

NASFAA's Off the Cuff Podcast – Episode 155 Transcript

Speaker 1:

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Justin Draeger:

Hey everyone. Welcome to another edition of Off The Cuff. I'm Justin Draeger.

Allie Arcese:

I'm Allie Arcese with our communications team.

Megan Coval:

I'm Megan Coval with our policy team.

Jill Desjean:

And I'm Jill Desjean also with our policy team.

Justin Draeger:

Welcome, everybody. We're so glad that you're all able to join us today. Welcome back. We have a lot to talk about, including some new information on foreign gift reporting, origination fees, and more. But first joining us today, we have a very special guest, former NASFAA National Chair, David Gelinas. Known around the community colloquially as Sheriff Dave. Dave, welcome!

David Gelinas:

Thank you, Justin. It's great to be with you.

Justin Draeger:

We have you here today because unfortunately, we had to cancel our national conference. And when you're together with 2,500 of your closest friends, it's nice to be able to do these sorts of things in person, but in lieu of that, you are getting to spend an afternoon with the four of us and us bestowing on you, the board designation of Lifetime Achievement. And this was announced in today's news just a few weeks ago so this isn't necessarily a surprise to you, David, but for folks who aren't familiar, it's the highest award at NASFAA and it can only be bestowed on one of our members and the achievements because its Lifetime Achievement.

Justin Draeger:

The achievements and contributions have to be outstanding, significant, and over a sustained period of time for the association. And this year, this honor was bestowed on you, David. You're the Director of Financial Aid at Davidson College. You've held virtually every committee position at the state regional and national level. I was going through your volunteer history recently. We've had you many times on governance committees. You've served as our treasurer and you're fondly known as Sheriff Dave. And for NASFAA you were in 2005-06, the NASFAA National Chair. And I think one of the things that stands

out, I was going back and reading some of the articles during your year as Chair. One of the things that really stands out is your encouragement of NASFAA members to be catalyst for positive change.

Justin Draeger:

I don't know if most folks know this, I think they do, but you'll be retiring in just a few short weeks and we wanted to take a few moments to thank you for your leadership and support of the profession. Dave, before I turn it over to you, I have a couple of quick questions, there are only 25 winners of Lifetime Achievement. NASFAA's been around for over half a century, but this is such a prestigious award that it's not even awarded every year. People like George Chin, who I know you served with on the NASFAA board, Joe Russo, Eleanor Morris, Dallas Martin, Edson Sample, Bob Huff, Allan Purdy are just some of the really prestigious people who've received this. How's it feel to be amongst this esteemed group?

David Gelinas:

There are two emotions I would say I have. The first being, wow! That's an incredible population to be a part of. And the second one being, my gosh man you're old. And so I'm wrestling with both of those conflicting emotions there. It is indeed a deep, deep honor to have my name mentioned in the presence of the other names you just said.

Justin Draeger:

So Dave, for folks who may not know, how did you earn the moniker, sheriff, Sheriff Dave? Can you let us know how you came to this?

David Gelinas:

I can give you the origin story. And the individual who initially bestowed it upon me is also either recently retired or will be and that is Ron Elmore who at the time was at Birmingham Southern College. And he had put a question out on the FINAID-L list and it was a regulatory type question. And at the time I was up in Suwanee up on the Monteagle Mountain and he said, "I don't want to hear from that sheriff up on the mountain! I know what he's going to say!"

David Gelinas:

And Bob Quinn, the moderator of FINAID-L picked up on it. I received a badge in the mail that following Christmas, and it has stayed with me since. Since it's a horse that has taken me this far, I'm going to ride it all the way to the finish line.

Justin Draeger:

Good for you. I think for a lot of people your engagement on FINAID-L and in other forums, and of course all the different ways you've been engaged at the state regional and national level here at NASFAA. I mean, one of the things that you're known for is you've got all of this responsibility, all of this tenure, and I think it's pretty apparent to everyone you go out of your way to help your colleagues to chime in, to help them think through issues, Listservs and elsewhere. So if you were to look over your career and you're talking to some new aid administrators or newish aid administrators out there, I'm curious, what's the piece of advice that you would pass along from your tenure in this profession?

David Gelinas:

I would give a qualitative and a quantitative answer. Qualitatively, I would say be a very good listener and listen more than you perhaps would be inclined to. I think, as a profession, we're very good at verbalizing and I think we also need to be very good at listening to what situations are brought to our attention. And on the quantitative side, I would say, learn how to do need analysis by hand. Even if it's just once or twice because then you'll understand why you're seeing what you're seeing. And I know the ease of pushing the calculate button in your software is a marvelous progression of the profession.

