



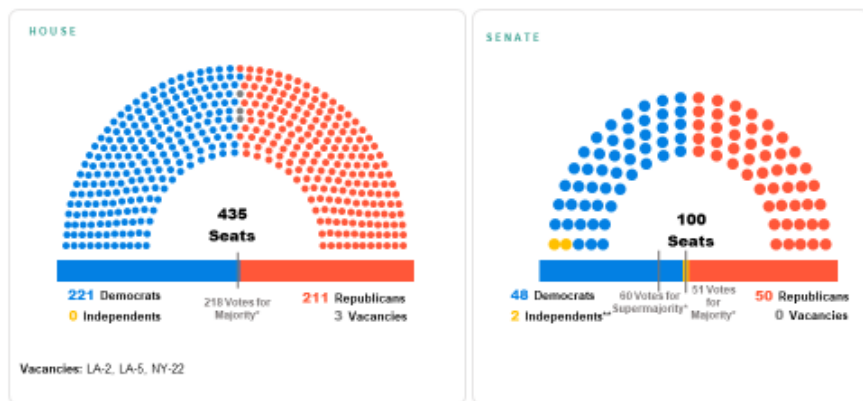
Washington Outlook for Higher Education

Texas Association of State Senior
College & University Business Officers

JANUARY 2021

Small Margins Give Small Factions Outsize Influence

Composition of the 117th Congress



*If no vacancies, and all members vote **The two independent senators (Sanders - VT and King - ME) caucus with the Democrats

SOURCE: US House Press Gallery, United States Senate.
SLIDE LAST UPDATED ON: 10/2/21



Senate Confirmation Vote Tonight on Janet Yellen as Treasury Secretary



President Joe Biden's Treasury Secretary nominee and former Federal Reserve Board Chair Janet Yellen.
BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY IMAGES

“The rising costs of education and the potential impact that student loan debt have on a wide range of social and economic effects, ranging from putting homeownership out of reach, to forcing career choices, to delaying or eliminating retirement savings. Importantly, the burden of student debt disproportionately falls on students of color.”

Response by Dr. Yellen, January 21, 2021, to Finance Committee Questions for the Record

A Shifting Regulatory Landscape



President Biden signed executive orders during his first few minutes in the Oval Office on Wednesday. Doug Mills/The New York Times



Look for “NACUBO on Your Side” weekly in the *Latest News* on www.nacubo.org

A photograph of the White House in Washington, D.C., under a clear blue sky with a few clouds. The American flag is flying on a tall pole in front of the building.

— **Election Update**

Our experts weigh in on what a Biden administration could mean for higher ed.

[READ MORE](#)

With Implications for Higher Education, A New Landscape in Washington Begins to Emerge

\$20.2B CRRSAA

Coronavirus Response and Relief Supplemental Appropriations Act

- Allocation tables and FAQ available on ED website
- Drawing down constitutes acceptance of terms and conditions
- Institutions must be up to date with CARES Act (HEERF) reporting requirements: quarterly reports and the annual report due on Feb. 1

Emergency Grants to Students



- Schools may not condition the receipt of financial aid grants to students on continued or future enrollment in their institution.
- Institutions may not use an awarded financial aid grants to satisfy a student's outstanding account balance **unless it has obtained the student's written (or electronic) affirmative consent**
- Schools must minimize the time between drawing down their funds from G5 and paying out the aid:
 - if schools do not pay distribute funds “within 15 calendar days it may be subject to heightened scrutiny by the Department, Recipient's auditors, and/or the Department's Office of the Inspector General (OIG).”

NEW CHANGES TO POST-9/11 GI BILL



- To minimize overpayments, **VA will require “dual certification”**
- **Colleges and universities will be responsible for repaying VA for overpayments of tuition and fees that result from changes to a veteran’s enrollment.**
 - This can occur when a student veteran drops a course, fails to complete a course with a passing grade, or withdraws entirely from a program. While the change to require dual certification will significantly reduce overpayments changes made later in the term will require schools to repay the VA.
- New disclosure requirements
- Increased oversight role of State Approving Agencies (SSA)
- And more...

