

NASFAA's "Off the Cuff" Podcast – Episode 245 Transcript

OTC From the Field: Making Sense of the Midterm Elections and What Comes Next for Higher Ed

Allie Arcese:

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Justin Draeger:

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

Lanae Erickson:

And I'm Lanae Erickson, senior VP at Third Way.

Justin Draeger:

Lanae, we're really glad to have you here. I think I was on a panel with you just a month or two ago. It was at that time I was reminded of how brilliant you are and we should have you on Off the Cuff so you can talk to financial aid administrators. Before we get into all of that though, tell us about Third Way. For people who aren't inside the beltway, it's like a really unique, I feel like a really unique organization and how it came about was really unique. So tell us about Third Way.

Lanae Erickson:

Yeah, we're about a 65 person think tank and we have a variety of different issues that we work on, but they all come from a center left perspective, so you could call us pragmatic progressives and we're trying to make progress on things from climate change to immigration policy to higher education and on and on, but all in the name of persuading a majority of Americans to come along with us rather than arm twisting and building sustainable coalitions that can make that progress over time on all the big issues that the country faces.

Justin Draeger:

We wanted you on today to talk about the election results because you're very keyed in on all of that, but I want to stick with that theme for just a second. Because prior to obviously political polarization has always been there, the Trump years, I just think were really unique, terrifying in a lot of ways, but unique years because it felt like the GOP went through a really dramatic change that became all about Trump. But before that, when you're talking about the inception of Third Way, what I hear you saying, and I was going to ask you, are you ever offended when you're referred to in the press as a center left think tank? I guess the answer's no because you just said that.

Lanae Erickson:

Yeah, the answer is no on that. I think sometimes people say the word centrist and I think that makes it sound more like we're completely down the middle. But even though, we do work in a bipartisan way on lots of different issues, at this point, especially in our country, I think we have realized that there's one party that does seem to be interested in pragmatism and progress and the other party has gone off a cliff towards less than progress, let's say. We definitely were cheering for Democrats in this election and

hoping that they could have the levers of power given the scary nominees that the Republicans put up across the board.

Justin Draeger:

I appreciate you just being like, we're left of center, but we'll dig into that a little bit more in terms of what's electable and sort of hyper-partisanship, which threatens to take over at different times each party. I think people will also be surprised, and I wonder if you'd bristle at this. Third Way sometimes I think embraces conservative solutions to some policy issues. Do you bristle at that assertion?

Lanae Erickson:

No. No. I more think about us as being outside the box, thinking about how do we solve these problems in a way that isn't just what the advocacy groups put forward. I'll give a really specific example. Our climate team has been doing a ton of work on nuclear energy for a decade and has made a lot of progress in advanced nuclear and bringing folks around to the idea that nuclear has to be part of the solution to the climate problem. That's not something a lot of the Green New Deal folks really wanted to embrace, but it's something that we think is absolutely necessary. If we're going to be able to deal with the crisis that we're facing, we need to bring all of the tools that we have to bear on that. While we love renewables, super cool, they're just not sufficient to get us where we need to go as quickly as we do. And so we looked for some outside of the box solutions and that means sometimes those things sound conservative or sound like something a Republican might say more than a Democrat.

Justin Draeger:

Yeah. Well, there's an acknowledgement, you said just being pragmatic, and so being where NASFAA is, we represent a profession that is very pragmatic. These are the folks that aren't against ideating about grand new designs and ways to pay for college or shift the responsibility back towards public support for higher education. But they're also grounded in this pragmatism of how do we get there? And the implementation actually matters. You can have a really great public policy idea if it can't be implemented at FSA and on institutional campuses, guess what? It's going to be a mess.

Lanae Erickson:

That's right.

Justin Draeger:

Let's jump into some of the higher ed stuff. You've been at Third Way, you were just telling me before we hit play here since 2008, so you've been there a long time. You've seen the evolution of this organization and the public policy world that's going on around us. Let's ground ourselves for just a moment in the election results, everybody's had a hot take. Maybe we're getting a little past the hot take. Democrats will retain control of the Senate, Republicans will eek out control of the house, albeit narrowly. The conventional wisdom, and I want you to set me straight here, is that Democrats had a great night, they overperformed what people were expecting. A decent night for traditional Republicans, at least in statewide elections and a terrible night for MAGA Republicans, which I would characterize as enthusiastic Trump supporters or election deniers. Is that right?

