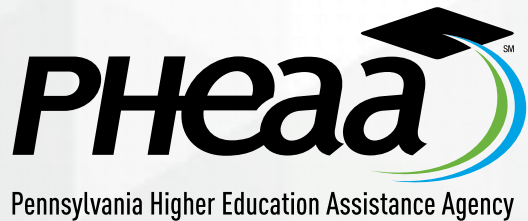


Headlines in Higher Ed

College Success Forum

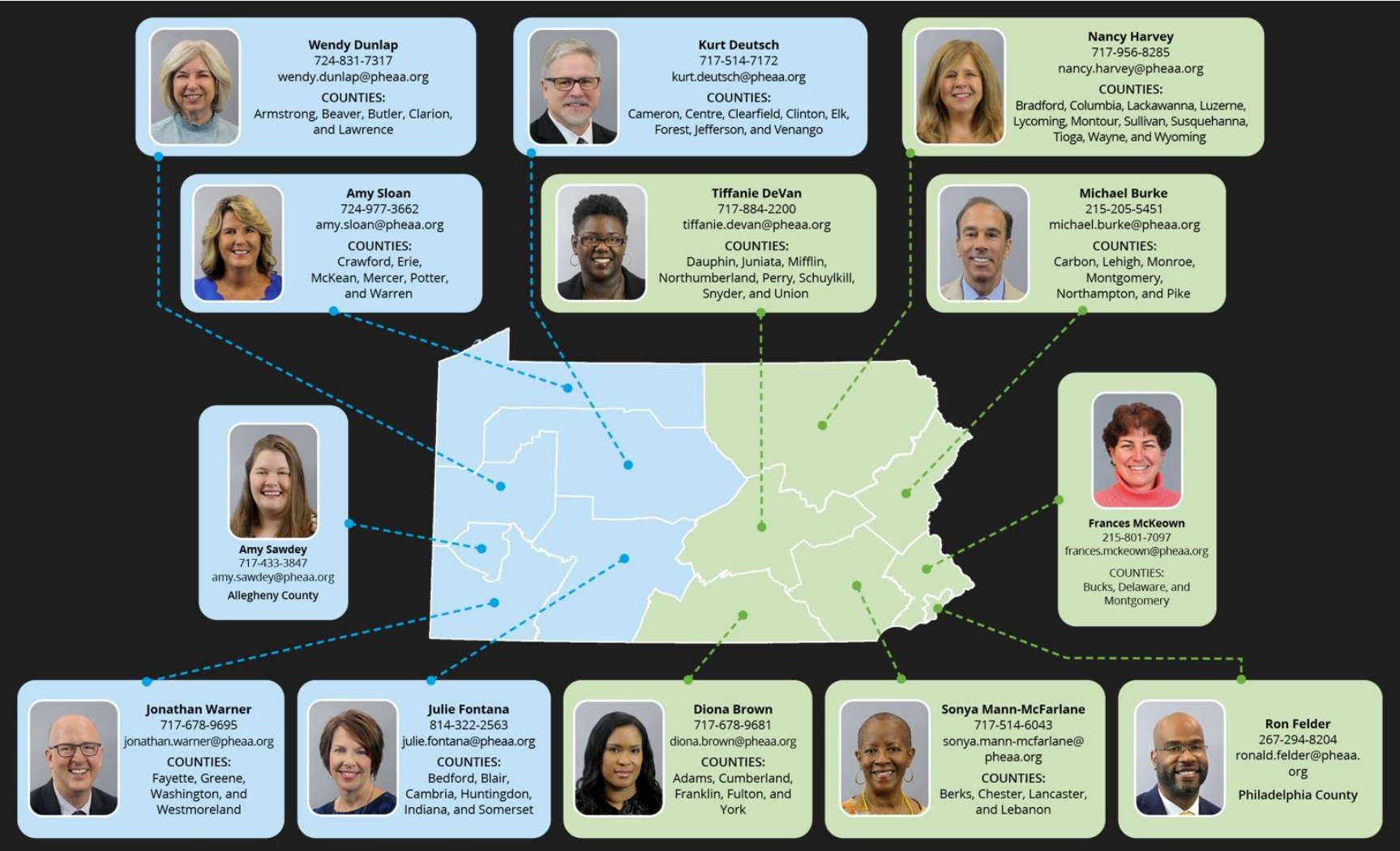


Elizabeth K. McCloud
January 31, 2023

What is PHEAA?

