

NASFAA's "Off The Cuff" Podcast - Episode 189 Transcript

Speaker 1:

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Justin Draeger:

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

Owen Daugherty:

I'm Owen Daugherty, from the communications department.

Megan Coval:

I'm Megan Coval, with the policy team.

Jill Desjean:

And I'm Jill Desjean, also with the policy team.

Justin Draeger:

Welcome, everybody. We're glad to have you back. Owen, you're filling in for Allie this week, so glad to have you back. It's been like a couple of months, I think, since you've been on the podcast, so welcome back.

Owen Daugherty:

That's right. Thanks, happy to be here.

Justin Draeger:

Yes, Megan, right before we started, you had a question about my Zoom background. I noticed today, yesterday you had a Zoom background on and today you don't. What is your Litmus test exactly? Why are we not getting the Zoom background? We're seeing the nursery background, like toys and toy shopping carts, and unicorns.

Megan Coval:

Well...

Justin Draeger:

What is the Litmus test that you're using here?

Megan Coval:

There's two things. One, I have trouble doing backgrounds on Ring Central. This isn't technically Zoom, even though it looks like Zoom, for those of you listening.

Justin Draeger:

So it's a platform issue? Yeah, okay.

Megan Coval:

But sometimes if it's just the team, I turn it off. Because you know how it cuts in and out? It feels more relaxing to me.

Justin Draeger:

Feels... yeah, maybe a little inauthentic. I noticed more people are doing more natural Zoom backgrounds.

Megan Coval:

Yeah. I just kind of decide how I'm feeling, but this one, we have no choice.

Justin Draeger:

I'm actually in the office but I have this background. I brought my oldest son, Truman, in with me a couple of weeks ago, and we literally moved everything in my office around so I could have this background.

Megan Coval:

Oh.

Justin Draeger:

Yeah, and so he helped me lift and move desks around. So if we were in person, you would come in, and my computer is now blocking my entire face and body from anybody that would come into my office, so it looks ridiculous in person. But since everything we've been doing is online, I was like, why I don't I rearrange it so that this is my background?

Megan Coval:

Yeah, I like that.

Jill Desjean:

Yeah.

Justin Draeger:

The other thing about being one of the very few people that are in the office, which is fine, we're in a pandemic so we're fine with people not coming in, is that we are running into a shortage of everything except hand sanitizer. There's no coffee in the office, all of the cream has coagulated, the artificial sweeteners are all cubes now instead of packets of little pellets. We're getting down to bare bones here at the office.

Megan Coval:

You don't have to worry about... other things are available, in terms of the rest rooms, correct? People are... TP-

Owen Daugherty:

That's where my mind went.

Jill Desjean:

Same, yeah.

Megan Coval:

Yeah, my mind was going to, thought you were going to say there's no more toilet paper. See, we all went there.

Justin Draeger:

Well, what I thought you were going for was at NASFAA, we always, before all staff meetings, we have a higher female to male ratio, and I thought you were headed to like are the bathrooms crowded, because it always seemed like there was an overcrowding anytime you had an all staff meeting, especially for the women on staff.

Megan Coval:

Yeah. No, just making sure the bathrooms are still fully stocked.

Justin Draeger:

Yeah. No, we've got lots of supplies in that department, anyway.

Megan Coval:

Yeah. It probably feels weird to just go buy new coffee, because there's only a few of you drinking it.

Justin Draeger:

Yeah, it does feel weird.

Megan Coval:

Yeah.

Justin Draeger:

Megan, you might remember, but others too, remember a couple of months ago I told you a story about how I was online like a video chat with my doctor, and he didn't show up on time, and Deanne came in and I started complaining about the doctor not showing up on time. And then all of a sudden my phone rang, and it was the doctor, and he was like, "I've been here the whole time and you can't see me, but I'm here and I can see you."

Megan Coval:

I remember that. Oh, God, I love that.

Justin Draeger:

Yeah, that was a good time. And then yesterday I was speaking at the Kentucky conference, and after the conference was over, I closed out all the windows, my daughter walks by, 17 year old daughter. And she had felt a little sick the night before, so I was like, "Hey, how are you feeling? Are you going to go get a COVID test?", whatever, blah blah blah. Then I started working, I'm going through emails, just staring slack jawed at the computer, as one does when they're going through the mundanities of work life.

Justin Draeger:

I'm not one for dressing up, but I do for these presentations. So I took the jacket off, I'm still reading emails. I start unbuttoning my shirt. And then I hear a voice go, "Justin, I don't know if you know, but your mic is on and your camera is still on." I was like, "Oh." This is a PG story. Not even PG13, I had an undershirt on.

Megan Coval:

I mean, that would have been amazing if you got your whole shirt off, even with the undershirt.

