NASFAA’s Top 5 Issues in Financial Aid / Inside the Beltway

Justin Draeger
NASFAA President
Top 5

1. FAFSA
2. FAFSA
3. FAFSA
4. FAFSA
5. FAFSA
1. Financial Aid Staffing, Turnover, Retention, and Succession Planning
Majority of Financial Aid Professionals Say They’re Likely to Look for Other Employment Within a Year

- 56% of financial aid administrators will be looking for another job within the next year. (1 out of 3 = likely or very likely)

- The percentage of employees working additional hours declined between 2022 and 2023 across all higher education departments except for financial aid, where the amount of employees working additional hours remained unchanged.
Mismatches Working Conditions | What’s Not There?

- 82.8% agreed or strongly agreed that their work has purpose,
- 74.7% agreed or strongly agreed that they have a good relationship with their supervisor, and
- 72.9% agreed or strongly agreed that they were satisfied with their work.
College Presidential Turnover

• Goal: 70% of the people happy, 70% of the time
• New Goal: 40% of the people happy, 40% of the time
  • Kevin M. Guskiewicz, 6th President of Michigan State University in six years

• 2006: 8.5 years
• 2023: <6 years

https://www.washingtonpost.com/education/2024/01/12/college-presidents-pressures-harvard-penn/
OTC From the Field: Concerningly High Turnover Rates for Financial Aid Employees

This week on a special episode of “Off The Cuff,” Justin is joined by Andy Brantley, president and CEO at College & University Professional Association for Human Resources (CUPA-HR), to discuss findings from the latest iteration of their higher education employee retention survey. The results of the survey found concerning trends related to the financial aid profession’s retention rates, where a majority of financial aid professionals say they’re at least somewhat likely to look for other employment within a year. Justin and Andy go on to discuss factors underlying the retention crisis in the wake of the COVID-19 pandemic, the significant challenges the higher education sector is faced with, and dive into the staying power of remote and hybrid working environments.

Speakers

Justin Draeger
President and CEO, NASFAA

Andy Brantley
President and CEO, CUPA-HR

Hugh Ferguson
Senior Reporter / Podcast Producer

Resources

https://www.nasfaa.org/off_the_cuff_ep272
Upcoming Work

• NASFAA's Research Department has partnered with CUPA-HR to produce an analysis of data on financial aid administrators that has examined FAA turnover, retention, and salaries, by institution size

• This will be available within the next month.
Opportunity in Crisis

"Never let a good crisis go to waste" Churchill

Making the Case:
1. Context (Why)
2. Facts and description (What)
3. Consequences
4. Call to Action

Say more by saying less. (Empathy)
Get to the influencers. (Chief of Staff, VPs, CFOs)
I'm a financial aid director at a postsecondary institution and I'm sending the following email to the president of my institution asking for more money for an entirely new financial aid management system. Please condense this email down to 100 words with a subject headings and bullets.

Dear President -

Over the last many years, our office has struggled to keep pace with the increasing rate of regulations and changes from both the federal government and the state government. While we have had no findings in our annual audits, we have staff that are continually working overtime to make up for deficiencies in our financial aid management software system. This system is antiquated and we do not receive the level of support that we were promised when we originally purchased and licensed it over 10 years ago. The time has long come for us to consider other options. This will no doubt be a massive undertaking, but the alternative is worse: staff burnout, high turnover, noncompliance with federal and state laws, potential fines and the stress of knowing that we may be out of compliance and failing to live up to the standards we care so deeply about.

Subject: Urgent Need: Updated Financial Aid Management System

Dear President,

- **Rising Regulatory Pressure:** Continuous changes in federal and state regulations challenge our current system.
- **Staff Overwork:** Due to software inefficiencies, staff are frequently working overtime.
- **Outdated System:** Our decade-old software lacks promised support.
- **Potential Consequences:** Without change, we risk staff burnout, high turnover, legal noncompliance, potential fines, and institutional reputation.

It’s crucial we invest in a modern system to maintain compliance and staff well-being.

Best regards,
[Your Name]
Can you come up with an opening sentence that will grab our president's attention?

Subject: *Urgent Need: Updated Financial Aid Management System*

"President [Name], our financial aid system's inefficiencies are dangerously close to jeopardizing our institution's reputation and compliance."

