The Torch

February 27, 2015

A bi-weekly report from the Coalition of Higher Education Assistance Organizations

Top News

- **COHEAO Continues Work to Continue Perkins Program**
  COHEAO has been working extremely hard to talk to Congress about the Perkins Loan Program and has met with a lot of interest in coming up with ways to continue the program.

COHEAO

- **Applications Available for 2015-2016 COHEAO Scholarship**
  COHEAO is pleased to offer up to four $1,000 scholarships for the 2015-2016 Academic Year. Eligible applicants are students entering their sophomore year through graduate studies who are enrolled at COHEAO-member colleges and universities.
- **Wednesday, March 4 Free COHEAO Webinar: The Perkins Loan Program: What Are the Facts? What Can Be Done?**
  COHEAO is pleased to announce it will be hosting a FREE webinar, "The Perkins Loan Program: What Are the Facts? What Can Be Done?" The webinar is scheduled for 2:00-3:30 PM EST on Wednesday, March 4, and will feature presentations from our COHEAO President Maria Livolsi and Perkins Taskforce Chair Pam Devitt. Sign up today!
- **COHEAO Signs NDD United Letter to Congress and President**
  Last Wednesday, COHEAO joined NDD United, an alliance of organizations working together to protect nondefense discretionary funding, along with more than 2,100 organizations in signing a letter that urges Congress and President Obama to work together to end sequestration.

Congress

- **Alexander Commits to Finishing Higher Education Act Reauthorization by End of Year**
  After the Senate HELP committees first hearing on the Higher Education Act this Congress (see below for summary),Chairman Lamar Alexander (R-TN) told reporters that he expected to finish a rewrite of the act by the end of the year.
- **Special Attachment: HELP Committee Hearing on Higher Education Regulations**
  This Tuesday, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, "Recalibrating Regulation of Colleges and Universities: A Report From The Task Force on Government Regulation of Higher Education."
- **Senator Burr Introduces Legislation to Ease Higher Education Federal Regulation**
  Following the Senate HELP Committee's hearing on Tuesday, Sen. Richard Burr (R, NC) introduced S. 559, "Supporting Academic Freedom through Regulatory Relief Act," a bill similar to H.R. 970 that Rep. Virginia Fox (R-NC) presented to the House last week.

- **Senate Democrats Send Letter to Duncan Calling for Corinthian Loan Forgiveness**
  Continuing to frame the issue around federal student loan "profits," Sen. Elizabeth Warren (D-MA) and a small group of Senate Democrats wrote Secretary of Education Arne Duncan calling for the Department to forgive the debts of borrowers at Corinthian Colleges.
- **Staff Changes: Williams Leaves E&W Democrats to Join CFPB**
  Rich Williams, formerly a senior advisor for higher education for House Education and the Workforce Committee Ranking Member Bobby Scott, has left the Committee for a position with the Consumer Financial Protection Bureau (CFPB).
- **Sanders Calls for Federal Government to Make Tuition Free for Two Years**
  Last Thursday, Senator Bernie Sanders (I-VT), a possible 2016 Presidential contender, called on the federal and state governments each to invest $18 billion per year in public institutions of higher education in order to make college tuition free for two years.
- **House Approves Expansion of 529 College-Savings Plan**
  The House passed legislation on Wednesday to modestly expand 529 college savings plans

White House & Administration

- **"Pay As You Earn" and SCRA Negotiated Rulemaking Commences**
  The Department of Education launched its latest round of negotiated rulemaking at the Office of Postsecondary Education in Washington this week, focused on rules that would expand income based repayment's more generous "Pay As You Earn" (PAYE) terms to all borrowers not already covered.
- **ED Releases New Third Party Servicer Data Form**
  The Department of Education (ED) posted an announcement online regarding the reporting requirement for entities/individuals that perform work on behalf of Title IV eligible institutions.
- **CFPB reports that more 50 Million Credit Card Consumers Have Access to Free Credit** Scores
  The Consumer Financial Protection Bureau (CFPB) reports that more than 50 million consumers now have access to free and regular credit score assessments through their monthly credit card statements or online.
- **Feedback on College Ratings System Reflects Opposition and Advice**
  Public comments on the Department of Education's college ratings system were due last Wednesday.
- **New York Fed Releases Report that Shows Rise In Student-Loan Delinquency Rate**
  The New York Federal Reserve released data last Tuesday that showed 11.3 percent of student loans were delinquent in the last three months of 2014, up from 11.1 percent in the previous quarter.

Industry

- **Fifteen Former Corinthian Students Announce Student Debt Strike**
  Debt Collective- an offshoot of the Occupy Wall Street movement- announced a student "debt strike" that is being carried out by 15 former Corinthian College students across the country demanding the Department of Education forgive their debt.
- **Study Finds Improvements Necessary for Student-Loan Counseling**
  A new study conducted by TG, a nonprofit organization that provides borrowers with support in navigating the federal student-aid process, found that the U.S. Department of Education's online student-loan exit-counseling model, used by colleges across the country, has many flaws.
- **New Study Analyzes Job Prospects for College Grads: College Degrees Still Worth It**

The Center on Education and the Workforce at Georgetown University recently released a report, “From Hard Times to Better Times,” that breaks down unemployment and income by major and degree.

- **African American Families Carry Increasing Student Debt Compared to White Families**
  Since the beginning of the 2000s, the percent of African American families with student debt has eclipsed the percent of white families with student debt.

Attachments

- **COHEAO Commercial Members**
- **COHEAO Board of Directors**
- **COHEAO 2015 Scholarship Poster**
- **Briefing on Senate HELP Committee Hearing on Higher Education Regulations**

Top News

COHEAO Continues Work to Continue Perkins Program

COHEAO has been working extremely hard to talk to Congress about the Perkins Loan Program and has met with a lot of interest in coming up with ways to continue the program. Universities in the past two weeks have joined together to make calls to key House and Senate offices from Washington state, Kentucky, Tennessee and North Carolina. More calls are being organized. Details will be provided in a webinar provided by COHEAO leaders next Wednesday, March 4th.

The Department of Education has indicated that they are working on what would happen if Perkins does lose its authorization to continue, a reasonable approach from the agency. COHEAO is working with the Department on the many technical issues that would arise, including questions regarding the "grandfathering" of students who have received a Perkins Loan before October 1, 2015. The Department today again indicated a willingness to work with COHEAO on a definition of "program of study" that is reasonable and, for example, considers students in undeclared majors. The Department also made clear that that the guidance provided in a recent Dear Colleague letter on grandfathering continuing Perkins borrowers would be revisited if the program is extended temporarily to take into account what any change in the law might mean. COHEAO has suggested that another year of loans ought to be included in the grandfathering provision announced in the DCL if Congress does extend Perkins beyond Sept. 30.