Justin Draeger:

I felt so scared. This voice came out of nowhere, and I just was so frightened by the whole... and then I went and I looked for all the windows to close, and I could not figure out how to close out of this conference, so I just unplugged my computer and restarted it, and hoped that did the trick.

Megan Coval:

What I love about this is how far they let you go.

Jill Desjean:

Yeah, right?

Megan Coval:

No thumbs up-

Justin Draeger:

I had a whole conversation with my daughter, and nobody said anything.

Megan Coval:

Maybe they just kept thinking like, "I'm sure he's about to log off. I'm sure he's about to." And then they were like, "Oh."

Justin Draeger:

Now we better stop.

Megan Coval:

That is a good story. I like that.

Owen Daugherty:

That's even worse than someone coming into your video frame, because you're the only one to blame there. If someone comes in behind me, I can push off blame. But it's just you.

Megan Coval:

It's all you.

Justin Draeger:

It's just me. And I'm just reading emails and getting out of these clothes.

Megan Coval:

Oh, we got to write all [crosstalk 00:06:20]

Owen Daugherty:

I'm kind of surprised we don't have more Zoom fails. They're very rare, for the meetings I'm in, at least.

Jill Desjean:

Yeah.

Justin Draeger:

I don't have any. I can't-

Jill Desjean:

You guys know about the mouse that jumped on my shoulder, right?

Justin Draeger:

What? No, I've never heard this story. What?

Jill Desjean:

Yeah, that happened in a Zoom call, and I wasn't muted. I was in my kitchen, and a mouse jumped on my shoulder. I didn't know what it was right away. I thought I was leaning against something, and I thought it was a cord to a charger or something, because we have some things plugged in. And so I just glanced over, and I was just looking right in the eyes of this little mouse. And I just started screaming, and I batted it off my shoulder, and I jumped up. I was like, "Did you see that? Did you see that?", and everyone on the call were like, "No." And so then I'm like, "There was a mouse on my shoulder", and someone like, "Are you sure?", and I was like, "Yeah, I'm definitely sure. We locked eyes." It wasn't recorded, so we couldn't go back.

Justin Draeger:

Wait, was this an internal or external meeting?

Jill Desjean:

Internal, luckily.

Justin Draeger:

Okay.

Megan Coval:

Oh, yeah. That's disappointing. It would have been better if you were with an external.

Justin Draeger:

Where are the mice coming from, jumping onto your shoulder?

Jill Desjean:

No, I knew we had a mouse. You never have one mouse, but we knew that we had a mouse, so we had some traps down and everything. So that was the other reason that I was certain that it was a mouse, because I was like, "This is where he's been hanging out."

Megan Coval:

Wow.

Justin Draeger:

Near my shoulder in my kitchen.

Jill Desjean:

I just don't know why he would be possessed to jump on me. Such a weird thing.

Megan Coval:

Yeah, like from the cabinet or something?

Jill Desjean:

It came up behind the stove, crawled on the counter and then just hopped on up.

Owen Daugherty:

A true Stuart Little

Justin Draeger:

Yeah, that's funny.

Owen Daugherty:

I mean, so comfortable.

Megan Coval:

Yeah.

Jill Desjean:

The funniest thing was, I lost my mind. I freaked out. I was screaming, jumping, and then Hugh, from our comms team, says, "You were actually really composed." And I was like, "As compared to what?".

Justin Draeger:

Yeah, you were just only slightly hysterical.

Jill Desjean:

I was full on. I was crying and laughing at the same time, I was screaming.

Megan Coval:

Oh, man, I wish... yeah, that would have been a great one to have on video.

Justin Draeger:

That is freaky. Well, you have young kids too, and I'll just say, once your kids are of a certain age, it's just a hopeless battle. Because I've come home and our garage door is open, and all the doors are open. Literally like the outside and the inside are one and the same. Everything's open. There's no screens.

Jill Desjean:

My kids are little enough that under the table, where they eat, is like a smorgasbord, because they're just slob. So of course the mouse loves it. Anything you want.

Megan Coval:

Just a great place for the mouse.

Jill Desjean:

Strawberries, eggs, apples, crumbs. Yeah, gross.

Justin Draeger:

Yeah, all right. You'd think a year into this the high jinks with the Zoom would discontinue, but they definitely continue.

Megan Coval:

Yeah.

Justin Draeger:

Lots to talk about today. Couple of hearings we want to catch people up on. Before we get to all of that, Owen, why don't you catch us up with member comments.

Owen Daugherty:

Yeah, we had a lot of good ones this week, specifically responding to the question of what advice would you give your 20 year old self. Darcy said she would tell her 20 year old self to "just enjoy the ride, things aren't nearly as awful as you think they are." That kind of fit with some of the other ones that we all had last week. Randell said, "I have a daughter who turned 20 in March, so this week's question hit home. If I turned back to clock almost 39 years, I would tell myself to take more risks and be more adventurous."

