

# NASFAA's "Off the Cuff" Podcast – Episode 251 Transcript

OTC Inside the Beltway: What the End of the COVID-19 National Emergency Means For Financial Aid

Maria Carrasco:

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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, ACE's senior vice president for government relations.

Justin Draeger:

Congratulations Jon. You're two days in. How's it feel?

Jon Fansmith:

It feels like 20 days in.

Justin Draeger:

All right.

Jon Fansmith:

And I don't mean that I feel very veteran about it now.

Justin Draeger:

Oh, okay. All right. It's two days that feel like 20. So, good.

All right, let's jump in. We got a full agenda today, a lot to talk about. I do have a question. Karen, I'm trying to imagine you, a young Karen McCarthy in high school, and where this young Karen McCarthy would've sat. When you didn't have assigned seats, where did you sit in class, John? What do you think? Given what you know of Karen, where do you think Karen would sit in a class?

Jon Fansmith:

I would say front row, but to the side.

Justin Draeger:

Oh, front-

Jon Fansmith:

Front right or front left.

Justin Draeger:

Why not front and center?

Jon Fansmith:

I feel like she definitely would want to be close and able to engage, but not central to the process necessarily. Not one of those people who's trying too hard to be right in front of the teacher. I think there's more confidence in her knowledge there. So, she'd want to be able to access the information, but not be sort of pushing her way into the discourse.

Karen McCarthy:

Oh, nice. Thanks, Jon.

Justin Draeger:

And here, I thought front and center. Not because Karen likes being the center of attention, but Karen would want to have equal access no matter which side of the room that the teacher went to. Karen, where would you have sat?

Karen McCarthy:

I am probably more with Jon's prediction. Yeah.

Justin Draeger:

Off to the side. All right. And Karen, what about Jon? Where would a young Jon Fansmith have sat?

Karen McCarthy:

Oh, I don't know. Well, what do you think, Justin?

Justin Draeger:

I think he would've been mid back.

Karen McCarthy:

I'm just going to say mid.

Justin Draeger:

Not all the way back, but mid back. Jon has a very dry but sharp sense of humor. So, he would've wanted to whisper-

Karen McCarthy:

Be in the middle of that, yeah.

Justin Draeger:

Yeah, sarcastic or funny remarks to people without a teacher hearing. But also a very good student. So Jon, where would you have sat?

Jon Fansmith:

I mean, you have it pretty much right. Some of this is subject dependent, right? Certain courses, I'd be more willing to be closer to the teacher, but yeah, generally, back, middle, people around. I enjoyed my side conversations.

Justin Draeger:

And I always liked to position myself in a room where I could see people because I like to see what's going on. I'm a human naturalist in that I like to see humans in their natural environment. I love an airport. I love a busy shopping mall, not because I like interacting with people as much as I like watching them. And last week we went to a middle school play, which had the hallmarks of everything I love. The most awkward stage in kids' lives, which is middle school, and a musical, which has the trappings of awkwardness, combining-

Karen McCarthy:

Highs and lows. Yeah.

Justin Draeger:

Yes. Just insanity.

Karen McCarthy:

Yeah.

Jon Fansmith:

Mostly lows. Yeah.

Justin Draeger:

That's what I was hoping for. And then as we were there, and Deanna always lets me choose where to sit because I have very strong feelings on this. And I took the very far side, and it was sort of like the arena stage. Have you guys ever been to the arena stage here in DC? Yes?

Jon Fansmith:

Yeah.

Justin Draeger:

So, you can see everything. And as I was watching, first of all, the kids were genuinely good, genuinely. Seventh and eighth graders, genuinely good. So, already fail. I was hoping for extreme awkward.

Jon Fansmith:

Tragic comic disaster.

Justin Draeger:

That's right. And they were good. So, already my night's off to a bad start. And second I watched this mom who was like, I don't know, second or third row, and she was just supremely un-self-aware and totally into this show and watching, I assume, her daughter, and was just so full of pride and was clapping along and just loved it. I was sincerely touched at how much she loved this show. So, the whole night was ruined because I was there for something that I did not get, which was failure in the most middle school way.

And what I got was touched emotionally by the show.

Jon Fansmith:

What was the show?

Karen McCarthy:

Yeah. Did you say that?