ADDITIONAL YEAR-END CHANGES

- Increase to the maximum Pell Grant award by \$150, to \$6,495 for the 2021-22 award year
- Free Application for Federal Student Aid (FAFSA) simplified from 108 to 36 questions
- New Pell Grant-eligibility formula will make an estimated 500,000 additional students eligible for the aid and increase the number of students who are eligible for the maximum award

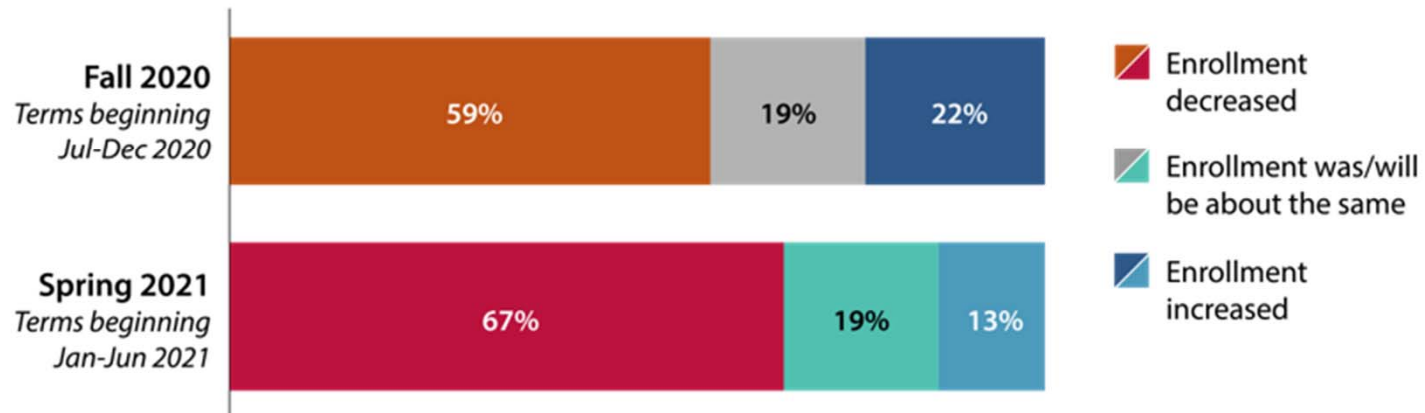
The Higher Education Landscape

- Never been truer that once you know one college, *you know one college*.
- Auxiliary revenue has been devastated.
- How will the pandemic change the class of 2024?
- The socioeconomic divide between the haves and have-nots is widening.
- Bellweather Education estimates approximately 3 million students are missing from K-12 schools.
- Business officers and college administrators are managing complicated CARES Act requirements, a shifting regulatory landscape and responding to pressures on reserve policies, endowment spending, debt management, and more.
- Shifting to online education was costlier than expected, but more successful than imagined.

Recent NACUBO Poll

Undergraduate Enrollment at All Institutions Declined or is Expected to Decline in Academic Year 2020-21, Especially During the Spring

Change and expected change in undergraduate enrollment at all responding institutions compared to the same period in academic year 2019-20 , by semester

