Justin Draeger: Hey everyone, welcome to another edition of “Off The Cuff.” I'm Justin Draeger.

Allie Bidwell: I'm Allie Bidwell, one of our Today's News reporters.

Joelle Fredman: I'm Joelle Fredman, another one of our reporters.

Megan Coval: I'm Megan Coval with NASFA's policy team.

Justin Draeger: Welcome everybody. Stephen is on his way to California. He's with the Community-

Allie Bidwell: Lucky.

Justin Draeger: Which part of California though? We should-

Megan Coval: San Diego.

Justin Draeger: Oh, okay.

Allie Bidwell: Yes. lucky.

Justin Draeger: That's Allie's biased hometown.

Allie Bidwell: Yeah.

Justin Draeger: I also lived in southern California, so I am partial to southern California.

Megan Coval: I forget that.

Justin Draeger: Yeah, it's a great place to love it. Joelle, you're going to catch us up on some things related to a loan servicing hearing. We're going to talk about the new COO. We're going to talk about some executive orders that might be coming out of the Trump administration related to higher education, another hearing that’s happening today. The biggest news, this is our 100th episode.

Allie Bidwell: Woo.

Megan Coval: Can you believe it?

Justin Draeger: That was, that was so terrible.

Joelle Fredman: You can insert like better sounds.

Megan Coval: Yeah, you need to insert some good sound effects.
Justin Draeger: Yeah, like a cowbell or what, what are we thinking?

Allie Bidwell: I'll find something that's sufficiently irritating and exuberant.

Justin Draeger: Allie said she was gonna make a cake, which there is no cake.

Allie Bidwell: No, been a little busy.

Megan Coval: We have a good reason for no cake, which we'll talk about later. A year's worth of work is being crammed into this week.

Justin Draeger: Oh, yes. All piling up. We talked about last week how tired we are and that can turn into a humble brag when you start talking about how busy you are. You know what I'm saying? Like how are you doing? They're like so busy.

Megan Coval: Yeah.

Justin Draeger: It's like, alright.

Megan Coval: Yeah.

Justin Draeger: Right.

Megan Coval: People are like, "We get it."

Justin Draeger: Right. But, there is a lot happening right now. We'll talk about some of that. 100th episode. I sort of feel like we toyed with the idea of doing something really special, but in the end, we're here to do a podcast.

It's business. It's business as usual.

Megan Coval: We're very serious.

Allie Bidwell: Yeah.

Justin Draeger: Somebody did bring in donuts today. Michael, who works on our staff, in TRA, it's his last day. He's going to work at Georgetown. Yay. We're very happy for him. How do you order three dozen donuts from Dunkin' Donuts and not have a single Boston cream? Can somebody answer me that question? Were their Boston creams and I didn't get them?

Allie Bidwell: I ate it.

Justin Draeger: Are you serious?

Joelle Fredman: Yeah, I definitely saw at least two.
Megan Coval: I was wondering if he just missed it.

Justin Draeger: Okay. So, this is a very good supply and demand question here. So, you had a Boston cream today?

Allie Bidwell: Yes, I did.

Justin Draeger: How was it?

Allie Bidwell: Oh, it's so good.

Justin Draeger: So glad to hear that.

Allie Bidwell: I needed it.

Justin Draeger: I got stuck with a cream cheese, something, something, which was not as good as the Boston cream. Every time I go to Dunkin' Donuts past like 11:00 a.m., there are no Boston creams left. People eat the Boston creams. In this office, apparently, by the time I looked at the donuts, which was 11:30 a.m., no Boston creams.

First of all, why are there not more Boston? Why is Dunkin' Donuts not making more Boston creams? And why do we, when we order them, we not get more Boston creams? Everybody, do you love a Boston cream, Megan?

Megan Coval: I don't, actually.

Allie Bidwell: I feel like you need to take this up. Also, looking back at our Slack messages, those donuts, we're in the break room by 7:30.

Megan Coval: Yeah, so-

Justin Draeger: You're just saying I just need to get on the ball. It's who's eating a donut at 7:30-

Allie Bidwell: That's how you get a Boston cream.

Justin Draeger: Don't you try to put your sugar consumptions later in the day?

Allie Bidwell: Buy your donuts like at the crack of dawn.

Justin Draeger: Do you just?

Allie Bidwell: Do I what?

Justin Draeger: Sugar consumption. Like to me, donuts are delicious, but I'm going to put that off 'til after lunch. I don't feel like I should be having a donut at 8:00 a.m.
Allie Bidwell: Donuts are kind of breakfast food.

Megan Coval: Yeah, I think of them as a breakfast food.

Justin Draeger: Yeah. I think most people do, but given since we've been woke to the health consequences of sugar in the morning-

Megan Coval: I see what you're saying. Yeah.

Justin Draeger: But you just did it anyway. So, you had a Boston cream. Good for you.