Lanae Erickson:

Yeah, I mean, I think that's basically right. I wouldn't overly cheer the election results, although I'm very happy, especially that we kept the Senate and that we kept some members of the House that I thought

might be endangered who are just really good policy makers and really good representatives. But I don't think that Democrats should get too excited that we have some big mandate now to go and do all kinds of democratic policies because what we've seen from voters and exit polls and we've got focus groups in the field right now, is people were really rejecting the extremism of where the Republican party is today and of the candidate they put out. They weren't necessarily in love with Democrats. They were really torn between the two and took a look at the candidates that were specifically put forward and said, well, this Democrat seems more mainstream, that Republican seems like a crazy person.

I guess I'll go with Mark Kelly. I think there's that. It's like a Republican owned goal a little bit because historically in midterms, the first midterm of a presidential administration, you lose about 40 seats. This time we're going to be in hopefully the single digits in terms of seat loss in the house and holding the Senate even without Georgia. Hopefully, we can add to that majority when the runoff happens. We did overperform, but I'm not sure it's because we were so awesome as much as the other team really didn't put their best foot forward and people were very aware of that.

Justin Draeger:

It's like they were looking at their options and even if they weren't in love with both, they went for what they felt was the more sane or grounded option, at least in Arizona is probably the starkest example.

Lanae Erickson:

I think that's right. Yeah. Well, we did a pre-election poll just a couple days before the election. When we asked people about the parties, they were pretty negative towards both of them. They thought both parties have gotten more extreme over the past few years. They said both parties were too extreme. We asked them to map themselves on a scale of zero is completely liberal, 10 is completely conservative, five is dead set moderate, and people mapped themselves at a 5.7, a little bit a tick to the right of center. But they mapped both parties pretty far away from themselves. They mapped Democrats at a three, pretty liberal and Republicans at a 7.3.

But the scary thing to me about that is that actually means that voters see themselves as closer ideologically to the Republican party than the Democratic party and that's a problem that we need to fix over the coming years. The only thing that got us over that was the fact that our candidates outperformed the generic Democratic brand. People voted for Maggie Hassan, they voted for Gretchen Whitmer, they didn't necessarily vote for generic D. If we're going to continue to have electoral coalitions that can govern, we're going to have to be able to not only win races where our candidates can outperform the Democratic brand by 10 points.

Justin Draeger:

Right. Let me clarify one thing. When you say we and our, you are, as you described earlier, center-left, so you're talking about the family?

Lanae Erickson:

That's right.

Justin Draeger:

When you say people weren't voting, I just wanted to clarify you're not saying we as in Third Way and NASFAA?

Lanae Erickson:

That's right. We, the sane people of the candidates.

Justin Draeger:

Yes, of the left. It's okay.

Lanae Erickson:

That's right.

Justin Draeger:

Okay. On the left, when you're talking to family, I mean, you're talking to your own ideological peers and you tell them that they weren't necessarily, voters weren't voting enthusiastically for Democrats as much as comparing what they saw as potentially two extremes, at least according to your polling data that showed them both out on the ends and themselves in the middle. What's the challenge? What do people see as wrong with left candidates?

Lanae Erickson:

I think that people have historically trusted Democrats on a lot of issues that they see as kind of lower priority in their life and then the higher priority issues they feel like Democrats really don't have a good handle on. The economy has always been a problem. In this election, crime was a big issue and immigration played in a lot of these races too. There were places that voters just said, "Listen, this does not comport with my values, what you're talking about here, whether it's defunding the police or open borders, these kind of bumper stickers that have gotten people excited on the left, they just don't reflect what I want to see in my community." In some of the states, there were actually pretty divergent results like places like New York, New York state, we lost a bunch of races that we should have won and it was because of the issue of crime.

Unlike in a place like Michigan or Pennsylvania, New Yorkers weren't that worried about New York outlawing abortion or not counting the election results or any of those very extreme things that some of the other candidates were putting forward. They got to vote on the baseline issues they really cared about. What we saw was they rejected Democrats in part because they didn't think that they could handle the surge in crime and chaos that people have been feeling post COVID. That I think is a little bit of a warning signal for us to really pay attention to moving forward because if we're not facing an election denier and we're really just talking about the issues, I think Republicans had a much better night.

Justin Draeger:

Yeah. If you take out the extremes of the Republican party, you think it becomes more competitive. When you say those top shelf issues, you mentioned economy, jobs, which makes sense, this is how people support themselves and their families. To what extent did higher education play into voting do you think this year? Like debt forgiveness, which is the big one out there?

