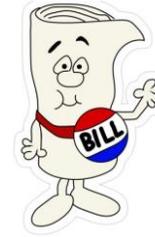




ILASFAA
Illinois Association of Student
Financial Aid Administrators
Serving Illinois Students Since 1969



2022-2023 ILASFAA Legislative Issues

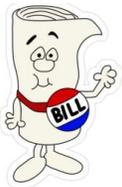
VIRTUAL FALL WORKSHOP



What are Committee Goals?

Responsible for reviewing Federal and State legislative updates, maintaining an ILASFAA Legislative Toolkit, and determining appropriate action for training or advocacy efforts

- Establish forms of Advocacy Webinars (2) – including those facilitated by ISAC
Present one Annual Conference Session
- Toolkit should include Contact State Legislators
- Update Membership on bills in Federal and State Legislative Pipeline (“Legislative Insight”)
- Collaboration with NASFAA and MASFAA Advocacy
 - How does a Bill become law
 - Negotiated Rulemaking Process and Involvement
 - Financial Aid 101 for Legislative staffers – possibly at Leadership Academy in April
 - Shout out to NASFAA Off the Cuff weekly podcast



Legislative Toolkit Potential Content

| | |
|------------|---|
| I | Introduction |
| II | Why does it matter to us |
| III | Legislative Issues Website <ul style="list-style-type: none">• On the Radar Legislation• RSS Feeds |
| III | How to use the Illinois General Assembly website <ul style="list-style-type: none">• Website navigation |
| IV | How a Bill Becomes a Law |
| V | Financial Aid 101 for Staffers <ul style="list-style-type: none">• What is the role of a Financial Aid Administrator |
| VI | Responding to Legislation <ul style="list-style-type: none">• Leadership Retreat agenda item |
| VII | Resources <ul style="list-style-type: none">• Legislative Insights (ILASFAA Listserv) |

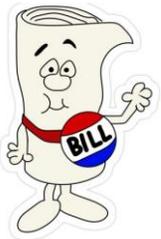


Bills aimed at increasing education equity across Illinois

Senate Bill 3032 Release of Academic Transcripts prohibits institutions from withholding student transcripts and requires every institution of higher education to have a policy instituting a financial or physical hardship withdrawal process. Also limits institutions' ability to report past due debt to a credit reporting agency unless required by federal law. Effective 2022-2023.

Senate Bill 3149 Child Care Assistance Programs requires institutions of higher learning that participate in MAP to provide the information about the state Child Care Assistance Program and the federal dependent care allowance to all of their MAP-eligible students, as well as to any other student the institution identifies as a student with dependents. Effective October 1, 2022.

Senate Bill 3991 Children's Savings Program amends the Illinois Higher Education Savings Program, also known as the Children's Savings Program, which was established to start each baby born or adopted in Illinois with a \$50 college savings deposit in the Treasurer's 529 fund. This legislation allows the State Treasurer to increase the deposit amount for children in financially insecure households if funds are available. SB 3991 goes into effect Jan. 1, 2023.



Bills aimed at increasing education equity across Illinois

House Bill 4201 Benefits Navigators helps students at state universities and community colleges access benefits through "benefits navigators." Each institution is tasked with assigning a benefits navigator for the purpose of guiding students to seek and apply for any federal, state, or local program that provides assistance or benefits for which they are eligible. HB 4201 goes into effect Jan. 1, 2023.

House Bill 4265 College Forms Non-Binary Option requires that, all documents and forms, including applications for admission, issued by a public institution of higher education offer a student the option to select "non-binary" if the document or form asks the student to identify the student's gender or biological sex. Effective immediately. Pending Senate approval, effective 2023-2024.

House Bill 5175 Higher Ed Veteran Grant Program changes definition of qualified applicant. Provides that a qualifying condition requires that the person applying must have received an honorable discharge after leaving federal active duty service (instead of received an honorable discharge after leaving each period of federal active duty service). Effective immediately.