Allie Bidwell: Yeah.

Justin Draeger: 100th episode. Do you have any special for us, Megan?

Megan Coval: We just have some questions for you about the history of our time on the podcast.

Justin Draeger: We did see some numbers. We should cite those numbers today; which Laura was kind enough to pull for us.

Allie Bidwell: Do you want me to read those off for you?

Justin Draeger: Yeah, just for kicks.

Allie Bidwell: So, in the 99 episodes that we have published so far, over the last couple of years, we have had 84,489 downloads.

Justin Draeger: That's a lot of downloads.

Allie Bidwell: 93,725 pageviews.

Justin Draeger: How many? So, that means 10,000 people came to the website and then left without downloading it? Who are those people?

Allie Bidwell: Perhaps.

Justin Draeger: Well that's really insulting.

Joelle Fredman: Well, they read the blurb and then they're like, "Well, we're going to go now."

Justin Draeger: They're like hard passed-

Allie Bidwell: Or, there are some people who listen in a group. So, maybe they looked, but someone else was the one who clicked to play it. And then, 218 feedback form submissions.
Justin Draeger: Those are good numbers. When we started this, is it fair to say you thought this was a terrible idea? This was before you were here, Joelle, I think.

Joelle Fredman: I can tell you what Allie told me.

Justin Draeger: Oh.

Joelle Fredman: When I came, but-

Allie Bidwell: So, here’s what I tell people-

Justin Draeger: Oh, boy.

Allie Bidwell: Is that Justin gets very excited about ideas and-

Justin Draeger: I feel like I’m going to hear some truth right now.

Allie Bidwell: It was kind of like, "So we’re going to do a podcast." I was like, "Alright, we can do that." — “Starting this week.”

We have less than a week to turn it around for the first episode.

Justin Draeger: It was truly off the cuff. That was the idea, that we wouldn't be preparing PowerPoints for this.

Allie Bidwell: And then it was like, "By the way, Allie, you’re going to be the point person on this." I was like, "Oh, I don't know how to edit audio."

Justin Draeger: But wait, the first episode I edited, didn’t I?

Allie Bidwell: You did. You edited like the first two, three.

Justin Draeger: Alright.

Allie Bidwell: Yeah.

Justin Draeger: And we got a lot of compliments on the editing, but is it fair to say this exceeded your wildest expectations? Because some of my ideas are not winners. Is that fair to say?

Allie Bidwell: Yes.

Justin Draeger: You could have given that a little thought.

Allie Bidwell: Well, not all ideas are good ideas.
Justin Draeger: Alright. So, in the creative process, okay? I'm an ideator, okay? When I take the profile test, I'm an ideator. Where are you on the spectrum? Do you remember?

Allie Bidwell: I don't remember.

Justin Draeger: Where you a clarifier, ideator, developer, or implementer? Do you remember where you are?

Megan Coval: I'm an implementer.

Justin Draeger: You're an implementer.

Megan Coval: Yeah.

Allie Bidwell: I want to say, I think I was a clarifier.

Justin Draeger: So, those are the people up front that like to ask a lot of questions. Like why are we doing this? What are we trying to achieve?

Allie Bidwell: Yes.

Justin Draeger: And I had already moved on. I had already moved to the ideating phase. I came up with this idea when I was at the pool in August off work. So obviously some of my best thinking.

Joelle, your observation since you've joined, what do you think? How are we doing?

Joelle Fredman: Of the podcast or of you being an ideator?

Justin Draeger: Yeah. No, the podcast.

Joelle Fredman: The podcast? Oh, it's great. I mean, every place I go people are always saying they love the podcast. I say "Thank you, but I can take no credit for it. I'm on it occasionally, occasionally."

Justin Draeger: You can take credit for it. What are your questions, Megan? What do you got?

Megan Coval: Well, some of them, we sort of answered in this last little bit here, but this one I like. What has surprised you most about the podcast?

Justin Draeger: I didn't go into this thinking everybody would listen. So, I am surprised by the numbers. I'm happy because there are weeks when it's so busy. Truth be told, I think we're constantly doing the math. Like, is this a week we can maybe miss? Are you doing that math?
Allie Bidwell: I am surprised that people listen every week and they want to listen every week. I thought maybe this would be like twice a month, once a month.

Justin Draeger: Yeah. I'm really pleasantly surprised by that, but it sort of feels like we can't miss a week because-

Megan Coval: There's so much going on.

Justin Draeger: There's so much going on and people are legitimately getting information from it and that's part of what we do at NASFA.

What else you got?

Megan Coval: This one I think is fun. What is one behind the scenes thing about the podcasts that you would want to share with our listeners, that they don't see, or they don't realize that we do? Like, to get ready for it or-

Allie Bidwell: I mean, we don't have stretches or anything that we do.

Justin Draeger: Speak for yourself.