David Gelinas:

But to know why it's doing what it's doing takes you to having to understand all the internal components. And I learned as a hand calculator. And this is beyond nerdy, I still have my hand calc cards from the early eighties when I joined the profession. Something I've kept throughout every move I've made and it just reminds me that's how you understand what's occurring and can make you better at explaining what happened and why versus well, that's what the formula produced. So those would be my two pieces of advice. One probably would be accepted and one people would probably say, "Oh my gosh! You are old."

Justin Draeger:

Well, I will speak up in favor of everybody having to do a hand calc. I did one when I first started and I still have worksheets around this office of when we started getting into need analysis with lawmakers that I pull out occasionally and just fiddle with the numbers to see what the actual impact would be. I think those are both good and I think they portray two places where you volunteered. One is you served on the Journal of Student Financial Aid so the qualitative and quantitative makes sense. The second place is you were recently on our FAFSA simplification workgroup not too long ago where we delved deeply into these issues so this seems like the perfect answer to me. I have another question for you, which is July 11th, the day after you retire, what are you doing?

David Gelinas:

Not looking at my alarm clock to start with. And one of the traditional retirement gifts at our college is the chair. I chose a rocker. So I firmly intend to be sitting in my rocker at least part of the day on the 11th, enjoying the experience.

Justin Draeger:

Well, good for you, David. I have one other question for you. If you were to try to sum up in those last words, looking back at your career, what are the words that come to mind? How would you describe your experience in this profession?

David Gelinas:

I would like to conclude by saying thank yous. I think that's where I would want to sum up my profession. I would say thank you to all the colleagues I have come to know in 40 years in this profession. Their kindness, their interest in what they're doing and why they're doing it and who they're doing it for. Their unfailing hospitality as I have traveled literally from Florida to Alaska and back again. So my colleagues, to them I would want to say a very sincere, thank you. I would want to say thank you to my coworkers. None of us do this in a vacuum and I have been blessed with very supportive coworkers who understood my professional involvement meant some more burden on them, and they were willing to accept that and take it on. So I say, thank you to them again because without their support this would not have been possible.

David Gelinas:

My supervisors who've said to me, "Go for it!" And maybe at some point, began to ask themselves, "Why did I say that?" But supported me throughout all of the involvement I was able to have and so I'm grateful to them and what that has meant to me. I want to thank my family, my children who supported me, not always understanding why dad was gone again and where he was going, but were very supportive of my professional involvement and enjoyed some of the locations I was able to get them to. We all realized that we probably would not have gotten to some of those without it being either a conference or some presentation that dad was giving so there was a bonus there.

David Gelinas:

And lastly, I very much want to thank my wife, Monica. Known to many in the profession as Mrs. Sheriff. Mrs. Sheriff has always, always been supportive of what I've desired to do and has been there, has understood why I wanted to branch out beyond just what I did in the office. And I could not have done it without her so the biggest thank you to my soon to be wife of 44 years. A great big thank you to her as well.

Justin Draeger:

Well, thank you to Monica. And Dave, you should know I asked a few people to describe you in a word. Words that came up were mentor, friend, advocate, passionate, and I would agree and reaffirm each one of those today. I can most definitely say NASFAA would not be what it is today without Dave Gelinas as part of its history so, thank you, and I hope you'll stay in touch.

David Gelinas:

I certainly hope the opportunity will be there to at one point get together in person again where I can say goodbyes face-to-face.

Justin Draeger:

We'll look forward to that day. Thanks, Dave.

David Gelinas:

Thank you all. Appreciate it very much.

Justin Draeger:

All right. Let's get back to happenings here in D.C. Let's start with some foreign gift reporting. Megan, you want to catch us up?

Megan Coval:

Yeah. So this week on June 22nd, ED released a new portal for reporting Section 117 information. So the next deadline is July 31st so institutions need to use the portal for this upcoming reporting, unless you had already submitted through the E-App prior to June 22nd. So that's the big update we were sort of waiting for this portal. Many people actually, well, I should say ED had said that it would be ready prior to the January 31st reporting deadline. So it's been a long time coming and there's still a lot going on with the foreign gift reporting, just in terms of pushback from the community on what has to be reported and how it's gone further than what statute requires. So we continue to work on that piece of

the issue, but the big news for this week is the portal is up. Don't use the E-App anymore and use it for your July 31st deadline.

Justin Draeger:

All Right. So for all the aid offices that have to also be responsible for doing the foreign gift reporting will want to take note. Thank you, Megan. We have some news on origination fees and it might be helpful to also talk about the sequester, how that comes into play. Megan, you want to catch us up here?

