

NASFAA's "Off the Cuff" Podcast – Episode 297 Transcript

OTC Inside the Beltway: Cardona Faces More FAFSA Questions on the Hill

Rep. Mr. Williams:

... So October 1st, 2024. What should parents expect?

Secretary Miguel Cardona:

My expectation is that FAFSA will be ready to go and that they're going to have information on-

Rep. Mr. Williams:

Are you committing to that? Parents are planning. Are you committing October 1st, 2024, man, that FAFSA thing a year late, I'm sorry, but it's going to work?

Secretary Miguel Cardona:

As I said before, and I repeat it again, I am making sure that the staff knows this is the highest priority and that it's my expectation that on October 1st it's ready.

Rep. Mr. Williams:

Do you have the authority to make things happen in your department?

Secretary Miguel Cardona:

Yes.

Rep. Mr. Williams:

You're certain?

Secretary Miguel Cardona:

The answer was yes.

Rep. Mr. Williams:

Okay. Good. Thank you.

Justin Draeger:

Hey, everybody, welcome to another edition of "Off the Cuff." I'm Justin Draeger.

Karen McCarthy:

I'm Karen McCarthy from NASFAA's policy team.

Rachel Rotunda:

I'm Rachel Rotunda, also with NASFAA's policy team.

Jonathan Fansmith:

And I'm Jon Fansmith from the American Council on Education.

Justin Draeger:

And we started this episode with an exchange between Mr. Williams, Republican from New York, and Secretary Cardona. That was another hearing that just happened up on Capitol Hill this week between Democrats and Republicans who were having a hearing that was supposed to be focused on the budget and an audit at the US Department of Education's Office of Federal Student Aid, focused on a lot more than the budget and the audit. We'll get into that and a lot more.

Campus protests. Jon, maybe you can catch us up on some things going on there. Some FAFSA updates, Karen. Before we get into all of that though, Jon, welcome back to the podcast. Rachel, good to have you back on the podcast. And, Karen, you were gone last week traveling. Welcome back to you.

Karen McCarthy:

Thank you.

Justin Draeger:

Jon, looks like you're traveling this week, unless ACE has completely dimmed the lights in the building, saving on electricity.

Jonathan Fansmith:

I am coming to you live and remote from Orange County, California, and very happy to be both here in Orange County with the lovely people of ACCJC, as well as to be here with you all on "Off the Cuff." So thanks again for having me.

Justin Draeger:

Yeah, glad to have you here.

Karen McCarthy:

So, Jon, I missed you at Casua. You came in the night before I was leaving. So did you come home? That was a couple of weeks ago. So you came home in between and then flew back out to the West Coast?

Jonathan Fansmith:

Yes, this is my third West Coast trip in the last two weeks, I think.

Karen McCarthy:

Oh God. Yeah, I had that schedule too.

Justin Draeger:

ACE is not giving you a condo or apartment or anything out on the West Side?

Jonathan Fansmith:

No, I was kind of hoping they at least spring for the Admiral's Club annual fees or something like that. But we are a fiscally responsible organization, Justin, so I actually help with the baggage crew to reduce the overall travel costs and things like that.

Justin Draeger:

Well, as NASFAA is a paying member of ACE, so I'm glad to hear that our dues are going to fiscally responsible travel.

Jonathan Fansmith:

Only the most necessary things.

Justin Draeger:

Good. That's good to hear. And, Rachel, are you at home?

Rachel Rotunda:

I'm at home, Washington DC.

Justin Draeger:

You are? That's a very nice facade behind you.

Rachel Rotunda:

Thank you so much. I'm very proud of it. It took me a long time.

Justin Draeger:

Did you do this for the podcast? Because I've never had a Zoom meeting with you where you are set up with this decor.

Rachel Rotunda:

You have absolutely had a Zoom meeting-

Justin Draeger:

Oh, okay.

Rachel Rotunda:

With background.

Justin Draeger:

Well, thanks for calling me out on that, on the podcast.

Rachel Rotunda:

This is my alternate work location when I am at home.

Justin Draeger:

It looks very nice.

Rachel Rotunda:

Thank you very much. Yeah.

Justin Draeger:

Rachel, this hearing, the second one in two weeks, right? This is back to back for the Secretary that he's been called up on Capitol Hill.

Rachel Rotunda:

Yep, that's right.

Justin Draeger:

Compared to the one in the Senate last week, would you say this hearing... In the House, would you say this was a rougher hearing or about the same with the Senate? What was the tone like?