Allie Bidwell: Or we don't do the like vocal exercises, like “me, me, me, me, me.”

Justin Draeger: Yeah. No, we don't do any of that. Do you have something in mind?

Megan Coval: Well, one thing I think about is as listeners, you hear usually, I don't know, 40, 45 minutes of edited content, but there are a lot of times when we sit in here-

Justin Draeger: For the full hour.

Megan Coval: For an hour, or close to an hour, and I think that's kind of interesting.

Justin Draeger: Joelle and Allie, usually you get it down to like 30 or 35 minutes, right?

Allie Bidwell: Mhmm.

Justin Draeger: So, that's a lot of editing. I think people might not realize that sometimes, we tape this on Thursday afternoon. A lot of times, this is the first time all of us are together.

Megan Coval: Yeah.

Justin Draeger: There is a lot of catching up going on because we see each other, we're in various meetings together-

Allie Bidwell: In passing.
Justin Draeger: Right, but it's the first time we're all together. So, there is a fair amount of catching up that happens.

Megan Coval: Okay. And last one, and this is a good one for our audience to answer too, to submit in feedback, but do you have, looking back a favorite moment, or a favorite episode?

Allie Bidwell: I think some of my favorite memories are probably the things that people didn't like, you know what I mean? It wasn't the policy stuff. And I know, Megan, you had mentioned the one episode where you've learned what it really means to “Netflix and chill.”

Megan Coval: Yeah, I remember that one, and yeah, thank you all for enlightening me.

Allie Bidwell: I remember when I-

Justin Draeger: Because she actually used that in a sentence.

Allie Bidwell: Yes.

Justin Draeger: If I'm remembering it correctly, she was like-

Megan Coval: I was like, "No. We're just going to hang back and like Netflix and chill or whatever.

Allie Bidwell: And I was like, "No."

Joelle Fredman: How many times did you use that, and people were like, "Okay..."

Megan Coval: I've used it regularly, like a cool kid, until you guys told me on this podcast not to say it.

Joelle Fredman: Wow.

Allie Bidwell: Yeah, and then I remember one episode where I was telling you guys about that really weird dream that I had where Joan was a bird in the NASFAA office, and we would still ask her policy questions, and she would respond as a bird.

Justin Draeger: Wow. I had a dream the other day, just yesterday morning I was having a dream that we were in a policy meeting, talking policy. Because, it's been a little overwhelming, so it feels like I'm dreaming about it.

Allie Bidwell: Yeah.

Justin Draeger: And I remember waking up, it's about 5:00 a.m. and I was like, "God, I don't want to be at a policy meeting right now." And I opted to just wake up and get out of bed, then continue dreaming-
Megan Coval: About policy.

Justin Draeger: About policy.

Megan Coval: You're like, "I don't want to go back to this."

Justin Draeger: No.

Allie Bidwell: I have had like a pretty significant number of NASFAA dreams.

Justin Draeger: Yeah?

Allie Bidwell: Yeah, I do.

Justin Draeger: I'd love to hear about those sometimes.

Alright, so people, if you've got favorites, go ahead and send them in. Maybe we can send Allie into the archives. Do we have an intern that we can hire that can go into the archives and dig some of these?

Allie Bidwell: I don't know, you tell me, boss.

Justin Draeger: Yes. Done. Alright, lots happening, again this week. FSA has appointed a new COO. Megan, you want to catch us up here?

Megan Coval: Yeah, so the secretary announced this week that she appointed Mark A. Brown to be the new chief operating officer. He will replace Jim Manning, who was acting COO. This was sort of a long time coming because it's been over a year now since A. Wayne Johnson stepped down.

So, they've had this position open for a while. Mark Brown brings with him 32 years of military experience. So, he is a retired Major General from the U.S. Air Force. I think the relevant experience here is that, he was CFO of the Air Force Materiel Command.

During that time, he had a really big portfolio that he oversaw.

Justin Draeger: Portfolio of what?

Megan Coval: Portfolio of $67 billion with budget and financial planning responsibilities.

Allie Bidwell: I think he was in charge of the materiel command, which is all of the materials that the military needed.

Justin Draeger: Like so what? Back in the day, this will be like a quartermaster, like purchasing, buying, supplying?
Megan Coval: That's what it sounds like, yeah.

Allie Bidwell: If you guys know, let us know.

Megan Coval: Let us know.

Allie Bidwell: Someone did correct the spelling of materiel command for us.

Megan Coval: But, in this role, he also acted as a congressional liaison. He does have experience working with Congress, which I think probably was also at an added bonus.

Justin Draeger: So, this is a very unique role anymore. Just a very quick history lesson, PBO was, this was the first performance-based organization that the federal government ever created. And now Megan, what, are there two or three PBOs in the federal government? Do you recall? We did a report on this. There's at least two.

Megan Coval: The Patent Office is a PBO, right?