Dear President,

* **Rising Regulatory Pressure:** Continuous changes in federal and state regulations challenge our current system.
* **Staff Overwork:** Due to software inefficiencies, staff are frequently working overtime.
* **Outdated System:** Our decade-old software lacks promised support.
* **Potential Consequences:** Without change, we risk staff burnout, high turnover, legal noncompliance, potential fines, and institutional reputation.

It's crucial we invest in a modern system to maintain compliance and staff well-being.

Best regards,

[Your Name]
Advancing the Profession Toolkit

The purpose of this toolkit is to provide a resource for financial aid directors to use within their offices to ensure they have a voice in institutional decision-making.

Available at: http://nasfaa.org/atp_toolkit
Thought Force on Career Path Awareness for Financial Aid Administrators

Clarity and Insights: A comprehensive report detailing the current landscape of the financial aid administrator role, including awareness levels, perception challenges, and potential target demographics.

Strategy and Framework: As part of the comprehensive report, an overall strategy with potential options and plans for raising awareness and changing perceptions about financial aid as a career path, including possible marketing initiatives, collaborations, and targeted campaigns. This strategy will include best practices or considerations suitable for institutional-level initiatives and broader national campaigns.

Stakeholder Engagement: Established dialogue or partnerships with key higher education associations, capturing their feedback and insights on the viability and methodology of proposed strategies.
2. Affordability | Student Loan Debt | Borrowers in Crisis
• Entire system is irredeemably broken

• Major reforms are needed, but is fixable.

Protecting Borrowers & Advancing Equity

In a report released in May 2022, NASFAA seeks to fill the gaps in the conversation by providing thoughtful, systemic, and targeted policy solutions to address underlying flaws in the student loan repayment and servicing systems that lead borrowers into financial hardship. In all, the report — which was funded by Arnold Ventures — outlines recommendations to improve student loan servicing practices, rethink the terms and conditions of student loan repayment, increase institutional and program accountability, and reform student loan default.
Is college affordable?

Yes! 0%

No! 0%

I know too much; this is a trap! 0%
Do students and families believe that college is affordable?

Yes, most students and families believe college is affordable. 0%

No, most students and families do NOT believe college is affordable. 0%
Majority of Gen Z View College As Important, and Female, Democratic, Black Gen Z Even More So

Most Gen Z View College as Very or Fairly Important
How important do you think a college education is today?

<table>
<thead>
<tr>
<th></th>
<th>% Very important</th>
<th>% Fairly important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>Female</td>
<td>44</td>
<td>63</td>
</tr>
<tr>
<td>Male</td>
<td>35</td>
<td>64</td>
</tr>
<tr>
<td>Black</td>
<td>50</td>
<td>67</td>
</tr>
<tr>
<td>Hispanic</td>
<td>40</td>
<td>60</td>
</tr>
<tr>
<td>White</td>
<td>35</td>
<td>63</td>
</tr>
<tr>
<td>Democratic</td>
<td>50</td>
<td>63</td>
</tr>
<tr>
<td>Independent</td>
<td>35</td>
<td>61</td>
</tr>
<tr>
<td>Republican</td>
<td>35</td>
<td>66</td>
</tr>
<tr>
<td>Other party</td>
<td>40</td>
<td>41</td>
</tr>
<tr>
<td>Don't know</td>
<td>37</td>
<td>55</td>
</tr>
</tbody>
</table>

Gallup and Walton Family Foundation-State of American Youth Survey, April 24-May 8, 2023

Youngest Gen Z Most Likely to Say College Education Is Important
How important do you think a college education is today?

<table>
<thead>
<tr>
<th></th>
<th>% Very important</th>
<th>% Fairly important</th>
<th>% Not too important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 12-15</td>
<td>43</td>
<td>44</td>
<td>14</td>
</tr>
<tr>
<td>Age 16-18</td>
<td>39</td>
<td>41</td>
<td>20</td>
</tr>
<tr>
<td>Age 19-21</td>
<td>45</td>
<td>40</td>
<td>15</td>
</tr>
<tr>
<td>Age 22-26</td>
<td>33</td>
<td>49</td>
<td>19</td>
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</table>

Gallup and Walton Family Foundation-State of American Youth Survey, April 24-May 8, 2023
Only Half of College-Bound Gen Z Youth Believe They Can Afford College

