NASFAA's "Off the Cuff" Podcast – Episode 247 Transcript

OTC Inside the Beltway: Debriefing GAO's Report on Financial Aid Offers

Justin Draeger:

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

Karen McCarthy:

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

Jon Fansmith:

And I'm Jon Fansmith with ACE's government relations team.

Justin Draeger:

Glad to have you back, Jon. Welcome. This might be the last time we're all together before the new year, unless there is some major breaking legislation or news, which we'll get to in this podcast if there's going to be any additional legislation specifically on spending bills. I also want to talk today about loan forgiveness and some of the timing around when there might be judgements there.

The big news, at least in our profession this last week, was the GAO report. The Government Accountability Office report about aid offers. Before we get to all of that though, let me bring in our producer this week, Maria. Maria, any questions or comments from the "Off The Cuff" community from this last week? Anything there?

Maria Carrasco:

Based on last week's episode on FSA, some members are wondering if FAFSA simplification will be ready to go on October 1st?

Justin Draeger:

I get why they would have that question, because we raised this point last week, in that, we never heard them say it will be ready on October 1st. Now, they had talked about it being on track and they had talked about some really high-level plans and maps to have schematics out in the winter, spring, and summer. But they didn't use the word, "October 1st." You never know whether that's on purpose or whether that was an oversight. What I would say is the department has not said the FAFSA won't be available on October 1st.

I think our question is more of, "Was that on purpose? Or will it not be available on October 1st?" And so, NASFAA is trying to get an answer to that. We're not trying to sow any conspiracy theories, except that if it's not going to be available on October 1st, the law requires it to be available by January 1st. We would like to know when the actual date is. Obviously, schools would want to know that now, so they can plan for it now. The department hasn't said that it won't be, but I think maybe the thing that's peaked our ears a little bit is they didn't say it will be.

Karen McCarthy:

They did say though 24-25. They do say it's on track for release for the 24-25 FAFSA.

Justin Draeger:

But you would take that, Karen ... It's going to be ready for the '24, '25 year. Not the date at which it will be ready.

Karen McCarthy:

Yes. Yes. I just don't want anybody to think, "Well, if it's not October 1, is it like two years from now? Or are they going to release an old FAFSA on October 1?" No. They have said they're on track for 254-25. They just haven't specified month and day.

Justin Draeger:

By law though, it would be January 1. That's what is in the law.

Karen McCarthy:

Right.

Justin Draeger:

Okay.

Karen McCarthy:

October 1 is not in the law. We've kind of gotten used to it, but we've asked for it ...

Justin Draeger:

That was voluntary.

Karen McCarthy:

Yes.

Justin Draeger:

My department, when we went to prior year, they backed it up to October 1.

Karen McCarthy:

Yes.

Justin Draeger:

All right. Thanks very much, Maria. All right. Let's jump in here. This last week, the GAO released a report looking at aid offers. Jon and Karen, just initial impressions from the report. What are your impressions? Jon?

Justin Draeger:

Sadly, not a surprise. In a lot of ways, the report validated the concerns we've had here in Washington DC in the associations. And it speaks to the work that we've been doing. Frankly, the need for a whole lot more from a presidential association perspective. I think we are getting to this point where hopefully it's landing on presidents' radar screens.

Because it's been a policy discussion of pretty reasonable intensity over the last decade. And it still plays out where there's a lot of internal campus politics about how our resources allocated. Where do you pursue policy? What drives that? Who are the decision makers there? I think, at this point, it's become increasingly clear presidents need to be more active, be more aware of what their institutional policies are in this regard, and take a stronger role in framing how they want their institution to move forward.

We think very clearly there's got to be greater transparency. There's got to be greater comparability. There's got to be ease of understanding for students. That's not always what we're seeing, which is what the GAO pointed out. Presidents need to step up a little bit here and make sure that their institutions are committed to that.

Justin Draeger:

I appreciate that, Jon, and we'll get into some of that. Because part of the report got into the reasons why aid offers aren't always clear, at least, from the financial aid perspective. Some of that can really only be sorted by the executives on a college campus. The president or his or her designee. Karen, overall impressions?