Rachel Rotunda:

I felt like it was a little bit rougher. I mean, I think just when you take into account that the Senate hearing was led by Democrats who were in control of the chamber and then this was over in the House where Congresswoman Foxx is at the helm of the Education and Workforce Committee. I think you could definitely feel those different tones. So in my view, it's a little bit rougher. I thought the lines of questioning were a little bit tougher for the Secretary.

Justin Draeger:

And as I mentioned at the top, this was a hearing that was supposed to be focused mostly on budget and maybe some audit. I guess the second failed audit, do I have that right? This was another fail that there was some audit fails over on FSA side, right?

Rachel Rotunda:

Yeah. It sounds like Republicans have kind of deemed this a failed audit. It was really kind of a situation where the auditor didn't render an opinion. And so, that's kind of the way that Republicans have marketed this audit report.

Justin Draeger:

I see. But, no opinion?

Rachel Rotunda:

No opinion.

Justin Draeger:

So they didn't have enough data to render an opinion, which is different though than an unqualified passing audit.

Rachel Rotunda:

Yeah. But there's definitely something, I think, to read into that, and it's fair to say that Republicans are doing just that.

Justin Draeger:

Okay. Both Democrats and Republicans talked about the FAFSA during the hearing, and we'll listen to a few clips on that. Any other lines of questioning or concerns that were brought up during the hearing?

Rachel Rotunda:

I would say just one thing that I thought was exciting for NASFAA. Chair Foxx, in her opening remarks, did cite a recent NASFAA survey that had found that about 30% of schools had not yet begun to package aid offers due to the FAFSA delay. So that was exciting just to have a little bit of a shout out. But yeah, FAFSA was, we heard about it from both the chair and the ranking member. We heard about it in lines of questioning from several different members and then there were certainly a lot of other issues that were touched on.

Justin Draeger:

Before we move on to some other clips, Rachel, I'm curious, your take Rachel and Jon on what that exchange that the secretary had with Mr. Williams, how did you read that and maybe a little bit relative to how read the exchange with last week in the Senate in terms of his commitment to the October 1 launch of the next year's FAFSA?

Rachel Rotunda:

Yeah, I went back and listened again to the hearing from last week. I kind of wanted to compare, and I feel like last week when he said October 1, my eyes widened. I think we were a little bit surprised that he said that. But then looking at the language that was used last week and then the language that he used this week, he's definitely saying, "This is the expectation. I'm making sure my staff knows that this is a priority and it's my expectation it'll be ready on October 1." But what I think has still been missing is a true firm commitment. I don't think that's the language that's been used. That doesn't necessarily mean that it won't happen, but I think it's noteworthy that in both this week's and last week's hearing, it was more of A, "We expect that it will be ready October 1. That's what I'm telling my staff. That's what we're working towards or putting all our resources towards it." But it was not, in my view, a firm commitment [inaudible 00:06:54]-

Justin Draeger:

So, you read into that a hedge?

Rachel Rotunda:

Yeah.

Justin Draeger:

Okay, Jon.

Jonathan Fansmith:

Yeah, no, exactly the same. I actually cited his quote when I was speaking to a group earlier this week because it was a lot of words to essentially say, "That's what we're going to try to do." It was not, "We're

absolutely going to hit this or we're well underway or things are in place. That's what the expectation is. That's what our goal is. We're going to muster all our resources towards that." But it was not, "Yes, absolutely. We have great confidence we'll do this." Which understandably, given where we are, why he might hedge on that, but it was very much a hedge.

Justin Draeger:

Yeah. Karen, don't they usually have the draft FAFSA out by now?

Karen McCarthy:

They do. Yeah, they do usually... And I think in more of a normal year, we usually see the draft FAFSA out for public comment in February-ish last year we knew the FAFSA was not going to be available on October 1st, and we saw the draft late March. It was about March, 23rd and so it's now May 9th today, and yeah, still no draft FAFSA for public comment.

Justin Draeger:

Okay. So running behind at least relative to normal year and even relative to last year.

Karen McCarthy:

Yeah. And I have heard the department say not to read too much into that, the fact that they're behind on the draft for public comment, that they have ways of speeding that up. I don't know exactly what those ways are. I don't think they can shorten the public comment periods, so it would have to be on the back end on their side. And they're required to do 60-day public comment and then the 30-day public comment. And in the 30-day public comment, they will summarize all the comments they got in the first public comment period and if they made any changes or didn't make any changes. So you can't do a 60-day public comment and then, two days later, crank out the 30-day public comment because they have to do that review of all the comments. So there's going to be some period of in there. I'm not sure if that might be partly part what they're saying they could speed up a little bit. I'm not sure.