<table>
<thead>
<tr>
<th></th>
<th>% Strongly agree</th>
<th>% Agree</th>
<th>% Neither agree nor disagree</th>
<th>% Disagree</th>
<th>% Strongly disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
<td>17</td>
<td>36</td>
<td>31</td>
<td>13</td>
<td>4</td>
</tr>
<tr>
<td>Black</td>
<td>10</td>
<td>29</td>
<td>42</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16</td>
<td>40</td>
<td>24</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>White</td>
<td>19</td>
<td>38</td>
<td>27</td>
<td>12</td>
<td>4</td>
</tr>
</tbody>
</table>

Among Gen Z youth enrolled in K-12 schools who intend to pursue a college degree

Gallup and Walton Family Foundation-State of American Youth Survey, April 24-May 8, 2023

GALLUP
Average Net Price: Public Four-Year | Two-Year

**FIGURE CA3** Average Published and Net Prices in 2023 Dollars, First-Time Full-Time In-State Undergraduate Students at Public Four-Year Institutions, 2006-07 to 2023-24

**Average Grant Aid, Net Tuition and Fees, and Net Budget, 2019-20**

<table>
<thead>
<tr>
<th></th>
<th>Public Two-Year</th>
<th>Public Four-Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Grant Aid</td>
<td>Net Tuition and Fees</td>
</tr>
<tr>
<td>All</td>
<td>$3,680</td>
<td>$70</td>
</tr>
<tr>
<td>Dependent Students</td>
<td>$3,590</td>
<td>$740</td>
</tr>
<tr>
<td>Independent Students</td>
<td>$3,860</td>
<td>$610</td>
</tr>
<tr>
<td>Parents' Income of Dependent Students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $40,000</td>
<td>$6,700</td>
<td>$2,320</td>
</tr>
<tr>
<td>$40,000 to $79,999</td>
<td>$3,320</td>
<td>$940</td>
</tr>
<tr>
<td>$80,000 to $119,999</td>
<td>$1,450</td>
<td>$2,990</td>
</tr>
<tr>
<td>$120,000 or Higher</td>
<td>$1,170</td>
<td>$3,060</td>
</tr>
</tbody>
</table>
Average Net Price: Private Nonprofit Four-Year

### Average Grant Aid, Net Tuition and Fees, and Net Budget, 2019-20

<table>
<thead>
<tr>
<th></th>
<th>Private Nonprofit Four-Year</th>
<th>For-Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Average Grant Aid</td>
<td>Net Tuition and Fees</td>
</tr>
<tr>
<td>All</td>
<td>$21,850</td>
<td>$16,260</td>
</tr>
<tr>
<td>Dependent Students</td>
<td>$23,540</td>
<td>$17,020</td>
</tr>
<tr>
<td>Independent Students</td>
<td>$10,210</td>
<td>$11,010</td>
</tr>
<tr>
<td>Parents’ Income of Dependent Students</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $40,000</td>
<td>$29,930</td>
<td>$6,140</td>
</tr>
<tr>
<td>$40,000 to $79,999</td>
<td>$28,310</td>
<td>$10,040</td>
</tr>
<tr>
<td>$80,000 to $119,999</td>
<td>$24,610</td>
<td>$15,440</td>
</tr>
<tr>
<td>$120,000 or Higher</td>
<td>$17,240</td>
<td>$27,110</td>
</tr>
</tbody>
</table>

*Note: The table above shows the average grant aid, net tuition and fees, and net budget for private nonprofit four-year institutions and for-profit institutions for the academic years 2019-20. The data is categorized by student status and family income level.*
Student Debt in Context

- Roughly ½ of college students borrow
- 1 in 7 Americans have student loan debt
- Total federal loan borrowing, in terms of total dollars, has been declining for the last ten years, mainly because of enrollment declines
Borrowers in Crisis: Parents

- Annual borrowing rates have tripled over the last 25 years
- Parent PLUS loans used to have borrowing caps.
- Parent PLUS loans used to have stricter underwriting standards, but today, they do not consider parents’ ability to repay the loan.
- Parent PLUS loans do **not** have the same safety nets as student loans.
- Pre-pandemic, delinquency and default rates on Parent PLUS were rising.
Borrowers in Crisis: Non-completers

- Low-balance borrowers who do not complete
- The median loan defaulter has a loan balance < $10,000
- 50% of loan defaults did not complete their education
- 10% of bachelor’s degree recipients default

- Questions about student, program, and institutional eligibility standards.
Problem Area: High Balance Graduate Students

- Graduate students do not generally fall delinquent or default.
- Volume: 15% of all students but make up 50% of all disbursed loans.
- Sometimes, receive an unintended amount of disproportionate loan benefits, which can boomerang into unintended policy repercussions.
- Perception of unlimited borrowing and tuition increases at the graduate level.
Graduate/Professional Loans (NASFAA Work)

Among many other loan changes:

- Restore graduate and professional student eligibility for subsidized loans so graduate students with financial need can access loans that do not accrue interest during their enrollment.