Karen McCarthy:

I would say we at NASFAA have been tackling this issue for almost a decade now. With the approach of encouraging schools to do somewhat of self-regulation like, let's everybody get on the same page with regards to best practices. NASFAA has put out a whole bunch of resources to help schools with model aid offers and how to evaluate aid offers, make sure that you are including these components on your aid offers.

We've included a lot of the best practices in our code of conduct. Since 2014, they have been there. I do think that this GAO report when this was released somewhat shows the limitations of that self-regulation effort. Agree with Jon on it does bring to light some needs that are out there, and that perhaps we do need something more forceful than just straight self-regulate unless we want rules coming down from high above, which has been our approach over the last decade.

Justin Draeger:

So I'm hearing an acknowledgement of this issue and of the concern. For good reason. The GAO at a high level said that they had identified basically 10 best practices. We'll talk about those in just a moment, but nearly two-thirds of colleges follow half or fewer of those 10 best practices. 41% of colleges do not include a net price on their aid offers, which leaves students, of course, trying to figure out how much they're going to pay out of pocket, whether through financing or cash or work study. And that an estimated 50% of colleges understate the net price. Put another way, schools are miscalculating, "What is a net price?" We've talked about that for a long time. Folks, calculating the net price is basic. That's basic.

Jon Fansmith:

Yep.

Justin Draeger:

Some troubling findings here, but let's dig into this piecemeal. Let's start with the methodology, because I have heard several folks raise concerns about the methodology. How could 176 schools represent a national representative sample? Let me talk just for a moment about that, and then see if you have anything you want to add here, Karen.

The way that this study was conducted was the GAO looked at the whole universe of post-secondary institutions offering Title IV funds. Then, they identified, they pulled out a sample from those schools a statistical sample. I should add that going back to statistics 101, random sampling is how you analyze a really large population using a smaller, more manageable version. This is done mathematically. This study used a generalized stratified random sample, so statistically valid.

They used that to then extrapolate out over the entire population, and they do so with a confidence level. This one was done with a plus or minus 7%. What they didn't, I don't think, have was a random sample for each sector type. Because they said that the statistical model did not hold true for sector type, but it did hold true for the universe of institutions. We use random sampling all the time. NIPSA's is done with random sampling. We do accept the statistical models as a valid sample. Does 176 represent? No, it's not every school, but for statistical model purposes, this is a valid study.

The other question we get from schools is, "Am I on the list?" Well, GAO identified schools, then went to those schools and said, "We would like you to submit to us three aid offers that actually went to students that meet certain criteria." And in this instance, they wanted things like Pell Grant recipients, people who had received certain types of loans or other aid. And so, are you on the list? Well, you would've been on the list if you had been contacted by GAO. Is the list public? No. In fact, GAO went out of its way to mask institutional aid offers that were in its report. I don't know the answer to this, Karen or Jon, but could that be FOIA'd or something? I have no idea. It is the GAO.

Jon Fansmith:

I don't. You would assume it would be FOIAble, because it's public information. But I am sure there are exemptions to FOIA for protecting the anonymity of data sources or other things, which would otherwise preclude people from ever participating if they were submitting it confidentially and it could simply just be revealed. I don't know. Again, this is why I emphasize I'm not a lawyer.

Justin Draeger:

Well, here's what I would say. It's almost moot. Let me try to say just why to schools. I understand schools are concerned. "Am I going to be identified as a school that's not following standards?" The answer to that question is that the GAO just released a report that was referenced in every single major news outlet.

What that means is over the next 12 months, particularly mow and then probably in the fall, when aid offers start up again, every local news station is going to find aid offers from schools and going to publish those. It's a moot point whether your institution is individually on the list. The time for making sure your aid offer is up to snuff is past. It's now.

Jon Fansmith:

I would also point out. If you're concerned about your aid offers being in the public, that's a pretty telling indicator you should probably revise how you do your aid offers.

Justin Draeger:

Right. No school president or aid director wants to be held out as an example of what not to do. 176 schools actually submitted aid offers to the GAO for review. They also filled out a questionnaire. I do have some questions about the questionnaire, but the questionnaire asked things like some of their practices and whether they used the College Financing Plan, for example. So that was the methodology. Karen, anything you want to add there?