Justin Draeger:

Newsies.

Karen McCarthy:

Okay.

Justin Draeger:

Yeah. So, unions and joining together and taking down the Hearsts and powerful newsmen and whatnot. But I don't know, it was a good show and I've never been that un-self aware of my life as that mom was that night watching her child perform.

But I had a little glimpse of this yesterday because yesterday the Department of Education released a new HEERF report that just talked about the sheer amount of money in higher ed that went out to students and how much of a difference that made in terms of enrollment numbers and keeping students enrolled as schools just rolled out emergency grant after emergency grant often with little guidance or changing guidance.

I don't know. Jon, Karen, you probably felt something the same. Here we are representing higher education, financial aid offices, colleges and university presidents. Schools, they stepped up. Those two years and the sheer amount of money and step stepping up for students, really just an amazing time. I don't know if we'll ever see that again in our careers, but just incredible. And really yesterday, seeing all of that, an enormous amount of pride for what the people we represent did.

Jon Fansmith:

I'll be honest, Justin, I was not sure how you're going to bring that reference home.

Karen McCarthy:

I thought this was going in a different direction too.

Jon Fansmith:

Yeah, absolutely. But it's such a great observation too, because I do think we get so wrapped up in the minutiae of the policy. And when you talk even about the COVID relief, I spent a lot of time on COVID relief funding. So, what I think when I think about that tends to be policy discussions and areas of disagreement and areas where things were resolved. And you see something like this that lays out the numbers, and I had the same thought you did.

This was great. This was something that the higher education community did together that was amazing. The impact was massive in scale, and it was very positive. It's one of those federal successes. It accomplished the goals. It kept students in school, it kept schools open, it kept staff working through whichever stage of open or closed or remote the institutions were.

It was a real success. And particularly as we get this new Republican house, we have lots of oversight hearings on relief money and pandemic programs. You're already seeing a lot of criticism at the K-12 level of where those funds went and how they were being used.

Higher ed is a great argument. Higher ed you can point to and say, "We did exactly what Congress wanted. We put the money in the hands of students. We used it to stabilize the institutions, to keep people employed, and we pushed it all out the door." It's a complete success. And we don't get a whole lot of those and we really don't get a whole lot of those where start to finish, you're talking two or three years from the beginning to the end of the process, and you can look at it that way. Again, surprised where you're going with that analogy, but totally with you on it now.

Justin Draeger:

Well, we have a lot to be proud of and bringing this full circle with COVID relief, the administration did announce just this in the last week that they were going to plan on bringing to an end the COVID-19 emergencies. And with that, Karen, will be a lot of the flexibilities that schools have been exercising for the last almost three years. Catch us up to speed. What flexibilities will be ending, when will they be ending, and how do schools gauge when they should be rolling off those flexibilities?

Karen McCarthy:

Yeah, so I think that we have talked about the national emergency date on the podcast before. But last March, President Biden extended the national emergency. It is a one year extension. So, we are coming up on the end of that one year. So, the administration has a decision to make about what's going to happen with that designation.

There is some legislation that the Republicans had introduced too that would basically immediately end that national emergency and the administration didn't want to see that happen. So, in response to that legislation, and the administration also didn't want to be put in the position of having to veto that legislation either. So, as a way to forestall all the immediate end that the Republicans wanted to push through, the administration said, "Okay, well, what our plan is now is that come this renewal date in March, we will briefly extend the national emergency, but only until May 11th."

So, as of May 11th, the national emergency will officially end. And I know that we have, when we go out to our conferences and make presentations to our members, we've been saying a lot about the status of the national emergency. And that will be key in terms of the COVID relief flexibilities and waivers that we have. Because when that emergency goes away, we will begin the phase out of all of those waivers and flexibilities.

I have sometimes gotten the question from members, "Well, what if we miss it? How will we know when it ends?" And I say, "Oh, nobody's going to miss it. It will be national news. I know that it's really

significant in our world, but it's really significant in a lot of different worlds out there across the government." And so, one of the reasons that the administration was really loath to suddenly end the emergency is in those other worlds, notably the border rules and healthcare rules, and that they did not want an abrupt stop to some of the emergency changes that are in effect over there.