Lanae Erickson:

Yeah, I think it played in very little. When you look at the Harvard IOP, Institute of Politics poll of young people, this is like the premier poll that people look at to understand young voters and whether they're going to come out and what they care about. When you ask them what they care about, their number

one issue was inflation. Then they had abortion, there was climate change, there was crime, immigration, very similar to what other voters have said. Student debt came up as number eight in terms of their priority.

That's really not what you're hearing from folks like Elizabeth Warren who wrote a big New York Times piece saying student debt cancellation is why young voters turned out. I just don't see really much evidence to that effect. Maybe it's because it's been held up in the courts and so nobody's actually gotten any student loan cancellation yet. Maybe it's because Dobbs had already energized folks and the idea of protecting democracy and protecting freedom, those things were more animating, but I just don't buy that student debt had much to do with voter's choice in this election.

Justin Draeger:

Yeah, and in fact some polling, not recent, but polling during the last election cycle, Democrats have almost historically always won on education issues. But in some places, particularly in Florida and Virginia, which is where I live, Republicans made some pretty significant headways in the suburbs on education issues. Now, I don't know that they tore that apart between higher education and secondary education, but in some ways, it's all the same because conservatives point out that's campuses, they call them as sort of hotbeds of liberalization, free speech issues, and pricing issues and debt, which both sides talk about. But do you see that as maybe a driver in the future? Will that be a talking point and are Democrats losing on education?

Lanae Erickson:

I think that we were losing much worse on education about a year ago. We did some focus groups in Virginia after Glenn Youngkin won and there is absolutely no doubt in my mind that having Virginia schools closed for almost two years is part of why Glenn Youngkin is in the governor's mansion. Having Terry McAuliffe stick his foot in his mouth and basically say, parents don't have anything to do with this, they should keep their nose out of their business like that. That's just not where people are, right? I don't think it was necessarily about critical race theory or anything like that, but schools were closed for a really long time in Virginia and people wanted their kids to be back in school and learning and so that definitely played in. Now, we have a little bit of hangover from that still, I think, but it's a little further in the rear view mirror, thank goodness.

It didn't play in all of these races as much as it did in 2021. But people like Ron DeSantis and Brian Kemp, I think still were able to benefit from it a bit. These were governors that kept things open in their states and then were able to cruise to victory pretty quickly. I think that in part is due to the fact that voters thought that they made the right choice on keeping schools open or opening them back up much more quickly. One of the things I'll just say in our poll that we saw though was that when you ask people who they trust on the issues, you ask them about funding for education, they say Democrats by double digits, right? Because Republicans don't like to fund things and Democrats like to spend money, so that makes sense. But then you ask people, which party do you trust to improve education? And it was split down the middle.

Now, that's something that Democrats really need to pay attention to because I think a lot of Democrats talk about additional funding for education as if it's the same thing as improving education and clearly voters don't think that's the case. They don't think necessarily just throwing more money at something is going to improve it if you don't have other plans. That is a place where we've seen a big shift towards Republicans and people thinking, well, maybe they have some good ideas about how to make sure the quality of education is high because it seems like all Democrats talk about is throwing more money at a problem.

Justin Draeger:

Well, let's translate that for a second into higher ed policy discussions. Because doubling the Pell Grant program or increased any student aid funding, that's easy to rally around and NASFAA is one of the organizations that rallies around that idea. What's much more difficult then is figuring out the quality or the value proposition or if it's a good deal or whether it's going to help students graduate. Those are much thornier issues. I'm wondering, as you look over the next two years and sort of the makeup of Congress, what do you expect to see out of the Republican side on those issues? What do you expect to see out of the Democratic side? Then we'll talk, what's the Third Way solution? What's the center left idea about fixing these things? What do you expect to see out of the conservative side?

Lanae Erickson:

I will say I breathed a big side of relief this morning because we were trying to see who was going to lead the Republicans on the HELP committee in the Senate and Rand Paul decided not to take that job and I think that is great news for higher education because he doesn't really focus on higher ed. I think he would've used that committee in some other ways. Instead, we have Senator Cassidy from Louisiana who is a very thoughtful, higher education wonk, who spent a lot of time thinking about student outcomes and how to improve them. I probably disagree with him on a lot of things, but a lot of the ways that he talks about evaluating whether our higher education system is paying off sounds a heck of a lot like me. I'm really heartened to see that. On the other side though, Patty Murray is going to move to the appropriations committee, so we're going to end up with the chairman Bernie Sanders.