Karen McCarthy:

No. I don't think so. I think you mentioned the key thing, in that, this study of award letters was a little bit different than some in the past. Some other organizations have reviewed award letters, but those other organizations obtained their award letters primarily from students directly rather than from institutions. So that methodology was a little bit different in this go around and the randomized sampling because GAO just has that ability that private organizations wouldn't have had.

Justin Draeger:

NASFAA did participate in the GAO study. We reached out to institutions and encouraged them to participate. We've been in regular contact with them since they've been working on this, which goes back several years now. We gave them resources that we've been building and providing around consumer testing and some of our own standards in our profession. We knew this study was happening. We encouraged schools to participate. This is important for self-reflection and improvement, so we've been supportive along the way.

Let's turn to findings for just a moment. I want to talk specifically about the 10 standards that they basically used as their rubric as to whether financial aid offer was up to par. The 10 standards were basically taken from two sources. One was from the Financial Literacy Education Council, which was a couple of years ago chaired by the Secretary of the Treasury. It included 22 federal agencies, and they came up with a set of six standards.

And then, separate from that, the Department of Education came up with eight best practices that they put out there for the community to look at. NASFAA highlighted both of these, when they were released by their respective agency or task force, but from those two, then GAO compiled 10. Those 10 things included an itemized key of direct and indirect costs on every aid offer. Provide a total cost of attendance that includes those key costs. Estimate the net price, which just so we're all on the same page, is cost minus gift aid. Separate out gift aid from loans from work study. They should not be lumped in together. Number five is do not include Parent PLUS loans. Or if they're included, separate and differentiate them from all other student loans. They should be separate and apart.

Label the type of aid. Call loans, loans. Work study, work study. Grants, grants. Label the source of the aid. Number eight, include actionable next steps. Number nine, highlight key details about the distinctions between loans and grants. And then, do not refer to the offer as an award, which for our vernacular it's aid offer. A couple of comments here. And then Jon, Karen, I would love to hear your thoughts on those 10 things. If they say that no schools met all 10 of these, but if they were to say nine out of 10 of them met the first six ... Then, I would put almost a big green check mark on that and say these folks are in B-plus, A-minus territory.

So if they called their aid offer an award and not an offer, but they got everything else, then I'm like, "Okay. Not a big deal." If half of the schools are miscalculating net price, that is a big deal. Not all of these things are equal. We don't have the exact breakdowns from the GAO about how many are meeting these criteria versus those. What we do know though is that a significant number of schools were miscalculating net price, weren't including the costs on their aid offers, and that is in fact a challenge.

The other thing I had some questions about is that they said a third of the institutions were using the College Financing Plan. The College Financing Plan meets all 10 of these standards, so I'm also confused. Just a question, which is if 10 of the schools are using the College Financing Plan, how can they also then not be in compliance with all of these 10 things?

Now, I understand that there were very few schools, I think they said two or three were only using the financing plan. The majority of the third that were using the financing plan were supplementing with their own aid offers, but still they were offering the financing plan. I just have a question mark about that one. Karen and Jon, any observations about those 10 standards and how schools are or aren't in compliance with them?

Karen McCarthy:

We did kind of take a look at where they derived these 10 best practices from in those two different documents. The Department of Ed guidance and the Financial Literacy and Education Commission and their best practices. Because there is not a one-to-one comparison between those two documents that lead you to these 10. We did look at those pretty closely to make sure that we understood where those 10 best practices were coming from.

I do think that the Financial Literacy Commission and the Department of Ed's guidance, sometimes they worded their best practices in different ways than what ended up as part of the Final 10, but generally these 10 best practices did come directly from those documents. It's not a straight correlation. Sometimes there was one best practice that then the GAO split up into three separate ones. On first look, you're like, "Well, how did they get three? They only had one over here." But it really is just how they organized it. They did get them from these two federal documents. The Department of Ed and the Literacy Commission.