Megan Coval:

This week the department announced what origination fees would be for award year 2021, effective October 1st. So for direct sub and unsub loans, it's going to be 1.05%. And for PLUS loans, both parent and graduate it will be 4.228%. As a reminder, these are changing every year due to sequestration, which was part of the Budget Control Act that was passed in 2011. And that's why they change on October 1st, unfortunately not in line with the award year. And right now sequestration on mandatory programs is scheduled to go through 2030. So we have about another 10 years, at least as it is today, to keep seeing these annual updates to origination fees.

Justin Draeger:

Does anybody get the feeling like the sequester could last longer than we'll be alive?

Megan Coval:

Yes.

Justin Draeger:

I mean, 2030?

Megan Coval:

2030.

Justin Draeger:

Think about that.

Megan Coval:

The discretionary one is over sooner, but the mandatory one.

Justin Draeger:

Yeah. We should point out there's bipartisan support to get rid of origination fees. We just haven't quite found the right vehicle because it does cost money. Well, cost in quotes. It costs money in that it'll bring in less revenue, but there just hasn't been the opportunity. I just can't remember. Is there any talk about this in the fourth, whatever the fourth stimulus package is going to be. Is origination fees a part of that conversation or no?

Megan Coval:

Well, we've asked for it as a community and I believe that in the Senate, there was a bipartisan letter that went to House and Senate leadership asking for the fees to be at least temporarily eliminated during this national crisis, so.

Justin Draeger:

I mean, as long as we're throwing trillions of dollars around I don't see why not.

Megan Coval:

I agree with that.

Justin Draeger:

I mean this money. What is money? What is money anymore?

Megan Coval:

Just get it done now. I agree.

Justin Draeger:

Anyway, all right. We also have a federal register notice coming out this week, Jill, about schools having to submit their certification agreement form to get their emergency aid. You want to catch us up here?

Jill Desjean:

Sure. Yeah. So on Wednesday, the department announced in the federal register that it is imposing an August 1st deadline for institutions to submit their certification and agreement forms on the grants.gov website to apply for their CARES Act, Higher Education Emergency Relief Funds. When those certification and agreements first became available, starting late April and then they rolled out a couple more after that, they didn't have a deadline associated with them for when schools could request their funds so this is new. And it would apply to the Student Emergency Grants and the Institutional Share Funding under part A1, under that heading in section 18004 of the CARES Act, which is that H-E-E-R-F funding. It would also apply to the funds that are for HBCU's, tribally controlled colleges, MSIs, and the strengthening institutions' programs that all fall under A2 of that same H-E-R-F funding and also to the FIPSE funds that were authorized in section A3. And ED says they're imposing that deadline to allow them to redistribute any unclaimed funds.

Justin Draeger:

All right. The department also had a webinar this last week. Were you able to attend?

Jill Desjean:

I was there.

Justin Draeger:

Yeah. I got some member feedback that it was a little rough start. A member sent us a comment and said that it started 12 minutes late and ended one minute early and I think it was only under an hour.

Jill Desjean:

Yeah.

Justin Draeger:

Which, you know what, from time to time, occasionally NASFAA has technical issues as well. Not very often, thankfully. This was the first webinar that I think they've done offering technical support. I also received a few member comments that there was some confusion on the webinar about reporting. I don't know, Jill, if you remember this part, but a member was asking that something about the use of institutional share also had to be posted on the school's website, but I don't think that's actually correct. Right?

Jill Desjean:

Right. I don't remember what the question was, but the first person who responded from ED said that there was reporting required for the student share and the institutional share, and then someone else did come in and correct it. But I think those of us who were listening in all kind of went, "What!" Because we had not heard of institutional share reporting.

Justin Draeger:

I know, it sort of gives you cold sweats anymore because the department... And then at one point, I think I heard... I was able to join for like the last 20 minutes and I think at one point they were sort of like, "Yeah, start pulling together your reports now for students and we have a whole team that's scouring, institutional websites looking for their reporting and just go ahead and prepare for it. We haven't released anything on how to report, but just go ahead and start preparing for that now." And I'm like, "Oh God, I don't know what kind of cans of worms this is going to open, but how are schools supposed to prepare if they don't know what they're preparing for?"

Jill Desjean:

Yeah.

Megan Coval:

Yeah.

Justin Draeger:

I mean, with all due respect and love, that was a rough 60 minutes.

Jill Desjean:

Well, it was only a rough 45 minutes.