- Allow all undergraduate and graduate borrowers to access the single income-driven repayment plan. Parent borrowers could access economic hardship deferments but would be ineligible for income-driven repayment.

- Maintain a single loan program for graduate/professional students with loan limits that allow students to borrow up to the in-state cost of attendance at public institutions. Allow additional borrowing based on earnings data for the student’s program of study or a debt-to-income ratio.

- Reform the Public Service Loan Forgiveness Program

- Additional thoughts needed
Inequity Alert: Disparate Racial Outcomes

- Large disparities in every outcome related to loan debt: it is worse for Hispanic, Latino and Black student and parent borrower populations.
Who the Biden Administration Believes is in Crisis:

- Borrowers whose balances are greater than what they originally borrowed;
- Borrowers whose loans first entered repayment decades ago;
- Borrowers who attended programs that did not provide “sufficient financial value;”
- Borrowers who are eligible for relief under programs like income-driven repayment but have not applied;
- Borrowers who have experienced financial hardship and need support “but for whom the current student loan system does not adequately address.”
$138 BILLION | 3.9 MILLION

Total Loan Forgiveness | Number of Borrowers Helped through targeted programs and “fixes” to existing programs.
3. Speed & Volume of Legislation & Regulation
Regulations: The Way Things Used To Be Versus Now
Pre-2012 Regulatory Cycle

- Implementation
- Negotiated Rulemaking
- Reauthorization Hearings
- Reauthorization
Since its creation in 1965, the Higher Education Act is generally scheduled for reauthorization by Congress every five years to encourage growth and change.
Pre-2012 Regulatory Cycle

IMPLEMENTATION

REAUTHORIZATION HEARINGS

NEGOTIATED RULEMAKING

REAUTHORIZATION

NASFAA
NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS
Today’s Regulatory Cycle

- No Full Reauthorization
- Oversight Hearings
- No Legislation
- New Regulations
- New Administration
- Reverse Everything
Today’s Regulatory Cycle

- No Full Reauthorization
- Oversight Hearings
- Reverse Everything
- New Administration
- New Regulations
- Piecemeal Legislation
A History of (Re)Regulating Gainful Employment

2011: OBAMA
GE rules applied to all non degree programs at public and private nonprofit institutions of higher education; and nearly all programs offered by proprietary institutions.

Never implemented due to legal challenges.

2015: OBAMA
Included two metrics to determine whether a GE program remained eligible for Title IV funds—the debt-to-earnings (D/E) rates measure and the program cohort default rate (CDR) measure.

Not implemented until 2019.

2019: TRUMP
Took GE through negotiated rulemaking but ended with no consensus. ED opted to rescind the current regulations in full.

2022: BIDEN
Proposed rules from latest negotiated rulemaking would bring back gainful employment. Accountability measures would apply only to non-degree and for-profit programs. Disclosure requirements would apply to all programs, all institution types.

Implementation not possible until at least July 1, 2025.

2024: ????
Financial Aid Spending & Neg Reg Stakeholders

- Total UG aid disbursed in 2000: $100.2 billion (in 2021 dollars)
- Total UG aid disbursed in 2010: $230 billion (in 2021 dollars)
- Total UG aid disbursed in 2020: $184 billion (in 2021 dollars)
Negotiated Rulemaking Stakeholders

- Accrediting Agencies
- Consumer Advocacy Organizations
- Dependent Students
- Federal Family Educational Loan Lenders and/or Guaranty Agencies
- Financial Aid Administrators at Postsecondary Institutions
- Four-year Public Institutions
- Independent Students
- Individuals with Disabilities or Groups Representing Them
- Legal Assistance Organizations that Represent Students and/or Borrowers
- Minority-serving Institutions
- Private Nonprofit Institutions
- Proprietary Institutions
- State Attorneys General
- State Higher Education Executive Officers, State Authorizing Agencies, and/or State Regulators
- Student Loan Borrowers
- Two-year Public Institutions
- U.S. Military Service Members, Veterans, or Groups Representing Them
Historical Consensus’ in Rulemaking