- PHEAA's **Mission** is to provide affordable access to higher education by:
 - Contributing to the PA State Grant Program
 - Assisting families with navigating the financial aid process
 - Providing low-cost financial aid solutions
 - Educating students on financial literacy
- Our **Vision**: To be a respected leader in higher education technology and student aid, devoting our energy, resources, and imagination to helping current and future generations of students achieve their educational goals
- **Core Values**: Customer Centric, Commitment to Respect, Citizenship, and Courage to Evolve

PA School Services – Higher Education Access Partners



PA State Grant and Special Programs

- PA State Grant Program began in the 1960s
 - PA has the nation's 7th largest need-based student grant program in funding and 5th largest in number of students served
 - The program is funded by a Commonwealth appropriation of \$331.370 million for 2022-23
 - Awards range from \$500 to \$5,750
- Approximately 20 special programs that we administer and/or disburse
- Our programs intersect with federal student aid
 - FAFSA data collection
 - Federal need analysis formula
 - Similarities and differences in policy

What are the Key Issues?



Topics

- Enrollment
- FAFSA Simplification
- Negotiated Rulemaking
- Student Loan Debt Cancellation
- Operation Fresh Start
- Omnibus / Pell Grant
- Midterm Elections
- Misc.

Enrollment

- According to the [2022 Top Risks Report](#) from United Educators, enrollment remains the biggest risk cited by colleges and universities for the 4th year in a row
 - The survey reflects the most pressing risks named in September 2022 by the leaders of 105 colleges and universities
- Source: [2022 Top Risks Report: Insights for Higher Education | United Educators \(ue.org\)](#)
- Employers not requiring degrees: [EO 2023-03 – Creating Opportunities by Prioritizing Work Experience for State Government Jobs \(pa.gov\)](#)
 - The percentage of students enrolled in online and distance education continues to grow

Enrollment

- Can a National Marketing Campaign Change the Souring Conversation About College? (chronicle.com)
 - “The biggest national-security problem that no one is talking about is the fact that we’re seeing college-going rates decline tremendously,” Seth Bodnar, president of the University of Montana and an Iraq War veteran and former professor at West Point, said at a panel recently.
 - A college degree and a gallon of milk are hardly comparable products. Still, some leaders are entertaining the idea that a unified marketing campaign could help change the souring conversation about college. Should higher ed craft its own answer to “Got Milk?”
 - “Discover the Next” aims to find out

FAFSA Simplification

- December 2020 – Congress passed, and President signed the Consolidated Appropriations Act of 2021
- Reduces the number of questions on the Free Application for Federal Student Aid (FAFSA®)
- The Expected Family Contribution (EFC) is changing to the Student Aid Index (SAI)
- The needs analysis formula is changing
- Implementation planned for the 2024-25 academic year
- 2024-25 FAFSA application available on October 1, 2023 ...?

FAFSA Simplification

- Draft Student Aid Index (SAI) and Pell Grant Eligibility Guide
 - [202425DraftStudentAidIndexSAIandPellGrantEligibilityGuide.pdf \(ed.gov\)](#)
- Draft FAFSA Specifications Guide
 - **Introduction** [2024–25 FAFSA Specifications Guide Introduction in PDF Format in PDF Format, 8 Pages, 332KB](#)
 - **Volume 4 – Record Layouts and Processing Codes** [2024–25 FAFSA Specifications Guide Volume 4 – Record Layouts and Processing Codes in PDF Format, 190 Pages, 2MB](#)

EARLY DRAFTS WILL CHANGE

The attachments to this announcement are early drafts of the 2024–25 *FAFSA Specifications Guide* and will change between now and the published, final versions.

Of particular note, the 2024–25 Draft ISIR Layout will change as additional FAFSA Simplification requirements are determined.

We appreciate users' understanding as we provide an early look.

