yang	✓				✓

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## Bipartisan Budget Act of 2019

- Congress struck a two-year, \$2.7 trillion budget agreement that was signed into law by President Trump on August 2<sup>nd</sup>. The deal:
  - Suspends the debt ceiling until July 2021.
  - Increases defense and non-defense discretionary spending caps for fiscal years (FY) 2020 and 2021, which will impact funding for Title IV programs for award years 2020-21 and 2021-22.
  - Raises defense and non-defense discretionary spending levels \$320 billion above the spending caps that would have otherwise been enacted due to sequestration.
- Despite the historic budget deal, Congress still needed to pass its 12 funding bills before FY19 ended on September 30<sup>th</sup>.

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## What's Next for FY 2020 Appropriations?

### Looking Back

- Congress did not pass any of the 12 appropriations bills before FY19 ended on September 30<sup>th</sup>.
- To avoid a government shutdown, Congress has passed two short-term Continuing Resolutions (CR) to extend current funding levels while appropriators work to finalize the 12 spending bills. The first CR was passed in late September and extending funding through November 21, and the second CR was passed on November 21st and extended funding until December 20<sup>th</sup>.

### Looking Ahead

- Appropriations and party leaders have been negotiating behind the scenes to resolve issues including funding for the President's border wall and disagreements over the allocation given to each of the 12 appropriations subcommittees.
- NASFAA will continue to advocate with the community for robust investment in the federal student aid programs.

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## Is This the End of Sequestration?

- The Bipartisan Budget Act of 2019 ends the threat of discretionary sequestration by increasing spending limits through FY 2021, when the discretionary sequester is set to expire indefinitely.
- The sequester on mandatory spending has been extended through FY 2029.
- With the mandatory sequester still in place, student loan origination fees, the Iraq-Afghanistan Service Grant (IASG), and TEACH Grants will continue to be impacted as in previous years.

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## FY 2020 so far...

Trump Budget Proposal	House Appropriations Bill
Flat-lines Pell maximum award	Increases Pell maximum award \$150 to \$6,345
Eliminates FSEOG	\$188 million increase in FSEOG to \$1.028 billion – would be largest increase in program history
Cuts FWS by \$630 million to \$500 million	\$304 million increase in FWS to \$1.434 billion – would be largest increase in program history
Eliminates Public-Service Loan Forgiveness (PSLF)	Additional \$350 million for borrowers enrolled in ineligible PSLF plans
Eliminates Subsidized Loans	N/A
Increase of \$134 million to support NextGen	N/A

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## Department of Education



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# NASFAA Policy Update

Presented December 17, 2019

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## Department of Education Outlook

- NextGen Digital & Customer Care Program
  - Consolidated digital platform
    - All borrowers will log-in to the same site to access their federal loans
      - Servicers will be “brandless”
- Informed Borrower Tools
  - Personalized financial literacy content
    - Overview of borrower’s current debt and if still enrolled, how much of their borrowing limits they have left
  - Aid Summary
    - Provides personalized detailed loan and grant summaries such as total subsidized loan usage
  - Loan Simulator
    - Allows personalized look at different repayment strategies available to the borrower based on personal goals

[www.fsaconferences.ed.gov](http://www.fsaconferences.ed.gov)

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## Department of Education Outlook

- Aidan
  - ED recently introduced FSA site virtual assistant, Aidan
    - New chatbot used to answer routine questions from borrowers
- FSA ID Improvements
  - FSA ID no longer expires after 18 months
  - Easier password/password hint creation process
- Next GEN PPO (Partner Participation and Oversight)
  - In the future, single portal for participating institutions
  - Includes real-time status for immediate information
  - Will be able to report to one system to cut down on reiterating data in multiple reports

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## Negotiated Rulemaking: January – April 2019

