Washington Update

Stephen Payne

PRASFAA

March 2018
Agenda

- Inside Washington, D.C.
- Outlook
  - Higher Education Act Reauthorization
    - PROSPER Act
  - Federal Budget & Funding
- Department of Education Update
- NASFAA Update
Inside Washington, D.C.
Administration/Congress Top Priorities

- Obamacare Repeal
- Tax Reform
- Immigration
- Infrastructure Package
- Obama-era Regulation Repeal
HEA Reauthorization

- House education committee passed the Promoting Real Opportunity, Success and Prosperity Through Education Reform (PROSPER) Act in December
  - Could go to the House floor as early as late March
- Sen. Alexander expressed desire to have an HEA bill in the spring
- All bets are off on passage of a final bill, however, as 2018 is a midterm election year.
- Last reauthorization took place in 2008
  - Current version of HEA technically expired in 2013
HEA Reauthorization: Republican Priorities

- One Grant, One Loan, One Work Study
- Regulatory Relief
- FAFSA Simplification
- Risk-sharing/Accountability
- Modifications to forgiveness benefits and income-driven repayment plans
- Expanding the private sector role in parent and graduate student borrowing
HEA Reauthorization: Democratic Priorities

Affordability and student debt
- Addressing state disinvestment
- Commitment to Pell
- Debt relief/refinancing
- Loan servicing

Accountability and transparency
- Outcomes and data
- Accreditation reform
- For-profit colleges

Access and success
- Strengthening campus-based aid
- Serving underrepresented students
- Policies for "today's student"

Protecting student safety and rights
- Campus sexual assault
- LGBTQ students
- Students with disabilities
- Hazing

Source: “Senate Democratic Caucus HEA Reauthorization Principles” – Feb. 2018
PROSPER: Concepts Supported by NASFAA

- Pell Grant bonus
- Increase to undergraduate loan limits
- Ability to Benefit full restoration
- Elimination of origination fees
- Streamlined repayment options and cap on negative amortization
- Institutional authority to limit loans
- Relaxation of certain FWS requirements
- FAFSA simplification
- FSA reform and accountability
PROSPER: NASFAA’s Areas of Concern

Overall Loss of Student Aid Dollars

• Program Elimination
  - FSEOG
  - subsidized loans
  - Grad PLUS
  - PSLF and occupation-based forgiveness
  - Time-based forgiveness
  - TEACH Grant
  - Grad student FWS eligibility

• Pell Grant Leveling
PROSPER: NASFAA’s Areas of Concern

Potential Unintended Consequences:
• R2T4 provision
• Rapid allocation changes for FWS

Increased Complexity:
• Mandated weekly or monthly disbursements
• Mandated annual counseling for Pell and Loans
PROSPER: NASFAA Resources

For more on PROSPER, including one-pagers, NASFAA statements and letters, and additional analysis and insight, see NASFAA’s PROSPER Act page:

nasfaa.org/PROSPER
HEA Reauthorization: Long Way to Go...

- House Committee mark-up
- Pass out of Committee
  - Pass out of full House

- Senate must introduce comprehensive bill
- Senate committee mark-up
- Pass out of Committee
- Pass out of full Senate

- Conference between House & Senate bills
- Both chambers pass final version
- President signs into law
### FY2018 Appropriations Bills

<table>
<thead>
<tr>
<th>Trump Budget Proposal</th>
<th>House Appropriations Bill</th>
<th>Senate Appropriations Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat-lines Pell maximum award</td>
<td>Flat-lines Pell maximum award</td>
<td>Increases Pell maximum award by $100</td>
</tr>
<tr>
<td>Cuts $3.9 billion from Pell reserves</td>
<td>Cuts $3.3 billion from Pell reserves</td>
<td>Cuts $2.6 billion from Pell reserves</td>
</tr>
<tr>
<td>Eliminates FSEOG</td>
<td>Level-funds FSEOG</td>
<td>Level-funds FSEOG</td>
</tr>
<tr>
<td>Cuts FWS in half</td>
<td>Level-funds FWS</td>
<td>Level-funds FWS</td>
</tr>
<tr>
<td>Eliminates in-school interest subsidy, PSLF; consolidates IDR plans</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Cuts TRIO and GEAR UP</td>
<td>Increases TRIO; level-funds GEAR UP</td>
<td>Increases TRIO and GEAR UP</td>
</tr>
</tbody>
</table>
Department of Education Update
Department of Education Outlook

• In April, Secretary DeVos hit the reset button on loan servicing by rescinding Obama Administration plans for loan servicing. Shortly thereafter, ED announced plans to continue with a single loan portal and multiple servicers.

• “Next Generation Processing and Servicing Environment”

• “FSA Payment Card Program” pilot to launch in the spring
Negotiated Rulemaking

• Two current rulemaking sessions:
  2. Gainful Employment

• Negotiations conclude late winter

• Notice of Proposed Rulemaking (NPRM) and public comment period expected in summer

• Final rules by November 1, effective July 1, 2019
#Fight4FinAid

- At the 2017 NASFAA National Conference, NASFAA launched a new “Fight for Financial Aid” campaign.
- Tools, resources, and more at nasfaa.org/Fight4FinAid.
- Like our Facebook page: facebook.com/Fight4FinAid.
#Fight4FinAid

Resources include:

- Budget Effect Estimator (BEE)
- Tips on organizing advocacy events in your community
- Budget fact sheets
- Social media graphics
- And more to come!
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
NASFAAA 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