So, in our world, thankfully, the Department of Ed, when they announced these waivers and flexibilities way back in January 2021, they gave us an indication of when that emergency ends, what the phase out will look like. So none of our emergencies have that abrupt stop they do out there in healthcare and the border. But that date is really significant because some of the waivers and flexibilities will end at the end of the payment period that includes May 11th.

There are also some that will end at the end of the next payment period, after the May 11th payment period, and then there are some that are more what I consider to be longer term flexibilities that will last until the end of the next award year 23-24. So an example of that longer term one is the waiver of the requirement to spend 7% of your campus-based funds on community service, because that's a year long requirement.

So, it makes sense that that would be extended through the end of the next year. We do have articles that talk a little bit more about it, and there is a link to a chart that lists out all of the waivers and flexibilities and exactly what the phase out will be. After May 11th, how long do we have before those waivers and flexibilities go away?

Justin Draeger:

So Karen, we have that chart and it'll show, as you just distinguished, the three groups.

Karen McCarthy:

Yeah.

Justin Draeger:

There's two that, for me at least fall outside, well, three that I have questions on. One is: What happens if May 11th will probably be outside of the current payment period for schools, your winter, or if you call it spring term. But what happens if it's in between? What happens if it's literally at the end of your spring term, but before your summer? What is it then?

Karen McCarthy:

Yeah, I was thinking about this because if you're thinking of a traditional semester, once we're in the spring semester, whether the emergency ends today on February 1st or say May 1st, it's all the same because those are both in the same payment period. So, the date is interesting in that on May 11th, which in traditional semesters is close to the end of the semester, and so at some schools it may be after the end of the spring semester and others, it might be towards the end.

And we were kind of thinking through the possibilities that it is possible that May 11th falls after spring has ended, but say before summer payment period has started. Say it's a Thursday, May 11th. So, what if the spring term ended the beginning of the week and the summer term starts on the following Monday, what do we do then?

So, that's one of our outstanding questions that we are sending over to the department to ask them how schools proceed, because which payment period it falls in is the first thing that you need to figure out to figure out how all of these waivers will end at your school.

Justin Draeger:

All right. And what about the verification waivers?

Karen McCarthy:

Yeah, there's the blanket verification waiver that is not specifically tied to COVID. So, our feeling is that that is a separate waiver. We do have a question into the department just to get our confirmation on that. The more specific COVID related waivers are the things about presenting hard copies of documents and things like that.

Those are definitely the waivers that are tied to COVID. Those will phase out at the end of the payment period, after the May 11th payment period. So theoretically, if you're a traditional school, that would likely be your summer payment period is. But we do have some questions, specifically about the verification waivers and what the dates are on all of those.

Justin Draeger:

So, the final one I have a question on is if the department is announcing the end to all the emergency stuff on May 11th, is there still a question about whether they can continue the repayment moratorium that's going to continue for several months after that?

Karen McCarthy:

We were debating this before they made this announcement that what they would do with the extension of the national emergency, since the national emergency is the basis on which they are hinging their legal authority to offer the debt cancellation, so what happens if the national emergency goes away and we haven't had debt cancellation happen yet? Because remember, the Supreme Court will hear the case in February. We don't actually expect to have a decision until probably June or later. And now we have a planned date to end the emergency in May, which I assume will be before we have the Supreme Court decision announced. So when May came out, I was wondering, "Oh, wow, what does that mean for debt cancellation?"

And the department did say that they believe that the May 11th date does not impact at all their ability to actually carry out the debt cancellation if it turns out the Supreme Court decision is in their favor. They didn't really explain why. They did say that the national emergency does not have to still be in place when the relief is actually carried out. And Jon, I'm looking at you right now and you have the same face that I did because I was like, "Wow, they sound so certain of this."

Justin Draeger:

All right, Jon. Do you have your doubts, or what do you think?

Jon Fansmith:

I mean, Karen's comment about my face, which obviously our listeners can't see, indicates we are supportive of forgiveness. I would like to see the policy implemented, but we've talked a few times about the ... We're in a place in which policy tends to trump statute, and I'm not clear what the legal authority exactly is. Karen, you gave it a game try there, but it's hard to understand. I don't think it'll matter ultimately. But it is kind of hard to say like, "Oh, unquestionably there's clear legal precedent here." Again, not a lawyer, I always qualify that, but ...