2010 Rulemaking
- Definition of High School Diploma
- Ability to Benefit
- Misrepresentation of Information to Students and Prospective Students
- Incentive Compensation
- State Authorization As a Component of Institutional Eligibility
- Gainful Employment in a Recognized Occupation
- Definition of a Credit Hour
- Agreements Between Institutions of Higher Education
- Verification of Information Included on Student Aid Applications
- Satisfactory Academic Progress
- Retaking Coursework
- Return of Title IV: Term-Based Programs with Modules or Compressed Courses
- Return of Title IV: Taking Attendance
- Disbursement of Title IV Funds

2022 Rulemaking
- Borrower Defense to Repayment
- Pre-dispute Arbitration and Class Action Waivers
- Total and Permanent Disability
- Closed School Loan Discharge
- False Certification Loan Discharge
- Student Loan Interest Capitalization
- Public Service Loan Forgiveness
- Prison Education Programs
- 90/10 Rule
- Change in Ownership
- Income Driven Repayment (IDR)
- Ability to Benefit
- Gainful Employment
- Financial Responsibility
- Administrative Capability
- Certification Procedures
Regulations at Risk

Current regulatory actions that are most at risk of being turned over if the presidency goes to the GOP in 2024

• Gainful Employment
• Low Value Programs
• New Income Driven Repayment Plan
• Debt Forgiveness?
In Lieu of HEA Reauthorization; Budget Bills Get Things Done

- End of FFELP (2010)
- Restoration of Year-Round Pell (2017)
- FUTURE Act (2019)
- FAFSA Simplification Act (2020)
...But That Can Come With Consequences

- **The FAFSA Simplification Act**
- **Cost of Attendance** changes was a surprise to NASFAA
- Had no input/insight

- Bills getting attached to appropriation bills help them move but comes with risk of stakeholders not having input.
Future-Proofing the Financial Aid Office
Negotiated Rulemaking: 2021-22

**Final rules Issued in 2022 (Effective Date July 1, 2023):**
- Borrower Defense to Repayment
- Pre-dispute Arbitration and Class Action Waivers
- Total and Permanent Disability
- Closed School Loan Discharge
- False Certification Loan Discharge
- Student Loan Interest Capitalization
- Public Service Loan Forgiveness
- Prison Education Programs
- 90/10 Rule
- Change in Ownership

**Final Rules Issued in 2023**
- Gainful Employment
- IDR [SAVE Plan]
- Effective July 1, 2024 or earlier if ED chooses to early implement

**Notice of Proposed Rulemaking released in 2023:**
- Ability to Benefit
- Financial Responsibility
- Administrative Capability
- Certification Procedures
- If ED publishes final rules by Nov 1, 2023, they will be effective July 1, 2024
Negotiated Rulemaking 2023-2024

The Department of Education (ED) announced 23-24 topics to be negotiated:
- Federal TRIO Programs
- Accreditation and Related Issues
- State Authorization
- Return of Title IV Funds
- Cash Management
- Third-Party Servicers and Related Issues
- Improving use of Deferments and Forbearances
- Distance Education
- Student Loan Debt Relief (Scheduled to begin 10/10/2023)

As a reminder, according to ED’s master calendar final regulations that are published on or before Nov. 1, 2024 will go into effect July 1, 2025.
Chaos Factor: Potential Government Shutdown

• In the past, FSA systems remained up and running
• Servicing of student loan repayment would likely continue but could be disrupted if the shutdown continues for a prolonged period of time
• Agencies (i.e., ED and others) will need to determine who is considered essential personnel
4. Public Confidence in Higher Education

<table>
<thead>
<tr>
<th>Over the past 20 years, the economic value of a college degree...</th>
<th>Republicans</th>
<th>Independents</th>
<th>Democrats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td>34%</td>
<td>25%</td>
<td>45%</td>
</tr>
<tr>
<td>Remained the same</td>
<td>18%</td>
<td>14%</td>
<td>23%</td>
</tr>
<tr>
<td>Decreased</td>
<td>40%</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>7%</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>
Americans' Confidence in Higher Education Continues to Fall

