

WASHINGTON UPDATE

AUGUST 2020

President Trump Signs Executive Order Extending Student Loan Relief Until the End of 2020

On August 8, 2020, President Trump signed an executive order suspending loan repayments and temporarily setting interest rates to 0 percent until December 1, 2020 from the current expiration date of September 30, 2020. As negotiations appear to remain stalled on Capitol Hill over the next round of coronavirus relief, President Trump said that he had to take immediate action to extend some of the provisions.

A copy of the Memorandum on Continued Student Loan Payment Relief During the COVID-19 Pandemic, Education, is found at: <https://www.whitehouse.gov/presidential-actions/memorandum-continued-student-loan-payment-relief-covid-19-pandemic/>.

Following the President's announcement, Senate Health, Education, Labor, and Pensions Committee Chairman Lamar Alexander (R-TN) issued a statement of August 8, 2020, saying that the President is doing all that he can to help workers, students, and renters "but Congress is the one who should be acting. Democrats should stop blocking common sense proposals to help students going back to school and college and parents going back to work who need childcare."

A copy of Senator Alexander's statement is found at: <https://www.help.senate.gov/chair/newsroom/press/alexander-statement-on-executive-orders>.

However, House Education and Labor Committee Chairman Bobby Scott (D-VA) criticized the President's action in a statement of August 8, 2020, saying that it will be ineffective in helping students and families. "President Trump's executive order does nothing to address the crisis facing our education system," and "[i]t does nothing to help state and local governments avoid deep cuts to public education, which could be as high as \$300 billion over the next two years. It does nothing to help schools reopen safely. It does nothing to pull our childcare system from the brink of collapse. And it does nothing to help colleges and universities keep their doors open and avoid widespread layoffs."

A copy of Congressman Scott's statement is found at: <https://edlabor.house.gov/media/press-releases/chairman-scott-statement-on-student-loan-executive-order>.

House of Representatives Passes H.R. 7617, the Labor, HHS, and Education Appropriations Act

On July 31, 2020, the House of Representatives approved, by a vote of 217-197, H.R. 7617, the Defense, Commerce, Justice, Science, Energy and Water Development, Financial Services and General Government, Homeland Security, Labor, Health and Human Services (HHS), Education,

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Transportation, Housing and Urban Development Appropriations Act for FY 2021. On July 13, 2020, the House Appropriations Committee on Labor, Health and Human Services, Education and Related Agencies approved the Fiscal Year (FY) 2021 Labor, Health and Human Resources, Education and Related Agencies Appropriations Act, by a party vote of 30-22. No amendments were offered to the bill during the committee markup. The bill would provide \$196.5 billion in discretionary funding for the Department of Labor, Department of Health and Human Services, and Department of Education, an increase of \$2.4 billion over the FY 2020 enacted level and \$20.8 billion over the President's budget request. The bill would provide \$73.5 billion in discretionary funding for the Department of Education, which is \$716 million above last year's level and \$6.9 billion above the President's budget request.

Some of the key education provisions include:

- \$73.5 billion in discretionary funding for the Department of Education, which is \$716 million above last year's level and \$6.9 billion above the President's budget request.
- A maximum Pell Grant award at \$6,495, an increase of \$150 over the FY 2020 enacted level.
- \$880 million for the Federal Supplemental Educational Opportunity Grant program, an increase of \$15 million above the FY 2020 enacted level and \$1.2 billion for Federal Work-Study, an increase of \$30 million above the FY 2020 enacted level.
- Modifying the 90/10 rule, by requiring for-profit colleges to derive more of their revenue from non-federal sources (making it an 85/15 rule) and classifying all federal funds in the calculation.
- Language providing incarcerated individuals with Pell Grants at public and nonprofit institutions of higher education under certain conditions.

"This spending bill determines the critical federal investments in health, labor, human resources, and education, and builds on this subcommittee's efforts at the center of the health and economic crises, both of which have exposed serious disparities," said House Appropriations Subcommittee on Labor, Health and Human Services, Education and Related Agencies Chairwoman Rosa DeLauro (D-CT) in a press release.

A copy of the Committee Democrats' press release is found at: <https://appropriations.house.gov/news/press-releases/appropriations-committee-approves-fiscal-year-2021-labor-hhs-education-funding>.

A copy of the Committee Republicans' press release is found at: <https://republicans-appropriations.house.gov/news/press-releases/committee-republicans-object-energy-and-water-development-and-labor-health-and>.