Justin Draeger:

Well, you can't do it if you're actually going to take the comments seriously-

Karen McCarthy:

Right.

Justin Draeger:

... and read them all and do something like that.

Karen McCarthy:

Yeah. I have heard them say, "Don't read too much into it." The fact that we haven't seen the draft, I'm a little bit reading into it. I don't know about the rest of you. I think it tells us something.

Justin Draeger:

Let's move on to our next clip. This one comes from another member of Congress, a representative, Representative Sablan from the Mariana Islands. I think this is notable. This is from a Democratic member who... And I think it's kind of focusing a little bit on a specific population. Let's give it a listen.

Representative Sablan:

The department's implementation of the FAFSA Simplification Act has regrettably produced uncertainties for students in my district. From the Northern Mariana Islands, in particular, I faced numerous obstacles throughout this application cycle, and it must have been when they were designing engineering, designing the system because you kept the one place in the United States out from the system. My district, the only place in the United States, we couldn't access the FAFSA unless they declared themselves as foreign students, foreign schools. So the year department was notified of this in January and today, four months, sir. And the issue remains. You have provided a workaround, and I know this is unacceptable even for you, sir, but could you tell me what the department needs in order to ensure a smooth application process for the next cycle? What would you do differently?

Secretary Miguel Cardona:

Yeah, thank you very much for that. And I can assure you that our team will follow up with you to make sure that the students that you represent get the best support and make sure that they have what they need to fill out FAFSA. Let me just tell you, 30 years ago I didn't fill out FAFSA. It was an intimidating process. I didn't want to give it over to my parents to fill it out. It was an hour-long process and I knew the system was broken. Two years ago when I filled it out for my son, it was an hour-long process and I can see why we're hovering around 60% completion rate before the Simplification.

Representative Sablan:

Mr. secretary-

Secretary Miguel Cardona:

Rolling out the plan has been a challenge and I can-

Representative Sablan:

Mr. Sec... It's 100% in my district. No student can complete the FAFSA application and I understand it's one of the items that outstanding issues that needs to be resolved. I'm just asking you, could I please have your commitment that this will be resolved before the next school year?

Secretary Miguel Cardona:

Absolutely.

Representative Sablan:

Thank you.

Secretary Miguel Cardona:

We're going to-

Representative Sablan:

That's it. Mr. Secretary.

Secretary Miguel Cardona:

Thank you.

Representative Sablan:

Thank you very much for your service, sir.

Secretary Miguel Cardona:

Thank you.

Representative Sablan:

This will be my last time before you on this kind of hearing, but I know you'll be back. Thank you.

Secretary Miguel Cardona:

Thank you.

Justin Draeger:

I thought this was notable for maybe one or two reasons. One is, we have heard the secretary sort of fall into... One, it's a Democratic member, which I highlighted before. Two, the secretary's sort of falling into some of the talking points, which are notable about this FAFSA being easier on the other side of the rollout. This will be easier for students and families and some of the secretary's own personal experience with the form. But Mr. Sablan actually broke in and to the secretary's story here, partly because I think because of timing and doing it respectfully, but pointing out that nobody in his district is able to actually complete the forum, which I think highlights not just the continued challenges, but for specific populations, they cannot realize the benefits of the new FAFSA.

And even for our mixed-status families who can now actually do it online, they still can't import anything via the DDX. So they're not realizing the benefits of it, even if they can get online and do the forum. I want to keep moving on. Let's go on to this next clip. This is from Dr. Foxx, who is the chairwoman of the House Education Workforce Committee. This one, she's talking to the secretary about the next chief operating officer, and we had talked about this a little bit last week and this is where we have more of an acute interest about the type of candidate they'll be looking for. Let's give this one a listen.

Dr. Foxx:

Secretary, the COO at FSA needs to have a deep and vast knowledge of how loan operations work given FSA is de facto the largest consumer bank in the country. Indeed, the performance-based organization statute contemplates high expectations of the COO. The COO needs to be an operational and lending expert and have a keen understanding of massive lending operations. Will you commit to finding a replacement for Richard Cordray who has real-world experience leading a massive lending operation so that we can be assured that the financial interests of the taxpayers are protected?

Secretary Miguel Cardona:

Thank you for the question. I am committed to making sure we have a chief operating officer that has experience and I would look forward to working with you on a process to select.

Dr. Foxx:

Thank you.

Justin Draeger:

All right, Rachel, thoughts on this one?

