

Top 10 Issues Impacting Financial Aid Administration

Justin Draeger

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Agenda

- Issue 1: Debt Forgiveness & Repayment Pause
- Issue 2: Who Should Pay For College
- Issue 3: Federal Methodology
- Issue 4: Enrollment Declines
- Issue 5: Administrative Capability and Staffing
- Issue 6: Issue 6: Regulatory-palooza
- Issue 7: Increased Institutional Oversight & Accountability
- Issue 8: Increased State Activism
- Issue 9: For-profit Schools, Holding Companies, and Partnerships
- Issue 10: Partisan Divide on Higher Education
- Bonus Issue: ????????????????

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Issue 1: Debt Forgiveness and Repayment

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Debt Forgiveness: Predictions

The Washington Post
Biden plunges into the risky politics of student loan debt
 As Biden makes forgiving a portion of student debt, conservatives say it would be a gift to irresponsible elites, while liberals say it's a...

23 hours ago

The New York Times
Student Loan Borrowers Don't Deserve 'Forgiveness.' They Deserve an Apology.
 Whatever the cost of any student loan cancellation program, it's just too money... we should have spent on higher education in the first place.

7 hours ago

Newsday
Biden expected to offer partial student loan forgiveness plan
 WASHINGTON — President Joe Biden is expected to roll out a student loan relief plan in the coming weeks as he faces increasing pressure from...

10 hours ago

Rolling Stone
Harder than it sounds: Income-targeted student loan forgiveness invites a 'train wreck'

3 days ago

The New York Times
Opinion | Student Debt Is Crushing. Canceling It for Everyone Is Still a Bad Idea.
 Canceling student debt won't fix what's wrong with higher education.

1 day ago

Forgiveness Under the Biden Administration

As of May 2022 the Department of Education had approved more than \$24.3 billion in loan discharges for more than 1.3 million borrowers:

- \$7.9 billion for borrower defense
- \$6.8 billion through Public Service Loan Forgiveness eligibility
- \$8.5 billion in total and permanent disability discharges

ED had also announced "Operation Fresh Start" which will absolve nearly 8 million borrowers with loans in default or delinquency and place them in good standing once repayment begins.

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Borrower Relief: Fresh Start

- Allows eligible borrowers in default to:
 - Have their default status removed
 - Regain access to *all* Title IV federal student aid programs
 - Benefit from collection relief:
 - Wage garnishment
 - Withholding tax refunds, etc.
 - Government credit reporting
 - Enroll in income-driven repayment (IDR) plans that potentially restore access to loan forgiveness, such as Public Service Loan Forgiveness (PSLF)
- Does not include Title IV loan or grant overpayments

www.nasfaa.org/fresh_start

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Fresh Start Eligible Loans

Eligible Loans	Non-eligible Loans
Defaulted Federal Direct Loan Program loans	Defaulted Perkins Loans held by schools
Defaulted Federal Family Education Loan (FFEL) Program loans	Defaulted Health Education Assistance Loan Program loans
Defaulted Perkins Loans held by ED	Student loans remaining with the U.S. Department of Justice for ongoing litigation
	Direct Loans that default after the end of the COVID-19 student loan payment pause
	FFEL Program loans that default after the end of the COVID-19 student loan payment pause

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Two Paths Out of Default

Return to School	Contact Loan Servicer or ED
<p>Student returns to school within the Fresh Start period (currently set to end December 31, 2023) and applies for Title IV aid</p> <p>School follows guidance in Dear Colleague Letters GEN-22-13 and GEN-21-03, and AskRegs Knowledgebase Q&A, What Are Schools Required To Do When a Defaulted Borrower Applies For Title IV Aid Under the Fresh Start Initiative?</p>	<p>Borrower contacts the following and makes a "payment arrangement" within the Fresh Start period by requesting a Fresh Start and indicating which repayment plan they want: https://myeddebt.ed.gov/</p> <p>Contact Loan servicer by phone or in writing; or ED Default Resolution Group at 1-800-621-3115</p>

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Borrower Relief: Loan Cancellation



- On August 24th, President Biden announced targeted loan cancellation for some borrowers.
 - Borrowers who make less than \$125,000 or households earning less than \$250,000 will be eligible to receive up to \$10,000 in cancellation.
 - Borrowers who received a Federal Pell Grant AND meet the income requirement will be eligible to receive up to \$20,000 in cancellation.
- Loan forgiveness will apply to current students and borrowers who have federal undergraduate, graduate, and Parent PLUS loans that have been first disbursed **by June 30, 2022**.
- ED has recently released the application for borrowers to apply for forgiveness.

www.nasfaa.org/debt_cancellation

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As of September 29th, 2022...