Owen Daugherty:

And my favorite, this last one, Matt said, "I learned from my oldest daughter kindness. I was not the kindest person when I was in 20s. Watching my daughter exude kindness, and seeing the profound effect it had on her friends, her teachers and our family, I realized I needed to change. She's 20 now, and that's one lesson I don't need to teach her, she taught me."

Megan Coval:

That is really nice.

Justin Draeger:

Aw, Matt, that's the comment of the week right there.

Megan Coval:

Yeah. Love that.

Justin Draeger:

I do hear a lot of the same sort of tenner though, a lot of people are saying, "Worry less, live more", that sort of thing. So let's keep moving. We had several hearings this last week. One of them was on student loan debt, and it was chaired by Senator Elizabeth Warren. Megan, you want to catch us up?

Megan Coval:

This hearing was on Wednesday of this week, and it was through the Senate banking committee. Senator Elizabeth Warren is the chairwoman of that committee now, so this was her first hearing that she was presiding. No surprise on the topic, it was about student loan debt, and the impact on economy and also racial justice. So covering a lot of ground. They had close to 10 witnesses, there were 10 witnesses listed. I don't believe that all of them actually provided oral testimony, but still, that's an enormous amount of witnesses. We usually have, what, like four or five?

Justin Draeger:

Yeah. I mean, that would have to be a two panel witness pool or something.

Megan Coval:

Yeah.

Justin Draeger:

Yeah, a large number.

Megan Coval:

Yeah, they each get five minutes, and the witnesses really kind of spanned the gamut. There were scholars, there were policy analysts from think tanks, there were student borrowers themselves. There were also, they brought over a couple of actual members of Congress, of the house of representatives that come over. So it was a long hearing, and it was pretty... I would say there were a lot of fireworks.

Megan Coval:

Yeah, so the really interesting thing about this, is it really unfolded into two separate hearings. You, of course, had the piece on our current policies, and Senator Warren's push to forgive 50K in student loan debt, and what are we going to do about the income driven plans, and things like that? But then separate, there were two executives from servicers there, from Navient and from PHEAA, and there was a whole other part of the hearing where they were just grilled.

Justin Draeger:

Yeah. I kind of wonder, because sometimes people... Congress can subpoena people, but that doesn't actually happen they often, they usually invite people. And so I think in some of the past hearings, the servicers haven't always showed up.

Megan Coval:

Yeah. Well, they showed up.

Justin Draeger:

They showed up? Okay.

Megan Coval:

I'm not how they, looking back, what their take of it would be. But yeah, they were there.

Justin Draeger:

Let's talk about the first part of the hearing then. The borrowers and the members of Congress, what were their main points? What was it that they were driving at?

Megan Coval:

I mean, there was a lot of talk about loan forgiveness, and the witnesses, not surprisingly, had different opinions on that. Some were big advocates of the wide spread loan forgiveness, some were against in, in favor of making more systemic changes, and we spent a lot of time talking about that. But there was a lot of discussion about the income driven programs, and simplifying them in their terms and conditions, and how that was really where a point of focus should be. PSLF came up as well in similar conversation around that, about making it a more simple process for borrowers, looking at things like rolling forgiveness. So a lot of the ideas and topics that we've talked about even over the past couple of months on the podcast here.

Justin Draeger:

So I saw that not all the researchers that were there as witnesses were full supporters of loan forgiveness, at least not traditionally. What did the researchers say in terms of the \$50,000 loan forgiveness proposal that Senators Warren and Schumer are pushing?

Megan Coval:

A few of them were just talking about how it's a regressive policy, would end up actually benefiting a lot of higher income folks. It's not the best way to spend limited resources if we really want to make a difference in the system, and really help students, and really improve the programs long term. So that was what they were talking about.

Megan Coval:

They were not saying that it wouldn't be helpful to students, and in fact it was during this hearing that Senator Warren came out with new data, I believe this was the first time she announced it, where they said that forgiving 50K for every borrower would completely wipe out student loan debt for 36 million borrowers. So obviously that would benefit those borrowers, but I think they were just talking about from a public policy stand point, what makes the most sense.

Justin Draeger:

Yeah, and if you're talking about somewhere in the neighborhood of, what, 45, 46, 47 million outstanding loans?

Megan Coval:

Yep.

Justin Draeger:

If you wipe out 50K for... what did you say, how many million?

Megan Coval:

36 million.

Justin Draeger:

36. I mean, you're talking northwards of, what, almost 85% of all student loan borrowers would have no loan debt?

Megan Coval:

Yep.

Justin Draeger:

The one question I have about the policy conversation, Megan, is the one we've talked about before, which is, so you do this, and then what? This is the comprehensive part. What do you do then the very next year, when another 110 billion dollars will be taken out in student loans?