Justin Draeger:

They said it's so, and unless somebody challenges it, I guess it's so.

Jon Fansmith:

Right.

Justin Draeger:

Right, yeah. Because there's another thing in the statute that says in a national emergency, in this specific circumstance. But they did say it definitively. So, unless it's challenged in court and the court says otherwise. And right now the court's wrapped up with this other bigger issue, which is can they even forgive debt?

Karen McCarthy:

Yeah. And I feel like some people out there there are like, "Well, great. They said they can do it so clearly they can." And I just have the same reaction as John. I was like, "Well, when they originally announced that cancellation and there was some question as to whether they had the legal authority, they said the same thing. Yeah, we have the authority and now we are now at the Supreme Court." So yeah, when they just said, "Sure, we can do it even if it's after the national emergency ends." I was like, "Okay ..."

Justin Draeger:

Well, see Karen, this is why I question whether you would be good in Congress or run for president. Because you can't walk out, and, "I don't know what authority I have in this circumstance but we're just going to try that."

Karen McCarthy:

Yeah.

Justin Draeger:

You can't...

Karen McCarthy:

If you just state it with clear conviction, does that make it true?

Justin Draeger:

Yeah.

Jon Fansmith:

The fake it till you make it principle, right? Yeah.

Justin Draeger:

Yeah, that's right. Okay. Thanks very much, Karen. And people can check out the show notes for article we've done and some of the flexibilities that are in that chart and in our AskReg's Knowledge Base.

Okay. Jon, let's turn to you. This last week, there was a annual report from the Department of Education. There was the financials published from the Department of Education. These are hundreds of pages of stuff in there. But maybe some of the more interesting stuff with around some of the estimates



of debt relief for the Department of Education in their audit. You want to catch us up here? What did you find interesting?

Jon Fansmith:

Yeah, the most interesting thing is that their auditor said they didn't buy their estimates. This is pretty unusual. You don't generally get an auditor finding that says, "We have questions about the numbers that are being used." In some ways, it's not a shock. Think about what they're doing. The uncertainty with the legal environment, the loan forgiveness plan is something we've never done before. You look at the fact that the Congressional Budget Office, congress's accounting wing said it would cost \$400 billion. The administration's estimates was \$310 billion. \$90 billion gap is pretty substantial.

Clearly, they're looking at information in a way different than CBO did. Maybe different in the way that KPMG, who is their auditors, did. Ultimately, I think anybody who's organization has been audited will see that there are times where frankly, maybe the information is mis-presented, it's not an attempt to evade or to do any wrongdoing. I think that's probably what it is here. The department made a pretty persuasive argument as to what they use to make those calculations, to make those estimates.

But more importantly, it's the worst possible time for this issue to pop up because, one, this is before the courts. Two, Republicans have taken over the house with a vow to do oversight. Virginia Foxx last week this week said that heads of agencies should get used to the hearing room because they're going to be in there a lot. They are planning on doing a lot of oversight hearings. Having something come out where your auditors, your independent auditors, say, "Yeah, on this signature program that has huge political opposition and is very high profile, you fudge the numbers." Or, "We can't prove that you didn't fudge the numbers." More accurately. That's not great.

The House Republicans seized on that immediately and minutes after the release came out, there was a press release from the House Republicans. They responded immediately to it. So again, is this a real issue? It's a tempest in a teapot thing. The department will probably re-look at their estimates. They'll probably resubmit them, they'll be reevaluated, but the optics of it are pretty terrible for them.

Justin Draeger:

Not good optics. I think Chairwoman Foxx used the term cooking the books somewhere in there.

Jon Fansmith:

Yeah, I think that's right.

Justin Draeger:

So, there's two things here. Don't trying to imagine a scenario, Jon, where NASFAA or ACE could not produce the homework we used to create estimates and our independent auditors, which ACE uses an auditor, NASFAA uses an independent auditor, they report to the board of directors of our respective organizations, and our auditor came to our board and basically said, "We're not issuing a finding. We're not issuing anything because we can't verify the veracity of the estimates that were used to create these numbers." Thinking about my auditor saying that to my board fills me with a certain amount of dread. I think my board would have a lot of questions in that moment.

Jon Fansmith:

Yeah, understandably so, right?