More and more Members of Congress have expressed support for Perkins, and COHEAO is working closely with several key offices on legislation that would extend Perkins**. It is important to note that Congress is the only body that can decided the future of Perkins – and it has not made a decision.** Congress will have to act to extend almost all the programs in the Higher Education Act beyond this Sept. 30th, and the Department has repeatedly stated that it will consider Perkins to be extended in such a scenario unless Congress specifically excludes the program.

COHEAO

Applications Available for 2015-2016 COHEAO Scholarship

COHEAO is pleased to offer up to four $1,000 scholarships for the 2015-2016 Academic Year. Eligible applicants are students entering their sophomore year through graduate studies who are enrolled at COHEAO-member colleges and universities. Linked to this email please find a list of COHEAO members, the application, FAQs and a poster that you may want to display in the appropriate places on your campus.

Applications must be postmarked by March 31, 2015 and scholarships will be awarded in June 2015. If you have any questions regarding the COHEAO scholarship and how to apply for it, please send an email to Wes Huffman of the COHEAO staff or Jeane Olson of Northern Arizona University, Scholarship Chair for COHEAO.

- Click here for a list of COHEAO members
- Click here for the 2015-2016 COHEAO Scholarship Application
- Click here for the 2015-2016 COHEAO Scholarship FAQs
- Click here for the 2015-2016 COHEAO Scholarship Poster

Additional information on the COHEAO scholarship is available online, http://www.coheao.com/about-2/scholarship/

Wednesday, March 4, FREE COHEAO Webinar: The Perkins Loan Program: What Are the Facts? What Can Be Done?

COHEAO is pleased to announce it will be hosting a FREE webinar, "The Perkins Loan Program: What Are the Facts? What Can Be Done?" The webinar is scheduled for 2:00-3:30 PM EST on Wednesday, March 4, and will feature presentations from our COHEAO President Maria Livolsi and Perkins Taskforce Chair Pam Devitt. Sign up today!

Maria and Pam will review the recent Dear Colleague Letter from the Department of Education and cover Legislative News, COHEAO's Campus Flex Proposal, and Tips for Advocating for the Perkins Loan Program. Additionally, there will be time for questions and answers at the end of the webinar.

Maria Livolsi is the President of COHEAO and the Director of the State University of New York Student Loan Service Center where she manages one of the largest Perkins portfolios in the country. She is actively involved with Perkins advocacy efforts in New York State and on a national level with COHEAO. Pamela Devitt is a Legislative Analyst for the University of Illinois. She too is very involved with COHEAO's Perkins advocacy efforts and has led the development of COHEAO's Campus Flex proposal.

This FREE webinar is one you will not want to miss! Register today!

COHEAO Signs NDD United Letter to Congress and President

Last Wednesday, COHEAO joined NDD United, an alliance of organizations working together to protect nondefense discretionary funding, along with more than 2,100 organizations in signing a letter that urges Congress and President Obama to work together to end sequestration. The letter emphasizes (1) the importance of nondefense discretionary (NDD) programs, (2) the harmful effects of budget cuts to date that impact people who are homeless, unstably housed, and low income, and (3) the equal importance of both defense and nondefense programs in America’s security at home and abroad, and thus the need for equal sequestration relief.

“We’ve found that there are not only real consequences of budget cuts, such as job losses, longer wait lists, and curtailed services, but there are opportunity costs, as well,” said Emily Holubowich, Executive Director of the Coalition for Health Funding and founding Co-Chair of NDD United.

For the letter, see:
http://www.publichealthfunding.org/uploads/NDDUnited.SignOn.Feb2015.FINALwithSigs.pdf

Congress

Alexander Commits to Finishing Higher Education Act Reauthorization by End of Year

After the Senate HELP committees first hearing on the Higher Education Act this Congress (see below for summary),Chairman Lamar Alexander (R-TN) told reporters that he expected to finish a rewrite of the act by the end of the year. The chairman said that he planned to hold a round of hearings in April, release draft a version of the bill by July, hold a markup just before or after the August Recess, and bring to the floor in September, or whenever there is time before the full Senate.

Inside Higher Ed reports, "A key priority for Alexander in renewing the massive law that governs colleges and universities is reducing federal red tape in higher education that 'should be an embarrassment to all of us in the federal government.' Although Alexander did not mention that he had plans to work directly with the House on rewriting the act, he did say that effort in the Senate would be bipartisan and would move forward on a "parallel track" to the House's work.

Currently, the focus remains on the reauthorization of the Elementary and Secondary Education Act (ESEA). Alexander and Ranking Member Patty Murray (D-WA) are currently working toward a bipartisan bill. However, the House experience with the reauthorization of ESEA (H.R.5) shows there is no sure thing when it comes to education legislation, which could lead to further delays.

The Leadership in the House was forced to discontinue the debate on H.R. 5 before moving to legislation to keep the Department of Homeland Security operating. With today's deadline looming for a DHS shutdown, the House had to move to consider a bill to keep the Department funded, but it was also apparent they do not have the votes on ESEA reauthorization just yet.

For more information, see: https://www.insidehighered.com/news/2015/02/25/alexander-says-congress-will-pass-higher-ed-act-year-backs-plan-cut-regulations

Special Attachment: HELP Committee Hearing on Higher Education Regulations

This Tuesday, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, "Recalibrating Regulation of Colleges and Universities: A Report From The Task Force on Government Regulation of Higher Education." The hearing focused on the final report from the Task Force on Government Regulation of Higher Education. The Task Force was appointed in 2014 by Sens. Lamar Alexander (R-TN), Barbara Mikulski (D-MD), Richard Burr (R-NC), and Michael Bennet (D-CO). The report, which was published last week, was prepared by 16 higher education leaders and the American Council on Education. Sen. Mikulski said at the hearing that the report's recommendations were a "road map" for improving the quality and efficiency of America's higher education system.

The two co-chairs of the task force, Dr. William "Brit" Kirwan, chancellor of the University System of Maryland, and Nicholas Zeppos, chancellor of Vanderbilt University, testified before the attending committee members and gave insight on what they believe to be the most problematic of the regulations in place. Senator Alexander praised the report for its clarity and called it a "blueprint for the future" and "a basis for much of what we do in the reauthorization" of the Higher Education Act.