Megan Coval:

Yeah, and this is the point those who were against it brought up as well. I think those in favor of it, including some of the Senators and also some of the witnesses, were saying... I don't think that they necessarily disagreed that this may help some high income borrowers. I think they're willing to accept that. But I think their view is like, this is what we have to do to make things right, and before we start over, we need to do this. Very importantly, I think there's definitely a racial justice issue here, and that came up a lot, and I think that's an incredibly fair point and something that we need to think about. But the what's next piece, certainly was prevalent throughout this hearing.

Justin Draeger:

The two members from the House they brought over, they brought over a democrat, who was speaking in favor of the 50K forgiveness. They also brought over a republican, a black man, person of color, who

spoke against it though, right? He really looked at this as sort of a... and unfortunately I can only tune in to just a part of it, but the part that I caught, he was raising the issue of this is debt, this is not a debt that the public should necessarily take on, people who can repay should repay, that sort of thing.

Megan Coval:

Yeah, just talking about who's responsibility it is, and the importance of borrowing an amount that you think that you can pay back. Yeah, so there were lots of different views represented, and pretty interesting too to bring over members of the house. I can't remember seeing that before. But it's a nice way to fold it all together, I think.

Justin Draeger:

Let's move to the second part of the hearing, with the student loan servicers. Senator Warren has made... it's no secret that she has specifically called out Navient, and then of course PHEAA has been taken to task many times for the roll out of the public service loan forgiveness. What sort of questions were the servicers asked?

Megan Coval:

Yeah, this really wasn't focused on servicing as a whole, and ways that we can improve the whole system, and it was mostly Senator Warren that went after them, and she was just very specific with both Navient and PHEAA regarding the allegations that are against them. Both of them have active lawsuits, there's also been some audit findings, and things like that. And with Navient, it's things that we've seen in the news with regard to improper counseling of borrowers, improper marketing, and over charging the federal government.

Megan Coval:

And with PHEAA, a lot of the questions were obviously surrounding public service loan forgiveness, and issues that have arose with potential under counting on their part. She actually pressed on those things.

Justin Draeger:

And the servicers, what was their response to the critique?

Megan Coval:

They were focused a lot... a lot of these are outstanding and active lawsuits, so the fact that they were just allegations. And I think, in many cases, they're in the middle of fighting these charges, so they were offering their view on why they didn't act improperly. And I think PHEAA even, and please correct me if anyone heard this differently, but I think it was PHEAA that maybe... maybe Navient did too, I'm sorry, that acknowledged that there were audit findings, and those were corrupt, and they worked to fix them. They weren't saying they were saying that they were perfect, but they had tried to address issues that had come up.

Justin Draeger:

Yeah. I've also heard them in the past, and I assume this came up in the hearing, issues that sometimes they're confined by law, or lack of direction from federal student aid. That is, there might be things that they could do for borrowers, if not for the complexities of the laws or the contracts that are written with the department of education. I think sometimes those issues are glossed over.

Megan Coval:

Yeah. And that came up too, with public service, that I think just an acknowledgement that it is a complicated process for students, in terms of what's required and the very specifics of the documentation, and some of that, a lot of it, is out of PHEAA's hands. I think they would agree that there would be improvements that could be made to the program, in terms of design.

Justin Draeger:

It sounded like after the hearing, as I was reading about it, that Senator Warren treaded into thornier, maybe more political territory, in terms of asking, pressing the CEO of Navient about his salary. Did she in the hearing, or was it after the hearing, call on the department of education to dump Navient as a servicer?

Megan Coval:

She said it during the hearing. She said, dump them, and also that Navient should fire the current CEO.

Justin Draeger:

So that's always hard to hear when you're sitting in front of a Senate committee as a witness. Was there any response?

Megan Coval:

I can't remember exactly, but I don't think. There was an exchange about the salary that went back and forth for, it felt like watching it for hours. I was uncomfortable watching it.

Justin Draeger:

It made you a little cringey, yeah.

Megan Coval:

I was like, "Please let this be done." But she went back to, "What was it in 2016? What was it in 2017?", and he just had to keep saying it. But it was a lot of ground to cover in one hearing, and it really felt like the servicing piece was just separate from the other goals of the hearing.

Justin Draeger:

The rest of the policy.

Megan Coval:

Yep.

Justin Draeger:

Thank you, Megan. Another hearing happening just on Thursday. This was a confirmation hearing for the undersecretary position, nominated by the Biden administration as James Kvaal. Many of our listeners may know or have heard from James. James has been someone who's been in higher education for a long time. He's worked on the House side, he's worked on the Senate side, he's worked for the White House, he's worked for the domestic policy team, he's worked for the department of education. Most recently, he is the president of the institute for college access and success.

Justin Draeger:

James has spoken at our conference. He has spoken to many of our members. I think in terms of people nominated, it would be hard to find someone with a more extensive CV, who understands both higher education and policy. Do you think that's fair, Megan?

