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Washington Watch
AACC's Federal Policy Update

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April 14, 2017

The House and Senate are recessed until April 25. That leaves little time to reach agreement on a final funding measure for FY 2017 before the current continuing resolution expires on April 28. The Trump administration has requested $18 billion in cuts to nondefense spending (including $1.3 billion from the Pell Grant surplus) to partially offset proposed increases to defense and border security this year. This is the perfect time to reach out to Congress, while members are in their districts, and make the case for federal investments in critical student aid programs. AACC joined 34 other higher education associations in calling on Congress to finalize the FY 2017 appropriations process and restore the year-round Pell Grant.

Higher Education Coalition Urges Congress to Support Student Aid

Once the FY 2017 appropriations process is finalized, Congress will focus on FY 2018 funding. On April 5, 576 institutions and organizations—including AACC—sent a letter to Congress urging members to strengthen the Pell Grant program and preserve federal investments in other student aid programs. The administration's FY 2018 budget blueprint released last month called for cuts in funding for the Federal Supplemental Educational Opportunity Grants, TRIO, GEAR UP, and other programs as well as a reduction of $3.9 billion in the Pell Grant surplus. For more, see CC Daily.

David Wessel to Keynote AACC's Advocates in Action

Pulitzer Prize-winning author and well-known Wall Street Journal columnist David Wessel will be a featured speaker at AACC's upcoming Advocates in Action. Join community college leaders at this new forum in Washington, DC, June 12–13. Participate in interactive sessions with key executive branch officials and senior congressional staff. Make your voice heard on Capitol Hill at this critical time. For more information and to register, visit the AACC website.

Federal Agency Resources & News

ED Servicer Guidance Withdrawn—The U.S. Department of Education (ED) announced that Secretary Betsy DeVos sent a letter to the Federal Student Aid (FSA) chief operating officer, James Runcie, informing him that memoranda from the previous administration regarding the student loan servicing procurement process were withdrawn. The memoranda addressed two major developments—the creation of a single Web portal for federal student loan borrowers, regardless of servicer, and guidance related to the Student Aid Bill of Rights. ED has yet to provide alternative guidelines for the third-party student loan servicers.

New Department of Education Staff Named—This week, ED reported that it was adding nine staff to its ranks, some previously announced and others to start in their positions later this month. Josh Venable is already serving as chief of staff and James Manning will be the senior advisor to the under secretary and acting under secretary, effective April 16. The latter position was occupied most recently by Ted Mitchell during the Obama administration. Other appointments are expected in the next few weeks.

Pell Grant Eligibility Restored for Students at Closed Schools—Good news for students who attended closed schools: ED announced on April 3 that Pell Grant recipients who attended but did not graduate from now-closed schools would have their Pell Grant eligibility restored and ED was adjusting their lifetime eligibility by removing the amount "attributable to the students' attendance at a closed school."

New Default Management Information—ED recently posted a number of default management and prevention documents on its Information for Financial Aid Administrators (IFAP) website. Included are training materials, a reference guide, and other information on federal student aid and managing institutional cohort default rates.

Policy Related Reports

Inter-Generational Student Loan Borrowing and Repayment—A survey conducted by a student loan management company of American adults over the age of 35, who either had taken out a loan or co-signed one, found that student loan repayment challenges were not unique to younger borrowers. In fact, 74% of the respondents, most between the ages of 35 and 49, were still paying their student loans, including half of Generation Xers, and 14% of baby boomers. The figures for those who reported struggling with repayment were even more startling—61% of Gen Xers and 30% of baby boomers. Questions also involved how repayment of student loans affected retirement savings, ability to support family members with student loans, and whether and what assistance was wanted, including from employers.

Accreditation Regulatory Relief Sought—The Council for Higher Education Accreditation (CHEA), representing institutional and programmatic accrediting agencies, as well as large accredited degree-granting institutions, released a position paper calling for regulatory relief for accreditation. CHEA maintains that to meet the three goals of accreditation—protecting students, advancing innovation, and sustaining the strengths of accreditation—regulatory relief is necessary. The paper offers proposals aimed at improving federal regulation, sub-regulation (e.g., Dear Colleague Letters), and the law.

Alignment of State and Federal Student Aid Processes—Not as prominently in the news as the impact of the unavailability of the IRS Data Retrieval Tool for use in completing the Free Application for Federal State Aid (FAFSA) is the alignment of the FAFSA application with the various state aid systems. The Education Commission of the States (ECS) addressed this subject in an April report cautioning that efforts to simplify the FAFSA need to take into consideration the impact on state aid processes.

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