Sen. Patty Murray (D-WA), Ranking Member of the HELP Committee, expressed an understanding of the need to ensure colleges and universities can work more efficiently and effectively, and signaled that she was open to working with Republicans to improve the rulemaking process, but that such reforms should not remove protection for students and faculty. "It would be a mistake to roll back important protections for faculty, students and families," she said. Murray specifically singled out federal regulations in the Clery Act and Title IX that govern sexual assault on college campuses.

Attached with this week's edition is a full summary of the hearing.

Senator Burr Introduces Legislation to Ease Higher Education Federal Regulation

Following the Senate HELP Committee's hearing on Tuesday, Sen. Richard Burr (R, NC) introduced S. 559, "Supporting Academic Freedom through Regulatory Relief Act," a bill similar to H.R. 970 that Rep. Virginia Fox (R-NC) presented to the House last week. The act would put an end to many of the regulations, and proposed rules from the Obama Administration relating to higher education.

The bill would repeal regulations around defining credit hours, state oversight of colleges that operate across state lines, gainful employment, and teacher training programs. It would also prohibit the Administration from creating its much contended college ratings system and ease burdens on for-profit colleges, particularly relating to "gainful employment."

The legislation has the support of at least 25 advocacy groups, including the American Council on Education, who worked on the Recalibrating Regulation of Colleges and Universities report. However, some student and consumer groups expressed disappointment with ACE and other higher education associations supported a bill repealing many of the regulatory actions of the Department of Education targeted at the proprietary sector.

"Our colleges and universities are struggling under new regulations imposed by this administration," said Senator Burr. "Bureaucrats at the Department of Education have become addicted to micromanaging nearly every aspect of campus life, wading into issues Congress never authorized and most commonsense Americans don't support. Worse, these reporting requirements ultimately are passed down to students and parents in the form of higher tuition, as colleges and universities become compliance-driven organizations, rather than institutions of learning. My legislation rolls back much of this burdensome red tape."

For a press release from the office of Sen. Burr, see:
http://www.burr.senate.gov/public/index.cfm?FuseAction=PressOffice.PressReleases&ContentRecord_id=bea9ecc3-dd9c-0ddd-6cae-11676af3c1ba

Senate Democrats Send Letter to Duncan Calling for Corinthian Loan Forgiveness

Continuing to frame the issue around federal student loan "profits," Sen. Elizabeth Warren (D-MA) and a small group of Senate Democrats wrote Secretary of Education Arne Duncan calling for the Department to forgive the debts of borrowers at Corinthian Colleges. They also claim the Department is not doing enough to help struggling borrowers, going as far as to claim the feds "gouge" delinquent students.

Warren's letter continues to frame the issue around the "profits" of the federal loan program. While some policymakers, including some within the Obama administration, are expressing concern with the fiscal impact of the varying student loan repayment assistance programs, the letter indicates recent re-estimates suggesting the programs are costing more than expected is a good thing. Calling these downward re-estimates "encouraging," the group continues to express concern that student loan borrowers are generating revenue for the federal government.

To view the letter online, see:
http://www.warren.senate.gov/files/documents/2015_25_02_Letter_to_Secretary_Duncan_re_Student_Loan_Profits.pdf

Staff Changes: Williams Leaves E&W Democrats to Join CFPB

Rich Williams, formerly a senior advisor for higher education for House Education and the Workforce Committee Ranking Member Bobby Scott, has left the Committee for a position with the Consumer Financial Protection Bureau (CFPB).

At the CFPB, Williams is expected to work on student financial services issues. Before joining the staff of the Education and the Workforce Committee Williams worked for US PIRG where he authored a report on alleged problems with campus debit cards.

Sanders Calls for Federal Government to Make Tuition Free for Two Years

Last Thursday, Senator Bernie Sanders (I-VT), a possible 2016 Presidential candidate, called on the federal and state governments each to invest $18 billion per year in public institutions of higher education in order to make college tuition free for two years.

Sanders made the remarks during a visit to Iowa, expanding on a proposal he unveiled earlier this week that calls for a “revolution” in higher education funding. Sanders, who serves as the ranking member on the Senate Budget Committee, also proposed restructuring the student loan program by lowering interest on student debt.

“It makes no sense that students and their parents are forced to pay interest rates for higher education loans that are much higher than they pay for car loans or housing mortgages,” he said. “We must also end the practice of the government making $127 billion over the next decade in profits from student loans.”

For more information, see: http://thehill.com/policy/finance/233234-sanders-government-could-cut-college-tuition-in-half-by-investing-billions

House Approves Expansion of 529 College-Savings Plan

The House passed legislation on Wednesday to modestly expand 529 college savings plans. The bill, which allows 529 funds to be used toward computers and institutional refunds to be deposited back into the accounts without penalty, was largely in response to an initial proposal, since withdrawn, by President Obama to eliminate the tax benefits of 529s.

Reps. Lynn Jenkins (R-KS) and Ron Kind (D-WI) introduced the bill, H.R. 529, which passed with a 401-to-20 vote. The bill already has bipartisan support in the Senate. The Congressional Budget Office indicates H.R. 529 will carry a cost of $51 million over 10 years.

White House & Administration

“Pay As You Earn” and SCRA Negotiated Rulemaking Commences

The Department of Education launched its latest round of negotiated rulemaking at the Office of Postsecondary Education in Washington this week, focused on rules that would expand income based repayment’s more generous “Pay As You Earn” (PAYE) terms to all borrowers not already covered. Also included in the agenda is a proposal to formally add to the regulations guidance issued last fall on how FFELP lenders can implement the Servicemembers Civil Relief Act benefits.

The first of three rounds of negotiations went relatively smoothly, ending more than day earlier than scheduled. The negotiations covered protocols, adding items to the agenda for discussions, explanations from the Department as to why items are being put on the negotiating table, and opening statements from the non-federal negotiators giving their views on the agenda topics.

No major changes to the agenda are going to be added by the Department, although they did indicate they may add five areas.

The next round of negotiations will take place in late March.

Other regulations that are under consideration include a series of items discussed last year in a "program integrity" negotiation. The Department still plans to issue regulations on cash management, state authorization of distance education programs and credit hours before Nov. 1 this year, with indications that the cash management NPRM will be the first to be published. It is anticipated there will be a 60 day comment period for each program integrity NRPM and that they will be published for comment individually.