- Borrowers with federal student loans not held by ED **cannot** obtain one-time debt forgiveness by consolidating those loans into Direct Loans.
 - Prior to this date, a borrower could apply to consolidate non-federally held (or commercially held) federal student loans into a Direct Consolidation Loan in order to receive the debt forgiveness.
- Borrowers with such loans not held by ED who have applied to consolidate into the Direct Loan program **prior to September 29, 2022** are eligible for debt forgiveness through the Direct Loan Program.
 - If the underlying loan has a first disbursement date on or before June 30, 2022, the loan qualifies for forgiveness.
 - The borrower did not have to consolidate by June 30, 2022 to qualify for forgiveness.
- ED has clarified that borrowers for which ED already has their income information and would be eligible for automatic cancellation, will now have the opportunity to opt-out before the agency applies the relief to their account.

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Application & Verification for Debt Cancellation



- The application went live on October 17th; with future paper application option
- Once the application has been completed, borrowers can expect relief **within 4-6 weeks**
- Borrowers are encouraged to complete the application **by November 15th** if they want to receive their relief before the payment pause expires
- Applicants will be asked information such as name, SSN, DOB, phone number, and email address
- Some borrowers will be able to self-certify their income on the form, while others will be asked for extra verification and additional documentation
 - Those who have to upload additional documents for verification will need to have an FSA ID
 - 1 to 5 million borrowers will be required to go through the income verification process
 - Will largely be applicants ED has flagged as being close to the income cut-off

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Loan Cancellation Data from Congressional Budget Office



Analysis

- Of the 37 million borrowers with Direct Loans from the federal government:
 - 95% meet the income criteria for eligibility
 - 65% of income-eligible borrowers have received at least one Pell Grant
 - 90% of income-eligible borrowers will apply for debt cancellation
 - 45% of income-eligible borrowers will have their entire outstanding debt canceled

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Debt Cancellation Lawsuits



Pacific Legal Foundation

- Argues that the loan forgiveness program lacks statutory authority
- Argues that the program is unjust for people who have already paid off their loans or never took out loans
- Issues with the automatic forgiveness provision of the debt cancellation plan
- **A federal judge, for the second time, has dismissed this lawsuit.**

Six GOP-Led States

- Arkansas, Iowa, Kansas, Missouri, Nebraska, and South Carolina
- Argues that the Administration does not have the executive power to forgive student loan debt and that the forgiveness would hurt state revenues
- Argues that the Administration is using the COVID-19 pandemic as justification for the widespread cancellation
- **Federal judge dismissed this lawsuit.**

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Debt Cancellation Lawsuits



Arizona GOP Attorney General Mark Brnovich

- Argues that because of Biden's debt cancellation plan Arizona will generate lower tax revenue
- Argues that the PSLF program will be a less valuable recruiting tool for state offices
- States that loan cancellation is a handout to "favored political classes at the expense of taxpayers everywhere"
- **Awaiting a decision.**

Wisconsin Institute for Law & Liberty

- Argues that Biden's cancellation plan will increase the federal debt and will increase tax payer costs argues that the plan is unconstitutional because it has a "racially discriminatory motive"
- Believes that the program disproportionately benefits Black borrowers
- **Justice Amy Coney Barrett denied the emergency application filed by the W.I.L.L. to block Biden's plan**

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Debt Cancellation Lawsuits



Job Creators Network Foundation

- Argues that the Biden administration violated federal procedure because it did not seek public input on the cancellation program
- Argues that the cancellation is an overreach of the administration's executive powers
- Outlines that debt cancellation does nothing to address the root problem of rising debt and costs
- **Awaiting a decision.**

Cato Institute

- **Main argument of this lawsuit is that neither the Biden administration of the Department of Education have the power to cancel student loans without the authorization from Congress**
- **Cato also argues that the loan forgiveness undermines the enactment of the PSLF program.**
- **Awaiting a decision.**

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Debt Cancellation Lawsuits



Federal Appeals Court

- The 8th Circuit Court of Appeals issued an order that temporarily "prohibits the Biden administration from 'discharging any student loan debt'"
- Borrowers can still fill out the application for cancellation on studentaid.gov
- The court is first waiting to rule on an emergency request filed by the 6 Republican-led states that filed their original lawsuit a few weeks ago.

Borrower Relief: Repayment Pause



- The pause on student loan repayment and interest has been extended **through December 31, 2022**.
- Borrowers should prepare to resume payments in January 2023.

Repayment

Both the Biden and Trump Administrations extended the repayment pause multiple times.