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Senate Democrats Introduce New Coronavirus Relief Package

On June 30, 2020, Senate Democrats, led by Senator Patty Murray (D-WA), Ranking Member of the Senate Health, Education, Labor and Pensions (HELP) Committee, and Senate Democratic Leader Chuck Schumer (D-NY), introduced a new coronavirus relief bill, the *Coronavirus Child Care and Education Relief Act (CCCERA)*, that would provide additional aid for institutions of higher education and impose a number of restrictions on the Department of Education's (ED) authority in the implementation of the new bill. Of the \$430 billion included in the bill, \$132 billion would be available for institutions of higher education, including Historically Black Colleges.

Senate Appropriations Committee Chairman Introduces the Republican Proposal for the Next COVID-19 Bill that will Serve as a Basis for Negotiations with the House and Senate Democrats

On July 27, 2020, the Senate Appropriations Committee Chairman Richard Shelby (R-AL) introduced the Committee's proposal for the next COVID-19 stimulus bill that will serve as a basis for negotiations with House and Senate Democrats with the intention of reaching a bipartisan agreement in early August. The *Coronavirus Response Additional Supplemental Appropriations Act, 2020 (CRASAA)* is an alternative to the House of Representatives Democrats' H.R. 6800, *HEROES Act*.

Some of the provisions from the *Safely Back to Work and Back to School Act*, introduced by Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Lamar Alexander (R-TN), on July 27, 2020, which would defer monthly payments after October 1 if the borrower has no income, will likely be included in the stimulus bill. [See article below.]

In addition, some of the language from S. 4247, the *Student Loan Repayment and FASFA Simplification Act*, which was introduced by Chairman Alexander on July 21, 2020, to create two student loan repayment plans, down from nine repayment plans, may also be included in the stimulus bill as well. [See article below.]

The Republican proposal does not extend the student loan relief enacted through the *CARES Act*. Reports from news outlets indicate that consumer groups and Democrats, including Ranking Member of the HELP Committee Patty Murray (D-WA), are opposed to Senator Alexander's proposal. The Democrats want a full extension and expansion of the student loan relief included in the *CARES Act*. They would like to provide up to \$10,000 worth of debt cancellation to each student borrower.

Some of the relevant provisions that impact institutions of higher education include the following:

- HEERF funds would be provided to institutions of higher education as follows:

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- 85 percent of the funds (\$24.7 billion) are provided to all eligible postsecondary institutions based on 90 percent of each institution's full-time equivalent Pell Grant enrollment and 10 percent of its full-time, non-Pell Grant enrollment. Exclusively online students are excluded from both formula factors.
 - 10 percent of funds (\$2.9 billion) are provided for additional awards through programs under Titles III, V, and VII.
 - 5 percent of funds (\$1.45 billion) are awarded to institutions determined by ED to have the greatest unmet need including for-profit institutions and those institutions that serve exclusively online students.
 - Institutions may use the funds to defray expenses associated with COVID-19 and provide financial grants to students, including students exclusively enrolled in distance education. Funds may not be used to fund contractors for the provision of pre-enrollment recruitment activities, endowment, or capital outlays associated with facilities related to athletics, sectarian instruction or religious worship.
- The bill would provide borrowers entering repayment on or after October 1, 2020 with two repayment options: a 10-year standard repayment plan and an income-determined repayment plan.
 - CARES Act Higher Education Flexibility Authorities and Other Higher Education Provisions:
 - Allows ED to waive the requirement for a non-profit entity providing employment under the FWS program to provide a non-Federal match.
 - Permits the reallocation of FWS into the FSEOG program through the end of the 2020-2021 award year or the end of the pandemic emergency, whichever is later.
 - Permits foreign institutions to continue to provide education through distance education during the pandemic or the end of the 2020-2021 award year, whichever is later.
 - Applies the no-payment, no interest provisions for borrowers of Federal student loans established under the CARES Act to borrowers who are in an in-school deferment period.
 - Prohibits the Secretary from counting funds received by students (or spouse or parent of a student) for expected family contribution (EFC) purposes.
 - Provides that financial administrators may determine an independent student as having a zero EFC if the student is receiving unemployment benefits or has filed for such benefits.
 - Provides that financial aid administrators may make adjustments to a student's EFC based on the totality of a family's situation, including considering unemployment benefits.

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- Requires ED to adjust the model used to select institutions for program reviews to account for a rise in the use of professional judgement during the 2020-2021 and 2021-2022 award years.
- Requires ED to add a question to the FAFSA for the 2020-2021 and 2021-2022 award years regarding whether the applicant has lost significant income due to the pandemic emergency.