ED Releases New Third Party Servicer Data Form

The Department of Education (ED) posted an announcement online regarding the reporting requirement for entities/individuals that perform work on behalf of Title IV eligible institutions. It previously sent a Dear Colleague Letter on January 9 stating that it had determined that a significant number of higher education institutions failed to report, update and/or incorrectly report third party servicer information to the Department required under regulations. The Department received the Office of Management and Budget's approval to collect the information necessary for effective oversight.

The recent announcement includes the updated *Third Party Servicer Data Form.* It is now necessary for all companies that provide services for the Title IV programs to fill out the attached form and return to the Department within a 30 day period. Servicers need to provide company information, client's school OPID#, name of each school, and the service start and end date. To make the process easier, companies are allowed to use an excel spreadsheet to provide client information. Prior to this announcement, it was the responsibility of the institution to report the third party servicer information.

For the Department's Electronic Announcement, please see:
http://ifap.ed.gov/eannouncements/021215ThirdPartyServDataFmRptReq.html

For the Third Party Servicer Data Form, please see:
http://ifap.ed.gov/eannouncements/attachments/ThirdPartyServicerDataFormAttachment.docx

CFPB reports that more 50 Million Credit Card Consumers Have Access to Free Credit Scores

The Consumer Financial Protection Bureau (CFPB) reports that more than 50 million consumers now have access to free and regular credit score assessments through their monthly credit card statements or online. After launching an initiative last year urging credit card issuers to provide consumers with free credit scores on their monthly bills, the regulators were pleased to announce that a number of financial institution fulfilled their request.

More than a dozen credit card issuers now provide such access to scores. The CFPB also released a new consumer focus group study showing that while scores are more readily available, many consumers remain confused over these numbers and their significance. The focus group found that consumers often feel that they lack information to take action to improve their credit histories. Unsurprisingly, the group found that consumers who are more engaged in the financial system check their credit reports regularly.

For more information, see: http://www.consumerfinance.gov/newsroom/cfpb-reports-that-more-than-50-million-credit-card-consumers-have-access-to-free-credit-scores/

Feedback on College Ratings System Reflects Opposition and Advice

Public comments on the Department of Education's college ratings system were due last Wednesday. Comments received reassert the wide-ranging concerns of many in higher education over the ratings framework. Last week, ED officials said the first draft of the system should be out by this summer, but re-stated that legislation tying federal money to the system will not proposed until the Department is completely comfortable with its final framework.

Several organizations are now offering advice on how the Administration should develop a federal ratings system, despite many disagreeing with it being built in the first place. *Inside Higher Ed* reports, "The American Association of Community Colleges, for instance, remains opposed to ratings, but pointed department officials to the Social Security Administration as 'likely the best source' for any earnings data. And if the Education Department decides to publish earnings information, the group said, officials should break down that information by academic program rather than publishing aggregate data for an entire college. Public universities, too, reiterated their opposition to the ratings but said they supported efforts to cut off federal funding to institutions that perform poorly on certain metrics like students' rates of degree completion, post-graduate employment and repaying their education loans. The comments from the Association of Public and Land-grant Universities echoed an 'alternative' to the ratings plan that the group has previously proposed. The Association of American Universities -- while maintaining that it 'is inappropriate for the federal government to rate institutions' -- offered tepid support for evaluating colleges' ability to produce graduates who find employment that pays above a certain minimum amount."

One particular area that the department has not decided upon is whether the system should assign a singular rating to colleges or measure and publish institutions' performance on various other metrics.

The advocacy groups and think tanks that support the ratings system left comments stating that the Administration should include student debt information as part of it. Furthermore, a coalition of groups dubbed the Postsecondary Data Collaborative suggested that the Department break down colleges' graduation rates and other performance metrics by race and ethnicity. This round of comments also brought with it disagreements over whether the Department should adjust a college's rating based on the demographics of the student population.

The Department of Education will use the feedback it has received to produce an official first draft of the ratings system this summer. All comments will be made public and will be available on the Department's website.

For coverage from *Inside Higher Ed*, see: https://www.insidehighered.com/news/2015/02/19/some-college-groups-opposed-obama-ratings-plan-offer-ideas-how-structure-system?utm_source=Sailthru&utm_medium=email&utm_term=Education%20Dive%3A%20Higher%20Ed&utm_campaign=Issue%3A%202015-02-19%20Higher%20Ed%20Education%20Dive%20Newsletter

New York Fed Releases Report that Shows Rise in Student-Loan Delinquency Rate

The New York Federal Reserve released data last Tuesday that showed 11.3 percent of student loans were delinquent in the last three months of 2014, up from 11.1 percent in the previous quarter. The Quarterly Report on Household Debt and Credit for the fourth quarter revealed that American household debt -- including mortgages, credit cards, auto loans, and student loans -- rose $117 billion, or 1.0 percent between October and December to $11.8 trillion. The report is based on data from the New York Fed's Consumer Credit Panel, a country-wide representative sample drawn from randomly selected Equifax credit data.

Total student loan debt rose $31 billion last quarter to $1.16 trillion. Just 10 years prior, student loan debt stood at $363 billion, a third of the number it is at now.

Bloomberg Business reports, "Delinquency rates for student loans probably understate the actual situation, according to today's report. About half of the student loans are in deferment, in grace periods or in forbearance, temporarily removing them from the repayment cycle. Education debt delinquency levels have come down since 2013, when the rate reached 11.8 percent, yet remain elevated from around 6 percent a decade ago, according to the New York Fed."

The 90+ day delinquency rate for student loans increased substantially since the NY Fed started collecting loan data in 2003, and student loans have the highest delinquency rate of any form of household credit. One of the reasons for this high rate is that student debt is not easily dischargeable in bankruptcy so the debt stays on the books indefinitely in most cases.

The report also shows that early delinquencies are worse among lower-balance borrowers. This applies to default rates as well. In a separate article, *Bloomberg Business* reports, "College students whose loans became due in 2009 -- which means they likely left school around that time – were more likely to be in default than those with earlier loans. Twenty-six percent of this group ended up in default five years out of school. That means they're falling behind on payments much faster than previous cohorts the Fed looked at." The results for this 2009 cohort show that the highest default rates, at nearly 34 percent, are among the borrowers who owe less than $5,000. People with total loans of less than $10,000 were the next most likely to default. This is important because nearly 43 percent of Americans with loans due in 2009 owed less than $10,000. Meanwhile, between 2004 and 2014, there was a 74 percent increase in average balances and a 92 percent increase in the number of borrowers.