Jon Fansmith:

I was really struck by your point. I agree with it. About six of these are critical and four of them are I don't want to say garnish, but they're, "Nice to haves," versus, "You must have." Particularly, I don't know if we're going to talk about this, but when the GAO report was released, there was new legislation introduced alongside it. There have been lots of legislative efforts in this area. I think your point really nicely raises the challenges of doing something on the federal level. What is important? What exactly do you need to measure?

I think we can all agree on what's not helpful, what's critical. Clearly, there's already a diversity of opinion about what are the things that would count against you if you don't include it. Getting to a form or a piece of legislation that actually helps students, but is still useful for institutions. It's going to be challenging. This highlights that GAO can't even really clearly say exactly what is absolutely necessary and what's nice to have. It's going to be a little bit of a challenge getting unified legislation there.

Justin Draeger:

When you consider the fact that the College Financing Plan itself, back when they started this study in 2019, wouldn't have met these 10 standards, it does today, but it wouldn't have back then. Even if you were a school using it back then and you were using the government model, you wouldn't have met these 10 standards.

Jon Fansmith:

Right.

Justin Draeger:

That's where I feel like a little bit more information would've been helpful. Again, we're not making any excuses for messing up the six critical things.

Jon Fansmith:

No.

Justin Draeger:

The other one I questioned was, "Include actionable next steps." This is where I get to, did the school just send them page one? Or did they send them the whole six pages, because I guarantee you no aid office is obfuscating next steps. Next steps is critical to the enrollment process. I just have a hard time believing that one would be left off unless there was some miscommunication.

That is not to negate the overall findings and the critical issues that are identified here. But again, just looking at the 10 standards. I want to turn for a second to the reasons. This was mostly questionnaire, but also the GAO interviewed at least two schools, and they gave three reasons why aid offers don't meet these standards.

One of them was software providers. We've talked to software providers, Karen, in the past, and they've all told us that their software can do this. But then, we talk to our members and the members are saying it cannot easily do this or do it out of the box. Now, whether you can or can't, there's clearly a disconnect, because every time we talk to our members, they're saying they either don't know how or it requires some level of in-house customization or programming.

Karen McCarthy:

Right.

Justin Draeger:

So software was given as a reason. Number two, resource constraints. We've talked about this before, but we've done surveying. All across higher ed, we have jobs that are going unfilled. Their critical job is to, one, get aid processed and financial aid out the door, so students can actually attend their schools and pay for their cost of living. And then, remain in compliance with everything that is the law. I do, in a real-world sense, think that things like consumer disclosure that aren't up to A-plus standards get pushed down the line, so resource constraints was cited.

Karen McCarthy:

Right.

Justin Draeger:

The final one does make me bristle just a bit, and that is they cited competition. This is where I do think institutions cross into a line that just doesn't work when we're talking about transparency and sunshine. That is, in the name of competition, a school might be, even if they're not purposefully trying to obfuscate costs or something, they might say, "We're trying to show them that they can meet all of their expenses." But by doing so, they fiddle with net price or they don't call something net price or they lump loans in with grants.

Even if it's done for non-nefarious reasons, it's confusing to students. Competition is working against transparency? We have a real problem. Transparency has to win out. Schools have to compete based on their actual net price. The price students are going to pay out of pocket. We can't dance around that. That has to be a primary standard.

Jon Fansmith:

Absolutely right. I think institutions need to see aid offers as exactly that. Critical information for students in making a determination. Not a marketing document that's used to shift behaviors or induce students to enroll in the absence of clear and transparent information.

Justin Draeger:

And these issues span across sectors. Even open-access institutions, where they're not usually working in the same enrollment management model that a competitive regional public or flagship public or selective private. It's not the same enrollment management model, but these issues span sector type. These software competition resources, these were the three most common.

Karen McCarthy:

Hey, Justin. I did have a reaction when you're talking about the different pressures between the sectors and the competition points. I don't know if this is necessarily a point of competition, but I do feel like on the open-access side, they are the sector who is most often to raise concerns about indebtedness and trying to make sure that their overall indebtedness numbers stay down.

Their students are more likely to default, and they want to make sure that their students are borrowing manageable amounts that they're able to repay. I feel like that ties into the aid offer discussion of how you're reflecting your costs and showing students that they can afford to come, but these are the loan amounts that you have. I feel like there are competing pressures on that side of the equation as well.