Alexander Introduces Bill to Allow Borrowers with no Income to Continue to Defer their Monthly Payment

On July 27, 2020, Senate Health, Education, Labor and Pensions (HELP) Committee Chairman Lamar Alexander (R-TN) introduced a bill to respond to the COVID-19 pandemic, S. 4322, the *Safely Back to Work and Back to School Act*, which would allow student loan borrowers with no income to continue to defer their monthly payment. Senator Alexander's press release states: "If you are one of 43 million Americans with a student debt, you can continue to defer your monthly payment after October 1 if you have no income. When you do begin earning income, your monthly payment will never be more than 10% of your income AFTER deducting the necessities of life such as rent or mortgage and food." In addition, the bill would give parents more choices of schools for their children and would increase the availability of child care for working parents.

A copy of the Senator's press release is found at:

<https://www.alexander.senate.gov/public/index.cfm/pressreleases?ID=CE5CC476-A169-487C-8E51-CEB06DC812E5>.

Alexander Introduces Bill to Simplify Student Loan Repayment and Simplify the FAFSA

On July 21, 2020, Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee Lamar Alexander (R-TN) introduced a bill titled, the *Student Loan Repayment and FAFSA Simplification Act*, S. 4247, which would allow more than 40 million student loan borrowers to continue deferring their monthly payments if they are earning no income after October 1, 2020. The proposal would extend the deferment period that was enacted under the *Coronavirus Aid, Relief, and Economic Security (CARES) Act*, but expires September 30, 2020. The proposal states that once a borrower begins earning income again, his/her monthly payment could not be more than 10 percent of his/her income after "the necessities of life, such as the cost of housing – such as rent or mortgage - and food," are deducted.

Chairman Alexander also proposed simplifying the FAFSA by reducing the number of questions students must answer to obtain federal financial aid from more than 100 to about 30 questions.

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Finally, Senator Alexander proposed reducing the number of loan repayment options from 9 to 2 options: a standard 10-year plan and an income-driven repayment plan.

A copy of Senator Alexander's full remarks on his proposal is found at:

<https://www.help.senate.gov/imo/media/doc/Senator%20Lamar%20Alexander%20Student%20Loan%20Repayment%20and%20FAFSA%20Simplification%20Act%20Remarks.pdf>

Chairman Scott Asks OIG to Investigate Role of Department in the Misconduct of the Dream Center

On August 10, 2020, Chairman of the House Education and Labor Committee Bobby Scott (D-VA) sent a letter to the Department of Education Office of Inspector General (OIG) requesting an investigation into the Department's role in the misconduct of Dream Center Education Holdings. The request follows the House Committee on Education's release of a report describing the Department's role in providing funding to two schools that had lost their accreditation. [See article below.]

A copy of Chairman Scott's press release, which includes copy of his letter and the report, is found at: <https://edlabor.house.gov/media/press-releases/chairman-scott-statement-on-student-loan-executive-order>.

House Education and Labor Democrats Release a Report Outlining Actions by Acting Under Secretary to Help Dream Center; NACIQI Votes Against Suspending HLC's Accrediting Powers

In July, the House Education and Labor Committee Democrats released a report titled, "*Shattered Dreams: Examining the Education Department's Role in the Misconduct of Dream Center Education Holdings.*" The report outlines the actions taken by Acting Under Secretary of Education Diane Auer Jones to help proprietary schools, such as pressuring the Higher Learning Commission (HLC) into retroactively reinstating the accreditation of two Dream Center campuses.

A copy of the report is found at:

<https://edlabor.house.gov/imo/media/doc/Shattered%20Dreams%20Examining%20the%20Education%20Department's%20Role%20in%20the%20Misconduct%20of%20Dream%20Center%20Education%20Holdings1.pdf>.

On August 29, 2020, the Department of Education's National Advisory Committee on Institutional Quality and Integrity (NACIQI) voted 9-2 against the Department's recommendations to suspend HLC's accrediting powers for a year. The Department said that it took issue with how HLC handled the accreditation of the Art Institute of Colorado and the Illinois Art Institute, two campuses that were transferred to the non-profit Dream Center in 2017 and 2018. Since HLC found that the schools did not meet certain eligibility criteria, HLC required the Dream Center to agree to have the schools be

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temporarily transferred to “pre-accredited” status, which would prevent the two schools from receiving any federal financial aid. HLC stood by its decision to transfer the status of the two schools to “pre-accredited” status. The decision now goes to Deputy Secretary of Education Mitchell Zais for review.