Rachel Rotunda:

Yeah, I think pretty much what we're hearing Congresswoman Foxx presses Secretary on is, "What are you going to do to make sure that whoever comes in next knows what they're doing, knows how to run this agency." I think those our goals that both parties share, but I think her line of questioning definitely has a little bit of a different tone than what you might see from her colleagues on the other side of the aisle.

Jonathan Fansmith:

It's really pointed. I mean she, in the last hearing, had talked to the FAFSA fail hearing, had talked about whether Cordray should be fired, right? She'd asked the question openly during the hearing and so we're coming into this in many ways it's a continuation of what she'd said before and certainly referencing the size of FSA and the portfolio they manage. I think she said something like, "It's the largest commercial lender by volume in the United States." There's a legitimate question about, "Who do we put in that position and what is their experience managing a lending institution?" I don't think it's entirely partisan or entirely underhanded to sort of make that point, but as Rachel pointed out, there's a little bit of an edge to it too.

Justin Draeger:

When the chairwoman says that and the secretary, I mean they had a back and forth there where they said they would work... They sort of agreed to work together on this. I don't know, is there some sincerity there? Is there a chance that we could have a COO that is nonpartisan and we get back to 15 years ago where the COO is not political and it's actually an operations person and this person could last or span different administrations? Is that a reality? What do you think? Jon?

Jonathan Fansmith:

There's two parts of your question. Are they going to work together to achieve that end? And I think given the relationship between the committee majority and the Department of Education, they're collaborative partnership to find a candidate they're both happy with, seems pretty unlikely. The idea of going back to somebody with more operational expertise, I think that probably has broader appeal because we've seen the challenges of people who are more policy-focused, managing something that is quite complicated and requires in some ways a specific skill set and experience to implement the kinds of changes they've been making. So I think probably stepping back both sides would say that's something we should be looking at as criteria for the next person that role. Again, don't know that these two parties are the ones who are going to get to that determination of who fits the bill there, but it's definitely, I think something that's much more on the table where it's really grown to be a policy role over the last decade or so.

Justin Draeger:

So possibly maybe somebody who's a little more operationally-focused, whether it's a nonpartisan or bipartisan person. TBD, I don't know about that one is what I'm hearing you say.

Jonathan Fansmith:

Yeah, I mean I think part of the reason it's a policy or was a policy person in that role was the administration had some big policy goals around student lending, so they wanted a policy person to

implement that, right? That's a pretty natural outcome, but the operational side has really come back to be the issue, and so certainly putting a little bit more weight there makes sense.

Justin Draeger:

Okay. Right before this hearing, there was a bicameral bipartisan letter that was sent up to the department. Rachel, you want to catch us up to speed on this letter?

Rachel Rotunda:

Yeah, so this is a letter that, like you said, went up earlier this week and I think what was probably most notable about it is that it was a bipartisan bicameral letter, and so it really had a lot of the heavy hitters when it comes to higher ed policymaking from both chambers, both parties expression concern over the FAFSA rollout this year and really sharing their growing alarm about what's to come in 2526. They were asking for things like updates on the timeline, additional consumer testing, providing more information on errors or issues that are going to be resolved before the next cycle. I thought one thing that as I was reading through the letter, this is a little thing, but one thing that really stuck out to me is that lawmakers urged the secretary to demonstrate hands-on management. And I just thought that was really interesting given where we are with the transition in the COO role.

We've talked just a little bit a minute ago about maybe what the needs are in that role and what we might look for in the next COO. So that really stuck out to me. They were certainly flagging a lot of the same things that we've heard lawmakers talking about when it comes to concerns around 2526, but that was a little bit different I thought. I hadn't seen lawmakers specifically say that to the secretary. We want you to be involved in managing this in a really hands-on way. So again, this was signed by the leaders of the House Ed and Workforce Committee, the Senate Help Committee, the House and Senate Appropriations Committee. So really notable, really all the big leaders when it up on the hill when it comes to higher ed policy making, were in support of this and there's not a ton that we see people from both sides of the aisle coming together on. So I was really struck by it. I thought it was significant.

Justin Draeger:

So plenty of the-

Karen McCarthy:

There's also,

Justin Draeger:

Go ahead.

Karen McCarthy:

I was just going to add that they asked for weekly updates on the 2526, the timeline, the plan for consumer testing bug fixes for 2526. That seems kind of like a short leash to me, like weekly updates to all of these members of Congress on how you're doing. So clearly there's a concern there about 2526.

Rachel Rotunda:

Yeah, they even said, the department is told, I think they told our staff that Ed is not ready to talk about next year. They have plans to add more consumer testing. I thought that was a pretty specific call-out.