I think that doesn't bode particularly well for compromise. I think Bernie Sanders has shown himself too interested in the wonky aspects of the College Transparency Act. He's more about just yelling about free college. I'm not sure how much progress we're really going to make on some of these issues, but if we do make progress, it will be likely more on these issues of return on investment or evaluating quality rather than on something like doubling Pell, which were a huge proponents of, but which is really, really expensive. There's a reason that even in the \$6 trillion bill that Democrats originally put out there, they didn't double the Pell Grant because it's crazy expensive to do that. I don't think Republicans are going to be in the mood to do that anytime soon. We'll need to be advocating all of us for things like making sure the Pell Grant's keeping up with inflation and other smaller pieces of progress on that, but where it's that expensive, we're just not going to really see any progress.

Justin Draeger:

On the House side, Virginia Foxx is seeking a waiver so that she won't be term limited out of being the chairwoman of the House Education Committee. We presume that Bobby Scott would stay on as ranking member with just the flip and roles there. If we assume that's going to happen, what would you expect to come out of the House?

Lanae Erickson:

Well, I mean, I think Virginia Foxx has very specific viewpoints on higher education and she actually put out her own agenda earlier this year and did a big event talking about where she thinks that we should go particularly on student loans. I think part of that was in reaction to the student debt cancellation of the Biden administration. She and others that are more focused on policy within the Republican party felt that they needed to have an answer to some of these things. She put one out there and I think some of the ideas are interesting to think about, and the fact that student loans have been so much in the news, I think potentially gives us an opportunity to think about some reforms there, albeit not

completely overhauling the system, but for example, thinking about graduate student loans and the fact that half of outstanding student debt is graduate debt and grad plus is basically unlimited borrowing.

It's not actually unlimited as your listeners know, but it's very loosey-goosey and one could say that the income based repayment program that the Biden administration is putting out might even further incentivize graduate programs to raise tuition because it has said that your loans cannot ever negatively amortize. Your balances can never grow over time, even if you're paying a very, very, very low amount that doesn't cover your interest, that means that the taxpayers are covering your interest, and that is something that Republicans are not super keen on. Maybe there's some opportunities in a space like that to see if there's some solutions that might be good for taxpayers and also good for students.

Justin Draeger:

Tell me if you think I'm crazy and that's fine, but it seems to me that the conversation has actually moved left a little bit. When Virginia Foxx released her ideas for student loan reform in the summer, late summer, one of them was that like, okay, we're going to cap the total amount that anybody would ever repay on a student loan. We'll say, you take your principal and you take your interest over a 10 year amortized schedule and that's it. After that, you're not going to pay anymore for your loan, but we do want you to repay the loan. It seems like if I were to go back 10 years in the past, that would not have been a Republican proposal, but...

Lanae Erickson:

That's right.

Justin Draeger:

... do you think I'm crazy? Am I off base here?

Lanae Erickson:

No, I think that's right, and I think it's because we're all realizing that the system we've set up is a little bit of a house of cards, I mean, especially when we continue to make income based repayment more and more generous, people aren't repaying most of their loans. The grad plus program used to make money for the government, but now, it has hit a point where it's actually a spender. We're subsidizing those loans instead of making money off of them. I think that we're at a bit of a crisis point with the student loan system, especially now that folks on the left have been pushing for, I saw today that Ilhan Omar in the House is circulating a letter asking the Biden administration to extend the payment pause on student loans until loan cancellation comes through, which frankly I think means forever, right?

Justin Draeger:

Which could be forever.

Lanae Erickson:

We just won't ever have any, nobody has to repay their student loans anymore. There are people that are asking folks to do that, to just not pay them. I think there are some people who have seen this evolution that are like, man, we got to do something to get people back in the payment system, otherwise this whole thing might just fall apart and nobody's ever going to repay their student loans again, and that would be really bad for the higher education system, for taxpayers and for students if they're just sitting out there with all this loan debt over their head and just ignoring it.

Justin Draeger:

Let's talk about the Third Way then I guess, and what is the proper role of self-help aid like student loans? What is the role in higher education? Because it sounds like what I'm hearing you say is loans play a part, but they need some reform.