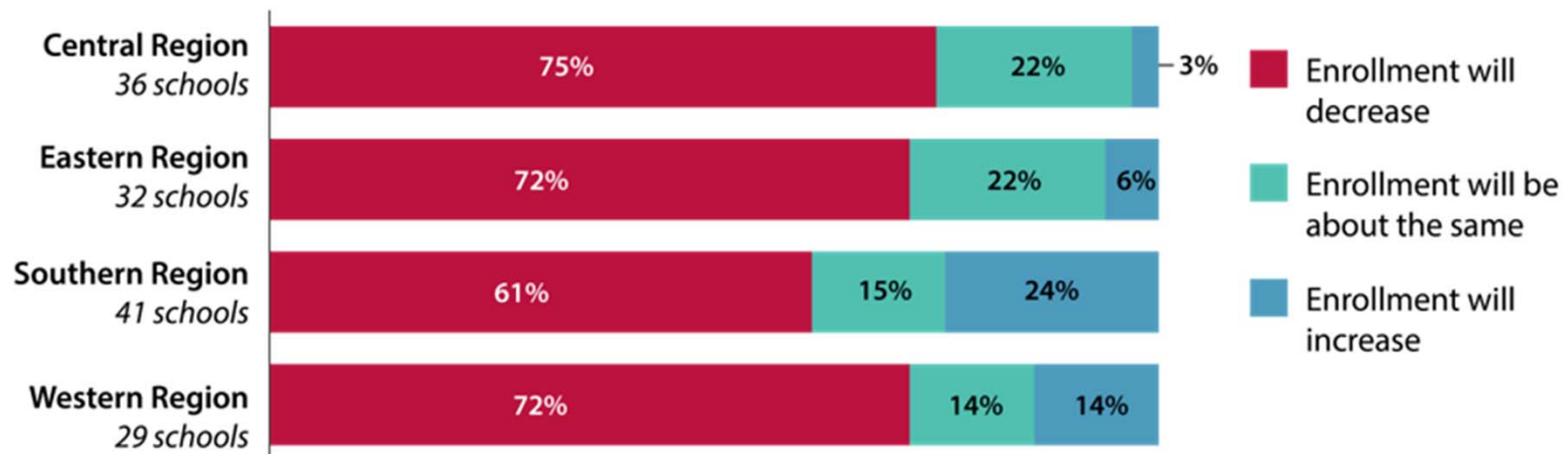


Note: Enrollment change for the spring is a projection while enrollment change for the fall is actual; figures may not sum to 100 due to rounding; one out of 151 survey participants did not respond to these questions.

Source: Poll of NACUBO member institutions, conducted December 16, 2020 - January 7, 2021.

Compared to 2020, Spring 2021 Enrollment is Expected to Decline at Most Institutions in Every Region

Expected change in undergraduate enrollment at responding institutions for academic terms beginning January 1-June 30, 2021, compared to the same period in academic year 2019-20, by region



Source: Poll of NACUBO member institutions, conducted December 16, 2020 - January 7, 2021.



Which will be *the*
blockbuster higher
education issue?

Student Loan Forgiveness
Free College
Doubling the Pell Grant

Student Debt Relief in the Biden Administration?



- **Student loan cancellation**
 - cancel \$10,000 in federal student loan debt per borrower
- **Student loan forgiveness**
 - forgiveness for 2-year and 4-year public university graduates earning under \$125,000
 - Would not apply to graduate student loans
- **Fewer student loans for incoming and current students**
 - tuition-free 2-year and 4-year public colleges
- **Smaller payments for income-driven repayment plans**
 - Limiting repayment for federal student loans to 5% of discretionary income with automatic enrollment for forgiveness in 20 years
- **Public service loan forgiveness**
 - Changing the current 120 payments (or 10 years) requirement to 5 years of payments to qualify for \$50,000 in forgiveness
 - Currently, there is no cap on the amount of forgiveness

FREE COLLEGE?

<https://www.nacubo.org/Advocacy/State-Issues>

RESOURCES>TRENDING STATE ISSUES



Free College Programs

Many state and local governments have created "free college" programs, often referred to as Promise Programs. These programs differ widely across the country in structure, funding source, participant eligibility, and other critical features.

What do some of these programs look like and is there a chance for a federal "free college" program?

[DOWNLOAD BRIEF](#) 

DOUBLE THE PELL GRANT?

The Biden Plan for Education Beyond High School

<https://joebiden.com/presidency-for-all-americans/>

“Target additional financial support to low-income and middle-class individuals by doubling the maximum value of Pell grants, significantly increasing the number of middle-class Americans who can participate in the program.”



Higher Education Is a Public Good

Society derives all manner of benefits from a highly-educated population.

From advancing research to driving economic development, the benefits of higher education extend beyond its role in educating students.