"We've asked you and you said you don't want to talk about it, but it's time to talk about it." So, agree Karen.

Justin Draeger:

If anybody's wondering if Congress is paying attention, they are paying attention and part of the reason, or maybe the biggest part of the reason they're paying attention is they are clearly feeling the pain from back home in their districts. They're hearing about it from every single college. They're hearing about it from all their students and families who are also feeling the pain. It's in all of their newspapers, it's in the papers of record, the biggest ones across the country. So this has the eyes of every member of Congress and they're, as you said, keeping the department on a pretty short leash. So there is no question, there's plenty of oversight. Congress is now paying close attention. All congressional staff are paying attention. And we can attest to this at NASFAA and probably you can too at ACE, Jon, we get inquiries about this every single week from Capitol Hill about what's the latest, what's going on at the department, what do we need to know?

And we're seeing that in all of these hearings. All right, let me pivot. We'll come back to some FAFSA updates in just a moment. There was something else that came up in this hearing that I kind of want to talk about. I don't think we want to go into a great amount of depth about it, but it does sort of have some intersections to student aid. And Jon, you're probably in the best position to sort of catch us up to speed on all of this. A lot of our members are seeing this on their own campuses, but they're certainly seeing it in the news if it's not happening on their campuses. And those are the campus protests around what's happening in Israel and Palestine. Catch us up to speed on briefly what's going on on the campuses, but maybe more acutely some of those intersections as they related to this hearing and how those came into play.

Jonathan Fansmith:

And I think most people have at least seen some of the news coverage. And I think when we talk about this, it's a relatively small number of campuses at which the protests are occurring. I think the Chronicle of higher education has it as around 90 or so. I think I checked it yesterday. It's around 90 institutions where these protests are going on. So a small percentage relative to the overall number of institutions in this country, but very much national news focus. And I would say we talked about how Congress is hearing from members and from institutions and our districts about FAFSA. There has been a lot of attention in Congress about this issue. And the Educational Workforce Committee where the hearing took place has already held three hearings, maybe four at this point. I have to remember the exact number on this subject. They have another one scheduled for May 27th.

They're bringing three more college presidents in to face scrutiny over how their campuses have handled things. It is a big hot button issue. It's a big political issue. It's an issue that's getting a lot of attention in terms of what the impact might be on the November elections. So it's very high profile at this moment. In this hearing, it came up in a couple of different contexts. There has been a lot of discussion last week. Republican chairs of a number of committees along with Speaker Johnson announced what they're calling a whole-house approach to addressing antisemitism on college campuses, which primarily tied to the idea of, if campuses they believe are not appropriately handling anti-Semitic incidents, that they should lose federal funding across a variety of ways. And that could look like losing federal research funding through the Science Committee, losing their exempt status through the Ways and Means Committee, or losing access to federal financial aid or other benefits to students through the ED and Workforce Committee among others.

So we saw that referenced, I think Chairwoman Foxx brought up a bill that was introduced in the Senate that would say, "student loan forgiveness would be barred to anyone who..." And it wasn't exactly clear to me whether they'd been convicted of a crime or had participated in something that would be seen as anti-Semitic. There's a lot of these proposals out there, many of them very unlikely to advance, but it shows a lot of what the tone and tenor of the discussion has been, certainly in the House, but in Congress generally around these protests. And again, this is an ongoing situation. There was a hearing yesterday that was supposed to happen about whether how the D.C City government responded to requests by George Washington University to clear their campus encampment, and that only got canceled because the metro police did move in on Tuesday night and cleared the encampment. So this is a very much fluid and changing situation, but in terms of the national attention, the scrutiny and the level of resources that the house and particularly house education workforce can are putting into this with ongoing investigations, it's not going away anytime soon.

Justin Draeger:

On that note, Jon, let's listen to one clip. This was an exchange between Dr. Foxx, the chairwoman of the House Education Committee and the secretary. She was asking specifically about student loan debt relief and whether debt relief would be given to some of the people who are in fact protesting and perhaps I think in her mind, may be engaging in some sort of anti-Semitic behavior. Let's have some of that clip.

Dr. Foxx:

Mr. Secretary, you've been proudly volunteering the taxpayers to take on the student loan debt of largely wealthy college graduates. Do you believe that students who spend their time in college call for the destruction of an ethnic or religious group or spend their time preventing students of particular ethnic or religious groups from walking around campus freely or spend their time occupying campus buildings deserve to have their education paid for by taxpayers?