Date	Repayment Extension
March 20, 2020	The Trump administration suspends loan payments and temporarily sets interest rates to 0 percent. Would continue for 90 days. (CARES Act legislation will supersede this action).
March 27, 2020	The CARES Act suspends federal student loan payments through Sept. 30, 2020 and temporarily sets the federal student loan interest rate to 0%.
August 8, 2020	The Trump administration signs a memorandum ordering ED to extend student loan relief policies included in the CARES Act through the end of December 2020.
December 4, 2020	The Trump administration extends relief measures through Jan. 31, 2021.
January 20, 2021	The Biden administration extends the pause on federal student loan payments through Sept. 30, 2021. (Day 1 action)
August 6, 2021	The Biden administration extends student loan repayment until January 31, 2022, reportedly. It ultimately refers to it as final extension.
December 22, 2021	The Biden administration extends the pause on student loan repayment an additional 90 days through May 1, 2022. The word "final" is not included in the declaration.
April 6, 2022	The Biden administration extends the pause on student loan repayment an additional 120 days through August 31, 2022. Loan cancellation is mentioned.

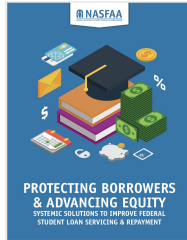
Aligning Policy with Principle: NASFAA's Take on Student Debt Forgiveness

In short, NASFAA is not against debt forgiveness, but we do believe that forgiveness in the absence of longer-term, systemic improvements to the loan program and front-end investments in grant programs is a short-sighted, poorly-targeted policy that overshadows other meaningful changes we can make to loans *now*. Our priorities remain squarely focused on using limited federal resources to move the needle as much as possible on access, completion, and repayment. This requires a change in policies, not a one-shot quick fix.

Read the entire article by NASFAA President and CEO Justin Draeger at <https://nasfaa.medium.com/>

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NASFAA's Loan Servicing & Repayment Work

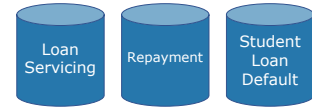


Executive Summary
The federal student loan program is the largest source of higher education financing in the United States. It is also the largest source of federal debt. The program is currently in a state of crisis, with billions of dollars in unpaid loans and a growing number of borrowers who are struggling to make payments. This report outlines the systemic solutions needed to improve federal student loan servicing and repayment.

Key Findings
• The federal student loan program is currently in a state of crisis, with billions of dollars in unpaid loans and a growing number of borrowers who are struggling to make payments.
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NASFAA's Loan Servicing & Repayment Work

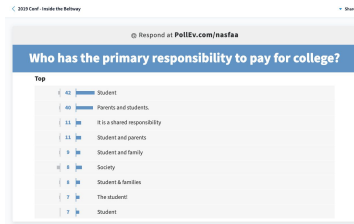


Institutional Accountability

Issue 2: Who Should Pay for College?

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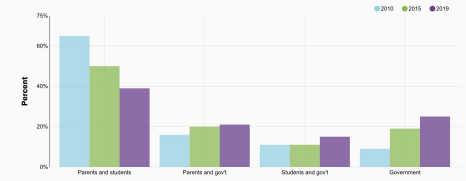
Who Should Pay For College?



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Who Should Pay For College? Public Opinion

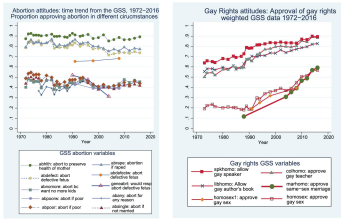
Figure 1: Response combinations for who should be "most" and "second-most" responsible for the funding of college



Source: Brookings Institute. <https://www.brookings.edu/blog/brown-center-chalkboard/2022/04/7/responsibility-for-the-funding-of-college-where-does-the-public-stand/>

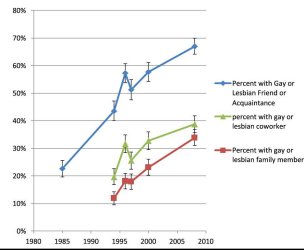
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Changing Public Opinions, is Higher Education Next?

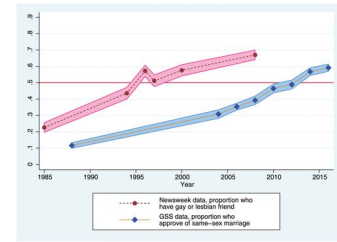


Source: Moving a Mountain: The Extraordinary Trajectory of Same-Sex Marriage Approval in the United States. <https://journals.sagepub.com/doi/10.1177/2378223117727658>

Changing Public Opinions, is Higher Education Next?