Local
job
creation

Better
national
health
outcomes

Increased
tax
revenues

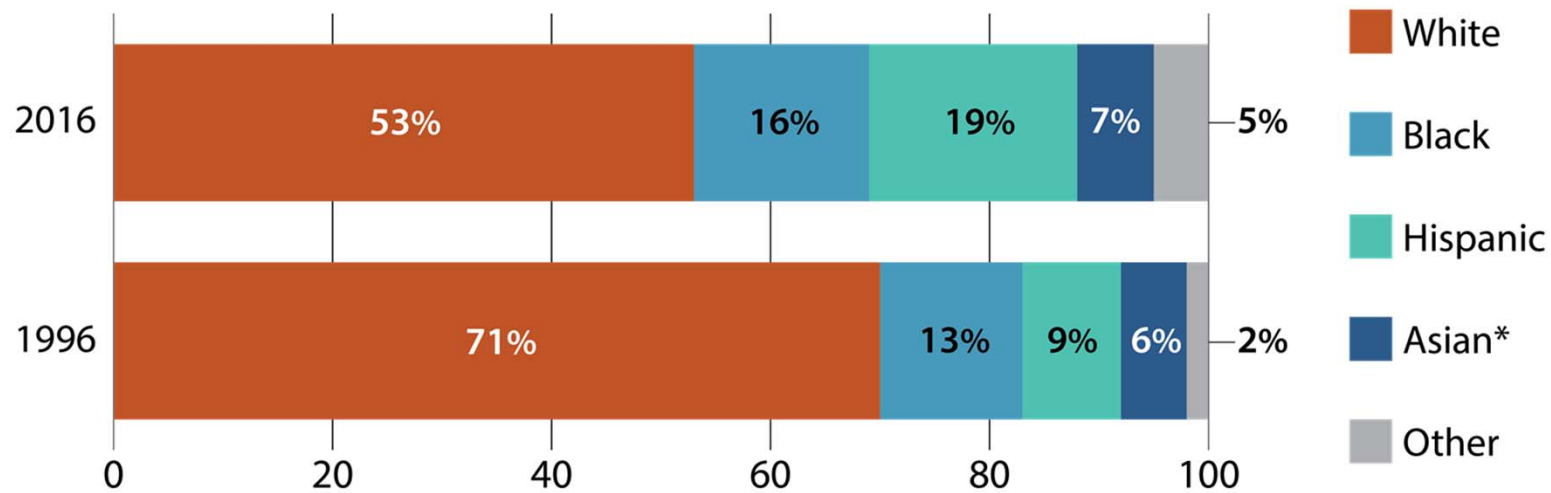
Economic
growth

More civic
engagement

Research
and
development

Students of Color Are a Growing Share of Enrollees at Colleges and Universities

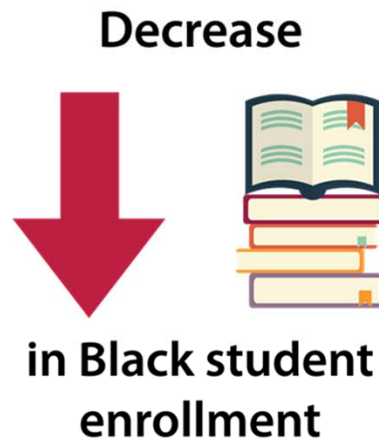
Racial and ethnic distribution of all undergraduates, 1996 and 2016



Note: Due to data limitations, in 1996, Asians include Pacific Islanders. Racial groups include only non-Hispanics. Hispanics are of any race. Other Includes people who identify as more than one race. Figures may not add to 100% due to rounding.

Source: Richard Fry and Anthony Cilluffo, "A Rising Share of Undergraduates Are From Poor Families, Especially at Less Selective Colleges," Pew Research Center, May 22, 2019.

Black Student Enrollment at Many Selective Public Institutions Has Not Kept Pace With States' Demographic Changes



47 percent
of selective public institutions saw Black student enrollment decrease even as the state's share of Black residents increased between 2000 and 2017.



Source: Andrew Howard Nichols, "Segregation Forever?", The Education Trust, July 21, 2020.

A photograph of a young Black male graduate in a black cap and gown with a gold tassel, being embraced from behind by another person whose back is to the camera. The scene is outdoors with a bright, hazy background of trees and sky.

**Download the infographics and
customizable slides
#highered20**


Across college campuses, trustees, administrators, faculty, staff, and students have sought safe and sustainable paths forward to fulfill their institutions' missions—and they are doing so because postsecondary training, education, and the pursuit of knowledge remain sound aspirations in the face of so much uncertainty.

NACUBO's Policy Team

advocacy@nacubo.org

- **Megan Schneider**, Sr. Director
Government Affairs
- **Sue Menditto**, Sr. Director
Accounting Policy
- **Mary Bachinger**, Director, Tax
Policy
- **Bryan Dickson**, Director, SFS and
Educational Programs
- **Neil Gavigan**, Policy and
Advocacy Manager





Liz Clark
Vice President, Policy and
Research
NACUBO
lclark@nacubo.org
202.861.2553
[@lizclarknacubo](#)