Justin Draeger:

To put it more bluntly, Karen, there are community colleges out there, because they don't have the discretion to lower loan amounts. Even for part-time students who are attending at a part-time basis. They might bristle at showing a full cost of attendance, because then people can max out their loans. These schools are trying to control at an open-access school repayment and default rates. Not always sure that students need all of those loans.

This is a competing pressure, but it's pretty clear that lawmakers are interested in showing students their full costs and for good reason. But that doesn't mean, Karen, that they have to package them with all of those loans. A loan doesn't have to be put into an aid offer, so there is a release valve there. Jon, you touched on legislation. I want to talk about that for just a moment. Because there are three, at least by my count, three pieces of legislation in the last couple years we've looked at.

One bill is the Grassley bill. It has some several co-sponsors introduced in both the Senate and the House. It's been around for a while. It was reintroduced in this last Congress. It's a pretty prescriptive aid offer bill. It goes through and gets very specific about what has to be on an aid offer. Then, you have a bill that NASFAA has supported in the past. It was co-sponsored by Representatives Trahan and Smucker who are not on the same ideological ... They're on ideological different sides of the aisle.

It codified our code of conduct and probably eight out of the 10 things that you see here in these best practices, but allowing school some flexibility as long as they met those eight requirements. The latest one comes from Representative Foxx this last week. That is really a two-step process. First, the school would send out an aid offer with direct expenses, and then the student is allowed to basically build their own cost of attendance by adding in the indirect costs. And then, the school goes from there. Karen, do I have those summaries just about right? Anything else you want to point out in those?

Karen McCarthy:

Yeah. The big thing about the Foxx bill is that it has a lot of things that NASFAA has supported in the past. Standardized terms and definitions. These things have to be on the aid offer. It does not though have any type of standardized template. And it actually goes so far as to ban the Department of Education from developing a standardized template. But I think the most significant part here, and that we're still thinking through, "How might this work," is the two-step process.

The direct expenses, aid for that, and then a student opting in to receive aid for the indirect expenses. How does that work operationally? Does that require that aid offers are all a real-time experience where you say, "Oh no, I don't need that." And then, your cost adjusts and your aid adjusts. We're still working through how this might end up working.

Justin Draeger:

I could see some schools making this work really well, but those are also well-resourced schools who have fully fleshed out database administrators and web employees in the aid office that can make that work. Some questions. But as you point out, all three of these bills have things that NASFAA has supported in the past. I don't think that any of them are perfect. I don't know that they would be the bills that NASFAA would've written. Except for maybe the FACT Act, which has not been reintroduced in this Congress.

But at this point, Karen, I think it's fair to say we would support requirements on this, because this gets at some of the big things aid offices said. If you have resource constraints because of all the other things you have to do, well, by mandating this, you make this a priority on an institutional campus. It is then a Title IV requirement. And so, for those reasons, NASFAA has supported aid offer legislation in the past. We support it now. And it does address some of the concerns that our own members have raised about why they haven't been able to update their aid offers. Jon, any thoughts on that? At least, from the resource allocation front?

Jon Fansmith:

Two things. One, which I think is important in your recap of the legislation note that there is bipartisan interest in this. It's sort of sad to say, but that's notable in this Congress when you have an issue where there's bipartisan consensus that they want to do something. I'd also note that there is some flexibility. There's a variety of different approaches within those bills, but the idea of a strong federal role, possibly even a very prescriptive federal rule, is not something that we generally are super comfortable with accepting.

And so, some of the inclusion of the flexibility. Some of those things certainly offer positive indications of where legislation could be helpful. That goes back to what I started with. You touched on this, Justin. Legislation does have a way of clarifying institutional priorities. Right now, we had certainly hoped that institutions have been tracking this issue, have been paying attention to this, and have been thinking about this. Frankly, just for them in internal purposes and how they serve their perspective students.