Now I am going to read you a list of institutions in American society. Please tell me how much confidence you, yourself, have in each one -- a great deal, quite a lot, some or very little. **Higher education**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>%</th>
<th>2018</th>
<th>%</th>
<th>2023</th>
<th>%</th>
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</thead>
<tbody>
<tr>
<td>Great deal</td>
<td>28</td>
<td></td>
<td>23</td>
<td></td>
<td>17</td>
<td></td>
</tr>
<tr>
<td>Quite a lot</td>
<td>29</td>
<td></td>
<td>25</td>
<td></td>
<td>19</td>
<td></td>
</tr>
<tr>
<td>Some</td>
<td>33</td>
<td></td>
<td>34</td>
<td></td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Very little</td>
<td>9</td>
<td></td>
<td>15</td>
<td></td>
<td>22</td>
<td></td>
</tr>
</tbody>
</table>

Those with no opinion are not shown.

Get the data • Download image

2024 Presidential Election
Shifting Confidence in Higher Education Among Demographic Groups, 2015-2023

% of U.S. adults with "a great deal" or "quite a lot" of confidence in higher education

<table>
<thead>
<tr>
<th>Party Identification</th>
<th>2015</th>
<th>2018</th>
<th>2023</th>
<th>2015-2023 change (pct. pts.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republicans</td>
<td>36</td>
<td>34</td>
<td>19</td>
<td>-17</td>
</tr>
<tr>
<td>Independents</td>
<td>41</td>
<td>41</td>
<td>31</td>
<td>-10</td>
</tr>
<tr>
<td>Democrats</td>
<td>66</td>
<td>59</td>
<td>59</td>
<td>-7</td>
</tr>
<tr>
<td>Education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No college degree</td>
<td>54</td>
<td>45</td>
<td>28</td>
<td>-26</td>
</tr>
<tr>
<td>College degree only</td>
<td>52</td>
<td>50</td>
<td>40</td>
<td>-12</td>
</tr>
<tr>
<td>Postgraduate degree</td>
<td>87</td>
<td>69</td>
<td>50</td>
<td>-17</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
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</tr>
<tr>
<td>Men</td>
<td>54</td>
<td>45</td>
<td>30</td>
<td>-19</td>
</tr>
<tr>
<td>Women</td>
<td>51</td>
<td>51</td>
<td>39</td>
<td>-12</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 to 34</td>
<td>55</td>
<td>51</td>
<td>42</td>
<td>-13</td>
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<tr>
<td>35 to 54</td>
<td>56</td>
<td>49</td>
<td>30</td>
<td>-16</td>
</tr>
<tr>
<td>55 and older</td>
<td>55</td>
<td>48</td>
<td>31</td>
<td>-24</td>
</tr>
</tbody>
</table>

Liberal and conservative views are equally respected on campus

<table>
<thead>
<tr>
<th></th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Democrat</td>
<td>57%</td>
<td>27%</td>
</tr>
<tr>
<td>Republican</td>
<td>31%</td>
<td>54%</td>
</tr>
<tr>
<td>Independent</td>
<td>32%</td>
<td>41%</td>
</tr>
</tbody>
</table>
## Voting Trends and Education

<table>
<thead>
<tr>
<th></th>
<th>Democratic/Lean Democratic</th>
<th>Republican/Lean Republican</th>
<th>Net Democratic pct. pts.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S. adults</strong></td>
<td>43</td>
<td>45</td>
<td>-2</td>
</tr>
<tr>
<td><strong>GENDER</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>37</td>
<td>52</td>
<td>-15</td>
</tr>
<tr>
<td>Women</td>
<td>49</td>
<td>40</td>
<td>9</td>
</tr>
<tr>
<td><strong>RACE/ETHNICITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Hispanic White adults</td>
<td>38</td>
<td>54</td>
<td>-16</td>
</tr>
<tr>
<td>Non-Hispanic Black adults</td>
<td>66</td>
<td>19</td>
<td>47</td>
</tr>
<tr>
<td>Hispanic adults</td>
<td>47</td>
<td>35</td>
<td>12</td>
</tr>
<tr>
<td><strong>EDUCATION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No college</td>
<td>36</td>
<td>50</td>
<td>-14</td>
</tr>
<tr>
<td>Some college</td>
<td>40</td>
<td>49</td>
<td>-9</td>
</tr>
<tr>
<td>College graduate only</td>
<td>48</td>
<td>43</td>
<td>5</td>
</tr>
<tr>
<td>Post graduate</td>
<td>60</td>
<td>31</td>
<td>29</td>
</tr>
</tbody>
</table>
Voting Trends and Education

Net Democratic Leaned Party ID, by Education

% Democratic/Lean Democratic minus % Republican/Lean Republican

- No college
- Some college
- College graduate only
- Postgraduate


Numbers are in percentage points.