Justin Draeger:

Yeah. And so I don't know, DC is a different world. It is a different world. It's political. You can't take any of that out of the equation. It is different than an independent private company like an ACE or a NASFAA. But on the other hand, it does seem really remarkable. And so I guess the question is there is politics, but the thing from the Republicans is that they're accusing the Democrats of undercounting how much this is really going to cost ultimately taxpayers, is what they're saying. Right. And is there any truth to that or we just don't know?

Jon Fansmith:

I mean, I can't say for certain, obviously. One, I don't know, accounting standards, and two, I haven't looked at their books myself or seen their justification. So, I won't attest to anything. I would say, and I'd point back to the department talked about some of the models they used in terms of trying to predict it. They talked about the day-to-day they had access to that helped inform those predictions. Again, you can surmise whatever you want, but their justification of how they came to the determination rings true. It sounds plausible.

And you're doing something in which it's never been done before. It's easy for me to perceive that auditors who are tremendously risk averse people, that's fundamentally what they're doing, would look at a bunch of assumptions about participation or about uptake or how much would be forgiven and what's in a portfolio and say, "Ugh, what you have presented to us just doesn't make sense." Or, "It's not clear enough." Or, "It's not convincing enough." And come to that determination.

If you come out and you say your program's going to cost \$310 billion, and CBO says it's \$400 billion, yeah, that's a big difference, right? It's a 33% difference. But it's also not like you're hiding the cost of the program. You're not saying, "We got \$22 billion." Yeah.

Justin Draeger:

Yeah. That's where I come out. \$300 billion versus \$400 billion. We are in Monopoly land at this point. I just feel for the average taxpayer, it's like \$300 billion, \$400 billion, \$1 trillion, what are we talking about anymore? I don't even know.

And at the end of the day, forgiveness will cost what it costs and you're trying to predict borrower behavior, which is people have to apply. It's a fairly simple application process, but they actually have to receive it. There's some administrative work on the backend, et cetera, et cetera. To me, it's like \$300 billion versus \$400 billion. Who knows? Maybe it's \$500 billion. I don't know. It's a lot of money. And I guess the other thing is whether it's \$300 billion or \$400 billion, do you think it makes any difference in terms of the political rift that exists right now between Democrats and Republicans?

Jon Fansmith:

No. That's what this issue is about. This issue isn't really about how rigorously they were audited, or the issue is this one program, which at least in the higher ed space and is one of probably top three in terms of overall areas where there's strong Republican opposition to education department policies. It's anything, anything that you can poke at it and say, "Here's a problem." They're understandably going to seize on, and certainly something that says, you may have misrepresented the cost, or you may be cooking the books. Why wouldn't you? You hate the policy, why wouldn't you seize on any irregularity that comes up with it? That's a pretty standard Washington thing. Gather whatever evidence your opponent gives you and use it against them.

Justin Draeger:

I guess here's a maybe overarching question. I was talking to someone on the Hill last week. We haven't had an HEA, I can't even remember the number of years now. It used to be 12.

Jon Fansmith:

13.

Justin Draeger:

13. Okay, thanks. Lucky number 13. So, this is the year. So, it's been a long time since we had an HEA reauthorization. There's not one on the immediate horizon. So, it would be easy, I think, for people to reach the conclusion like, "Oh, we've had partisanship for a long time. Congress can't get together to do big things. Even when we have unified government. It's really hard because of archaic rules in the Senate and blah, blah, blah, et cetera, et cetera."

On the other hand, we did have a bipartisan legislation before COVID that made significant changes to federal methodology, it's going to result in significantly more people qualified for Pell Grants. We have seen significant increases to the Pell Grant program. Maybe not as much as we would like to see to get us to double Pell, but holy smokes, pretty big increases.

So, it ain't nothing, but I do wonder, Jon, I'm getting a sense as I talked to folks on Capitol Hill, that it used to be a time a long time ago when education, higher ed in particular, used to be fairly nonpartisan. Then it's gotten more partisan, and now I do wonder if we've reached a point where it's like, is middle anywhere on higher ed anymore? Is there any middle ground? With debt forgiveness now, and now this going to the Supreme Court, and if the Supreme Court signs off on it and says there is debt forgiveness ... I don't know. I'm not saying good or bad on the policy. I'm saying, is the rift just too wide for them to do anything on higher ed?