Changing Public Opinions, is Higher Education Next?



Issue 3: Federal Methodology

Federal Methodology

- Biggest change we have ever seen to the FAFSA

To stay up to date with the newest FAFSA changes make sure to visit:
www.nasfaa.org/fafsa_simplification

NASFAA TIMELINE OF EFFECTIVE DATES
 FROM THE 2021 AND 2022 CONSOLIDATED APPROPRIATIONS ACTS

June 17, 2021
 Federal Student Aid (FSA) ID requirement for students to receive federal student aid.

July 1, 2021
 FAFSA simplification.

March 15, 2022
 Completion of the Health, Education, Labor and Pensions (H.E.P.) Act of 2021.

July 1, 2022
 FAFSA simplification.

July 1, 2023
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FAFSA Simplification Act

- Passed in December 2020.
- ED will employ a delayed, phased implementation of the changes made to federal methodology (FM) and the FAFSA.
 - FAFSA Simplification
 - Need Analysis/Pell Grant Eligibility
 - Drug Convictions & Selective Service Registration
 - SUA
 - Pell for Incarcerated Students
 - Professional Judgment
 - Cost of Attendance
- Builds on FUTURE Act passed in 2019.



Timeline for FAFSA Simplification

Changes	Implementation Status
Drug Convictions	Implemented as of 21-22 award year.
Selective Service Registration	Implemented as of 21-22 award year.
SULA	Implemented as of 22-23 award year.
Pell for Incarcerated Students	Implemented as of 23-24 award year.
Professional Judgment	Authorized for 23-24 award year implementation.
Cost of Attendance	Authorized for 23-24 award year implementation.
FAFSA Form Changes	Authorized for 24-25 award year implementation.
Need Analysis/Pell Grant Eligibility	Authorized for 24-25 award year implementation.
FUTURE Act	Implementation planned for 24-25 award year.

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Need Analysis & Pell Grant Eligibility

- Expected Family Contribution (EFC) will become the Student Aid Index (SAI)
- SAI can be as low as -\$1,500
- SAI determines eligibility for all Title IV aid except maximum and minimum Pell grant awards.
 - Student is considered for max Pell first
 - Based on # of parents in household and AGI vs. poverty
 - If no qualification for maximum Pell:
 - [Maximum Pell amount - SAI = Pell amount]
 - still rounded to nearest \$5
 - still subject to statutory minimum
 - If no max Pell and no Pell award from the SAI calculation, student is considered for minimum Pell
 - Based on # of parents in household and AGI vs. poverty

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Other Formula Changes

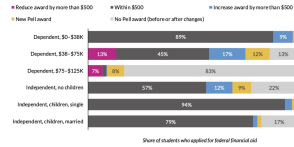
- Fewer untaxed income items factored into FM formula
- Child support received now reported with assets
- State/other tax allowance removed
- Small business/family farm exclusion eliminated
- No SAI split for number in college
- No asset questions for:
 - Means-tested benefit recipients
 - AGI < \$60K and no lettered tax schedules
 - AGI < \$60K and only Schedule C, provided Schedule C gain/loss < \$10K

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How Will the New Pell Grant Formula Affect Students?

Projected Changes to Pell Distribution

Implementing new maximum and minimum Pell rules and sibling adjustment



Source: Urban Institute analysis of 2014 National Postsecondary Student Aid Study data. © 2021 FAFSA

NASFAA's SAI Modeling Tool

- This tool allows institutions to model how the recent changes to the FM EFC formula — which has been renamed the Student Aid Index (SAI) and is expected to be fully implemented for the 2024-25 award year — will impact student need and institutional financial aid budgets
- The model will also estimate the student's Pell Grant award under the provisions of the FAFSA Simplification Act.



Available to NASFAA members: https://www.nasfaa.org/sai_modeling_tool

Student Eligibility Provisions

Drug Convictions & Selective Service

- Eliminates the suspension of federal student aid eligibility for applicants with drug-related convictions
- Removes Selective Service registration eligibility requirement
- Questions on drug convictions and Selective Service eligibility will be removed from the 23-24 FAFSA.
- Implemented as of 21-22 award year*

Subsidized Usage Limit Applies (SULA)

- Repeals the SULA requirement, which barred students from receiving subsidized Direct Loans for more than 150% of the published length of their program.
- Repealed for any borrower who receives a Direct Loan disbursed on or after July 1, 2021.

Pell for Incarcerated Students

- Restores Pell Grant eligibility for incarcerated individuals who are currently prohibited from accessing Pell Grants
- Proprietary institutions will not be eligible to award or receive Pell Grants on behalf of incarcerated students
- Will be implemented with the start of the 2023-24 award year

*The questions will remain on the FAFSA until the 2023-24 FAFSA but will not cause packaging issues.