Get the data • Download image

GALLUP
NASFAA — along with 10 higher education associations representing college presidents, financial aid offices, enrollment managers, and admissions counselors — launched a task force with the goal of creating a set of principles and standards about what information should be included in institutional aid offers so the resulting documents are clear, meet high standards of transparency, and contain consumer-friendly information, while still allowing for institutional customization.

349
PARTNER INSTITUTIONS

3,091,286
STUDENTS SERVED

42
STATES REPRESENTED
5. Student Aid Funding
## Race-Conscious Admissions SCOTUS Cases

Two cases challenging the admissions practices at Harvard University and the University of North Carolina. The cases assert that SCOTUS should overturn precedent and rule that institutions of higher education cannot use race as a factor in admissions.

<table>
<thead>
<tr>
<th>Harvard Case</th>
<th>UNC Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Plaintiff argues Harvard is violating federal law by penalizing Asian American applicants, engaging in racial balancing, overemphasizing race, and rejecting workable race-neutral alternatives.</td>
<td>• Plaintiff argues that UNC should not be able to reject a race-neutral alternative because it would change the composition of the student body, without proving that the alternative would cause a dramatic sacrifice in academic quality or the educational benefits of overall student-body diversity.</td>
</tr>
</tbody>
</table>
On Thursday, June 29th, SCOTUS ruled in a 6-3 decision that race may not be considered in college or university admissions decisions. May have impact on how institutional financial aid is awarded at some institutions. Ruling still allows institutions to “consider an applicant’s discussion of how race affected their life”, as long as they do so on an individual basis.
SCOTUS and Race-Conscious Admissions

• In June 2023, SCOTUS ruled that race can not be considered in college and university admissions, striking down more than 40 years of precedent
• The two cases at the center of the decision were brought by the group Students for Fair Admissions (SFFA) against Harvard University and the University of North Carolina (UNC).
  • In the case against Harvard, SFFA argued that universities should not be allowed to use race as a factor in college admission, and that Harvard unlawfully discriminated against Asian American applicants.
  • In the case against UNC, SFFA argued that the university’s admissions process violates the equal protection clause of the 14th Amendment by using race as a factor in admissions.
• NASFAA will work with member institutions to ensure they understand the legal ramifications and how they will impact financial aid policies and practices now and in the future.
The Biden Administration

2020 High Level Priorities
- Double Pell
- Free College
- Debt Relief
- Repayment Simplification
- Accountability
# The Biden Administration Progress So Far

<table>
<thead>
<tr>
<th>Administrative Priorities</th>
<th>Achieved</th>
<th>In Progress/Partial</th>
<th>Paused/Not Started</th>
</tr>
</thead>
<tbody>
<tr>
<td>Free College</td>
<td></td>
<td></td>
<td>Plan was included in an initial draft of Build Back Better but was removed from the introduced draft. No movement since.</td>
</tr>
<tr>
<td>Doubling Pell</td>
<td>Pell increased by an additional $400 for 2022-23 award year: $6,895 maximum.</td>
<td>Pell increased by $500 for the 23-24 award year: $7,395 maximum.</td>
<td>Budget proposal: Repealing the taxability of Pell Grant aid</td>
</tr>
<tr>
<td>Debt Cancellation &amp; Forgiveness</td>
<td>Forgiven/canceled $11.5 billion in student loans through borrower defense; total &amp; permanent disability; PSLF</td>
<td></td>
<td>Created targeted loan cancellation program in which some borrowers will be eligible for either $10,000 or $20,000 (if they received a Pell Grant) in forgiveness; blocked by the Supreme Court in June 2023 After being blocked by the Supreme Court, ED will pursue the targeted loan cancellation program through the negotiated rulemaking process (scheduled to begin October 2023)</td>
</tr>
<tr>
<td>Reform PSLF &amp; Repayment Simplification</td>
<td>Instituted limited PSLF waiver to add more eligible payments to current enrollees payment timeline</td>
<td>Created a new IDR plan through the negotiated rulemaking process</td>
<td></td>
</tr>
<tr>
<td>DACA Reform</td>
<td>Final DACA regulations released by the Administration in August 2022 aiming to strengthen the DACA program.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
President submits FY23 budget request to Congress

February/March

President Biden released his FY24 budget request on Thursday, March 9.