Justin Draeger: Okay. Patent Office, and then there's one with, isn't there also a PBO with air traffic?

Megan Coval: Yes. Yes, you can see that. Yeah.

Justin Draeger: So, three performance-based organizations. FSA was the first created in 1998. The idea of a performance-based organization is they're given flexibilities that the rest of the federal agencies don't have. So, that might be flexibilities and how they contract and flexibilities and how they compensate staff.

They're sort of given some of the agility that that private sector companies would have, even though they're federal agencies. And so, the chief operating officer is the head of this performance-based organization. I think originally, back in '98, this was purely, largely, it was operations like you would really think about a chief operating officer.

It was an operations gig. I think today, when you're talking about a trillion and a half dollars of outstanding loan debt, and one in five or four, depending on how you calculate it, students that end up in default over a lifetime of a loan, and you talk about the number of students that are actually actively paying back principle or not.

The amount of congressional interest in student loans, in general, it's kind of hard not to see this as part operations, but also part political. I think the job has changed quite a bit.

It's been a while since we've had a chief operating officer on the hill testifying.
Megan Coval: Yeah.

Allie Bidwell: Yeah. I mean, wasn't the last time really just Jim Runcie towards the end of his tenure?

Justin Draeger: I think it was when he and I were together on a hearing several years ago. And he was called again, but that's when he resigned. He set up the chief financial officer, which does not work out of, if I recall right, Federal Student Aid.

But certainly, when Congress is getting directly involved in appropriations bills over servicing, this is not just an operations piece anymore. This part about Mark being a congressional liaison, I mean, I think that that plays in his favor because this is clearly not just operations.

But, no experience in higher education from what we can see.

Megan Coval: No.

Justin Draeger: No experience in loans.

Allie Bidwell: I mean, neither was A. Wayne.

Justin Draeger: Correct, but he did have experience in-

Allie Bidwell: Financials.

Justin Draeger: Yeah, because he was involved in credit and debit cards. Right. And was there at some of the impetus that some of the electronic processing there with debit cards.

So, the interesting thing is A. Wayne Johnson, who was the COO, is still at FSA. He's, I can't remember the title.

Megan Coval: He is the Chief Strategy and Transformation Officer and they make clear in their release that he was going to stay in that position.

Justin Draeger: Right. So, he remains as the Chief Strategy and Transformation Officer. Then you have a new COO. Jim Manning is retiring for the second time. So, boy, this guy has really taken one for the team here.

Megan Coval: Done his time.

Justin Draeger: Right. That's twice that this guy's tried to retire. Best of luck to him. Our community has a lot of love for him because he's the one who announced in November that we would have some relief on verification, documentation requirements. Overall, if I was adding up right four CEOs over the last maybe four-
Allie Bidwell: Not even.

Justin Draeger: Is it not even four years? Four CEOs in three years?

Allie Bidwell: Three.

Justin Draeger: That's a lot of turnover.

Allie Bidwell: Because Runcie was there at least through 2016, maybe even into the early part of 2017.

Megan Coval: Yeah, he was there in 2017.

Justin Draeger: I wonder if we added up, which I can’t do on the back of my hand here, but the amount of time that they've had an interim, a permanent, and how many different permanents they've had. I think at the end of that equation is, you're going to see turbulence.

Megan Coval: Yeah.

Justin Draeger: Anyway, a lot of this feeds into a hearing that was just held yesterday actually. Not with education committee, but with the Appropriations Subcommittee on Health and Human Services in Education. Joelle, do you want to catch us up?

Joelle Fredman: Yeah, sure. So, the committee, they oversee education. They held a hearing really based on that report that came out, we talked about in the podcast maybe last time or a time before. So, about a month ago, where the Office of the Inspector General found that FSA was lacking in its oversight, federal loan servicers.

It was led by Rosa DeLauro and Tom Cole. They invited a rep, actually, from the Inspector General's office to kind of go through the report and answer questions. It was interesting. I mean, a lot of the Democrats were just asking. This isn't the first time a kind of damning report has come out about FSAS's oversight.

So why are these problems continuing to happen? Why is FSA continuing to say they'll comply and then we just keep getting these audits? So, the Republicans are really focusing on the fact that, they were arguing that this hearing is kind of premature and FSA needs more time and we should just wait on it.

Justin Draeger: Right. I sort of sense that Democrats were zeroing in on the servicing issues. Then the Republicans sort of deflected. This started back in the Obama administration. This is not a Betsy DeVos issue.

Joelle Fredman: Yeah, that was definitely happening.
Justin Draeger: But the ranking member, Rep. Cole, he went out of his way to thank Chairwoman DeLauro several times for holding the hearing. So, in that respect, this was, in some ways a very bipartisan look at Federal Student Aid and loan servicing.

Joelle Fredman: Yeah, he definitely kept saying it's an important issue. It affects students, so everyone cares about it.