- Addressed rules regarding:
  - Accreditation & Innovation
  - Distance Learning (sub-committee)
  - TEACH Grants (sub-committee)
  - Faith-based Entities (sub-committee)
- Committee reached consensus on proposed regulatory language
- Accreditation final rules released November 1, 2019
- Master calendar: Final rules must be published by November 1, 2019 to be effective for the 2020-2021 award year

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## 2018-19 Rulemaking Status

	Accreditation & State Auth	TEACH Grant & Faith-Based	Distance Ed
<b>NPRM*</b>	6/12/19	12/11/19	December 2019
<b>Final Rules</b>	11/1/19	?	?
<b>Effective Date</b>	7/1/20	?	No earlier than 7/1/21
<b>Optional Early Implementation?</b>	State authorization Disclosures	TEACH Grant – likely Faith-based - ?	?

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## Confusion on Foreign Gift Reporting

- Over the summer, ED announced investigations into four institutions' compliance with the reporting of foreign gifts and contracts
- NASFAA sent a letter to ED requesting clarification
- In early September, ED published its proposed reporting form and opened a 60-day comment period
- ED now reviewing comments and expects to have final form available in January in time for January reporting deadline

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## NASFAA's Updated HEA Priorities

- Updated August 2019
- Priorities Include:
  - Strengthening Need-Based Aid
  - Promoting Opportunity Through Education
  - Simplifying the Federal Financial Aid Application Process
  - Curbing Excessive Student Indebtedness
  - Reforming Student Loan Repayment
  - Improving Information for Students and Families
  - Enhancing Student Aid Delivery

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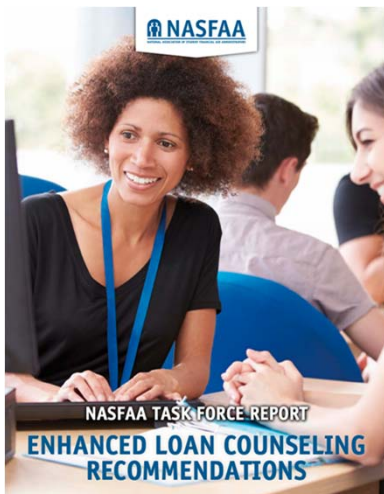
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## National Student Aid Profile: Overview of 2019 Federal Programs

Updated July 2019

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## Enhanced Loan Counseling Task Force



- The group conducted work between February–September 2019, and its recommendations were accepted and approved by the NASFAA Board of Directors in November 2019.
- Charged with thinking about loan counseling in an innovative and creative way, with the underlying assumption that Congress will impose additional loan counseling requirements as part of the reauthorization of the Higher Education Act.
- Report expresses support for a federal effort to develop strategic, targeted, and more frequent counseling, but acknowledges that a single annual counseling tool for every borrower would not be the most effective way to educate borrowers.

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## NASFAA & Ed's College Financing Plan

- ED released final version of the 2019-20 Financial Aid Shopping Sheet
  - Renamed "College Financing Plan"
- Optional for 2019-20 award year
- Will be finalized and fully replace the Shopping Sheet starting with the 2020-21 award year
- ED noted in its release of the final CFP that their changes were informed by NASFAA's work
  - NASFAA conducted consumer testing on beta version; small wins on final
    - removal of consumer information on graduation rates and median borrowing
    - new explanatory text under the Scholarships and Grant Options and Loan and Work headings to describe which types of aid need to be repaid and which do not

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## Advocacy Opportunities



### Volunteer!

Work with and support NASFAA's policy team:



Advocacy Pipeline



Policy Task Forces



Get Students Involved!



### Stay Informed

Read NASFAA's *Today's News* and Policy and Advocacy Webpages on [nasfaa.org](http://nasfaa.org)



### Write and Visit Your Member of Congress

- Share your advocacy efforts with NASFAA, so we can support and assist you
- New education committee members mean new states in the mix!