Jon Fansmith:

So, yes and no, right? I think the yes, the positive, you want to look for the areas of the positive where they might do things. There's lots of, I hesitate to call them like small bore, but lower profile policy issues. Maybe the highest profile one would be short-term Pell programs. Other ones, medical provider pipeline, training programs for mental health. There's a lot of issue areas where there's actually a lot of bipartisan interest in doing something, being responsive to what they're hearing from their constituents. And there's a lot of, frankly, agreement and overlap as to 80 or 90% of what the best solutions are. And it's hammering out that remaining 10% or 20% that could get you to bipartisan legislation.

Those are sort of viable path forward for seeing things. But big picture, you're exactly right. In my entire time doing education advocacy, and it's about 20 years at this point, we have shifted from being excited when Pell Grants get mentioned in the State of the Union address to education being the centerpiece of an entire party's political messaging.

Kevin McCarthy said one of his top three issues is reforming the education system. You didn't see that 10 or 15 years ago. Both parties are drawing very strong lines around what they believe about education. Way more pronounced in K-12, right? Higher ed in some ways is still a little less partisan than that, but you're seeing a lot of the same culture war issues that are seeping higher education, particularly at the state level. You're seeing that rhetoric escalate a lot at the federal level.

And so when you get into those kind of things, especially when they're tied to preexisting debates between the parties about too much spending or not enough investment, something like loan forgiveness is an easy flashpoint. And that's the kind of thing that will immediately set up conflict because it's in part a continuation of existing conflicts, but it's occurring in a superheated environment.

Justin Draeger:

Couldn't agree more. And if you were to look at who the presumptive potential presidential nominees might be in 2024, higher ed is all over. If I'm talking about DeSantis in Florida, boy, higher ed every day in Florida right now with Governor DeSantis. Free speech issues around Critical Race Theory. Yeah, a lot in K-12, but a lot in higher ed too. So, I don't know. Your point about it being central is ringing true for me. It also just feels a little more bitter, maybe, than it's been in the past.

Jon Fansmith:

It's definitely way more acrimonious. And some of this is just the nature of our system, and you're rewarded for being more extreme. So, people tend to find the extremes, but it's definitely a lot more hostile.

Justin Draeger:

And that brings us to an interesting point, because Karen, next week we are hosting about 400 plus of our members in Washington DC for our annual fly-in, our Leadership and Legislative Conference and Expo. And a lot of those folks will be going up to Capitol Hill. You talked to several of them this last week in a webinar. You'll be doing more of that this next week. I'll be there talking to them as well.

Question for our podcast audience, for our community or people who want to drop things into the comments: Let us know, what is the one thing from a financial aid administrator's perspective you would want Congress to know about the federal student aid programs? All right, Jon, give us one thing, Jon. What would be the one thing you'd want Congress to know about the student aid programs?

Jon Fansmith:

I would want them to know that if they double the Pell Grant, they solve 90% of the affordability problem in this country.

Justin Draeger:

String that out for me. Give me some of the other tangential issues that are solved by that.

Jon Fansmith:

Well, so you look at all of these other debates about do we have free college or free community college or debt and everything else. The simplest solution is eliminate debt by putting on the front end. You look at where most people in this country go to college, those are community colleges and regional or other public institutions, the cost of attendance for those institutions, you double the Pell Grant, you get to \$13,000, you've eliminated most student's financial concerns about attending college, and you do it in a way that's targeted, that takes into account family income. You do it in a way that's directed, that follows the students where their education takes them. It's simple. It's direct. It's proven. We've been doing it for 50 years. It makes a lot of sense. And all of these other things people like to complain about, they disappear when you do that.

Justin Draeger:

Yeah, I think about all the loan issues when we have in this country. You look at the problem areas in loan programs, whether it's parents who are getting in too far into debt because of loan underwriting issues or graduate students who are taking significant amounts of debt and carrying debt from their undergraduate programs, the graduate level debt, or you think about low balance borrowers who didn't

complete their programs and probably shouldn't have been borrowing to begin with, could have been relying more on grants.

A lot of that would be solved if we had more upfront grants and Republican complaints that the new IDR program is just backend forgiveness, which very well might be. But grants provide better access than backend forgiveness. So, all right. Let's change the rules for a moment here and say, Karen, you and I cannot repeat what Jon just said.