The GAO report made it pretty clear that those changes, the self-regulation approach hasn't given us the results we want. Now, I think we're doing some things to help try and push that conversation further. Again, reach more presidents, reach more senior administration officials on campuses and get them to act in that way. But there's bipartisan interest here. There's been a long period where we haven't seen the industry respond in the way we want to. The idea that legislation is going to come in ... You and Karen have already made clear. I think a lot of people on the campus might welcome that. And that's not often something from the Washington D.C. national policy perspective we hear too often that egislation is encouraged to step in. Because we're having trouble regulating ourselves, really.

Justin Draeger:

Right. "Please legislate us," is not something you often hear from institutional lobbying or advocacy community.

Jon Fansmith:

For the record, I am not saying that. I just wanted to say. I can see where those trends are coalescing, where people might express that view.

Justin Draeger:

That's okay. From the NASFAA side, we have supported federal legislation and we will going forward too. I don't want to put you, Jon or ACE, on the spot. But I do want to follow-up, Jon, on that and say ... Let's talk about timeframes, realistic.

You have bipartisan support. You have bills in the House and the Senate. Now, they'll also have to be reconciled. But in a realistic world, when would this legislation be passed?

Jon Fansmith:

In a realistic world? And that's assuming we have an agreement, a bipartisan bill, that everyone's happy with? When would it be passed?

Justin Draeger:

Bipartisan and bicameral, which we don't have right now.

Jon Fansmith:

We don't have.

Justin Draeger:

We have separate bills ...

Karen McCarthy:

Build that time in is what you're saying, Justin?

Justin Draeger:

Yeah. Build it in.

Karen McCarthy:

Okay.

Jon Fansmith:

I think you build that time in. I think you also build in the time that whatever proposal gets bipartisan and bicameral support is also going to then go through a vetting process of the public where institutions will weigh in with their members, who will not necessarily be members of the committee or members of leadership, but will have thoughts about how this might impact their institutions. That process tends to be the one that takes the most time.

Justin Draeger:

Jon, let me just break in for a second and say, are we talking months? Or are we talking years till full implementation when you play that whole timeline out?

Jon Fansmith:

I think best case scenario, you're talking years.

Justin Draeger:

Okay.

Jon Fansmith:

Not months.

Justin Draeger:

And we don't want to wait years for the industry to improve. For that reason, many may have seen in the news that we have begun a task force that's a little different than task forces we've done in the past. NASFAA has had several task forces on aid offers in consumer testing, transparency and disclosure. This one is different, because it consists of 10 higher education associations, NASFAA included.

ACE is one of the supporting organizations. NACAC, our admissions counselors, is one of the supporting organizations. And then, system heads and associations that represent college presidents. We are coming together, looping in campus leadership, in hopes that we can get the resources devoted to this at the campus level to make real changes now. Before legislation and the timeline that Jon just talked about and before waiting for all of that, let's try to make changes now. And then, we'll be all in a better position when and if federal legislation does come.

Jon Fansmith:

Well, I would just say on that too, we keep hammering this point, but this is something presidents should want for their campus. Regardless of whether federal legislation was coming or not. This is not racing a countdown clock. This is, "You should be doing the right thing." And I think there's a clear understanding of what the right thing is. That may vary in terms of how your forum is constructed. It may vary in terms of what you choose to prioritize, but that transparency, that comparability, the ease of understanding for students. We know those are things that aid offers should include.

And so, yes. Absolutely. Federal legislation is probably on the horizon, but that's not your metric. Your metric is, "Do the right thing." To the extent, I'm obviously very happy that ACE is participating, that NASFAA has done so much work in this area. The more we can do to push that message out regardless of what the legislative climate is, that's all to the good. We're certainly very hopeful that we're going to see a response as we put more attention to it, raise the profile and get more colleges, frankly, to step up and do the right thing and do it in a public way to encourage their peers.

Karen McCarthy:

Jon, I was curious, since you are working with the college presidents. How much attention has the GAO report garnered amongst your members?

Jon Fansmith:

I haven't heard directly from a lot of members about this. It's relatively recent. Right? I will say that I have heard directly from some presidents about this trying to understand context and what else may be happening around this. I think this gets back to our conversation about what the legislative climate is.

There is a lot of concern. The headlines were not good. Some of the presidents I talk to are ones who have been trying really hard to make sure that they're at the right spot on this issue. It does not help as a community when there's a lot of public attention on the idea that as an industry we are misleading people.