In three subsequent "Liberty Street" blog posts from Feb. 18-20, economists at the New York Fed dissect data from the credit bureau Equifax to analyze student loan performance. The blog posts offer some new details on the state of the student loan market. The first post detailed growing balances, the distribution of balances among borrowers, and, though the authors were careful to note their findings do not undermine college as a worthy investment, it allowed the economists to again suggest student debt is becoming a barrier to homeownership.

The second and third post were much more intriguing, as the economists took data from the Consumer Credit Panel (CCP) and attempted to create cohorts to track throughout repayment. In the second post, the authors use the credit bureau data to create lifetime cohort default rates for student loans, and the results are not pretty. According to the New York Fed's analysis, lifetime cohort default rates for student loans hover around the 25-28 percent range, and 2009 is defaulting at a much faster pace than previous cohorts. The post also provided information on who is defaulting, providing additional data suggesting low balance borrowers are more likely to default.

The third post looks at the progress of repayment. Again relying on the cohorts it created with CCP data, this post examines what is happening with student loan balances. The economists acknowledge there are a host of assistance programs for student loan repayment, including deferment, forbearance, and income-driven repayment, but note growing balances are troublesome for borrowers and the lender (in this case, taxpayers.). The post takes a closer look at individual cohorts, beginning with the 2010 cohort and going back to 2005.

For more information, see: http://www.bloomberg.com/news/articles/2015-02-17/student-loan-delinquencies-rise-in-u-s-as-education-debt-swells and http://www.bloomberg.com/news/articles/2015-02-19/people-with-low-student-debt-have-the-most-trouble-paying-it-back

For the New York Federal Reserve's Liberty Street blog, see: http://libertystreeteconomics.newyorkfed.org/

Industry

Fifteen Former Corinthian Students Announce Student Debt Strike

Debt Collective- an offshoot of the Occupy Wall Street movement- announced a student "debt strike" that is being carried out by 15 former Corinthian College students across the country demanding the Department of Education forgive their debt.

The Washington Post reports, "'Corinthian took advantage of our dreams and targeted us to make a profit,' the so-called Corinthian 15 wrote in a letter to the Education Department. 'You let it happen, and now you cash in. We paid dearly for degrees that have led to unemployment or to jobs that don't pay a living wage. We can't and won't pay any longer.'"

The strike is receiving considerable media attention and focusing its efforts on the Department of Education, not just Corinthian Colleges. A letter from Sen. Elizabeth Warren (D-MA) and five additional Democratic Senators to the Department of Education carries a similar theme (see related article).

The Atlantic reports, "The Debt Collective isn't focusing its campaign exclusively on the colleges responsible for the debt. The Department of Education, according to the group, is also to blame. 'Education is a business-driven model and in this case it's really clear,' said Laura Hanna, another organizer. 'These are people who are sold this idea that if they go to school and take on these loans they will have a better life. It's very clear that that did not happen here and it actually made these people's lives worse.'"

The Debt Collective organizers reached out to Corinthian students as the for-profit schools began to run into legal trouble. After failed attempts urging the Department of Education to forgive federal loans, the students and organizers decided to launch a strike. More than 100 borrowers have contacted the group since the onset of the strike, but before any of them can join they must attend a financial literacy workshop on the sever consequences of not repaying their debt.

The Washington Post adds, “Department spokesperson Denise Horn said the agency is committed to ‘upholding the rights of students who may have been harmed by the actions of institutions that participate in federal student aid programs,’ but stopped short of saying whether the department will forgive any federal loans.”

For coverage from *The Washington Post*, see: http://www.washingtonpost.com/news/get-there/wp/2015/02/25/a-dangerous-revolt-people-are-refusing-to-pay-back-student-loans/

For Coverage from *The Atlantic*, see: http://www.theatlantic.com/education/archive/2015/02/the-guardian-angels-of-student-debt/385756/

Study Finds Improvements Necessary for Student-Loan Counseling

A new study conducted by TG, a nonprofit organization that provides borrowers with support in navigating the federal student-aid process, found that the U.S. Department of Education’s online student-loan exit-counseling model, used by colleges across the country, has many flaws. Federal law requires that federal student aid borrowers receive exit counseling when they graduate, leave school, or drop below half-time enrollment. The Federal Government also mandates a large portion of the content covered in this counseling.

Researchers interviewed and observed borrowers at six higher education institutions using the Department of Education’s online exit counseling program. They found that while most borrowers begin counseling interested in learning more about their finances and optimal student loan repayment, issues with the current module and its substantial length discouraged most users from taking full advantage of the course.

Based on the study’s findings, TG worked with the National Association of Student Financial Aid Administers to create a list of recommendations for improving exit counseling.

The report’s primary recommendations include:

- *Providing a general introduction to the counseling, such as giving users an idea of how long it will take them to go through the materials and making a link to a YouTube video more prominently displayed so more people will click on it.*
- *Sending students regular loan-status reports, perhaps at the beginning and end of each semester.*
- *Making “loan profiles,” with details of students’ loans that correspond to the exit counseling.*
- *Offering better guidance on repayment plans that will make it easier for students to apply information to their individual situations.*
- *Motivating students to complete their counseling earlier or regularly through incentives.*

The report contains 17 design recommendations for institutions of higher education and policymakers to implement.

For the TG report, see: http://www.tgslc.org/research/counseling.cfm

New Study Analyzes Job Prospects for College Grads: College Degrees Still Worth It

The Center on Education and the Workforce at Georgetown University recently released a report, "From Hard Times to Better Times," that breaks down unemployment and income by major and degree.

Majors in education, physical sciences, and natural resources have some of the lowest unemployment rates in 2012 at 5.1 percent, 5 percent, and 4.5 percent respectively. On the other hand, unemployment rates for majors in architecture fall at 10.3 percent and the arts at 9.5 percent. Though architects may experience high unemployment rates after graduation, once they have gained 10 to 20 years of experience their income averages at $73,000 compared to those in education at $47,000.

Recent college graduates in engineering, computer sciences, and health have the highest average earnings, all over $40,000, while recent graduates in social work, the arts, and education are at the low end, making just above $30,000. However, a graduate degree and experience can greatly increase earnings, with communications and law degrees making about $76,000, social science and business degrees making a little over $90,000, and hard sciences making over $100,000.