Lanae Erickson:

Yeah, I mean, I think they need some reform, certainly need based aid, it used to be a much bigger portion of how you could fund college. I was a first-generation college student and Pell Grant recipient, and that's part of why I was able to go to a very nice college that I wouldn't have been able to afford otherwise. Those things are play a really important part, but obviously we're asking folks to rely more and more on loans. Well, that works okay if you go attend a school and a program that you complete and that pays off in terms of your job prospects. If you're making enough money to make reasonable payments on that debt, you end up better off because you have a long term earnings trajectory that's much more than if you hadn't gone to higher education. But where we really see it break down is the fact that about half of students that colleges enroll never complete those degrees.

Those folks are left oftentimes with debt and no degree, so they don't get to payoff. Then they're the ones that are much more likely to default on their loans or just be in real bad shape in their ability to pay that back. Then you have people that are attending either predatory or really, really low value programs that are just not setting them up to earn a good amount of money and yet asking them to take out a bunch of loans. That's where you end up with something like unaffordable debt and not really the return on investment you were hoping and those are the people that we really should be worried most about.

Justin Draeger:

If I were to game that out based on what you just said, are you talking about a gainful employment for all programs? I mean, is that what I...

Lanae Erickson:

I mean, I would love to have accountability for all programs and institutions that are taxpayer funded. I would want it to be multi metric, though. I think that our higher education system is so diverse and there are programs that are really, really high societal value that are paid pretty low in the labor market. There's just so many different kinds of students in our system that are looking for so many different kinds of things from higher ed. I don't think it's a one size fits all, but I do think that there should be some minimum thresholds that are basically consumer protections. If you're a program that only sees about 10% of the people who enroll complete, that's probably bad. That's probably bad. Because then that 90% is taking out loans and then not having a degree. If we could start to say, okay, there should be some guardrails.

These are taxpayer funded programs, and if you're consistently leaving most students who enroll worse off than if they had never gone to college, we shouldn't be funding that with taxpayer dollars. There's several different ways you could measure that and it would be better to measure it in multiple ways because we've seen in the K12 system and elsewhere, the more you look at only one metric, you end up with people just going towards that thing and maybe it's not always a proxy for quality. But if we look at repayment and completion and earnings and debt to earnings and default and add all of these things together, I think you get a much more clear picture of which institutions are serving students well and which maybe are leaving more people worse off than if they had never gone to college in the first place.

Justin Draeger:

Are you talking about additional? So you take all that multivariate analysis so it's a little more fair and balanced. Some might be doing well in some of those areas, but not in others. Is the idea that you create more floors of account like a floor of eligibility for all institutions, but then you can go to a programmatic level with a little more granularity about all of those things taken into account?

Lanae Erickson:

Yeah, I think that's exactly what I would love to see. Also, it doesn't need to be an on and off switch for Title IV aid, right? There are ways that you could do graduated sanctions. The good thing about programs as opposed to institutional eligibility, I think they both need to play a role in this, but you can close a program. If a program is failing, you can stop enrolling students in that program and you can move them over to a different program, and it's not as disruptive as, say, closing a school. It doesn't leave folks in as much of a lurch. I think that's a nice way both graduated sanctions and then looking at programs rather than just an entire school to make sure that this isn't a hammer that ends up leaving a bunch of students who were well intentioned without the school that they were trying to go to.

Justin Draeger:

A report just came out this last week that showed that for students that are displaced by a school closure, not a program, but a school closure, only half of them roughly ever re-enroll. Those aren't great outcomes...

Lanae Erickson:

That's right.

Justin Draeger:

... when you're talking about school closure. NASFAA did some work with help from the Lumina Foundation when Corinthian closed, trying to get students to re-enroll in other institutions, primarily in California where a lot of these students were. Some of those schools were set up programs to take these Corinthians students, but that was a huge lift. Whereas if you're just closing down a program, you're able to just within the confines of the institution onboard them. I want to ask you about another flash point though between Democrats and Republicans, which is the role... You're talking about institutional eligibility and program eligibility, but another flash point gets boiled down between Democrats and Republicans on just proprietary schools and for-profit schools. What is the Third Way on that issue? I'm sorry, it works so well. I have to keep saying what is that in my mind.