I think particularly those presidents who have been trying to be on the forefront of doing the right thing here, it's harmful to see it. Frankly, it motivates them maybe to get their peers more involved. Because a lot of people doing the right thing are getting tarred with the same brush of people who are not. There is a clear sense of urgency from the folks I've heard from.

Justin Draeger:

We'll include links in the show notes to the task force, to these bills that we've talked about, and to our summary of the GAO report as well as the GAO report. People can check that out. I just want to say two final things, which is both the College Financing Plan and NASFAA's models, we put out models for people to take a look at, both those documents meet the 10 standards identified by the GAO.

So if a school's looking for a place to start, the College Financing Plan, you can work with. Or one of our models that we've put on our website. We have multiple out there. They both meet those standards. Please start there and take a look. You can always submit stuff over to NASFAA as well. We've done this in the past. We've looked at schools aid offers and given them feedback. You can submit those and we'll put the link in our show notes. We have used a lot of time on the GAO report.

I have two things I want to follow-up with. Maybe these aren't super long. But Jon, since the last time we were here, the president has extended the period of time till people have to start repaying, all because of the lawsuits that are happening on debt forgiveness. The Supreme Court has decided they're going to take this up. Can you walk us through really briefly, when will this be taken up by the Supreme Court? When will we have a decision from the Supreme Court?

Jon Fansmith:

One is easier to answer than the other. Taken up by the Supreme Court. Probably, in March, we'll be having hearings. When will we hear? Assuming they neither expedite a decision nor slow walk one. We saw how the repayment pause resumption was structured. Probably, late spring, early summer, so end of May, beginning of June. Decisions start to come out from the first term of the Supreme Court.

That is what the expected timeline would be. Again, that's why the repayment pause is scheduled to run out either when a decision has clarified forgiveness, or end of June 30th with a 60-day window to allow for additional payment. That's kind of an interesting way to structure the resumption of repayment around the Supreme Court's docket process, which speaks again to how confusing and complicated this whole thing has gotten. From, "We're going to forgive loans," to now, "Where are we in this really tangled litigation environment they're in?"

Justin Draeger:

Right. I'll just speak for myself, which I've been doing public policy and advocacy work now for a long time. 16 years just about if I was adding up correctly. At least, at NASFAA for 16 years. I am not an expert on litigation. Where my work has always been was with the administration and with Congress and state legislatures from time to time. Not with the Supreme Court, except in rare instances.

This will be interesting to see how all of this plays out. Next question, Jon, from aid officers. What's going on with year-end spending and when will we have Pell schedules for the 23-24 year? Is this going to get done before Christmas or not?

Jon Fansmith:

This is another one where one question's easy and the other one is harder. What's going on right now? They are feverishly attempting to get to an agreement without a whole lot of success. Frankly, it's somewhat understandable. There's really big dividing lines.

Not worth going into all the details. But essentially, the two questions that Democrats and Republicans are arguing over is, "What is the total size of the funding?" They pretty much have agreement on what that will be. The reason it's pretty much is the second question is, "How do you divide that between defense and everything else?"

Justin Draeger:

If they do actually pass something on the 23rd or the 24th, will you come back on Christmas and record an "Off The Cuff" with us?

Jon Fansmith:

I never leave, Justin. Sure.

Justin Draeger:

Okay. Good. Karen, I've obviously already got you working on Christmas.

Karen McCarthy:

That was thing in my mind, "Oh geez. This is going to be right over Christmas isn't it?"

Jon Fansmith:

Well, if you feel bad for us, feel bad for the staff who might have to be drafting those bills over the holidays.

Karen McCarthy:

Them too. Yes.

Justin Draeger:

Thanks, Jon and Karen, for being here with us again. To our "Off The Cuff" community, we look forward to your discussion and your questions. Maybe we can get those on the air at the next episode. Okay. We will see you again next week, when we'll have David and Jill back on for our AskRegs section.

Until then, send us your comments. Remember to subscribe, tell a friend, leave a rating on your podcast app of choice. That helps other people find the podcast. We will talk to you again very soon.