Megan Coval:

Yeah. He's had such diverse experience.

Justin Draeger:

Yeah. Right. He knows the issues. I think the fact that they had a confirmation hearing for this, to me, I don't know, a little bit surprising. I don't know about for you, Megan. They don't always have confirmation hearings for these sorts of positions. Sometimes they just move to a vote. Which sort of raised the question, what would this hearing be like? Is it going to be a contentious hearing? What sort of issues will they delve into?

Megan Coval:

Yeah.

Justin Draeger:

But overall, I would say the hearing was really friendly, cordial. There were policy differences, of course, which is what you would expect in a hearing. But Senator Burr, who is the ranking member, the republican Senator from North Carolina, republicans being in the minority, he, in his opening comments, clearly had met with James before, and sort of pressed him on some of the bigger issues that the Biden administration has taken on higher ed. Both he and the chairwoman of the committee, Patty Murray, highlighted that in the hierarchy of the department of education, you've got the secretary of education, you've got a deputy secretary, that will be voted on in the next week.

Justin Draeger:

But both of those folks are largely focused on K12 issues. James would be the undersecretary of higher education, sort of like the third person in the department of ed hierarchy, and really the person overseeing all of higher education. So if you, for example, watch secretary Cardona's confirmation hearing, they touched on higher ed. But secretary Cardona comes from the K12 world, he touched higher ed, but this was really a hearing for higher ed policy wonks. They touched on all sorts of topics.

Justin Draeger:

Just a couple of things that they've talked about. They talked about the Repay Act, this would simplify all the repayment plans. NASFAA has supported this, bipartisan bill. They talked about the College Transparency Act, which was introduced by Senator Cassidy, and as a bipartisan bill, all sorts of republicans and democrats that would repeal the student record ban reporting. And so, talked about several bills that NASFAA supports that are bipartisan. Talked about things you would expect, like career and technical education.

Justin Draeger:

They talked about community college. James, at one point, was asked about community colleges in particular. He said that he felt like they were emblematic of America, in that they are really schools that

give people a second chance. They take people from all walks of life. They're rife and filled with diversity. So really talked up the commitment he, and presumably the Biden administration, will be demonstrating to the community college sector.

Justin Draeger:

And then several senators on the republican side talked specifically about student loan debt forgiveness. To your point, Megan, on the heels of the banking committee, where Senator Warren and majority leader Schumer were talking about \$50,000 in loan debt, republicans then rebutted in this confirmation hearing, who is going to pay for loan forgiveness? Why should it be done? Here's where I think James shined, specifically from the Biden administration.

Justin Draeger:

Now, he did make it clear, he does not currently work for the Biden administration, so he can't really speak to the Biden administration, but he said that he supported where the president was heading, and the administration, in that loan forgiveness should be targeted towards people who are struggling, people who are on their way or have fulfilled requirements for public service loan forgiveness. And then he talked specifically about people with high debt and low earnings. So a lot of wiggle room in there, but what I did not hear him say was that we should have \$50,000 loan forgiveness across the board, for every borrower.

Megan Coval:

Yep.

Justin Draeger:

So I don't know what the reactions will be to that. From the republican side, they were cordial about it. They lamented this idea of widespread loan forgiveness, but I also wonder, given the letters that have gone up recently, where the more progressive student and consumer groups would shake out on this as well? Because it was a far cry from a full throated \$50,000 in loan forgiveness for everyone.

Megan Coval:

Yeah. I haven't checked the Twitter sphere after this, but that is a good... I do wonder what the reaction will be there. One can presume, even though he's not technically a part of the Biden administration, that's such a nice little spot for him to be in just for the last day or so, because after that he'll have to... but I would assume that they're having conversations about that.

Justin Draeger:

The other thing that he talked about, that he was pressed on, was the president Biden's proposal for free college. Those details haven't been totally fleshed out yet, but just sort of where he felt about free college. Senator Braun, in particular, and Senator Tuberville, both pushed back on this idea of free college. To which James responded that he didn't have details from the Biden administration, he didn't work for the Biden administration, but harking back to 100 years ago when the United States made a commitment to make K12 free, and that it was time for us to reconsider our commitment to post-secondary education as well.

Justin Draeger:

So not what I would say is a totally fleshed out free college proposal, by any means, but certainly laid ground work for around rhetoric around a greater investment. And of course, republicans talked about, how do you pay for all of this? Who pays for it? That sort of thing.

Megan Coval:

One thing I noticed is just that Senator Burr, not in his opening statement but in one of his first questions, did say, and I just thought it was nice in this environment, that he said, "We might have policy differences, but I understand from my staff and other people, that you are an enjoyable person to work with." I thought that was a really nice acknowledgement. Justin, I think you have worked more closely with James, but that's always been my take away, and I think we can be hopeful of a culture of engagement with him. People being heard.