The overarching finding of the report is that a degree, if completed on time, is still an extremely beneficial investment. Unemployment rates for young workers are about twice as high without a college degree, and similarly even experienced workers without a degree have an employment rate of 9.9 percent. Workers with a college degree on average make about 75 percent more than those with only a high school diploma, and both unemployment and income are extremely benefited with a graduate degree.

For more information, see: https://cew.georgetown.edu/report/hardtimes2015/

African American Families Carry Increasing Student Debt Compared to White Families

Since the beginning of the 2000s, the percent of African American families with student debt has eclipsed the percent of white families with student debt. More African Americans are now attending college than before, but because of historically lower family wealth, these students are forced to take out more loans in order to afford their education. This has caused the percentage of African American families with student debt to increase from 19 percent in 2001 to 42 percent in 2013, compared to white families going from 15 percent to 28 percent in the same period.

Additionally, family wealth disparities have increased dramatically over the last 20 years, with the gap between African American and white families having gone from just under $300,000 in 1992 to about $580,000 in 2013. Likewise, African American families are much less likely to receive large gifts or inheritances, which often go to paying for college tuition. Furthermore, graduation rates among African Americans are lower than their white peers, meaning that money invested in college does not always translate to increased earnings that a college degree can produce.

For more information, see: http://datatools.urban.org/Features/wealth-inequality-charts/

COHEAO Would Like to Thank Our Commercial Members for Supporting
<u>More Education for More People</u>

We Encourage Those Seeking Services to Give
These Committed Organizations Priority Consideration

Account Control Technology, Inc.

Asset Management Outsourcing

Automated Collection Services, Inc.

Campus Partners

Ceannate Corp.

Client Services Incorporated

Coast Professional, Inc.

ConServe

Core Recoveries

Credit Adjustments, Inc.

Credit World Services, Inc.

Delta Management Associates, Inc.

Educational Computer Systems

Enterprise Recovery Systems, Inc.

EOS CCA

General Revenue Corporation

Higher One, Inc.

iGrad

Immediate Credit Recovery, Inc.

Key 2 Recovery

Meade and Associates, Inc.

National Credit Management

National Enterprise Systems

National Recoveries, Inc.

NCC Business Services

NCO Financial Systems, Inc.

Northstar Location Services, LLC

Penn Credit

Premiere Credit

Progressive Financial Services, Inc.

Recovery Management Services, Inc.

Regional Adjustment Bureau, Inc.

Reliant Capital Solutions, LLC

Todd, Bremer & Lawson, Inc.

Virtuoso Sourcing Group

Williams & Fudge, Inc.

Windham Professionals, Inc.

Xerox Education Services, LLC

2015 COHEAO Board of Directors

President
Maria Livolsi
Director, Student Loan Service Center
State University of New York
5 University Place, A310
Rensselaer, NY 12144
518-525-2628
MLivolsi@albany.edu

Vice President
Carl Perry
Senior Vice President
Progressive Financial Services
516 N Production Street (Suite 100)
Aberdeen, SD 57401
800-585-4986
cperry@progressivefinancial.com

Secretary
Tom Schmidt
Associate Director of Student Account
Assistance & Third Party Billing
University of Minnesota
211 Science Teaching & Student Services
222 Pleasant St. SE
Minneapolis, MN 55455
612-625-1082
Fax: 612-624-2873
t-schm@umn.edu

Treasurer
Lori Hartung
Vice President
Todd, Bremer & Lawson
560 Herlong Avenue
Post Office Box 36788
Rock Hill, South Carolina 29732-0512
800-849-6669
Fax: 803-323-5211
lori.hartung@tbandl.com

Past President
Robert Perrin
President
Williams & Fudge, Inc.
300 Chatham Avenue, Suite 201
Rock Hill, SC 29731
803-329-9791 x 2104
Fax: 803-329-0797
bperrin@wfcorp.com

Member at Large
Larry Rock
Director of Student Loan Repayment
Concordia College
901 S. 8th St. S
Moorhead, MN 56562
218-299-3323
Fax 218-299-4357
larock@cord.edu

Member at Large
David Stocker
General Counsel
ACSI, Inc.
2802 Opryland Drive
Nashville, TN 37214
800-445.1736 x1845
Fax: 615.361.4816
DStocker@acsi.net

Member at Large
Cindy Schick
Vice President, Business Development
NCC Business Services of America, Inc.
9428 Baymeadows Road, Suite 200
Jacksonville, FL 32256
904-352-2745
Fax: 904-352-2746
Cschick@ncc-business.com

Commercial Committee Chair
Julie Mitchell-Barney
Enterprise Recovery Systems, Inc. (ERS)
Director of New Business and Product
Development
2000 York Road, Ste. 114
Oak Brook, IL 60523
877-969-9989
jbarney@ersinc.com

Legislative Chair
Jan Hnilica
Financial Services Manager
Wheaton College
501 College Ave.
Wheaton, IL 60187
Phone: 630-752-5180
Fax: 630-752-5555
Jan.hnilica@wheaton.edu

Legislative Co-Chair, Regulations
Lee Anne Wigdahl
Manager, Loan Administration
DeVry Inc.
814 Commerce Drive
Oak Brook, IL 60523
630-645-1178
Fax: 630 891-6292
lwigdahl@devrygroup.com

Legislative Co-Chair, Perkins
Pamela Devitt
Legislative Analyst, University Student Financial Services and Cashier Operations
University of Illinois
809 S. Marshfield Ave.
Chicago, IL 60612
312-996-5885
Fax: 312-413-3453
devitt@uillinois.edu

Internal Operations Chair
Jeane Olson
Director
Northern Arizona University
Gammage Building
Flagstaff, AZ 86011
928-523-3122
Jeane.olson@nau.edu

Internal Operations Co-Chair, Financial Literacy
Todd Woodlee
Associate Vice President
iGrad
1775 Warfield Dr.
Clarksville, TN 37043
706.231.0150
twoodlee@igrad.com

Internal Operations Co-Chair, Communications
Michael Mietelski
Regional Director of Business Development
ConServe
200 CrossKeys Office Park
P.O. Box 7
Fairport, NY 14450-0007
800-724-7500 x4450
mmietelski@conserve-arm.com

Internal Operations Co-Chair, Support
Nancy Paris
Vice President Client Services
RMS-Recovery Management Services, Inc.
4200 Cantera Drive, Suite 211
Warrenville, IL 60555
800-900-3944, ext. 104
Fax: 630-836-2413
nparis@rmscollects.com