Professional Judgment; Authorized for 23-24 Implementation



- At ED's discretion, would have to announce in *Federal Register*
- Prohibits institutions from maintaining a policy of denying all PJ requests
- Allows FAAs to offer a dependent student an unsubsidized loan without requiring the parents to fill out the FAFSA if the student does not qualify for, or does not choose to have a professional judgment review
 - FAA would have to determine that the parent(s) of the student ended support or would not fill out the FAFSA
- Allows FAAs during a qualifying emergency to use PJ to zero out income earned from work if the applicant can provide proof of receipt of unemployment benefits or a submitted application

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Provisional Independent Status; Authorized for 23-24 Implementation



- At ED's discretion, would have to announce in *Federal Register*
- Allows otherwise dependent students to complete the FAFSA as a "provisional" independent student if they believe they may qualify for a dependency override
- The student would receive an EFC/SAI, an estimate of their federal Pell Grant award and other information based on an independent status
- FAAs would be required to notify these students of the institution's process, requirements, and timeline for dependency overrides

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Cost of Attendance



- Gives ED the authority to regulate all COA components except tuition and fees (not authorized for 23-24 implementation)
- Authorized for 23-24 implementation at ED's discretion:
 - The COA food allowance for on-campus plans or off-campus meals must provide the equivalent of at least three meals per day
 - COA must include the one-time cost of obtaining the student's first professional licensure
 - Institutions will be required to make publicly available a list of all the elements of the COA and disclose those figures on any portion of the website describing tuition and fees

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Progress on FAFSA Simplification: Future Act



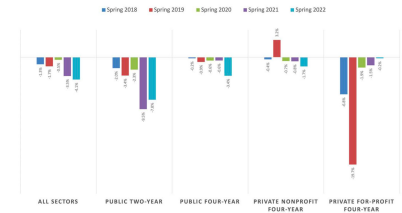
- In December 2019, Congress passed and President Trump signed into law the FUTURE Act, which contained text from the FAFSA Act previously supported by NASFAA.
- The bill allows for direct cross-agency data sharing between IRS and ED, and will:
 - Transfer all items currently brought over from the DRT and applicants' filing status.
 - Allow students currently unable to use the DRT, including both non-tax-filers and tax filers of all filing statuses, to experience a simpler FAFSA process.
 - Address verification burden
 - Permit sharing of taxpayer information between ED and IRS for the purpose of determining eligibility for income-driven repayment plans.

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Issue 4: Enrollment Declines



Enrollment Declines

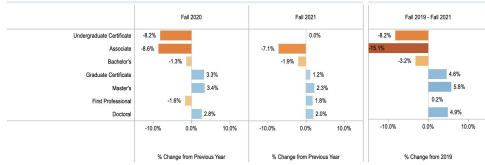


Source: National Student Clearinghouse Research Center: <https://ncesresearchcenter.org/issue-4-enrollment-estimates/>

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Enrollment Changes

Figure 2. Enrollment Changes by Credential Type

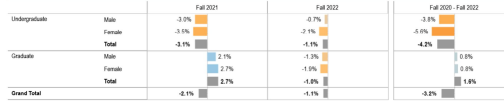


Source: National Student Clearinghouse Research Center: <https://ncesresearchcenter.org/key-info/maj/>

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Latest Data is Better, But Still Declining

Figure 1. Enrollment Changes by Award Level, Sector, and Gender

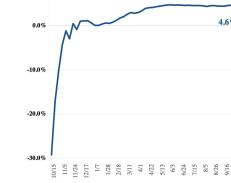


<https://www.insidehighered.com/news/2022/10/20/enrollment-declines-continues-again>

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FAFSA Completions

Year-Over-Year % Change in FAFSA Completions

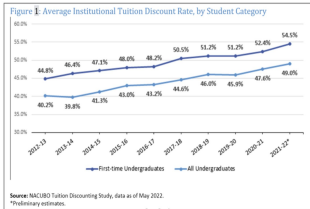


FAFSA Filing Cycle	Total Completion Rate for High School Seniors (FAFSA Completion Rate)	Total Completion Rate for High School Seniors (FAFSA Completion Rate)	Number of High School Seniors (FAFSA Completion Rate)
2021-22	3,383,473	4,288,043	52.1%
2021-22	3,383,473	4,288,043	49.9%
2020-21	3,052,772	4,037,479	49.9%
2020-21	3,052,772	4,037,479	52.0%
2019-20	2,888,193	4,015,668	52.0%
2019-20	2,888,193	4,015,668	53.8%
2018-19	2,733,046	4,037,264	54.9%
2018-19	2,733,046	4,037,264	54.9%
2017-18	2,587,338	4,011,227	54.9%
2017-18	2,587,338	4,011,227	53.9%
2016-17	1,970,442	3,687,589	53.9%
2016-17	1,970,442	3,687,589	51.4%