Bills aimed at increasing education equity across Illinois

House Bill 5464 Illinois Equity in Attainment requires State public universities and community colleges to develop and implement equity plans and practices to increase the access, retention, completion, and student loan repayment rates for minority students, rural students, adult students, women, and people with disabilities who are traditionally underrepresented in education programs and activities. The Illinois Board of Higher Education (IBHE), in collaboration with the Illinois Community College Board, will guide implementation of the new equity plans. HB 5464 is effective immediately.

ILCS 131 Higher Education Housing and Opportunities Act requires each institution of higher education to designate at least one staff member to serve as a liaison to assist homeless students enrolled. The designated staff member may be employed in the office of financial aid, in campus housing services, or in any other appropriate office or department as determined by the institution. The liaison shall understand provisions pertaining to financial aid eligibility of homeless students, including eligibility as an independent student (e.g., application). Effective August, 2022.



Update on Federal Level: Biden-Harris Student Debt Relief Plan

Part 1. Final extension of the student loan repayment pause

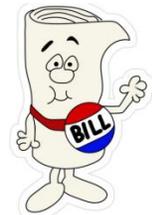
To ensure a smooth transition to repayment and prevent unnecessary defaults, the Biden-Harris Administration will extend the pause a final time through December 31, 2022, with payments resuming in January 2023. White House officials are now considering [extending a pause on student loan payments](#) after a federal appeals court blocked President Biden's plan.

Part 3. Make the student loan system more manageable for current and future borrowers

The Biden-Harris Administration is proposing a rule to create a new income-driven repayment plan that will substantially reduce future monthly payments for lower- and middle-income borrowers.

- Borrowers to pay no more than 5% of their discretionary income monthly on undergraduate loans

Part 4. The Fresh Start Initiative for borrowers who defaulted before March 13, 2020



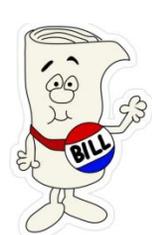
Update on Federal Level: Biden-Harris Student Debt Relief Plan

Part 2. Providing targeted debt relief to low- and middle-income families

To smooth the transition back to repayment and help borrowers at highest risk of delinquencies or default once payments resume, the U.S. Department of Education will provide up to \$20,000 in debt cancellation to Pell Grant recipients with loans held by the Department of Education and up to \$10,000 in debt cancellation to non-Pell Grant recipients. Borrowers are eligible for this relief if their individual income is less than \$125,000 or \$250,000 for households. **The debt relief applies only to loan balances prior to June 30, 2022.**

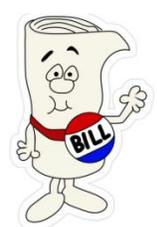
Friday, October 21 a federal appellate court paused the plan while it considers a lawsuit brought by six conservative states. Two other cases have also been appealed. At least three more high-profile lawsuits are still pending to allow government to respond (initial case dismissed)

- A borrower who said he would face a tax penalty under the plan
- In one suit, six states, including Missouri, are alleging financial harm to state agencies.
- The Arizona attorney general took a broader approach, arguing in his lawsuit that student debt relief would harm the state's economy by reducing taxes collected and increasing inflation.
- Most recently, a group of taxpayers in Wisconsin filed suit, saying the plan would result in higher taxes and a less prosperous country.



Update on Federal Level: Biden-Harris Student Debt Relief Plan

- The Biden administration on Friday [asked the Supreme Court](#) to reinstate its [student loan forgiveness program](#), saying its creation was well within the authority of the education secretary and that a lower court decision putting it on hold “leaves millions of economically vulnerable borrowers in limbo.”
- Over the weekend, federal student loan borrowers who applied for [President Joe Biden’s debt forgiveness](#) began receiving updates on their applications. [Letters sent to borrowers](#) via email let them know their forgiveness application had been approved and their servicer has also been notified.
- The letters state that borrowers have no further action to take, but their debt cannot actually be discharged at this time due to the [ongoing lawsuits](#).



Update on Federal Level: Pell for Incarcerated Students

Keep a look out! Not much is finalized and for now there is no additional application!