Justin Draeger:

Well, a rough 45 minutes. The 20 minutes I heard was a little rough, but I guess we'll... It's sort of like, I don't mean to be condescending, but I think about this all the time as a parent, I give praise for approximations. So when I want my kids do something and it seems really obvious what they should do. They don't do it, but maybe they get in the neighborhood. I'm like, okay, let me praise you for an approximation. You made an effort. It wasn't what I would have done or what I wanted you to. So, we've done six webinars with 40,000 registrants. This is the first one out of the department.

Justin Draeger:

Hopefully, they'll do more and it'll get smoother as they go along so praise for approximations here. Also, coming out of the department, this part out of Federal Student Aid. They announced new contracts with five companies to provide customer service support. This will be support to 68 million student loan customers. The five companies were Edfinancial, F.H. Cann and Associates, MAXIMUS Federal Services, MOHELA the Missouri Higher Education Loan Authority, and Trellis which was the Texas Guaranteed Student Loan Corporation.

Justin Draeger:

So just as a reminder how it works right now, the department is currently using nine different servicers and they are operating on four different platforms so some of those services are piggybacking on other platforms. But their own... And I think we actually had this confusion last week, or maybe a webinar or two. I can't remember Jill, but somebody was asking us about where the interest is waived, how this would appear? And it's sort of like, we don't exactly know because there are four different platforms so how it appears on each platform we don't know. NASFAA's been talking for a long time about having just one portal for all borrowers to go through and then have as many contractors as FSA deems as appropriate on the back end. Well, that's what they're moving towards with next-gen.

Justin Draeger:

The department's announcement said that the current loan servicing environment does not require maximum accountability. And then chief operating officer Mark Brown, who oversees Federal Student Aid said, "Accountability is non-negotiable when it comes to our contractors and to FSA. These contracts are a vital step forward in providing our students, borrowers, their families, and partners with better experience for our programs." The other thing that's notable here, maybe for folks that have been paying attention to this is who isn't there. Nelnet and Great Lakes were not included in the list of five and I imagine they are not pleased about that.

Justin Draeger:

In fact, Nelnet released a statement yesterday, wherein, they said that FSA determined them to be ineligible for award. This is quoting from their press release, "Claiming the company's response to not meet certain requirements related to small business participation." Then Nelnet CEO, Jeff Noordhoek, said in a statement, "We are shocked that the two highest-rated servicers and the dedicated employees who are responsible for achieving those rankings will not be considered by the department for this contract." He went on to say that they are frustrated and disappointed. And all of this is to say that next-gen has been going on, it feels like, for a really long time, although-

Megan Coval:

At least three years.

Justin Draeger:

yeah, three years. A lot of it upfront focused on collections. So the department went through series of battles and protests from collection agencies. Now they're moving into servicing contracts. I don't think this is the end of the story. Nelnet alone was servicing \$185 billion dollars of student loans for five and a half million students.

Allie Arcese:

Including me.

Justin Draeger:

Oh hey, Allie. Congrats. And so, I mean, presumably, yours will be migrated to a new system.

Allie Arcese:

Well, yeah. I mean, that's what I want to know as borrowers, when is this change going to happen because there's not really a timeline attached to ED's release?

Justin Draeger:

Well, it's hard to put a timeline because I would venture to bet that Great Lakes and Nelnet will probably be issuing protests with GAO about the process, so. This is sort of an ongoing saga. I don't think it's over just yet so we will keep people up to date. Allie, do we have a listener question this week?

Jill Desjean:

Yeah, we haven't done a listener question in a while that was not related to Coronavirus or CARES Act or things like that. So just wanted to throw a fun one out there for a little change of pace. So what is the last show that you binged on Netflix, Hulu, Amazon Prime, whatever streaming service you're using?

Justin Draeger:

I feel like this is a very important question because we're all... I'm home. My kids are home. And there's nothing happening. So the TV is on and I have struggled to find a show that I can really get into. Honestly, struggle. I mean, there's movies, fine. You can watch a one-off movie, but trying to get into a whole show has been a thing so what do you guys got?

Allie Arcese:

Pascal and I each picked a show that we really liked that the other one hadn't seen. So my show that I wanted him to watch and we're currently going through old episodes of both of these whenever we have time in the evenings and alternating between them. So my show that I wanted him to watch was Grey's Anatomy and his show that I-

Justin Draeger:

Wait, isn't that show still on?

Allie Arcese:

It is. He had never seen the early episodes so we went all the way back to the beginning. And then I had never seen Parks and Rec so that's the one we're-

Justin Draeger:

Poor Pascal.

Allie Arcese:

He's hooked now.