<https://formyourfuture.org/afsa-tracker/>

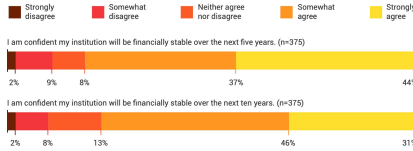
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What Goes Up... ???????



<https://www.nasfaa.org/undergraduate/2022-survey-colleges-and-universities-president>

Please indicate how much you disagree or agree with the following statements.



Issue 5: Administrative Capability and Staffing

The survey results brought to light critical issues in financial aid offices, including:

- **Reduced capacity:** Half of respondents to the original survey reported operating at a 75% staffing capacity for both award years 2019-20 and 2020-21.
- **Significant turnover rates:** Most offices reported having to fill 5-6 positions for both award years 2019-20 and 2020-21.
- **Administrative capability concerns:** Forty percent of institutions indicated they do not feel they have the resources to maintain administratively capability standards.
- **Difficulty hiring:** An overwhelming majority (86%) reported not receiving enough qualified applications, and the large majority of those (67%) felt it was squarely an issue of salary restrictions that made the job uncompetitive.



NASFAA

Professional Judgment Survey

Survey Question: What is the total number of PJ requests your office has received since March 1, 2020?

Survey	Minimum	Maximum	Mean	n
June 2020	0	847	65	221
September 2020	0	5,419	152	165
May 2021	0	5,636	275	154
May 2022	0	7,288	443	129

- Of those surveyed, most institutions received around 443 PJ requests since March 1, 2020
- 45% of institution's PJ requests either somewhat (0-49%) or greatly (>50%) rose.

NASFAA

2022 EMPLOYEE RETENTION SURVEY Likelihood of Looking for Other Employment Within the Next 12 Months

● Very Unlikely
 ● Unlikely
 ● Somewhat Likely
 ● Likely
 ● Very Likely

Likelihood	Percentage
Very Unlikely	20.0%
Unlikely	22.8%
Somewhat Likely	22.3%
Likely	12.5%
Very Likely	22.4%

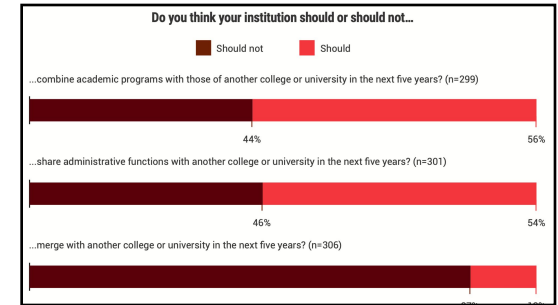
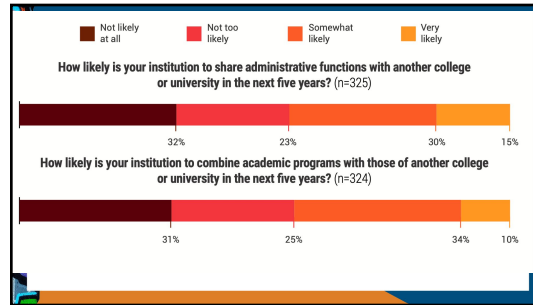
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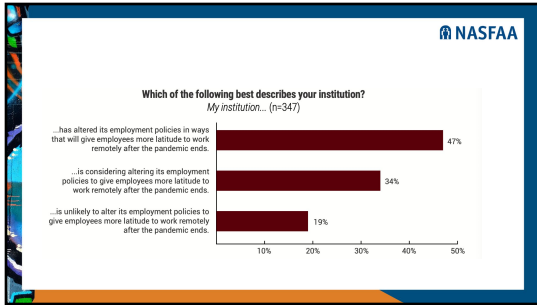
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2022 EMPLOYEE RETENTION SURVEY Where Employees Plan on Looking for Other Employment Opportunities

Opportunity	Percentage of Respondents
Another Higher Ed Institution	68.1%
A Private For-Profit Company	64.2%
A Non-Profit Organization Outside Higher Ed	51%
Within My Current Institution	42.7%