Justin Draeger:

The bar is set so low for collegiality anymore.

Megan Coval:

Maybe that's why it felt so nice.

Justin Draeger:

But no, this feels like regular order to me. This feels like we disagree, but... I think Senator Burr also called him-

Owen Daugherty:

Committed partisan.

Justin Draeger:

A partisan.

Megan Coval:

Yeah.

Owen Daugherty:

Committed, yeah.

Justin Draeger:

Committed partisan. He wasn't vitriolic though. That wasn't a slander. That was saying, "We understand you have a different perspective, you see things differently, but I hope we can still work together." And at the end, Senator Burr also... something that I've seen similar to something Senator Murray has done when she was the ranking member, he read through a list of commitments he wanted James to make. Some of those commitments being like, "You'll come testify when we call on you, yes? You will give us data when we ask for it, yes? You will be transparent."

Justin Draeger:

James committed to all of these things, and I think that's important for all of congress and the public. But the minority in congress, in particular, likes to push those issues, because sometimes they feel stonewalled by the administration on the other side.

Justin Draeger:

One final thing that was brought up by Senator Murray, which I was really grateful for, was this transition with federal methodology and the FAFSA that's supposed to happen by the 2023, 2024 FAFSA, all those changes that were just passed last December. James committed to working with federal student aid to get those enacted as quickly as possible. What didn't come up though, was the chief operating officer at FSA. Right now we have an acting, which is a career staff. We've had a lot of turnover in that position, I think we've talked about that before. But Owen, you dug a little deeper into this, this last week. Why don't you give us an overview?

Owen Daugherty:

Yeah, it's an interesting position, because the office is set up so uniquely as a performance based organization in the federal landscape. It's one of three. I think ideally it's supposed to be under the radar. It's supposed to implement these high level policy decisions, and work with financial aid offices, and really just make the loan repayment process as smooth as possible for borrowers, and to administer these, at times, complex programs. But recently it's been much more in the headlines, and it seems to shift with different administrations.

Owen Daugherty:

The priorities of the office have been aligned with the administration and with the different leadership of the department of education. And I think that's not how it was initially intended to be set up, and so there's an argument of whether it's worth keeping that PBO structure, and what the pros and cons are around that. Many argue it's worth keeping, but congress needs to do more oversight and there needs to be more accountability to how they're performing, because it is set up as a PBO.

Justin Draeger:

So you talked to a couple of experts. I saw that some folks who have been around, or in this space, for decades, and were actually at the department when the PBO FSA was created. What's their take? Does it continue? Should it be a political point of position?

Owen Daugherty:

I didn't get the most clear answer. I actually talked to quite a few people that weren't even quoted in the article, who were interested to see how that goes, because it has become more politicized, and that's something that most experts want to not have happen and want to be avoided. I think that people have come to an agreement that there needs to be a change in how the COO is appointed, maybe either by a board or maybe it does go before congress, but there's not as much agreement on how it needs to take place.

Justin Draeger:

Yeah, FSA is definitely a weird animal. It's supposed to be an implementation shop, but the line between implementation and policy isn't always clear, as we've highlighted in some of our past congressional testimonies. And the political nature of it, when you have \$1.6 trillion in outstanding student loan debt,

it's pretty hard to have a fly under the radar position anymore. It's just impacting too many people negatively, and attracting too much attention from congress, to really just fly under the radar.

Justin Draeger:

So I don't know what the answer is, but it seems to me the position has definitely changed, and requires at least some political astuteness to where it sits at the nexus of issues that are impacting just so many Americans. All right, we will keep our eyes on everything going on there. Thank you, Owen. People can check out the article that Owen wrote in our show notes.

Justin Draeger:

Megan, it was budget day on Capitol Hill. Did the president release his budget? Where are we? What are the things we need to be paying attention to?

Megan Coval:

This was last Friday, about a week ago, he released what is being called the skinny budget. It only contained proposals that are going to be related to discretionary funds, so funds that are subject to the annual appropriations process every year. So we really only saw some high level numbers, and then he is expected to release a more complete budget probably some time by, I would say, the middle of May.

Justin Draeger:

So what are the high level numbers? Did we get campus based numbers, Pell numbers? What are we looking at?

Megan Coval:

Overall, for the department of education, president Biden is proposing almost a \$30 billion increase from the fiscal year '21 funding level. This is the fiscal year 2022 budget, I should have said to begin with. And then we did get a little bit on Pell. The president proposed a \$400 increase to the maximum Pell award, and then also said that he would like to see Dreamers, or DACA students, have access to the Pell grant. But that's it. That's basically all that we know for our programs, from this piece. Certainly more to come.

Justin Draeger:

Yeah. Do we have any idea of when that timing will come? While '22, '23 seems like a pretty far way off, those FAFSAs will open up October 1, and schools presumably could be awarding here in the next six or seven months.