Justin Draeger:

Is the woman that this was based on is Meredith Grey, right? Is that right? Or do I have that right?

Allie Arcese:

Yeah.

Justin Draeger:

Is she still on the show?

Allie Arcese:

Yeah.

Justin Draeger:

She's still there. Okay.

Allie Arcese:

She like is the show.

Justin Draeger:

Oh, she is. Oh, okay. Well, Sandra Oh was on it. Is she still on that show?

Allie Arcese:

No, but I mean, it's called Grey's Anatomy.

Justin Draeger:

Yeah. I mean the franchise could live on, I suppose. All right. Grey's Anatomy. That's fine. That doesn't speak to me, but Parks and Rec, that's good.

Allie Arcese:

Yeah,.

Justin Draeger:

All right. How about you, Jill? What do you got?

Jill Desjean:

I have been watching The Politician on Netflix.

Justin Draeger:

Who's in that? Anybody, we'd know?

Jill Desjean:

Yeah. The younger people might be famous. They're really good. I don't know any of their names.

Justin Draeger:

The younger people. Okay.

Jill Desjean:

It's about a young aspiring politician. They're phenomenal. But I have frequently thought, oh, there's all these famous people like Bette Midler. The woman from Who's the Boss.

Justin Draeger:

Oh right. Is she the mother or no?

Jill Desjean:

Oh, no. Gwyneth Paltrow is the mom on The Politician.

Justin Draeger:

That's right. The first season's like a high school student, right?

Jill Desjean:

Yeah. Starts in high school and then it picks up, the second season picks up after they're all done college and he's running for a senate against the mom from Who's the Boss.

Justin Draeger:

Oh.

Jill Desjean:

Yeah. It's really entertaining. It's cute. It's quirky. It's really unusual. It's funny. And the acting is really, really good and the characters are really good too.

Justin Draeger:

What's that on? Where's that streamed?

Jill Desjean:

Netflix.

Justin Draeger:

Oh, Netflix. Okay. All right. How about you, Megan? What you got?

Megan Coval:

We're almost through The Last Dance, which I feel like I'm a little behind on. The M.J

Justin Draeger:

Yes! That was fantastic! Yes! Hear, hear.

Megan Coval:

It's just taken a while. And then I just finished last night, a show called Sweet Magnolia's on Netflix.

Jill Desjean:

I just started that.

Megan Coval:

Oh, it's so good.

Justin Draeger:

Is this like Steel Magnolias? Is this like a spin-off?

Jill Desjean:

No.

Megan Coval:

It is a book series, which I've never heard of it before. But it's about three friends in a small town and it's just, it's nice and easy kind of folksy.

Allie Arcese:

It's like reminiscent of a hallmark movie.

Megan Coval:

Yeah, and I really like it.

Justin Draeger:

All right. I've been struggling. The shows that we have binged lately, the last two are Better Call... Well, three. Better Call Saul. I'm all about that series and anything attached to that whole world. Yes, I love Better Call Saul. The second thing is The Good Fight. So we just binged and they didn't actually finish their season, but it's a spin-off from The Good Wife. So anyway, The Good Fight, that's a CBS All Access. And then this one's like my trashy because none of the shows I think you guys mentioned are really trashy, but because we do have my teenagers watching, they like the more reality sort of trashy shows. So this one's not quite like... What is like the real trashy ones? It's not like that one.

Allie Arcese:

Jersey Shore.

Justin Draeger:

Yeah. It's not that, but it's step up from that. But it's Naked and Afraid XL where they take all these former Naked and Afraid contestants and put them all together. And it's clearly like a... It's like Big Brother kind of, or anyone of those, except obviously they're all naked. So yeah, we binged that. It was good. It's like every reality show. Every reality show is the exact same show, except in just different scenarios. This one's in a house, these ones are naked in the forest. These ones are running across the world in a race. It's all the same. Anyway. That's what we got. If folks have shows that they want to share with us, that we can watch, how do they let us know?

Allie Arcese:

Submit our feedback form.

Justin Draeger:

Okay. Or tag us in Twitter.

Allie Arcese:

Yeah. Tag us in a tweet if you want to shout it from the rooftops.

Justin Draeger:

All right, thanks everybody for joining us for another edition of Off The Cuff. Send us your comments, help us find things to binge-watch while everything's locked down and canceled. Send us your comments. Remember to tell a friend and subscribe and we'll see you again soon. Are we off next week?

Allie Arcese:

Yes. We're off for 4th of July.

Justin Draeger:

Yeah. Happy 4th of July to everybody. So we'll be back in two weeks. All right. Thanks, everyone.