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- ### Issue 6: Regulatory-palooza
- Fall: Affordability and Student Loans**
- Income-Driven Repayment Plans
 - Public Service Loan Forgiveness
 - Borrower Defense to Repayment
 - Pell Grants for Prison Education Programs
- Winter: Institutional and Programmatic Eligibility**
- Gainful Employment (GE)
 - Financial Responsibility
 - 90/10 rule (proprietary institutions only)
 - Certification Procedures/Program Participation Agreement
 - State Authorization Reciprocity Agreements
 - Maximum number of Title IV-eligible credit hours for GE programs
- 56

Negotiated Rulemaking: 2021-22

Consensus Reached	No Consensus Reached
Total and Permanent Disability Loan Discharge	Income Driven Repayment
False Certification Loan Discharge	Public Service Loan Forgiveness
Pell Grants for Prison Education Programs	Borrower Defense to Repayment
Eliminate Non-Statutory Interest Capitalization	Closed School Discharge
Ability to Benefit	Predispute Arbitration
90/10	Gainful Employment
	Certification Procedures
	Financial Responsibility
	Administrative Capability
	Change in Ownership Control

Anything negotiated during these sessions cannot be effective until at least July 2023 per master calendar rules unless early implemented by ED 57

Negotiated Rulemaking: 2021-22

As of August 2, 2022, ED has released a Notice of Proposed Rulemaking (NPRM) for many of the topics negotiated in 2021-22:

- **Borrower Defense to Repayment**
- **Pre-dispute Arbitration and Class Action Waivers**
- **Total and Permanent Disability**
- **Closed School Loan Discharge**
- **False Certification Loan Discharge**
- **Student Loan Interest Capitalization**
- **Public Service Loan Forgiveness**
- **Prison Education Programs (Final)**
- **90/10 Rule (Final)**
- **Change in Ownership (Final)**

Still Waiting On:

- **Income Driven Repayment (IDR)**

Deferred to 2023:

- **Ability to Benefit**
- **Gainful Employment**
- **Financial Responsibility**
- **Administrative Capability**
- **Certification Procedures**

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Regulatory-palooza

Consensus Reached	No Consensus Reached
Total and Permanent Disability Loan Discharge	Income Driven Repayment
False Certification Loan Discharge	Public Service Loan Forgiveness
Pell Grants for Prison Education Programs	Borrower Defense to Repayment
Eliminate Non-Statutory Interest Capitalization	Closed School Discharge
Ability to Benefit	Pre-dispute Arbitration
90/10	Gainful Employment
	Certification Procedures
	Financial Responsibility
	Administrative Capability
	Change in Ownership Control

Anything negotiated during these sessions cannot be effective until at least July 2023 per master calendar rules.

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Issue 7: Increased Institutional Oversight & Accountability

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Student Aid Enforcement Unit

Will be housed under FSA and led by former Federal Trade Commission official Robert Kaye

- Will consist of four units focused on
 - investigations,
 - borrower defense claims,
 - administrative actions and appeals, and
 - compliance with the Jeanne Clery Act, which requires colleges and universities to disclose campus crime statistics in order to remain eligible to participate in federal financial aid programs.

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Transcript Withholding Policies

- The Consumer Financial Protection Bureau (CFPB) recently stated in a report that "blanket policies to withhold transcripts in connection with an extension of credit are abusive"
- Higher education groups issued a statement calling on schools to review their policies with hopes that it will better serve their students and address inequities in educational access
- Some states have passed legislation that restrict colleges from withholding transcripts

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Financial Aid Offers and College Price Transparency

NASFAA Financial Aid Offers Resources

Aid Offer Alerts
April 2022 - NASFAA has updated its aid offer alerts to provide institutions with an overview of how they could create their aid offers to accurately include all required NASFAA aid offer alert components.

How Your Aid Offers

January 2021 - Financial aid offers are the primary tool colleges & universities use to communicate eligibility for federal loans & institutional financial aid programs to their prospective & current students.

Aid Offer Comparison Tool for Students and Parents

February 2020 - This tool helps students and parents compare financial aid offers from different schools.

Guidance of Terms for Financial Aid Offers

November 2020 - The Guidance of Terms for Financial Aid Offers was created in 2012 by NASFAA's Award Notification Task Force and updated in 2019. It outlines what fully accepted portions of language typically contained on award notifications given to current and prospective students by colleges and universities.

Findings from NASFAA's Research on the College Financing Plan

June 2019 - In January 2019, the Department of Education (ED) released the newly adopted College Financing Plan (CFP) for the Financial Aid Shopping Sheet. To inform our comments to ED, NASFAA conducted consumer testing by an outside consulting firm, Ask Research, LLC and conducted a membership survey. Finding that what students and parents want is sometimes at odds with what policymakers require and what schools provide.