Secretary Miguel Cardona:

Couldn't hear you that well, but if you're making reference to the student debt relief plan that we've done, I'm really proud of the work that we're doing to provide a lifeline for students who chose to go to college and are living-

Dr. Foxx:

But I'm talking about the students who are being anti-Semitic and stopping Jewish students from being able to go to class and threatening them. Do you want to have the taxpayers pay their loans off?

Secretary Miguel Cardona:

I believe that students who are breaking the law and are disrupting the educational environment should be held to account. I believe it's important that all students have access to their higher education classes and graduation.

Dr. Foxx:

Well then will you commit to ensuring that no student has harassed other students or prevented other students from going to class or broken laws receives any form of student loan forgiveness?

Secretary Miguel Cardona:

We are committed to making sure that campuses are safe. I condemn any form of hate or any violence on campus. I've spoken to students and educators who have experienced that and it's our responsibility-

Dr. Foxx:

Well, we'd like you to follow through on those who do break the law and make sure they don't receive student loan forgiveness.

Justin Draeger:

Okay. So I think this gets back to Jon, what you were referring to previously, whether there might be some legislation around this or whether the chairwoman was trying to even figure out where the secretary was at or the administration was in their positions about whether debt relief should be given to folks based on their beliefs around Israel or anti-Semitic behavior or protests, which I don't know what sort of answer the secretary could be drawn into there, but the fact that this was out in a hearing I think just really draws attention to how politicized and hot this issue has sort of become.

Jonathan Fansmith:

And the politics of it are pretty important at this moment. I mean, one of the things that has come up a lot is how President Biden has chosen to address this issue. And it's been difficult for... So I will say representing college presidents, this is incredibly hard because you essentially have two often conflicting requirements. One is to preserve free expression on your campus, make sure that students and faculty have the right to appropriately express their viewpoints even when they are controversial, even when they conflict with others in the community's views. They're also required under Title VI to maintain the safety of their students, protect them from harassment, ensure they can access the education they're entitled to. And those often come to conflict in drawing that line about what is the appropriate line at which speech is self-free expression but doesn't constitute threatening or harassing behavior.

Everyone struggles with that and certainly college presidents struggle with it as much as anyone else in broader society. The Democrats have had similar struggles in terms of articulating where they stand around these protests because in many cases they strongly believe in the right to protest and expression how there's even clearly some democratic politicians who are sympathetic with some of the issues that the protesters are raising. The Republican side, we've tended to see a more explicit condemnation of the protests. And so you're seeing that a little bit. I think the chairwoman is sort of trying to draw out the secretary and say, "Why are you not being more forceful? Why have you not taken a stronger stance? Why are you not pushing harder on institutions to clear encampments, shut down protests, suppress these kinds of demonstrations."

And the secretary, he's in a difficult place. He referenced that they have, I think 145, and that's K-12 and post-secondary, but open investigations at the Office of Civil Rights around discriminatory behavior in this area. They are doing a lot, but they're following the processes they have in place, which are not processes that lead to quick or immediate or certain sudden outcomes. So it's hard. He's in a difficult way.

Justin Draeger:

Well, and the processes themselves require adjudication. I think anybody would say, "Do you want them adjudicated?" You don't want a decision rendered without adjudication.

Jonathan Fansmith:

Right.

Justin Draeger:

That leads to authoritarianism.

Jonathan Fansmith:

Well, and certainly for NASPA members, the sanction that ultimately can be applied if OCR determines that you failed to meet your Title VI obligations is your cutoff from Title IV aid. That is a significant penalty. So you want a right as you point out, a judicious, deliberate, thoughtful, comprehensive process to review what the claims are and what the merits are and what the institution's role in appropriately or not handling the situation was.

Justin Draeger:

Let me take this down to the campus level for just a moment because I don't want to overblow this in scope in any way, shape or form. We have received a very, very small number, but just a small number of questions. And this from the financial aid side, but of schools who are trying to figure out what levers they can pull to maybe tamp down or disband some protests that maybe the schools have felt like have crossed some line. And schools are looking at everything from suspensions to potential expulsions to... They're trying to figure out what tools they have in the tool belt to figure this out.

One of the questions we've had from financial aid offices is a very small number is whether they can revoke financial aid in some way or scholarships in some way from students. And the answers that we've most provided is that in the same way that schools would want adjudication from the Department of Education, that schools should think long and hard before they... One, you can only revoke Title IV aid from students in very specific instances. And those have to be regulatory instances and that schools should really think long and hard before they start revoking even institutional aid from students. And it should be well documented and within the policies and procedures that are already on the books around codes of conduct and whatnot.