Megan Coval: Welcome to the job, Mr. Brown. That's the first thing I thought of.

Justin Draeger: Yeah. So, the first panel or the first witness was just the Inspector General, or the person playing a person filling that role right now,

Joelle Fredman: The assistant. He's the assistant Inspector General.

Justin Draeger: And the second panel-

Joelle Fredman: The second panel was some higher education stakeholders. So, there was Preston Cooper from AEI and Colleen Campbell.

Justin Draeger: Center for American Progress, somebody from the Massachusetts AG Office.

Megan Coval: NCLC.

Justin Draeger: And right. The National Consumer Law Center. Lot of consensus from that panel that FSA needed additional oversight.

Joelle Fredman: Yeah. And they also kept saying, we need to go ahead of this problem and we need to hold institutions accountable.

Justin Draeger: One of the things coming out of this hearing that I find really interesting is that we implement, I think this has echoes and reverberations for the whole accountability discussion we've had many times on this podcast, but within the service and contracts are built dollar amounts.

Those dollar amounts are supposed to incentivize servicers to keep loans current, but one of the things one of the Republicans kept bringing up, which I thought was a very valid point was do we have the economies of the servicing contracts correct?

Because if they're getting paid, it was like $2.80 per borrower per month, and then it decreases the more delinquent, and as they go into default, then where is the financial incentive for any servicer to spend time or resources on that borrower?

Now servicers might say, "Look, we don't look at that way. Blah, blah. blah." They might spend as much time as they need. And servicers would say, I think
also that the way these programs are constructed is complicated like no service
and can make up for a program that's just debilitating constructed with 10
different repayment plans and they are not allowed to accept like over the
phone, income-based repayment, renewals and applications.

But, the economies of this I do think they're looking at, because we always are
surprised when we put in financial incentives that are supposed to reinforce
public policy and then something goes askew, and we find out that when there's
a financial incentive built this way, people stop asking what is the right thing to
do.

They start clearly looking at what is the most lucrative thing to do. And so, if I'm
a servicer and I'm just trying to stay in business, alright? Let's put aside they're
making a killing, or any rhetoric around like how much they're making.

If I'm just trying to stay in business, you are clearly doing the math about how
much time you can spend on a borrower and at what point do you say, "We
can't reach this borrower and we're going to spend time on this borrower who's
not delinquent because we get paid more."

I just think the financial incentives are key because if we do something like this
with school accountability, I just feel like it's really difficult to predict. Schools
will respond.

Megan Coval: Yeah. And we talked about that a few weeks ago. One of those with the Pell.

Justin Draeger: Right with a study that showed Pell students were increasing at schools that
were being singled out for not enrolling enough Pell students, but at the
expense of middle-income students. There's always these other effects that we
just can't always predict. Anything else out of the servicing hearing that you
found particularly interesting?

Allie Bidwell: Kind of tame overall?

Joelle Fredman: Yeah, that's how I describe it. I mean, next week the same committee is hearing
about, which should be interesting, we're going to have coverage of it. The
oversight of for-profit colleges.

Justin Draeger: Right. So, that wasn't on the docket. So, this really was like new information that
Chairwoman DeLauro sprang at the hearing.

Joelle Fredman: Don't know who the panel is or who will be hearing from, but-

Megan Coval: Tuesday, right?

Joelle Fredman: Yeah. Tuesday.
Justin Draeger: She said likely it will be on Tuesday, which sort of brings up this whole- Allie, I heard you referred to it earlier as a-

Allie Bidwell: Hearing-a-palooza

Justin Draeger: Just rolls off the tongue.

Allie Bidwell: Just hearing-palooza.

Justin Draeger: Hearing-palooza. Next week there are three hearings scheduled, one on oversight of for-profits, one in the House Education and Labor Committee that's going to focus on college affordability. They had announced they're going to tackle five topics, and this is one.

In the Senate it sounds like they're doing another one on FAFSA simplification and verification. We've talked to these committees, so we know what's happening in these hearings and the points they're trying to hit.

But, three hearings in one week, and if you add the hearing we had yesterday, that's four hearings within seven days.

Megan Coval: Yeah. That is a lot.

Justin Draeger: That's a lot. Even for D.C. That's a lot.

Allie Bidwell: And neg reg is going on Monday and Tuesday.

Justin Draeger: Right. So, the subcommittees are meeting for negotiated rulemaking.

Megan Coval: And the President's budget is coming out.

Justin Draeger: Well, on the NASFAA staff, we'll be going in a lot of different directions next week. So, it's going to be insane. Quick question. So, I tweeted yesterday. I tweeted out that next week is going to be insane. I pointed out we're going to have three hearings, negotiated rulemaking.

So, I did this tweet and I linked to as many of them as were posted yesterday. I have a question for you. What is the etiquette on Twitter between liking and reposting? Do you know what I'm saying? Like, when do you decide to repost something versus like it? What is the message you're conveying?