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The bill would:

- Change the allocation formula used in the *CARES Act* to distribute funds using student headcount, instead of full-time enrollment.
- Provide ninety percent of the \$132 billion in the bill to public and private non-profit institutions, which still must use at least 50 percent of the funds to provide emergency financial aid grants to students.
- Clarify that emergency financial aid grants awarded to students could be used for any components of a student’s cost of attendance, and remove the *CARES Act* requirement that grants could only be awarded to cover expenses related to the disruption of campus operations due to COVID-19.
- Allow access to HEERF funds by non-Title IV eligible students, such as DACA students, students who have not filed a FAFSA, students who have a minor drug conviction, borrowers who have previously defaulted on a student loan, and those students who are veterans using the GI bill.
- Permit colleges and universities to use the institutional portion of their allotment to cover lost revenues, which are not permitted in the allowable uses under the *CARES Act*.

The bill would allocate 1 percent of the \$132 billion to proprietary institutions, vocational institutions, and institutions outside the United States that have been deemed eligible for Title IV aid. All of these funds would be required to be used for emergency financial aid grants to students. An additional 1.5 percent would be distributed among proprietary institutions to “prevent, prepare for, and respond to the qualifying emergency.”

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The Ranking Member is expected to ask unanimous consent on the Senate floor to pass the bill. Senate Republicans are expected to object to its passage. Senate Majority Leader Mitch McConnell (R-KY) said the Senate will focus on the next relief package following the Senate's two-week recess that started July 3rd, with the goal of finalizing the package before Congress adjourns in August.

A fact sheet on the bill is found at:

<https://www.help.senate.gov/imo/media/doc/CCCERA%20Fact%20Sheet%20062920.pdf>.

Biden Releases the Fourth Pillar of its *Build Back Better Agenda*

On July 29, 2020, Former Vice President Joe Biden released the fourth pillar of its Build Back Better Agenda to advance racial equality as part of the nation's economic recovery. The "Achieve Equity in Management, Training, and Higher Education Opportunities Connected to the Jobs of the Future" section outlines how he would improve the higher education system:

- Include in the COVID-19 response effort an immediate cancellation of a minimum of \$10,000 of federal student loan debt.
- Double the maximum value of Pell Grants and significantly increase the number of middle-class Americans who can participate in the program.
- More than half payments on undergraduate federal student loans by simplifying and increasing the generosity of the current income-based repayment program.
- Fix the Public Service Loan Forgiveness Program and forgive \$10,000 of undergraduate or graduate student debt for every year of national or community service, up to five years.
- Empower the Consumer Financial Protection Bureau to act against private lenders who are misleading students about their options and do not provide an affordable payment plan when individuals are experiencing acute periods of financial hardship.
- Forgive all undergraduate tuition-related federal student debt from two- and four-year public colleges and universities and private Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs) for debtholders earning up to \$125,000.
- Provide grants to four-year public HBCUs and MSIs so they can lower the cost of attendance for low- and middle-income students, including DREAMers.
- Invest in the diverse talent at HBCUs, Tribal Colleges and Universities (TCUs), and MSIs including investing in their research capacities.
- Build the high-tech labs and facilities and digital infrastructure needed for learning, research, and innovation at HBCUs, TCUs, and MSIs. Invest \$10 billion in HBCU, TCU, and MSI programs that increase enrollment, retention, completion, and employment rates.
- Expand career pathways for graduates of HBCUs, TCUs, and MSIs in areas that meet national priorities, including building a diverse pipeline of public-school teachers.
- Triple and make permanent the capacity-building and student support for HBCUs, TCUs, and MSIs in Title III and Title V of the Higher Education Act.

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- Reduce disparities in funding for HBCUs, TCUs, and MSIs by requiring federal agencies and states to publish reports of their allocation of federal funding to colleges and universities.
- Provide two years of community college or other high-quality training program without debt for any person looking to learn and improve their skills.
- Tackle the barriers that prevent students from completing their community college degree or training credential by allowing students to use their Pell Grants, state aid, and other aid to help them cover expenses beyond tuition and fees.
- Make a \$50 billion investment in workforce training, including community-college business partnerships and apprenticeships.
- Help develop pathways for diverse workers to access training and career opportunities, including by increasing funding for community-based and other organizations that help women and people of color access high-quality training and job opportunities.

A copy of Biden's agenda for higher education is found at: <https://joebiden.com/racial-economic-equity/#>.