Jonathan Fansmith:

And this is one of the things that-

Karen McCarthy:

Yeah.

Jonathan Fansmith:

Oh, sorry, Karen, I just-

Karen McCarthy:

Go ahead. Go ahead.

Jonathan Fansmith:

Your campus procedure, and this is one of the challenges college presidents have in explaining what's happening on the campuses, they're often asked, "Well, why didn't you go in and kick these students out immediately?" Well, campuses have very clear policies about how they handle, and it ranges from things like harassing behavior up to vandalism. And so the ranges of sanctions, they vary, but there are

procedures and processes in place by which you give the student the ability to at least answer for their actions. And I don't think we want to suppress that, right? Nobody wants this to be a process or simply just on an allegation, disciplinary actions taken. So just like at the OCR level, at the federal level, we want a deliberate reasonable process. We want that at the individual student level on the campus too. And that's not satisfying for people who are angry about what they're seeing, but it is something I think as society, we ultimately say it's absolutely necessary.

Justin Draeger:

Right. Karen?

Karen McCarthy:

Yeah, I was just going to add related to the few questions that we have received about revoking aid eligibility is that I think in the couple of cases that I've seen, it's mostly that the aid office is getting the question from others within the institution like, "Hey, is this a possibility?" It's not the aid office saying, "Hey, I'd like to do this. Can I do this?"

Justin Draeger:

No. Right. Right.

Karen McCarthy:

So I did want to clarify that.

Justin Draeger:

Thank you.

Karen McCarthy:

And the other thing is that, in the aid office, this comes up in a lot of different contexts that aid administrators can't add additional eligibility criteria to Title IV Aid eligibility. So, it comes up even like, "Can I ask the student to provide all this extra information that's not on the FAFSA before I give them Title IV Aid?" And no, you cannot. You can't add extra eligibility criteria.

And so the converse of that is you could not take away somebody's Title IV Aid eligibility because of something that they had done just for that reason solely. So you mentioned conduct procedures and policies on campuses. That's the way that these things would happen in that obviously if somebody is disenrolled from an institution, they are no longer Title IV Aid eligible. So that would be going through the regular institutional process that may have an impact on the Title IV Aid eligibility, but you can't just take a shortcut to Title IV Aid eligibility in that way. And I feel like that additional eligibility criteria is kind of a principle that is known and loved amongst the Aid administrator community. So I feel like they will get that, but they're getting questions from within the institution if they can do that on the Title IV side at least.

Justin Draeger:

Yeah. Okay. Thanks for that update, Jon. And this is one of the times where ACE, you are dealing with a broad set of issues, and at NASFAA, those issues then sometimes intersect with the world of student financial aid and some of the ethical procedural and logistical issues that we're dealing with over on the aid office side. Let's get to some of the FAFSA updates as we round out this episode. Karen, talk to us

about this new initiative the Department of Education launched and where we are in some of those outstanding issues that we're hoping for guidance on.

Karen McCarthy:

So earlier this week, the Department of Ed announced the launch of a program they're calling the FAFSA Support Strategy, which is a little bit *deja vu-ish* because it's very similar to the college support success strategy that they announced earlier in that the college support strategy was a way of providing additional funds to support institutions and getting up to speed with this new FAFSA. And that is on its way and ongoing. And so this new strategy is more on the side of FAFSA completion in that the Department of Ed is definitely hearing the concern, seeing the data about the lower rates of FAFSA completion.

When you're talking about completion amongst high schoolers, there's a lot of concern about the end of the school year and that they will all scatter and not have the support that they would typically have from high school guidance offices and other personnel that come into high schools. And so they are going all out in terms of trying to bump up that FAFSA completion rate. So this is a way of providing additional funding to different entities that are already in the FAFSA support space, who would be able to pretty rapidly ramp up their capacity and their work in this space if they had additional resources.

So an example might be a nonprofit who employs people, they're embedded in schools and they only do it while the school year is happening because that's where they work. And if they had the ability to do this FAFSA completion work over the summer with some extra resources, they would be able to continue their FAFSA completion work. So it will be run through ECMC similar to the support strategy on the college side. And they are looking to also, similar to the college support side, get it up and running very quickly because they do understand the urgency and trying to get to as many students as possible before the school year ends and then beginning into the summer.

They did let us know yesterday that they are planning to launch a website related to this new program. And through the website, entities who wish to apply for funds can submit their interest form directly through the website. And they told us yesterday that it would be a launch today, and we're recording on Thursday. So hopefully, by the time people hear it will be up there. They did not share the link or anything for that, but I imagine we'll see some public announcements about the launch of that website.