Lanae Erickson:

It's great. Yeah. I think that there is a lot of research out there that shows that in mass, for profit institutions have worse outcomes for students than the other sectors, which means we need to take a close look there. I think there are other methods of accountability for say a public institution or even a nonprofit private college that they have to report to other folks, and for for-profits, they really don't have much other accountability than government asking them, is this a good use of taxpayer dollars? I do think we need to take a look at those folks, but listen, there are some really bad programs that are in non-profit and public schools. There are some institutions with really horrible outcomes that are in those other sectors. I don't think we can just rely on for profit or non-profit status to determine whether a school is good or bad.

The more we get into conversations about online program management and just the proliferation of online programs in general throughout all of these sectors, the line between for-profit and non-profit

gets a little mixy pretty quickly. If that's the only thing we're relying on for accountability purposes, I think it becomes easier to evade and it ignores the vast majority of students who are in our higher education system who may not be being served well by either a public or a nonprofit institution. I'd say we got to look at everybody, but we do know that proprietary institutions have an incentive to make profit and so that's a place that we need to keep a specific eye on. One way that we've started thinking about this is looking at the spending that institutions are doing. Does an institution spend a good percentage of its tuition and fee revenue per student on actual instruction?

Well, there are institutions that are getting taxpayer dollars that spend like 6% of their tuition and fees on instruction. I don't know what else they're spending it on, but it's not on instruction. There may be some other good things that we do want them to spend it on like student services, but a lot of it is recruiting and marketing and profit. Those are things that then again, we're funding with our taxpayer dollars. I think that's an interesting place to go because there are also some non-profit schools that are not spending very much of their money on instruction. Really, when we're subsidizing these institutions with taxpayer dollars, I think we should be able to say, what are you spending it on?

Justin Draeger:

Yeah. Yeah. Well, what I'm hearing you say is for profits may very well have a role in higher education. Maybe we ought to take a closer look at some of the motivations or outcomes or ways that they're spending money, but some of that might still apply to the non-profit side of the house as well. I've also thought about, especially over the last, I guess, the last decade, maybe there's something on the SEC side that we can learn. SEC doesn't just police public corporations, they also police corporations based on their size and risk, risk to their investors. In this instance, it would be risk to students and the taxpayer. There's a difference to me, one of the things I struggle with on the for-profit side is they span the higher education sector itself.

You have a really small mom and pop shop that's turning out cosmetology students, and you've got a global publicly traded company enrolling a 100,000 students, like to try to put those two in the same regulatory scheme seems really difficult. It also seems just pragmatically speaking politically impossible, like Republicans and Democrats have not been able to come together on for-profits. Let me turn this just a little bit as we're closing in on the end of our time. What would a successful bipartisan higher ed agenda look like over the next two years in Congress?

Lanae Erickson:

I mean, I don't think that we're going to get a massive HEA reauthorization in the next Congress. I think the folks will likely be busy with some oversight hearings and other things now that we're going to be heading into the divided government. But I do think we can continue to make progress on this conversation, which is what are our higher education institutions and system delivering to students? What are the student outcomes that we're getting here? Then how do we improve those outcomes? One of the things that we got done over the last two years was to invest in a college completion fund. In the past, the federal government has basically been agnostic as to whether the students that institutions enroll ever get a degree, we'll pay you money no matter whether they get the degree or not. I think thinking about, oh, well, should we also invest in making sure those people that enroll actually get through their program?

There are a lot of evidence-based strategies to do that. Now, we funded it at a very, very tiny \$5 million, so that's not enough. But that is a thing that I think could get bipartisan support is to say, let's invest in improving the outcomes that we're getting from this system. Then on the student loan side too, what are the outcomes? We need to start repayment at some point, how are we going to get there? What's

the path from here to there? Because as you said, implementation is so important, and if we just keep kicking the can down the road, servicers don't know what's going on, the students don't know what's going on, and it's not setting us up for success. Really, focusing on what are these outcomes that we're getting and what incentives can we create for institutions and programs to improve those outcomes, whether that's carrots or sticks or some combination of both.

Justin Draeger:

Well, you just hit on something that I didn't want to bend your words, but it sounds like we've talked a lot about sticks, and that's often what we talk about in higher ed policy. But what about the carrots? If a school is doing a good job of graduating students, having good return on investment in their programs, what are the types of carrots that you think Republicans and Democrats might be able to get on board with? How do we reward schools that are doing a good job?

Lanae Erickson:

Yeah, I think that's a really hard question because some of the things that folks have put out there as carrots really would only apply to the super elite colleges. Listen, that's fine, but it's just they're not the folks that educate the bulk of students and so it just doesn't really, like what Harvard is doing or not doing is not my focus. It's not really the...