Megan Coval:

I think the Biden administration has said they hope to get the full budget out by middle of May. They did say the reason they wanted to get this first part out, even though it was incomplete, was so that congress could get started on the process. Everything is supposed to be wrapped up, in theory, by October 1, but it's only been a handful of times, at least since I've been in this job, that that's happened. I think the best we can hope for is maybe to get something done by the end of this calendar year.

Justin Draeger:

All right. We'll keep our eyes and ears open. Jill, I'm curious, what's going on in the world on regulatory analysis? What are members asking? What are the issues that might be tripping them up this week?

Jill Desjean:

Institutions have been asking about using their HEERF student grants to be applied to future terms for students, so either for incoming students who will enroll in the summer or the fall, or for students who are currently enrolled, but awarding those funds to them for a term in the future, summer, fall, on and on. Obviously it would be easier for schools to be able to package these funds, put them on the award notice, that's a nice, neat, established way to notify students of their eligibility for these funds.

Jill Desjean:

But unfortunately, NASFAA's current position is for schools to avoid this practice, and that is because the certification and agreement that schools acknowledged back when they drew down this funding, states that they are not permitted to condition the receipt of these grants on the students continued or future enrollment. So our interpretation of that is that awarding the funds for a future term places a condition, you have to enroll or re-enroll in order to receive those funds. Even if it isn't explicitly stated, it's implied.

Jill Desjean:

So we haven't heard from ED on this, so they may weigh in and tell us differently, but for now, our recommendation to schools is not to do this.

Justin Draeger:

Is that just for new students?

Jill Desjean:

Our position is returning students as well, for future terms. You could give them the grant right now if they're here right now, but if you give it in a future term, it does seem to be implying that there is a condition that you enroll in that term, because you can't get the funds if you don't.

Justin Draeger:

All right, let me ask an operational question then. So where the rubber meets the road, I'm the school, I send out an award notification, it has all the student financial aid in there, but they're also eligible for an emergency grant or some HEERF supplemental direct to student grant. That just has to be a separate notification then, that's not tied to their enrollment or an award notification that's tied to continuing or new enrollment?

Jill Desjean:

I'd say, even in a separate notification, I think if you're giving it to the student in this term, you say you're eligible for this, here's the money. To say you're eligible for it in the future, if it's implying that the student has to be enrolled in any way, I think it's a no go.

Justin Draeger:

Okay. I know I've pushed back on this a number of times. So I appreciate that the conservative road we're taking here is to try to help schools stay in compliance. So if schools are looking, if they have

money, they have a year to spend it, they're going to spend some in the summer and the fall, they should work with those students in those terms, is what we're saying?

Jill Desjean:

Yeah, if they can't find needs of students right now.

Justin Draeger:

Okay. Yep. And we have explained this to the department of education, so we hope when they come out with their new guidance for HEERF III, that this might be one of the things that's addressed early on, even maybe before schools are able to access their funds. The more guidance we have the better. Schools will be able to navigate forward and get the money out the door.

Jill Desjean:

For sure.

Justin Draeger:

All right, thank you, Jill. Let's go to our what was that question this week. We'd love to hear member's feedbacks. They can send us their comments. The question was, what's the thing you hate but need to pretend that you like? Megan, how about you?

Megan Coval:

Okay, mine is very specific, but I've encountered this a number of times in my life. Maybe hate is too strong, but I do not like Friends or Seinfeld. I know, this is going to get me the Oprah level of feedback next week, I know. I've tried. I don't like them. But in the feeling like I have to like them, I feel like so many people... Nick loves both of them. My best friend loves both of them. She's constantly quoting them, like when I first met her she would always be like, "It's like that time on Seinfeld", and I was always like, "Yeah, just like it."

Megan Coval:

And then finally, one time like three years later, I was like, "I've got to tell you something", I was like, "I literally have watched like one or two episodes of it in my entire life. I don't think it's funny." But I still find myself sometimes being like, "Oh, yeah, no soup for you", and I'm like, "I don't like Seinfeld."

Justin Draeger:

I don't know what that refers to.

Megan Coval:

Yeah.

Justin Draeger:

Yeah. This is so funny, Megan, because now I'm running through all the times I've tried to talk to you about Seinfeld, including when we were in the old office one time, and I think I tried to talk to you about something, and it was very clear to me at the time you had not watched this episode. And this is when I started to think, Megan may not be in the same generation as I am.

Megan Coval:

I don't know if it's a generational thing though, because I feel like people...

Justin Draeger:

I mean, Friends was definitely your time.

Megan Coval:

Yeah.

Justin Draeger:

That was like your high school and college. For the record, I'm not a big fan of Friends either.

Megan Coval:

Okay, see.

Justin Draeger:

But Seinfeld.

Megan Coval:

I know.

Justin Draeger:

Seinfeld.