Spring/Summer

Senate and House Budget Committees develop Budget Resolutions

Before Oct. 1

Senate/House Appropriations subcommittees draft and pass Appropriations Bills

Appropriations Completed by Oct. 1

President Signs Appropriations bills into law before Oct. 1

Looking Ahead: FY2024 Funding
### FY 2024 Budget Request

<table>
<thead>
<tr>
<th></th>
<th>Biden Administration</th>
<th>House of Representatives</th>
<th>Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pell Grant</strong></td>
<td>$8,215 Maximum Award&lt;br&gt;$500 discretionary increase through appropriations process, additional $320 increase in mandatory funding through changes to HEA.</td>
<td>$7,395 Maximum Award&lt;br&gt;Flat-funds the maximum Pell Grant, no increase over FY 2023.</td>
<td>$7,645 Maximum Award&lt;br&gt;$250 increase, rescinds $200 million from program’s reserves.</td>
</tr>
<tr>
<td><strong>FWS</strong></td>
<td>$1.23 billion&lt;br&gt;No increase over FY 2023.</td>
<td>Eliminates the FWS program.</td>
<td>$1.22 billion&lt;br&gt;$10 million decrease from FY 2023 enacted level.</td>
</tr>
<tr>
<td><strong>FSEOG</strong></td>
<td>$910 million&lt;br&gt;No increase over FY 2023.</td>
<td>Eliminates the FSEOG program.</td>
<td>$900 million&lt;br&gt;$10 million decrease from FY 2023 enacted level.</td>
</tr>
<tr>
<td><strong>Student Aid Administration</strong></td>
<td>$2.7 billion&lt;br&gt;$620 million increase over FY 2023.</td>
<td>$1.77 billion&lt;br&gt;13% decrease from FY 2023 enacted level.</td>
<td>$2.2 billion&lt;br&gt;$150 million increase from FY 2023 enacted level.</td>
</tr>
</tbody>
</table>
Categories of the Federal Budget

- **Mandatory Spending**: Primarily payments for benefit programs whose eligibility rules and benefit formulas are set by law.
- **Discretionary Spending**: Spending that lawmakers control through annual appropriation acts.
- **Net Interest**: The government's interest payments on debt held by the public, offset by interest income the government receives.
- **Revenues**: Taxes and other funds collected from the public that arise from the government's exercise of its sovereign powers.

Data source: Congressional Budget Office, March 2023
How the United States Spends Its Money

THE FEDERAL BUDGET IN FISCAL YEAR 2022

Data source: Congressional Budget Office, March 2023
Discretionary Spending & Education Budget

Data source: Congressional Budget Office, March 2023
Federal Spending and Revenue

Total Revenue

$5.03 trillion

- Individual Income Taxes
- Payroll Taxes
- Corporate Income Taxes
- Customs Duties
- Sales and Excise Taxes
- Other
- Deficit

Federal Budget 2022

$6.48 trillion

- Social Security
- National Defense and Veterans
- Medicare
- Assistance to Individuals
- Interest on the Debt
- Transfers to States
- Other Spending

Sources: USAFacts aggregation of data from Office of Management and Budget (OMB), the Census Bureau, and the Bureau of Economic Analysis (BEA); see more

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NASFAA’s Call to Action

As a result of the House Appropriations FY 2024 budget proposal, NASFAA launched an advocacy campaign to protect student aid funding that includes:

- Instructions on how to contact your representative
- A sample letter that can be customized with your information and used when you reach out to your representative
- Additional talking points that can be used for background as you engage in conversations with lawmakers
- A statement from NASFAA President & CEO Justin Draeger on how these proposed cuts would impact students

Available at: https://www.nasfaa.org/student_aid_funding
The National Profile provides detailed information about each of the programs authorized under Title IV of the HEA, including:

- Descriptions of the federal student aid programs;
- Updated data on the number of recipients, total volume of awards, and average aid amount for each program;
- Recent trends in federal appropriations for the Title IV programs;
- Income levels of students and families who receive aid; and
- A description of the federal student aid application process.