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## NASFAA Online Resources



### NASFAA Legislative Tracker

- Comprehensive list of all student aid-related legislation introduced in this session of Congress
- Organized by subject area

### The Capitol Recap

Monthly series in *Today's News* that lists and summarizes newly-introduced legislation

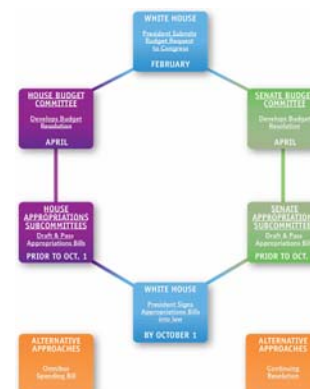


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## NASFAA Online Resources

### Federal Budget & Appropriations Page

- Interactive chart on the federal budget process
- Budget and appropriations news archive from *Today's News*



### Off the Cuff Podcast

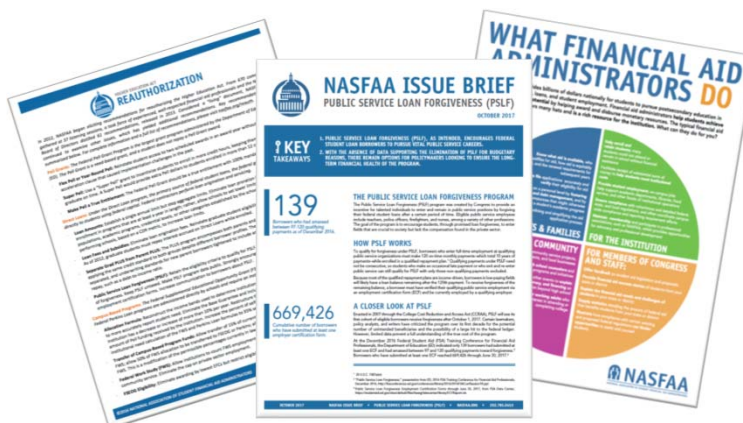
Weekly podcast with NASFAA staff and colleagues on student aid policy

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## NASFAA Online Resources

### Advocacy Resources Page

One-pagers and handouts on a variety of topics for use during Hill visits or other advocacy outreach



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## Join us at the NASFAA 2020 Leadership & Legislative Conference

Washington, DC February 3-5, 2020



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# What's next?

## Please join us for the 2019-20 NASFAA Webinar Series



NASFAA's [live webinars](#) bring you the latest information, hot off the press, and allow you to actively engage with NASFAA staff and featured presenters from government, partner organizations, and fellow aid administrators.

[On Demand Webinars](#) are recordings of previously broadcasted events. The recordings are available for purchase and viewing at your convenience.

All webinars begin at 2:00 pm ET, unless otherwise noted, and last 60 to 90 minutes. Archives are usually available after the webinar for purchase; these archives are also free to webinar package purchasers.

### Webinar Schedule for 2019-20 - See You Online!

Topic	Air Date
Professional Judgment & Need Analysis: Like Peanut Butter & Jelly	08/01/2019
Most Popular AskRegs Questions: Untaxed Income	09/11/2019
FAFSA: 2020-21	10/02/2019
Updating FAFSA Data: When and Why	10/23/2019
Verification 2020-21	11/19/2019
What the Pell Am I Supposed to Do With These Enrollment Status Changes?	12/11/2019
Policy Update*	12/17/2019
Verification 2020-21: Follow-Up Webinar	01/22/2020
Financial Literacy	02/12/2020
Enrollment Management for Financial Aid Administrators	03/11/2020
Grad/Professional School Townhall*	03/25/2020
Satisfactory Academic Progress: Basics & Beyond	04/22/2020
Return of Title IV Funds Spotlight: Advanced Concepts	05/13/2020
Policy Update*	05/19/2020
Hot Topic TBD	06/03/2020

\* Complimentary for all Members. All other webinars are offered at the following rates: Site License: \$120 members/\$240 non-members/no charge for [webinar package](#) purchasers or Value Plus Members.

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