Megan Coval:

I know. Nick's like, it's all so iconic, but that's the truth. I'm really good though at feigning being one of their fans.

Justin Draeger:

Thank you for sharing that. I think that was probably really hard. All right, how about you, Jill?

Jill Desjean:

Mine is kid's sports events. Not because they're not good. It's not about the quality of the play. Obviously the quality is not very good, my kids are really young. But I don't like watching sports. I don't watch sports on TV, I don't go to sporting events with professionals.

Justin Draeger:

Why? Is it the competition you don't like? You just don't like the competition, or what?

Jill Desjean:

I don't get it. I can't follow. I'm just like, "Why is everybody so excited about this team? You don't know these people." At least I'm invested in my kid's sports, but it's still just like I don't know the rules, and so I just find myself on the sidelines like, "Yay." Kind of like you pretending, Megan, that you understand

the Seinfeld quote, someone does something and I'm like, I'm not sure why that was good, but everyone's yelling, and so I'll be like, "Yeah."

Justin Draeger:

All right, thanks for sharing that deepest secret from your corner of the world, Jill. All right, Owen, what is it?

Owen Daugherty:

I hate eating healthy. I just think bad food for you objectively tastes better, and if I could eat that every meal, seven days a week, I would. I know I'm not supposed to. My partner and I cook together, share meals. I would just be okay eating more frozen food or things that I know are not as good for me. But I just feel like in general society, I'm supposed to pretend that I like eating well. So it's not really performative for anyone else, it's just that I know the benefits of eating healthy.

Justin Draeger:

Yeah, you know you should be having a salad, so when somebody's like, "Hey, let's have a salad", you're thinking, "Yeah."

Owen Daugherty:

I would have a burger and fries way more frequently if I was eating alone.

Megan Coval:

If you were eating alone.

Owen Daugherty:

Mm-hmm (affirmative).

Justin Draeger:

When professional lunches come back, I sort of hear where you're coming from, because at professional lunches I'm hypo-cognizantly aware of what I'm eating. So I'm like, "Oh, they order a salad", I'm like, "Yeah, I'll also have the grilled salmon salad."

Owen Daugherty:

Yeah.

Justin Draeger:

But in reality, I'm like, "But then there's that bacon cheeseburger that I just want to-"

Megan Coval:

Just want to face first into.

Owen Daugherty:

It's been a long year, so been home a lot more, so eating healthy has been even more important, and I'm just not about it.

Justin Draeger:

Yeah. Never more important, but never harder, in my experience. All right, mine is, things I'm supposed to like but... I'm sort of where you are, Jill. I sort of feel like this podcast is not doing a lot for my image here, but it has to do with young kids. I have three kids, ranging from 17 to 10, but when all three of them were young, Meg, I'm talking like probably your kid's age, I just find most of the things with young kids to be really mundane and boring. Like playing games with them is boring. Reading their books is...

Justin Draeger:

I feel like a terrible father, but when they become teenagers, their problems are bigger, obviously, because they're becoming real people. But they're just interesting. They're genuinely funny, they make jokes, they get my jokes, which is like 99% of what I look for in relationships. I enjoy interacting with them, usually. Teenagers all have their moments. But young kids, I just feel like for a lot of my kids when they were really young, it was a lot of me just feigning interest. I was not interested in reading the same book 70 times, and I definitely was not interested in their TV shows, and playing games with them, I was always just thinking, "Why do you not get the rules of this game?" or "Why are you not trying to win this game?" Or whatever it is.

Megan Coval:

Yeah.

Justin Draeger:

I don't know, maybe it's because I'm an only child. I don't know. But young kid's stuff... I love young kids, I love my own kids, but it's just I couldn't. I couldn't. And even the sports stuff, Jill, they're not good. It wasn't fun to watch. Maybe if there were bloopers, but otherwise it's like, this is not competitive at all. Most of the kids don't know what they're doing.

Justin Draeger:

I remember walking into a Home Depot 15 years ago with my kid, he was like four or five, holding my hand. And a guy stopped me and was like, "Hey, these days go by way too fast." And I remember being like, "Screw you. What?". And now I'm that guy. But at the time I just remember being like, "I have stuff to do at Home Depot, and this kid is holding me back."

Megan Coval:

Mm-hmm (affirmative). You're not out on a bonding trip.

Justin Draeger:

Right. I have stuff I need to get, and need calculations I'm doing in my head to build this thing, and he keeps interrupting me with mundane observations. But now, of course, in hindsight. Anyway.

Megan Coval:

No, that's a good one.

Justin Draeger:

All right. Listeners can send us their comments, what are the things that they hate but have to pretend to love? If we get some, we'll read them out on the air. Thank you for joining us for another edition of

Off The Cuff. Remember to subscribe. Send us your comments, your questions, and tell a friend. We'll see you again next week.

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