I'm going to build though on what John just said. So, let's say Jon's is a given. I would say then that the one thing after Jon's is open to, if you were going to pour more money, like doubling the Pell Grant into higher education, it is time to have a more thoughtful conversation about accountability in higher education. We've had default rates as the main metric of accountability for a very long time. It's been 20 years plus since they've been revisited. It's okay to talk about floors of accountability and to some extent, program level accountability.

That's a really hard conversation to have, but it is one that we have to have that still leaves room for innovation and change in higher education. And if there is one area where there's agreement between Democrats and Republicans, it's there needs to be more accountability. How we get there is really complicated, but I would say open to it. Let's discuss it. I think there's a really thoughtful way we could do this, and it has to be done with the idea of let's not harm people in the process, but open to it. All right, Karen, your turn. What do you got?

Karen McCarthy:

All right. So, I'm building on Jon's point about doubling the Pell Grants.

Justin Draeger:

Well, you don't have to build on it. You just can't repeat it.

Karen McCarthy:

Yeah, no, no. But I am thinking about the delivery of the double Pell Grant and that even though we do have this Better FAFSA, Better Future, I think, is their slogan coming down the pike in 24-25. And I feel like we are getting there in terms of streamlining the FAFSA application, but there are so many other ways. We know who the low income people are before they get to be college age and enrolling in college, and there are so many better ways that we can streamline the whole application system and take advantage of information that is already within government systems somewhere so that we do not have these siloed application programs for need-based programs across the federal government.

Justin Draeger:

All right. So, it's even backing up the application even further so that we can even maybe lose the application in some ways? Speed to the head of the class.

Karen McCarthy:

Yeah, I don't have the answer. It's a super, super big.

Justin Draeger:

It's conceptual.

Karen McCarthy:

Yes.

Justin Draeger:

All right. I'll take it. If some of our listeners have ideas, the one thing that they would want Congress to know about student aid. Anything, let us know. Drop it into the community comments or send it in to the podcast, and Maria will drop something into the show notes and we'd love to hear it.

All right, Jon, Karen, thanks. Always good to see you all. Have a great February.

Jon Fansmith:

Thank you so much, Justin. Good to be here.

Justin Draeger:

Thanks, guys.

Karen McCarthy:

Bye.

Justin Draeger:

All right. Bye you two. Appreciate it. Let's bring in Maria, who is producing and editing our podcast this week, one of our intrepid reporters. Maria, what's going on in the world of financial aid?

Maria Carrasco:

This week it was announced that President Joe Biden will release his budget proposal for the coming fiscal year on March 9th. In a memo from White House officials, they say the budget will show how the president plans to invest in America, continue to lower costs for families, protect and strengthen social security and Medicare, and reduce the deficit with tables and numbers showing exactly how his economic and physical policies add up to achieve these goals.

Biden met with Speaker Kevin McCarthy in initial talks over the debt ceiling this week. Politico reported that Biden plans to seek a commitment from McCarthy that the US won't default on its financial obligations and that Republicans release a proposed fiscal 2024 budget.

Justin Draeger:

So, we'll be watching all of that very closely. This will obviously impact all the student aid programs and whether Congress and the president can come together for a debt deal or wait till the very last moment. I think we all know the answer to that, but we'll continue to watch the process as it unfolds. Thanks, Maria. What else we got going on?

Maria Carrasco:

Yeah. The Office of Federal Student Aid published its Pell Grant payment and disbursement schedules last week for the 2023-24 award year. The new maximum Pell Grant for the 23-24 award year is \$7,395, a \$500 increase made possible by the passing of the year end omnibus package. Again, members can check Today's News for any updates on Pell schedules.

Justin Draeger:

Okay, long awaited Pell schedules and out a few days early, so that's great news. Okay. Thanks very much, Maria, and people can check out those stories and all of our stories by subscribing and reading today's news.

Thanks everybody for joining us for another edition of Off the Cuff. Thanks, Jon and Karen and Maria for joining us on this episode. Remember to subscribe. Remember to leave us a rating if you enjoy this show. That'll help other people find this episode and podcast and we look forward to hearing from you all very soon.