Membership Chair
Karen Reddick
Vice President Business Development
National Credit Management
10845 Olive Blvd
St. Louis, MO 63141
800-627-2300, 229
kreddick@ncmstl.com

Membership Co-Chair, Institutions
Jeff "JP" Pfund
University of Wisconsin, Madison
Office of Student Financial Aid
Student Loan Servicing Dept.
333 East Campus Mall #9508
Madison WI 53713-1382
608-263-7100
jeff.pfund@finaid.wisc.edu

Membership Co-Chair, Support
Claude Payne
Loan Services Specialist
Weber State University
3850 Dixon Parkway, Dept. 1023
Ogden, UT
(801) 626-7346
Fax: (801) 626-7276
cpayne@weber.edu

Executive Director
Harrison Wadsworth
1101 Vermont Ave. N.W. Suite 400
Washington, DC 20005-3521
202-289-3910
Fax 202-371-0197
hwadsworth@wpllc.net

COHEAO Scholarship

For the 2015 - 2016 Academic School Year, the Coalition of Higher Education Assistance Organizations (COHEAO) will Award up to Four $1,000 Scholarships.

The eligibility requirements for applicants for the **2015-2016** academic year are as follows:

- Applicants must be U.S. citizens;
- Applicants must attend a COHEAO Member School;
- Applicants must have a minimum GPA of 3.75 on a 4.0 scale;
- Only undergraduate students, who will be entering their sophomore, junior, or senior year in 2015 - 2016, are eligible to apply: freshmen students are not eligible, Graduate students are eligable to apply;
- At the time of the award of scholarships, the applicant must be enrolled full time in a degree program, fall term of the 2015 - 2016 academic year;
- Only one scholarship per family per academic year will be awarded;

Further information about the COHEAO scholarship is available via the Web at:
http://www.coheao.com/about-2/scholarship/

the application deadline is March 31, 2015

WASHINGTON PARTNERS LLC

Make Your Voice Matter.

HEARING BRIEF

US SENATE HEARING IN THE HEALTH, EDUCATION LABOR AND PENSIONS COMMITTEE: RECALIBRATING REGULATION OF COLLEGES AND UNIVERSITIES: A REPORT FROM THE TASK FORCE ON GOVERNMENT REGULATION OF HIGHER EDUCATION

Prepared by:
Michelle Cravez (mcravez@wpllc.net)

February 24, 2015

On Tuesday, February 24, the Senate Committee on Health, Education, Labor and Pensions (HELP) held a hearing, "Recalibrating Regulation of Colleges and Universities: A Report From The Task Force on Government Regulation of Higher Education." It was the first hearing of this Congress on the reauthorization of the Higher Education Act and focused on the final report from the Task Force on Government Regulation of Higher Education. The Task Force was appointed in 2014 by Sens. Lamar Alexander (R-TN), Barbara Mikulski (D-MD), Richard Burr (R-NC), and Michael Bennet (D-CO).

MEMBERS PRESENT

Chairman Lamar Alexander (R-TN); Ranking Member Patty Murray (D-WA); Sens. Richard Burr (R-NC); Barbara Mikulski (D-MD); Michael Bennet (D-CO); and Elizabeth Warren (D-MA).

WITNESSES

- **Dr. William E. "Brit" Kirwan**, Chancellor, University System of Maryland, Adelphi, MD
- **Mr. Nicholas S. Zeppos,** Chancellor, Vanderbilt University, Nashville, TN

OPENING STATEMENTS

Chairman Alexander began the hearing by providing examples of consequences of excessive federal rules and regulations on institutes of higher education. First, Alexander pointed to Vanderbilt University's analysis of its cost of federal regulatory compliance, which amounted to $150 million, or 11 percent of the university's total non-clinical expenditures last year. He mentioned that this adds about $11,000 in additional tuition per year for each of the university's students. The chairman then held up for the audience the 108-question FAFSA form, saying the form is far too cumbersome and complicated. He promoted his newly introduced legislation that simplifies the student aid application and repayment process and reduces the FAFSA to just two questions. Finally, Alexander pointed to a survey by the National Academy of Sciences that found investigators spend 42 percent of their time associated with federal research projects on administrative tasks rather than research. Alexander asked, “How many billions could we save if we reduced the administrative burden?” He said, “These examples and others like them, represent sloppy, inefficient governing that wastes money, hurts students, discourages productivity and impedes research.”

Calling these examples of waste an embarrassment to the federal government, Alexander then called for Congress and the Department of Education to “weed the garden” of excessive regulations. He stated, “The Higher Education Act totals nearly 1,000 pages; there are over 1,000 pages in the official Code of Federal Regulations devoted to higher education; and on average every workday the Department of Education issues one new sub-regulatory guidance directive or clarification.”

After painting a picture of the complicated regulatory atmosphere, the chairman introduced the purpose of the hearing, which was to discuss the report commissioned by a bipartisan group of senators to examine the current state of federal rules and regulations for colleges and universities and offer specific solutions. The report outlines 59 regulations, requirements, and areas for Congress and the Department of Education to consider modifying or eliminating, listing 10 especially problematic regulations. Alexander said that he and Senator Murray will discuss how to develop a bipartisan process to take advantage of the recommendations in the report and use them as a basis for reauthorization of the Higher Education Act.

Ranking Member Murray in her opening statement stressed the importance of higher education in helping families gain a foothold in the middle class. She expressed an understanding of the need to ensure colleges and universities can work more efficiently and effectively, and she signaled that she was open to working with Republicans to improve the rulemaking process, but that such reforms should not remove protection for students and faculty. She stated, “We should also be improving our current protections. Right now, families and students aren’t able to access the basic-but essential- consumer information on their college or university, like useful graduation and transfer rates, average student debt, or expected earnings.” She added that she was glad to see the report focus on the need to improve the federal data systems and that “Colleges and universities should be accountable for high-quality outcomes that don’t leave students with debt they struggle to repay.”

WITNESS STATEMENTS

Kirwan began his testimony by asserting the task force understands and supports the important role that federal regulations play. He said those within the higher education community recognize and embrace their “obligation to be transparent, responsible, and accountable stewards of taxpayer money.” He said the report found that the federal government layered on regulations and requirements year after year, resulting in a “jungle of red tape” that got in the way of institutions’ ability to serve students and students’ access to education. The costs associated with compliance are one of the factors driving rising tuitions, he said.