Justin Draeger:

Great. What about some of the stuff we're waiting for, Karen? We've talked about this for a couple weeks in a row, but we are waiting for new guidance on things like institutional corrections, we're waiting for... Some EA is related to reprocessing, non-SSN contributors. We got any updates there?

Karen McCarthy:

Yeah. When we were coming up with the agenda, you asked, "Do we have any FAFSA updates?" And we always have FAFSA updates, even if it's that we don't have FAFSA updates because we get the same regular questions. So I feel like I should run through the most popular questions that we get. And we do not have any updates on paper FAFSA form processing. And this is as of yesterday, they said they do not have any updates on when they plan to start that. We also have been asked about when we can expect data-sharing guidance. We thought that was on the way and imminent. And apparently, it's no longer imminent. They do not have an ETA for that guidance either at this time.

Justin Draeger:

That's a tough one to hear.

Karen McCarthy:

Yeah, we've been hoping, yeah, any day now. Any day now on that data sharing, and it sounds like that has been paused or kind of reverted in the process. I'm not sure, but-

Justin Draeger:

Karen, is that because they're back to the drawing board or what's the hold up there?

Karen McCarthy:

Yeah, they did initially say it was kind of in the final stages and they expected it imminently and then it didn't come out imminently. So when we followed up, they said that it did go back to some sections to be rewritten. I don't know how big of a deal that is.

Justin Draeger:

And as a reminder, it's because we're dealing with now taxpayer information. That's what we're trying to...

Karen McCarthy:

Yeah. I mean they-

Justin Draeger:

That's the part we're trying to parcel out?

Karen McCarthy:

Yeah. But they did say that because they realize this data-sharing guidance is so overdue that they plan to break it up into two pieces of separate guidance. And the first one would be related to FAFSA data that is not FTI. And then the second piece of guidance would be the FTI guidance because it sounded like the FTI policies were the hold-up that they were still working through, and they knew that everybody was very anxious, so they decided to break it up. And FAFSA data guidance would come out earlier. So that is what we thought was imminent. But there's some kind of hang-up there that they are still working through.

Justin Draeger:

Okay.

Karen McCarthy:

And we do expect, I mean I don't have any exact dates, but we're hopeful that we will get some information related to the availability of school corrections and the timeline for that. I don't have any more timely updates on that. I don't know if you do, Justin.

Justin Draeger:

Well, just to be clear, we expect the timeline.

Karen McCarthy:

Yes.

Justin Draeger:

We're not expecting that institutional corrections are coming online imminently-

Karen McCarthy:

Yes. Yes, thank you.

Justin Draeger:

... We're expecting the timeline of when they are coming online.

Karen McCarthy:

An announcement about when we will get them.

Justin Draeger:

Okay.

Karen McCarthy:

Yes.

Justin Draeger:

And we know that schools need that information so they can start doing contingency planning.

Karen McCarthy:

Yes.

Justin Draeger:

Okay.

Karen McCarthy:

We did hear from the department that we should shortly have some guidance related to reprocessing because they just had really three rounds of significant reprocessing, the FPS-related errors that were the first round of reprocessing, then the IRS-related errors. And then they most recently did some other reprocessing related to the order of school codes for purposes of the states. And that doesn't impact institutions other than the fact that they get another reprocessed ICER. So they then saw all of those transactions come in as well. So I think that they plan to release an EA with the status of reprocessing and where they are, which I am hopeful will provide a lot of clarity. There's definitely some confusion and overwhelm out there with all of the different reprocessed ICERs and the list that schools have been using and what category people are in and are they done? How do we know when they're done? And so I think that that is the crux of the EA that we expect probably next week.

Justin Draeger:

Thank you, Karen, for those updates. Only thing I want to highlight is that in Today's News on Friday, we will have the results of our latest survey that we had out to members. Again, we're doing these week to week, and we are sharing the results with our partners over at the Department of Education. It looks at

how schools are doing on packaging and getting aid offers out to schools. So if you're interested in that, take a look. Maybe Hugh, we can include a note in the show notes of the podcast.

So we are having hundreds of schools participate in this every week. And it shows when you're normal, acceptance dates are how you've changed those in the face of this year's FAFSA delays and where you are in the aid packaging process. So check those out. Thank you, Jon. Thank you, Rachel and Karen, for participating this week. Thank you to Hugh for producing and editing this week's episode. Thank you to all of you for tuning in and listening. Remember to subscribe, tell a friend, and if you have a moment, leave a rating on your podcast app of choice that helps other people find the podcast. And we will talk to you all again very soon.