Biden-Sanders Release Unity Platform

Former Vice President Joe Biden and Senator Bernie Sanders (I-VT) released several policy recommendations developed by six unity task forces that were established by both campaigns in May to cover a variety of policy issues. The recommendations include the following items related to higher education:

- Make community colleges tuition-free for all students and to make public four-year colleges tuition free for students from families earning less than \$125,000 annually;
- Historically Black Colleges and Universities, Hispanic-Serving Institutions, and other Minority Serving Institutions should receive federal grants to lower college costs;
- A Title I for Postsecondary Education should be created to enable colleges and universities to more comprehensively serve the needs of low-income and/or underprepared students;
- The federal government should provide \$10,000 in student loan debt relief and provide up to \$50,000 in student loan forgiveness for educators;
- Student loan payments and interest for borrowers making less than \$25,000 should be suspended, and payments should be capped at no more than 5 percent of discretionary income for those borrowers making over \$25,000;
- The Public Service Loan Forgiveness enrollment process should be made automatic and forgiveness should be increased up to \$10,000 per year for five years;
- The federal government should end the garnishment of Social Security benefits pay federal student loans;

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- The federal government should ensure that loan cancellation will not force borrowers to incur any additional tax liability, and borrowers should be automatically in income-driven repayment programs; and
- The federal government should increase lender accountability to ensure borrowers receive adequate loan training and understanding, and the Department of Education should end federal contracts with loan servicers with a pattern of misleading or mistreating student loan borrowers.

Page 26 of the recommendations includes the following warning for for-profit colleges under a Biden Administration:

“Democrats will crack down on predatory for-profit higher education programs, including by issuing requirements that these programs be able to demonstrate their value and effectiveness before becoming eligible for federal student loans. We will call upon the Secretary of Education to use her authority to forgive debt carried by students who were ripped off by predatory schools, including by programs that defrauded students or that misrepresented program offerings or program outcomes, as well as debt held by the permanently disabled. And we will protect veterans and servicemembers from being steered into low-performing for-profit higher education and professional programs.”

Former Vice President’s Recommendations are found at: <https://joebiden.com/wp-content/uploads/2020/07/UNITY-TASK-FORCE-RECOMMENDATIONS.pdf>.

DC Court Denies Preliminary Injunction Against Implementing the Title IX Rule

On August 12, 2020, Secretary of Education Betsy DeVos released the following statement after the U.S. District Court for the District of Columbia denied the motion for a preliminary injunction, filed by 17 state attorneys general and the District of Columbia, against the U.S. Department of Education’s new Title IX Rule slated to take effect on August 14, 2020:

"Today’s ruling is yet another victory for students and reaffirms that students’ rights under Title IX go hand in hand with basic American principles of fairness and due process. With yet another failed attempt to block our historic Title IX Rule, we can now look forward to it taking effect this Friday, requiring schools to act in meaningful ways to support survivors of sexual misconduct without sacrificing important safeguards to protect free speech and provide all students with a transparent, reliable process. We can and must continue to fight sexual misconduct in our nation's schools, and today’s ruling will help ensure that happens."

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A copy of the press release is found at: https://www.ed.gov/news/press-releases/dc-court-denies-attempt-18-attorneys-general-block-us-department-education-title-ix-rule?utm_content=&utm_medium=email&utm_name=&utm_source=govdelivery&utm_term=.

Department Revises Supplemental FAQs for HEERF Fund

On August 6, 2020, the Department of Education revised the Supplemental Frequently Asked Questions under Section 18004 of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. FAQ #1 was modified to change the deadline for institutions to spend HEERF grant funds under the CARES Act to one year from the date of award in their HEERF Grant Award Notification (GAN) rather than until September 30, 2022 to use the HEERF grant funds.

A copy of the revised Supplemental FAQs is found at:
<https://www2.ed.gov/about/offices/list/ope/caresactsupplementalfaq63020-080630revision.pdf>.

OCR Announces that Title IX Rules are Not Retroactive

On August 5, 2020, the Department of Education's Office of Civil Rights (OCR) announced in a blog post that the effective date of the Title IX rule is August 14, 2020. OCR also stated that it would not enforce the new Title IX rule retroactively. The blog states that on page 127 of the Preamble to the Rule, "the Department states unambiguously that the Department will not enforce these final regulations retroactively."

A copy of the blog is found at: <https://www2.ed.gov/about/offices/list/ocr/blog/index.html>.