He outlined a few of the report’s recommendations to address 10 specific regulations that the task force found particularly problematic. First, the report recommends the federal government revise the FAFSA so that applicants are allowed to submit tax information from two years prior rather than the previous year. Second, he criticized the recent federal regulation requiring institutions offering online courses to obtain authorization to provide education from every state in which a student resides. The report suggests that Congress should return to the long-term practice of only requiring authorization from the state where the institution is based and not where students reside. Finally, he urged that the federal government revisit regulations relating to the return of Title IV funds if students leave an institution before completing a term of study. He argued that it is difficult to determine how much to return since records are not always clear as many students fail to formally withdraw.

Zeppos: The chancellor of Vanderbilt University opened his remarks by emphasizing that the purpose of his and his colleague's testimony was not to ask for deregulation, but rather for smarter regulation. He highlighted the findings of the analysis of the cost of federal regulatory compliance at his university that Senator Alexander mentioned in his opening remarks, stating that $146 million was spent annually on federal compliance. He explained that of this amount, $14 million was spent on compliance with higher education related regulations such as accreditation and federal financial aid. The rest of the $132 million goes towards compliance with rules related to federal research contracts.

He mentioned that since Vanderbilt is a larger institution, they are able to spread the costs across the university, but regulatory costs impact smaller institutions even more heavily. He argued that simply revising regulations is not the solution, but that change is needed in how the Department creates, implements, and enforces regulations in each phase of the regulatory process. For example, the report suggests that the negotiated rulemaking process should be reformed to ensure it achieves its purpose and that unrelated issues should not be bundled together. He added that the Department should provide clear regulatory safe harbors to help institutions that abide by certain standards meet their compliance obligations. He said the Department should produce the annual compliance calendar Congress required in 2008 legislation, there should be a statute of limitations for enforcement of Department regulations, and Congress should consider developing and implementing "risk-informed" regulatory approaches where appropriate.

MEMBER QUESTIONS OF WITNESSES

Chairman Alexander commenced the question and answer session by asking Kirwan how to make this a continuing conversation and if he would meet with Secretary Duncan to talk about the recommendations that the Department can take care on its own. After Kirwan responded that he and his colleague would be enthusiastic to do so, the Chairman followed by questioning how many of the 59 recommendations in the report the Department could address without congressional action. Kirwan responded that about 12 of the recommendations would likely not need congressional approval.

Alexander then shifted his attention to the cost of regulatory compliance on research and asked Zeppos to verify that one quarter of all research dollars Vanderbilt receives from federal grants goes towards keeping up with rules and regulations. After this number was confirmed, Alexander asked how the Department or Congress can go about reducing this number. Kirwan pointed to the National Academy of Sciences recent efforts to conduct a cost analysis on research compliance and come up with its own recommendations. Alexander made clear he believed money is being wasted on compliance that could easily be redistributed to finance more research projects, a sentiment the two witnesses shared. Later, the senator asked Kirwan if he believed the unnecessary burden and cost of regulations was limited to larger institutions. Kirwan answered that it was a burden felt by all, regardless of institutional size. Alexander commended the report for being clear and concise.

Ranking Member Murray noted the task force's suggestion of requiring better information for students in helping them pick the right college. She asked Kirwan how he thought the current federal data system could be improved to provide better information for prospective students. Kirwan responded that such a change would require collaboration with the Department and representatives from higher education in consultation with parents and students to find out what sort of information was most sought. He mentioned this information would probably include completion rates, default rates, employment rates, gainful employment rates, average time to degree completion, and availability of financial aid.

Senator Burr began his question period with a plug for his new legislation, S. 559, that he planned to introduce that afternoon, a bill similar to H.R. 970 that Rep. Virginia Fox (R-NC) presented to the House last week. He mentioned that his legislation would repeal regulations around defining credit hours, state authorization, gainful employment, and teacher training. He noted that the task force mentioned repealing some or all of the regulations regarding these topics and asked the two witnesses to expand further on the regulations pertaining to these areas. Kirwan applauded the Senator for proposing the elimination of regulations on accreditation and distance learning. He then clarified that the task force did not actually believe that regulations regarding gainful employment are inherently bad but that the reporting process required is excessive and burdensome.

Senator Bennet used the beginning of his allotted time to read examples of questions on the FAFSA form that he saw as unnecessary and burdensome. (Bennet is a cosponsor of Alexander's "FAST Act" proposal to reduce FAFSA questions to two.) He then moved on to address the rising cost of college, arguing that the U.S. has a compliance driven regulatory system, not a system that is incentivizing colleges to reduce costs and increase quality. He asked the witnesses what changes in the accreditation process they suggest to improve quality and create better incentives. The witnesses focused their answers more on the recent trend in state disinvestment in public higher education and the need to fix this trend. Zeppos commented that outcome goals need to be institution specific.

Senator Warren attended the hearing just long enough to ask a few questions, then she departed. She began by agreeing with the witnesses on the matter of state disinvestment in higher education, and stated that "we've got to get back to investing in education." She then turned her attention to the $14 million figure that Zeppos said Vanderbilt spends on annual federal regulatory compliance. Warren said that she calculated this amounts to $1,100 per student. She then asked Zeppos if Vanderbilt would commit to reducing tuition by $1,100 per student if colleges and universities won the regulatory relief they are seeking. She asked the same of Kirwan. Both witnesses replied that some areas in institutions are severely underinvested and that schools ought to have the flexibility to use any savings. Both said they might try to invest in areas that would increase student access such as need-based scholarships or study abroad opportunities. Warren concluded by saying, "If you want some changes, there has to be some accountability on the other side."

CONCLUSION

Chairman Alexander concluded that the task force did a remarkable job in creating their report and that he was delighted to have bipartisan support to improve the regulatory system. He said he was excited to have Secretary Duncan's attention and for his willingness to work with the task force and Congress to make the necessary changes. Alexander looks forward to taking the advice offered by the report and will incorporate it into a bipartisan process as the Committee begins to work toward reauthorization of the Higher Education Act. He mentioned that the next hearing regarding HEA would take place in April.

At a press conference later in the day, Alexander also said he planned to complete Committee work on the HEA reauthorization legislation by July so that it would be ready for Senate floor action in September, or whenever there was floor time available. Presumably the House of Representatives will have completed work on its version of the legislation by then, meaning a House-Senate conference and final legislation could be passed this year.

For more information about the hearing, including written testimony and an archived webcast, go to: **http://www.help.senate.gov/hearings/hearing/?id=f5bf107c-5056-a032-52a2-c5f9dbdf4459&autoplay=true**