Allie Bidwell: So, I think that if you just give it a like you're like, "I agree," or something like that. If you're re-tweeting it-

Justin Draeger: Or it might not be something you agree, but it's more like, "I acknowledge this," or "This is important," or no? Like as agree?
Allie Bidwell: It's a heart. Retweeting it I think is more when you see that there's something very valuable in there that you also want to spread the word about. So, the fact that you put the links to the hearings could be like people wanting to share the links to the hearings.

Justin Draeger: I see, but if you don't agree with something, you wouldn't like it then? But, if you wanted to draw attention to it, like right here, this is interesting, you would retweet maybe with a comment?

Allie Bidwell: You would quote it. Yeah.

Justin Draeger: Okay.

Allie Bidwell: With your own commentary.

Justin Draeger: Alright. It's going to be a busy week next week. Stay tuned to Today's News and Our “Off The Cuff” next week, we'll be covering all of these things you mentioned in there, Megan. The Trump budget.

I sort of feel like we had a sense of what was going to be in this budget, but this last weekend apparently sounds like there could be a lot more. You want to catch us up?

Megan Coval: Yeah. So first of all, the budget is a little bit late due to the government shutdown. It's usually supposed to come out the first Monday in February, but apparently the budget is going to come out in two different segments.

So, the first one this Monday and the second one on Monday, the 17th. And I think on Monday, we're going to have some high-level numbers. I don't anticipate Monday that we'll know, like what the president is proposing for Pell, or SEOG, or Federal Work-Study.

We're expecting a lot of that will be the same as the past two years. But we recently heard that he might try to, or the administration, might try to weave in some executive actions into the budget, or release it as part of the budget.

The big one that made news over the weekend was restricting federal dollars to schools who don't practice free speech; but then this morning, we also heard that the White House might be considering executive actions, accountability, and risk sharing, and also program level outcomes. So that's a lot.

Justin Draeger: This is the sort of stuff that you're-

Megan Coval: I was like, "What?" When I saw that.

Justin Draeger: I don't think my brain can contain all of the different things happening right now inside the beltway.
Allie Bidwell: I know. I was trying to think of another time when we had a budget come out that also had executive orders rolled into.

Justin Draeger: Do you get the sense that maybe this administration doesn't coordinate exactly well with the agencies? The president came out with the free speech thing in the midst of a 2 hour and 2-minute, what appeared to be completely off the cuff speech of CPAC that, if you watched for any length of time you saw was, the president, I'm not clear he had any notes that he was working from.

Megan Coval: Did you see him hug the flag?

Justin Draeger: Yes, of course. Yes. It was within that 2 hour and 20-minute speech where he mentioned, this is what I imagine happened. Okay? This was being talked about. This has been talked about in the Oval Office, and the president then takes these conversations and floats them out there for the public.

I sort of feel like he does this-

Allie Bidwell: But this isn't the first time that he's floated, even this specific idea. Remember?

Justin Draeger: Yes, that's true, but he did tie it specifically to research dollars this time. Right? So, it seems to me like they are fleshing this idea out. This is no more like a-

Allie Bidwell: Like last time. Last time it was a couple of years ago and it was just like funding, federal funding in general.

Justin Draeger: So, this would be tied to research dollars, which I just think as a policy, so it's not student aid, thankfully.

Allie Bidwell: Right, right.

Justin Draeger: But, as a policy, cutting research dollars doesn't punish schools as much as punishes everyone because these are bastions of research that are coming up with real life solutions that make all of our lives safer, easier, more efficient.

Allie Bidwell: I feel like it does have a sort of ripple effect. Like, grad students sort of are able to attend grad school sometimes because they get research funding and that's kind of like their job. A lot of professors will teach one course and focus on research; the rest of the time, you're affecting people's jobs.

Justin Draeger: Yeah. I just think-

Allie Bidwell: And I feel like it would end up touching student aid.

Justin Draeger: So, there is a trickle down.

Allie Bidwell: If the university is hurting.
Justin Draeger: Yeah. I think you're right, Allie. I guess I just keep coming back to who are we punishing by cutting off research dollars?

That just seems really shortsighted. Free speech issues are, at our leadership meeting, Scott Jaschik, he talked about free speech-

Allie Bidwell: Yeah, he did.

Justin Draeger: And how this could impact all sorts of schools and impact even the access issues that you’re talking about, Allie, and jobs. The other piece of the free speech issue is that college presidents have to be the ones to make the ultimate decision. They’re trying to balance safety, and they’re trying to balance if local law enforcement tells them this is not a safe situation, you shouldn’t do this.

There would be so many caveats. I think you would have to write into this, in terms of if law enforcement is telling a college president it is not safe to hold this event.

Megan Coval: Yeah.

Allie Bidwell: Like very specific circumstances.