Negotiated Rulemaking

- Final Rules released:
 - New standards of accountability for for-profit colleges through a revision to the 90-10 rule
 - New process for colleges seeking changes in ownership
 - Codifying Pell Grant eligibility for incarcerated individuals
- 2021-22 topics also included final rules on
 - Borrower defense to repayment
 - Interest capitalization
 - Total and permanent disability (TPD)
 - Public Service Loan Forgiveness (PSLF)

Negotiated Rulemaking – 2023 edition

- The Biden administration announced January 4th that the Education Department would hold a series of negotiated rule-making sessions this spring to propose new rules around a range of topics
- Notably, these sessions are not driven by legislation, but rather to further administration goals

Federal TRIO Programs	1840-AD68
Accreditation and Related Issues	1840-AD82
State Authorization	1840-AD83
Return to Title IV	1840-AD85
Cash Management	1840-AD86
Third-Party Servicers and Related Issues	1840-AD87
Improving use of Deferments and Forbearances	1840-AD88
Distance Education	1840-AD92

Student Loan Debt Cancellation Plan

- President Biden's student loan cancellation plan would cancel between \$10,000 and \$20,000 in student loan debt for eligible borrowers
- Additionally, the Biden administration has extended the pause on student loan repayment and interest accrual until the earlier of 6 months after court cases over loan cancellation are resolved, or June 30, 2023
- Resumption of Loan Repayment – Many borrowers haven't been required to make payments for more than 2 years. A growing number entered their repayment period during the pause, meaning they have never had to make a loan payment

Operation Fresh Start

A Fresh Start for Federal Student Loan Borrowers in Default

On April 6, 2022, the U.S. Department of Education (ED) announced an initiative—called “Fresh Start”—to help eligible borrowers in default.

Fresh Start will continue through one year after the COVID-19 payment pause ends.

- Created to provide a pathway for delinquent and defaulted borrowers to reenter repayment in good standing & regain eligibility for federal Title IV aid if in school
- Eligible loans must have entered default status prior to the start of the repayment pause on March 13, 2020
- Benefits include access to repayment options and federal student aid eligibility, protection from involuntary collections, and removal of borrowers' default status from federal credit reporting

Omnibus / Pell Grant

- In December, President Biden signed the year-end omnibus package into law, avoiding a government shutdown and completing the budget cycle for fiscal year 2023
- The law allocates \$79.6 billion to the Department of Education (ED) and its programs
- It includes a \$500 increase to the maximum Pell Grant award, bringing the total to \$7,395 for the 2023-24 award year
 - This is the largest increase in the maximum Pell Grant award since the 2009-10 award year, building on last year's \$400 increase

Midterm Elections

- Changes in the 118th Congress, with the House controlled by Republicans and Senate controlled by Democrats.
- Are you following Pennsylvania's battle for control of the state House?
- [Will state surpluses lead to more higher ed funding? \(insidehighered.com\)](https://insidehighered.com)
 - Tom Harnisch, vice president for government relations at SHEEO, said concerns over a potential economic downturn and [skepticism of higher education's value](#) for students and state economies alike could make it more difficult for higher ed institutions to make their case to lawmakers.
 - “A lot of it will depend on the political dynamics of the state, and the priorities of the governor and Legislature ... there are a lot of other needs post-pandemic that higher ed will have to compete with.”