FSA Announces Changes Made to COD System to Report Students with R2T4 Waivers

On July 30, 2020, Federal Student Aid (FSA) announced changes made to the Common Origination and Disbursement (COD) System to support the reporting requirements for withdrawn students who qualify for a Title IV waiver under the CARES Act. FSA plans to implement COD System functionality to support reporting requirements for the CARES Act in two phases:

- August 2, 2020: The COD System will be updated to include a new Coronavirus Indicator (in the form of a checkbox). A school will use the checkbox to indicate that an aid recipient's actual disbursement qualifies for Direct Loan cancellation (and the exclusion from the Direct Loan annual limits and Subsidized Loan usage calculations), and the exclusion from Pell LEU calculations and TEACH Grant award limits.

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- Fall 2020: Additional COD System functionality will be implemented to support R2T4 waiver reporting requirements for the CARES Act, including updates to the SULA calculator and a new school report. FSA will begin passing information about disbursements marked with the Coronavirus Indicator to NSLDS.
- Fall 2020: FSA will make changes to the Return of Title IV calculator to allow schools to perform an R2T4 calculation specifically for aid recipients who withdrew due to COVID-19-related circumstances. This will provide a mechanism for reporting the amount of Title IV grant or loan assistance not returned due the CARES Act provisions.

A copy of the FSA announcement is found at: <https://ifap.ed.gov/electronic-announcements/073020AddtlCODSysImplInfoCODSysChangesSupportCARESAct>.

OCR Releases Training Webinar for Title IX Decision Makers and Hearing Officers

On July 23, 2020, the Office for Civil Rights released a training webinar titled, *Conducting and Adjudicating Title IX Hearings: An OCR Training Webinar*, which addresses the role and responsibilities of the people who conduct and adjudicate grievance proceedings involving an allegation of sexual harassment under the new Title IX rules.

The webinar is found at: https://youtu.be/yQ4-S5_Jahw.

Other webinars are also available on the Title IX rules and include: *New Title IX Protections Against Sexual Assault*; *Due Process Protections under Title IX*; and *Title IX Regulations Addressing Sexual Harassment*.

The other webinars are found at: <https://www2.ed.gov/about/offices/list/ocr/blog/index.html>.

FSA Announces Upcoming Enhancement to eZ-Audit

On July 17, 2020, Federal Student Aid (FSA) announced an upcoming enhancement to eZ-Audit, scheduled for August 2, 2020. With this update to the web-based system, all schools and other entities required to submit financial statements and compliance audits to FSA will begin submitting those statements and audits electronically using eZ-Audit. Hard copies will no longer be mailed to FSA.

A copy of the announcement is found at: <https://ifap.ed.gov/electronic-announcements/071720ElectSubFinStatementsComplianceAudits4AllSchools>.

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ED Publishes 2020-2021 Award Year Deadline Dates for Reports

On July 16, 2020, the Department of Education published a notice in the *Federal Register* announcing the 2020-2021 award year deadlines for reports and other records associated with the FAFSA, the FSEOG Program, the FWS Program, the Federal Pell Grant Program, the TEACH Grant Program and the Iraq and Afghanistan Service Grant Program.

The Notice is found at: <https://ifap.ed.gov/sites/default/files/attachments/2020-07/FR071420.pdf>.

OPE Provides Update on Required CARES Act Quarterly Reporting

On July 10, 2020, the Department of Education released a *Coronavirus Aid, Relief and Economic Security (CARES) Act* update on the quarterly reporting requirement, which outlines a process for schools to meet the reporting requirement for any grantee that receives more than \$150,000 in funds to report to the Department on a quarterly basis on how those funds are utilized. The Department has determined that monthly reporting requirements specified in the *Federal Funding Accountability and Transparency Act (FFATA) of 2006* would meet the CARES Act quarterly reporting requirement. The FFATA reporting appears to be separate and apart from the Higher Education Emergency Relief Fund (HEERF) grants to students reporting requirements.

We expect to hear more about the FFATA reporting in the near future, and we will keep you posted.

A copy of the new reporting requirements for HEERF grants to institutions is found at: <https://ifap.ed.gov/electronic-announcements/071020UpdateRequiredCARESActQtrlyReporting>.

OPE Announces Additional Regulatory Flexibilities Related to COVID-19

On July 10, 2020, the Office of Postsecondary Education (OPE) released additional flexibilities related to COVID-19 as institutions and their students continue to face challenges. The Department is extending the date for institutions to distribute their Annual Security Reports (ASRs) and Annual Fire Safety Reports (AFSRs) to December 31, 2020. Additionally, the annual crime and fire safety survey will be open from November 18, 2020 through January 14, 2021.