Justin Draeger: And some schools like Berkeley have gone just like over and above in terms of figuring out how to balance this and put money behind it so that they can provide a safe space for free speech. Even if it's free speech that maybe many of the college students and faculty disagree with. But, even there, you have to make such difficult decisions that I don't know how you would ever implement something like this.

What were the other executive actions that they're looking at taking?

Megan Coval: They talked about related to the risk sharing and accountability. The idea they referenced, and this is just the coverage of the news that we read this morning, that these two, I didn't hear about till I read about it in this morning, seemed to be following a proposal that came out of the Senate back in 2015 that would have schools pay back a portion of their default of dollars.

That's what they seem to be referring to. And then, something related to program level outcomes. So unclear on what direction they would go there. Also, you can't do everything through an executive action.

So, my first thought was like "Are these things that can even?"-

Justin Draeger: I mean I guess you could try, and they can end in court.

Megan Coval: Well, you can try.
Justin Draeger: So, they could publish program level data, I bet, and have no hooks attached to it or at least they could probably go down. That one seems like a road they could probably try to go down.

Megan Coval: But the accountability one, -

Justin Draeger: You can't pay any accountability because institutional and program eligibility is clearly overseen by Congress.

Megan Coval: Yeah. Yeah.

Justin Draeger: The reason the Obama administration did gainful employment, it was hooked onto legislative language that said non-degree programs and programs at for profit schools have to lead to gainful employment. So, they defined gainful employment.

But you can't just come up with new eligibility criteria out of nothing.

Megan Coval: And PPY was an executive order, but that language was in there. The authority existed.

Justin Draeger: They're trying to use the authority given by Congress.

Megan Coval: Yeah, yeah.

Justin Draeger: I don't know. So how much of this is bluster versus reality?

Megan Coval: And then I also wonder those two things, the risk sharing thing and the program level outcome piece could also just show up in the budget.

Allie Bidwell: Congress is already sort of working on that.

Justin Draeger: In which part?

Allie Bidwell: The risk sharing and student level outcomes and stuff.

Justin Draeger: They're trying to figure out what they could possibly do here.

Allie Bidwell: Maybe just let that happen.

Justin Draeger: Well, it could be in the budget because the budget's a policy document.

Megan Coval: Yeah, I don't know if there's just like some blurred lines there too for what belongs where.

Justin Draeger: I think it's pretty clear, the House Democrats will take the president's budget and put it right in the shredder.
Megan Coval: In the circular file.

Justin Draeger: It's not clear to me that the Republicans in the Senate, will even do anything with this budget except set it aside so we will see what happens.

Do we know what's happening with the budget caps? Have they determined caps yet for -?

Megan Coval: No.

Justin Draeger: So, we don't have caps this year?

Megan Coval: No caps. We just signed onto a letter to raise the caps.

Justin Draeger: So, we don't have budget caps in place. This is like a whole new world.

Megan Coval: Yeah.

Justin Draeger: A government shutdown. And besides the budget, there's also like how much money the government actually has, debt ceiling wise. If we can't borrow, we can't actually pay cash for things.

Allie Bidwell: What a time to be alive.

Justin Draeger: Treasury, Secretary, Mnuchin signaled that it looks like we're going to be out of the ability to borrow this spring, but they can move money around and keep dollars flowing. All dollars, student aid, Social Security, until about the fall. And then we'll be up against another catastrophic point where we have no money to actually disburse.

That's a cash flow problem. So that'll be-

Megan Coval: And all the while, we got to get a reauthorization in there.

Justin Draeger: Totally doable.

Megan Coval: Who knows? We'll see. Maybe.

Justin Draeger: What was that? You got anything this week?

Allie Bidwell: Yes.

Justin Draeger: Oh, boy.

Allie Bidwell: So, I just thought this was an interesting story. My brother about three weeks ago, he and his girlfriend adopted two cats, a boy and a girl.
Justin Draeger: Okay.

Allie Bidwell: Maggie and Rigoberto.

Justin Draeger: Rigoberto?

Allie Bidwell: Rigoberto. It was a sign because our favorite taco shop in San Diego is called Rigoberto's.

Justin Draeger: Okay.

Allie Bidwell: A couple days ago, on Tuesday, he texted me and he says- and the boy is about one and a half, the girl, Maggie, she's like two. He texts me and he goes, "Oh. So it turns out that Maggie's not actually spayed."

And I was like, "Oh, that, that sucks. Is the humane society going to do it for free?" Since part of your adoption fee goes towards like them having their shots and being spayed. And he was like, "Well, the way I found out was I left for work and I had two cats. I came home, and I had four cats."

Megan Coval: Oh, my gosh. She had kittens!

Justin Draeger: She gave birth?

Allie Bidwell: Yeah. She gave birth. They're like straight up new baby kittens.

Joelle Fredman: They're really cute.

Justin Draeger: So cute.