Video: Aid Offers

September 2018 - Aid offers have come under scrutiny for a lack of clarity and for causing students to misunderstand the financial aid packages they are being offered.

Market Research on Law School Student Aid Award Letters and Shopping Sheet Information

September 2016 - In their second report, NASFAA's Consumer Information and Law Student Inadvisability (CILSI) Task Force set out to identify through consumer testing what information on the financial aid offer and ED's Shopping Sheet could be modified to create a document that better assists students applying to, or currently attending, law school.

No Clear Winner: Consumer Testing of Financial Aid Award Letters - Summary & Report

February 2013 - This study tried to ascertain how consumers (students and parents) would understand the information on a model or standardized aid offer. Three types of aid offers were tested, and no clear winner was found among the three.

https://www.nasfaa.org/Improving_Aid_Offers

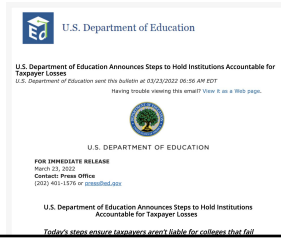
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Issue 8: Increased State Activism in Higher Education

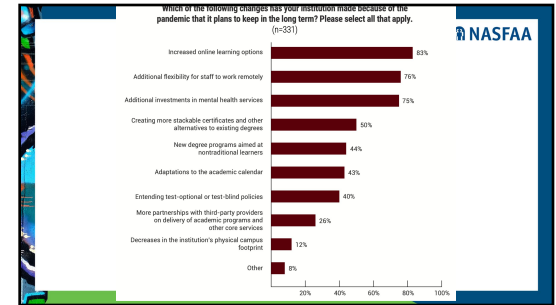
- Given lack of congressional action, states have become increasingly more active in the higher education space
 - Scholarship Displacement
 - Two states have passed laws banning scholarship displacement: Maryland and New Jersey
 - The Helping Students Plan for College Act, supported by NASFAA, requires schools that adjust institutional aid based on student receipt of non-Title IV aid to disclose this fact publicly.
 - Debt letters
 - Currently there are 14 states with debt letter legislation: California, Florida, Illinois, Indiana, Louisiana, Maryland, Nebraska, Oregon, Pennsylvania, Texas, Utah, Virginia, Washington, and Wisconsin.
 - Accreditation Laws
 - Certification Standards
- States Fill Gaps in Managing Student Loan Servicers
 - State Attorney Generals have stepped in to help manage student loan servicers, i.e. the \$1.85 billion Navient lawsuit

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Issue 9: For-Profit Schools, Holding Companies, Online Program Managers, and Partnerships



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Issue 10: The Partisan Divide on Higher Education

The Higher Education Divide

Over the past 20 years, the economic value of a college degree...	March 2017	July 2018	Feb 2022
Increased	27%	27%	36%
Remained the same	24%	19%	19%
Decreased	35%	48%	38%
Don't know	14%	6%	8%

WINSTON POLL FOR AMERICAN COUNCIL ON EDUCATION

The Higher Education Divide

Over the past 20 years, the economic value of a college degree...	Republicans	Independents	Democrats
Increased	34%	25%	45%
Remained the same	18%	14%	23%
Decreased	40%	50%	25%
Don't know	7%	10%	7%

Democratic Identity & Priorities

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Republican Identity & Priorities

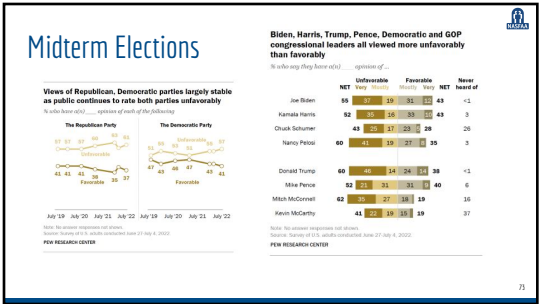
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Unified One-Party Control* of Washington is Fleeting

1971	1972	1973	1974	1975	1976	1977	1978	1979	1980
1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
2021	2022								

Source: Walter D'Agostini, "The Republican Party's Center of Gravity Shifts to the Right," CNN, 10/11/2017

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Bonus Issue: Rate of Change – 2021 to Today

22 Number of Issues Negotiated During Rulemaking Sessions

30 Number of Electronic Announcements Published

145 Number of Student Aid Related Legislation Introduced

48 Number of Times NASFAA Has Gone On The Record Related to Student Aid Legislation, Regulations, Budgets and the FAFSA

9,865 Number of AskRegs Questions Submitted and Answered