The Department is extending the deadline for submission of the 2021-2022 FISAP until November 2, 2020. The December 15, 2020 deadline for submission of 2020-2021 FISAP edit corrections and the Perkins Cash on Hand remains unchanged.

A copy of the announcement is found at: <https://ifap.ed.gov/electronic-announcements/071020AdditionalRegulatoryFlexRelatedCOVID>.

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FSA Announces that the 2020 FSA Training Conference to be Delivered Virtually

On July 10, 2020, Federal Student Aid (FSA) announced that the 2020 FSA Training Conference will be delivered virtually on December 1-4, 2020. More details will be posted later this summer.

A copy of the announcement is found at: <https://ifap.ed.gov/electronic-announcements/071020FSATrainConfFinAidProf2020VirtualDec2020>.

FSA Announces Progress on the Next Gen FSA Initiative and StudentAid.gov

On June 29, 2020, Federal Student Aid (FSA) released an electronic announcement summarizing the updates to the Next Gen FSA initiative and StudentAid.gov (<https://studentaid.gov>). Features that are now available are:

- **Loan Simulator Enhancements:** Loan Simulator, initially launched in February, has been enhanced to allow borrowers with varied loan portfolios to receive more refined recommendations, including multiple repayment plans appropriate for their various loan types.
- **Public Service Loan Forgiveness (PSLF) Help Tool Enhancements:** The PSLF HELP Tool has been updated to provide borrowers with information about employer eligibility through an FSA-managed employer database. After a borrower finds his/her employer, he/she will receive a notification of the employer's eligibility status as eligible, ineligible, or likely ineligible for PSLF.

Additional updates will be shared throughout 2020.

The electronic announcement can be found at: <https://ifap.ed.gov/electronic-announcements/062920NexGenFSAStudentAidgovWebEnhanceJune2020>.

Trump Administration Rescinds July 6th Guidance that would have Prohibited International Students from Studying at Campuses Offering Online-Only Instruction in the Fall

On July 14, 2020, the Trump Administration rescinded guidance that it had announced on July 6, 2020, which would have prohibited international students from studying at campuses offering online-only instruction in the Fall term and reverted to the earlier March guidance, which permitted international students to enroll in online programs. Pushback came from the higher education community that included multiple lawsuits, alleging unnecessary cruelty by the White House during a pandemic.

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The Trump Administration announced its decision to rescind its prior guidance at the hearing held on July 14, 2020 that was related to a lawsuit brought by Harvard University and the Massachusetts Institute of Technology. U.S. District Court Judge Allison D. Burroughs, who presided over the lawsuit, announced that the parties had reached a resolution.

FTC Sends More than \$1 Million in Refunds to Victims of Student Loan Debt

The Federal Trade Commission (FTC) announced that it is mailing checks totaling more than \$1 million to 41,048 victims who lost money to a student loan debt relief scam. American Student Loan Consolidations and BBND Marketing settled FTC allegations that the companies' operators pretended to be affiliated with the Department of Education or with loan servicers to trick consumers into paying hundreds of dollars in illegal upfront fees for help with their student loans. The FTC alleged that the companies falsely promised to forgive student loans, lower monthly payments, and reduce interest rates.

A copy of the FTC press release is found at: <https://www.ftc.gov/news-events/press-releases/2020/04/ftc-sends-more-1-million-refunds-victims-online-selling-scam>.

CFPB Releases *Your Financial Path to Graduation* Web Tool

On July 15, 2020, the Consumer Financial Protection Bureau (CFPB) released the *Your Financial Path to Graduation* web tool that is designed to help students understand the total cost of attending college and make informed decisions about paying for their education. According to CFPB, the web tool helps students turn financial aid offers into plans to pay for school step-by-step, explaining terms, offering money saving tips, and tracking uncovered costs. Once students finish making a plan, the web tool estimates the total debt at graduation and offers information to help the students evaluate whether that debt is affordable in the long run.

An explanation of the web tool is found at: <https://www.consumerfinance.gov/paying-for-college/your-financial-path-to-graduation/?houx=826&fdx=340&clhx=87&trnx=324&hltx=121&entx=94&retx=22&taxx=-6&othx=385>.