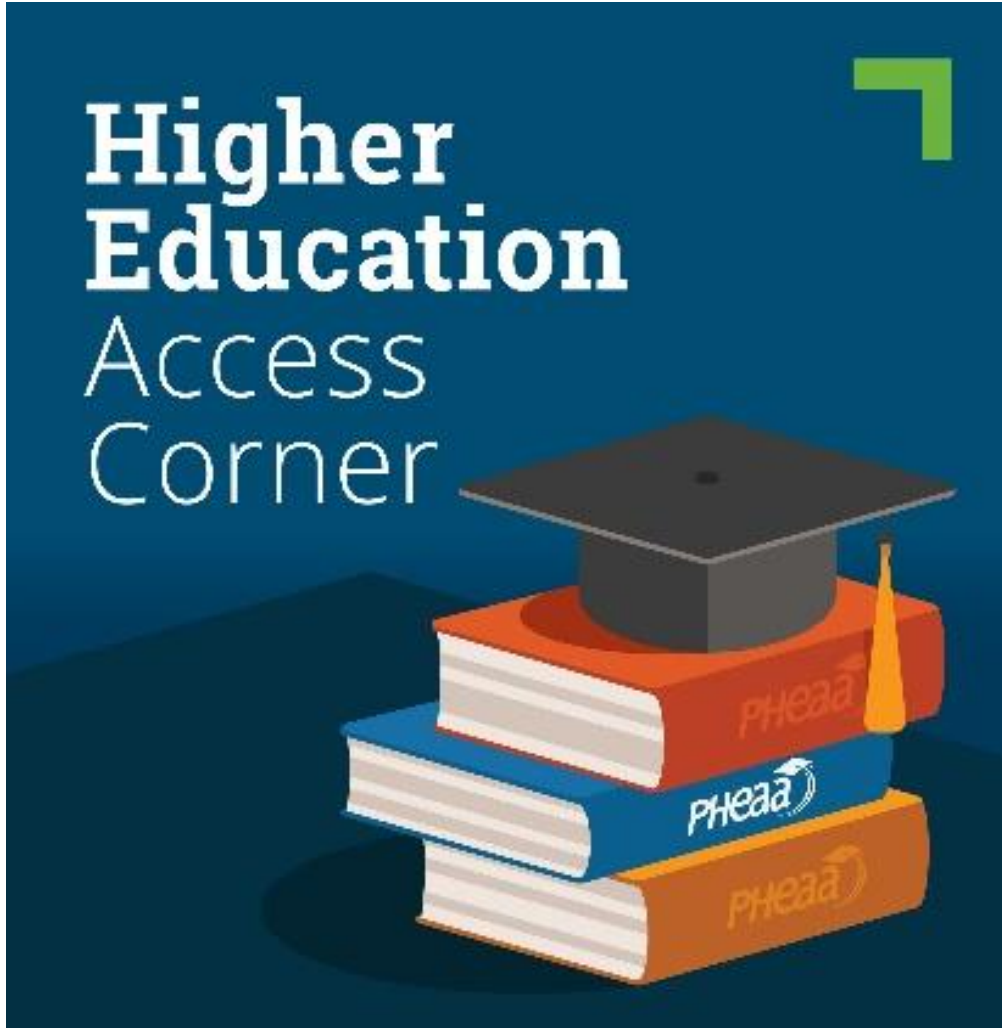
Misc.

- ChatGPT
- [What College Admissions Could Look Like Without Affirmative Action - The New York Times \(nytimes.com\)](#)
- [Biden administration to list low-performing programs \(insidehighered.com\)](#)
- [America's student loan crisis stems from a war on education as a public good - The Washington Post](#)
 - by David A. Love, a writer based in Philadelphia and a faculty member at Rutgers University
 - “Free or low-cost public college used to be the norm, but state funding dried up for ideological reasons”

Topics

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Podcast Alert...The Higher Education Access Corner



- Tune in on Wednesdays to hear a variety of engaging discussion on topics such as planning and paying for a postsecondary education, understanding student loans, PA 529 plans, as well as how we at PHEAA are helping to create affordable access to higher education.
- Quarterly Hot Topics segment hosted by Higher Education Access Partners, Diona Brown and Tiffanie DeVan.
- Tune in wherever you listen to your favorite podcasts!

Thank You!

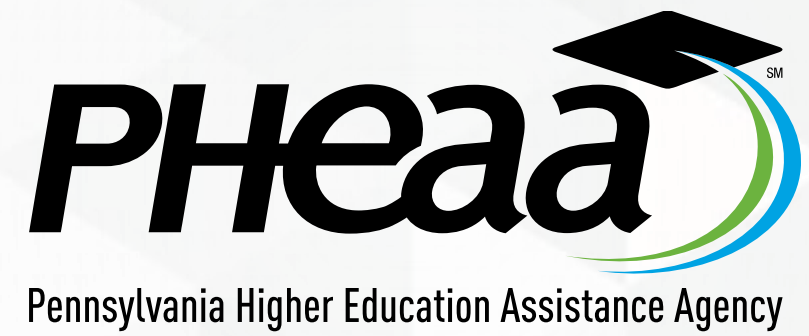
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Pennsylvania Higher Education Assistance Agency