Justin Draeger:

What Harvard's doing, you can't replicate that because...

Lanae Erickson:

Right.

Justin Draeger:

... schools are not Harvard.

Lanae Erickson:

Schools are not Harvard and the students are not the students at Harvard and the students that they enroll would succeed anywhere because they're enrolling a lot of high income students, a lot of different kind of students then say the bulk of universities in the country. It's fine if you wanted to create something for them. But I think really what we need to think about is investing in the schools that are actually providing economic mobility to the students that we need to care about. In the K-12 system, we have a Title I, so we have a federal program that invests more in schools that are serving students in poverty. We don't do that in higher ed. Harvard gets the same Pell check as community college down the street.

I think we need to think about how do we invest in those schools that are willing to educate underserved students or students who might need a little bit more investment to get across the finish line and then put more money there and reward them for producing those outcomes. You know what? Some of those schools might be for profit schools, if they're getting really excellent student outcomes, great, happy to invest there. But I think really making sure that we're saying, all right, if you are enrolling students that may have been underserved by higher ed in the past and you're getting really good outcomes with them, we should reward you for that.

Justin Draeger:

Right. Given your preference for higher ed policy, would you rather it be done through executive action, legislative action, or however it gets done, just get it done?

Lanae Erickson:

I mean, I'm going to have to say however it gets done because we're about to go into divided government where again, I think we're going to be focused more on Hunter Biden's emails than really a lot of policy making. But ultimately, it is much better if we can legislate on these issues. I mean, the student loan cancellation has a lot of problems in my mind, but one of them is it's never going to happen because it's held up in court because you know what? The president doesn't have the authority to wipe away that much money with absolutely no congressional approval.

I just think in order to make sustainable change, we don't want to do a GE rule and then have it rolled back and then do it again and then have it rolled back. We want to come to an agreement about the outcomes that we want to seek from this system and then what we think the policy should be in order to create the incentives to get there. If we can do that through Congress, I think it's much more sustainable and that means easier for institutions to understand and react to and ultimately better for students.

Justin Draeger:

Well, whether our members individually identify as conservative or liberal, I'll just say you're singing music to their ears because it is the rapid change year over year, administration over administration, entirely different regulatory regimes that are becoming ever more expansive that really drive implementation folks crazy because we can't settle in on a policy and then evaluate that policy and then make a decision based on something other than pure ideology. I think you'll have won over a lot of financial aid administrators in this podcast, Lanae.

Lanae Erickson:

I mean, it's the people on the ground who have to react to the constant changes that are bearing the brunt of it and the students, and that's just not good for anybody.

Justin Draeger:

Yeah. Well, really appreciate your time. Thanks for coming on Off the Cuff, and if folks want to check out Third Way and the work that you are all doing, where should they check you out?

Lanae Erickson:

We are at thirdway.org or I am on Twitter at Lanae Erickson.

Justin Draeger:

Okay. You've not abandoned Twitter. That's good.

Lanae Erickson:

Not yet, even after student loan cancellation.

Justin Draeger:

Oh, did you take a little heat on Twitter for some of that?

Lanae Erickson:

More than a little heat. It was extremely fiery.

Justin Draeger:

I feel for you. I've taken a little bit of heat for saying really pragmatic things and had my words twisted by friends out there, and oof, it gets ugly really quickly out on Twitter, so bless you for staying.

Lanae Erickson:

Yeah, I'll be there and just sometimes I have to hide my DMs.

Justin Draeger:

All right. Thanks very much, Lanae.

Lanae Erickson:

Thanks.

Justin Draeger:

Thanks everybody for joining us for another edition of Off the Cuff. We're really glad to have Lanae here. We'll be back again in two weeks after Thanksgiving. I hope you all have a great holiday. Also, want to mention two things. One, we have our Off the Cuff community, so if you'd like to join others who are listening to Off the Cuff in conversations about the topics we're having here, go ahead and check out our Off the Cuff webpage or in our show notes and you can join that community.

Also, wanted to highlight our leadership and legislative conference that'll be happening in the first week in February. We have several pathways for folks to look at, including succession planning. We have a big issue in our community. We've talked a lot about financial aid administrators who are leaving or retiring from the profession. How do we grow and prepare folks for that next generation of leadership? Go ahead and check out our leadership and legislative conference, all the different pathways we have there, and we will talk to you all again very soon.