Recent ICE Guidance Bars New International Students from Online-Only Enrollment for the Fall

On August 7, 2020, the U.S. Immigration and Customs Enforcement (ICE) provided clarifying questions and answers for international students indicating that travel restrictions will only apply to newly enrolled students whose postsecondary programs will operate solely online for the fall term.

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However, if the student was enrolled in a program on March 9, 2020, but subsequently left the country, “that student likely remains eligible for a visa since the March 2020 guidance permitted a full online course of study from inside the United States or from abroad.”

This update results from the Trump Administration’s decision to rescind its initial guidance that barred international students from remaining in the country if the student was enrolled in an online-only program.

A copy of the new guidance is found at: <https://www.ice.gov/doclib/coronavirus/covid19faq.pdf>.

ACE and Other College Groups Send Letter to the Senate Leadership Urging them to Extend the Student Loan Relief Provisions in the CARES Act

On July 29, 2020, the American Council on Education (ACE) and other college groups sent a letter to Senate Majority Leader Mitch McConnell (R-KY) and Minority Leader Chuck Schumer (D-NY) urging them to extend the student loan relief provisions included in the Coronavirus Aid, Relief, and Economic Security (CARES Act) until September 30, 2021. “As Congress considers steps to strengthen the economy and support those adversely impacted by the pandemic, we write to ask that you include measures to help student loan borrowers by extending and expanding loan relief provisions that were provided in the CARES Act,” the letter said. “These provisions are set to expire by October of this year, yet with millions of Americans currently unemployed and the economy still struggling to recover from the pandemic, the need for relief remains and will continue into the foreseeable future.” The letter urged Congress to extend the provisions until April 2021 at a minimum, so that it is pushed past the individual income tax deadline.

A copy of the letter is found at: <https://www.acenet.edu/Documents/Letter-Senate-Borrower-Relief-Extension-072920.pdf>.

Consumer Groups Send Letter to Senate Leadership Expressing Opposition to the *Safely Back to School and Back to Work Act*

On July 28, 2020, several consumer groups sent a letter to the Senate leadership expressing opposition to the *Safely Back to School and Back to Work Act*, which was introduced by Chairman of the Health, Education, Labor and Pensions (HELP) Committee Lamar Alexander (R-TN). The letter said that, while simplifying the Free Application for Federal Student Aid and establishing clear repayment options are worthy goals, the legislation “would actually penalize many borrowers and remove important protections, while ignoring the urgent needs for both student loan debt cancellation and, at the very least, extension and expansion of the automatic forbearance period put in place by the CARES Act.”

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A copy of the letter is found at: <https://younginvincibles.org/wp-content/uploads/2020/07/Response-Letter-to-Safely-Back-to-School-and-Back-to-Work-Act.pdf>.

22 States File Suit Against ED Challenging the Borrower Defense to Repayment Rule

On July 15, 2020, 22 states and the District of Columbia filed a lawsuit in the U.S. District Court for the Northern District of California challenging the Department of Education's final rule on borrower defense to repayment that went into effect on July 1, 2020. As reported in various newsletters, the lawsuit, which was led by California Attorney General Xavier Becerra and Massachusetts Attorney General Maura Healey, states that the new rule makes it more difficult for federal student loan borrowers to obtain loan forgiveness if they believe they are defrauded by their college. The lawsuit comes two weeks after the House failed to override President Trump's veto of a bill passed by Congress that would have blocked the implementation of the rule from taking effect on July 1, 2020.

Middle States Commission Would be the Second Regional Accrediting Agency to Consider Colleges and Universities from Outside their Traditional Geographic Borrowers

On July 13, 2020, the Middle States Commission on Higher Education announced that it would become the second regional accrediting agency to take advantage of the new federal authority to consider colleges and universities from outside their traditional geographic boundaries effective July 1, 2020. The first accrediting agency that announced its plan to expand accreditation to institutions outside its geographic boundaries was made by the Western Association of Schools and Colleges' Senior College and University Commission in February 2020.

The announcement is found at: <https://www.msche.org/2020/07/13/msche-endorses-domestic-and-international-membership-expansion/>.

Zovio to Sell to the University of Arizona Global Campus

On August 3, 2020, Zovio announced that it entered into an agreement to sell Ashford University, a 100 percent online university that enrolls about 35,000 students, to a new nonprofit entity called the University of Arizona Global Campus. Zovio, the publicly traded parent company of Ashford University, will support the University of Arizona Global Campus through a long-term Strategic Services Agreement.

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A copy of the announcement is found at: <https://www.zovio.com/media-room/zovio-and-university-arizona-announce-transformational-higher-ed-agreement>.

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