Allie Bidwell: I sent Joelle a couple pictures.

Megan Coval: Just two?

Allie Bidwell: One is-

Joelle Fredman: Oreo is like black and white.

Justin Draeger: Wow.

Allie Bidwell: Yeah, they're calling them Oreo and Butters.

Joelle Fredman: Oh, that was just a guess.

Megan Coval: Wow.

Justin Draeger: Are you adopting one?
Allie Bidwell: I’m trying to plant the seed with Pascal. They have to stay with their mom for at least two months until they're able to be weaned.

Megan Coval: Wow, so now your brother really does have four.

Allie Bidwell: Yeah, and their apartment is so small. I was like, "Oh gosh, this is going to be hard for you guys for a few weeks." But I was like, "When they're old enough I'll take one."

Justin Draeger: Aw. Joelle, do you want one?

Joelle Fredman: Oh, my husband's like deathly allergic. So, sure.

Allie Bidwell: Can you imagine? He came home, and Maggie runs up to him and like leads him into the bedroom and is all excited.

Justin Draeger: Like, "Look what I did."

Allie Bidwell: She leads them towards where they are, and he saw a tail, a tail poking out and at first he was like, "Oh man, did she catch a mouse?" And then he looked closer and he was like, "That is not a mouse."

Justin Draeger: Oh, my gosh.

Allie Bidwell: And then he saw the second kitten.

Justin Draeger: That is crazy.

Allie Bidwell: She was showing them off. She was like, "Look what I made."

Megan Coval: That's so cute.

Justin Draeger: What is the gestation period of a cat?

Allie Bidwell: I don't know.

Justin Draeger: Is it months? Weeks?

Allie Bidwell: I really don't know. I guess it's only a few weeks because she was probably already like three or four weeks pregnant when they adopted her. So, maybe it's like six to eight weeks.

Megan Coval: We gotta Google that. I feel like it's longer.

Allie Bidwell: “Cat pregnancy.”

Megan Coval: Something tells me mammals...
Justin Draeger: What's the gestation period of a cat?

Allie Bidwell: Lasts between 63 to 67 days.

Justin Draeger: Two months.

Megan Coval: Yeah, yeah.

Justin Draeger: Two months. Wow.

Joelle Fredman: Did he luck out, though? Could it have been like eight cats and it was only two?

Megan Coval: It was only two.

Justin Draeger: Two seems low.

Allie Bidwell: We have learned a lot over the last couple of days. Apparently when cats are younger when they give birth, they have smaller litters. When they're older, they have larger litters and she's basically like a teen mom.

Justin Draeger: Teen mom with an unplanned pregnancy.

Allie Bidwell: Yeah.

Justin Draeger: Wow.

Megan Coval: Do we know if these are-

Allie Bidwell: But she's very proud.

Justin Draeger: She's gotten herself into a lot of trouble. What are her future prospects like?

Allie Bidwell: She was very proud. She wanted to show my brother.

Justin Draeger: But her brother's there. So, the cat's brother will help take care.

Megan Coval: Well, is Rigoberto the dad, though? That's what I'm wondering.

Allie Bidwell: It's not her brother. I don't know.

Justin Draeger: You're going to break up the family?

Joelle Fredman: Maybe Rigoberto is her baby daddy.

Allie Bidwell: Well, when they first adopted them, they were keeping them separate because Rigoberto had just been neutered and he had to stay by himself for 10 days.
Megan Coval: There's some suspect timing on here.

Justin Draeger: Why do they have to do, why?

Allie Bidwell: Because he was recovering from the surgery.

Justin Draeger: Oh, he just needed like to chill out.

Allie Bidwell: They needed to limit his mobility.

Joelle Fredman: He didn't need, like, time to accept. That’s what I was thinking.

Justin Draeger: Well, there's probably a psychological reason, Joelle. I think you bring up a really good point.

Allie Bidwell: Yeah.

Justin Draeger: Wow. That's a lot to deal with.

Allie Bidwell: I know. I can't wait to go meet them though.

Justin Draeger: Yeah. All baby animals. Take the ugliest animal you can think of.

Allie Bidwell: Their babies are still cute.

Justin Draeger: Yeah, babies are cute, right? That's evolutionary because to take care of them, I feel like that's part of evolution. Things are cute when they're really little, because that's how they perpetuate the species.

Allie Bidwell: I was like, "Wow, Nick, you became a parent and a grandparent within three weeks."

Justin Draeger: Well, congratulations on your brother.

Allie Bidwell: Thanks.

Justin Draeger: And to, what was the cat's name?

Allie Bidwell: Maggie.

Justin Draeger: Maggie. Congrats, Maggie.

Allie Bidwell: Good ol' Mags.

Justin Draeger: Yeah.

Megan Coval: How sweet.
Justin Draeger: Alright. Thank you for listening. Remember to subscribe. Tell a friend. We'll see you again next week.