

NASFAA's Off The Cuff Podcast – Episode 141 Transcript

- Justin Draeger: Hey everybody, welcome to another edition of “Off the Cuff.” I am Justin Draeger.
- Allie Arcese: I'm Allie Arcese, with our communications team.
- Megan Coval: I'm Megan Coval with our policy team.
- Jill Desjean: And I'm Jill Desjean also with our policy team.
- Justin Draeger: Welcome everybody. We appreciate all the feedback. We'll get to that in just a second. Today we're going to talk about some of the advocacy that we're doing around the new CARES Act that was recently passed by Congress. What we're hoping to see out of the department of education, whether we might see more relief bills coming out of Congress. We have some unanswered questions that might be answered now related to loan payments and some distance learning regulations. Before we get to all that, I have a couple of questions. One is, I guess first, how are you all doing? Everybody's doing all right?
- Allie Arcese: Yeah, hanging in there.
- Megan Coval: Yeah.
- Justin Draeger: I was just saying before the podcast started. I've been using Zoom for years and my son who's now using Zoom for like various school meetings, he's 14. I didn't know that when you do Zoom, if you mute yourself and you just press and hold the space bar, Joelle pointed out like a walkie talkie that you're un-muted while you do that, that's a lot easier than me muting and unmuting myself 16 times in like a five minute phone call. Yeah. Is that news to you?
- Jill Desjean: News to me, yeah.
- Megan Coval: For sure.
- Justin Draeger: Yesterday also, you were on mute.
- Allie Arcese: Doesn't work for me.
- Justin Draeger: It doesn't work?
- Allie Arcese: Yeah. I was holding the space bar and started talking.
- Justin Draeger: I'll ask my son about it. The other thing that I've noticed with Zoom is I really want somebody to do a study and I want you guys to be honest with me about

this. When you're Zooming, do you spend the time looking at the other people or at yourself? Be honest.

Allie Arcese: It depends on what view you're in, so like you said, and it depends on how many people are on the call. If it's one-on-one, I think it's easier and more tempting to like look at yourself, but when I have it, like right now there's a bunch of us on the gallery view, I'm pretty much just looking at everyone else.

Justin Draeger: That might be fair. When you do the one-on-one and the other person's face takes up my 27-inch monitor, it's really awkward.

Jill Desjean: Yeah.

Justin Draeger: I don't look at my children or wife that closely let alone my coworker. So that's just a little too much for me. But you're right on gallery view, I guess. I'm not, otherwise I do tend to just look at myself.

Megan Coval: Yeah, I think I do too. You're right though. It is different in this gallery view. There's more to focus on.

Justin Draeger: Okay. My next question. Obviously, this is a difficult time, right? COVID cases are mounting. Last week we talked about like family and friends were concerned about, Jill, your husband's a doctor. We often come to you for medical advice cause you're married to a doctor.

Jill Desjean: I've got the answers.

Justin Draeger: There's this balance right between like, sometimes it feels like you can't be casual about this sort of thing. Like there's a heaviness to this and a somberness and on the other hand I can't be that way all the time. So, like this podcast is a good example. How do we approach this podcast?

Allie Arcese: I mean this was like an actual discussion that we had yesterday.

Justin Draeger: We did? Okay, well what did we come up with?

Allie Arcese: We were going to keep things vague and light since we do have the webinar today also.

Justin Draeger: Oh right.

Allie Arcese: Going into all the detail and like I feel like a lot of the time too, that's why people listen to the podcast is for some nonsense.

Megan Coval: Yeah. And for me, I've really enjoyed doing the podcast because I keep saying that it feels normal and I feel like that's some of the feedback we've gotten Allie,

right? It's just that people are like, thanks 'cause this is like what I normally do on Friday morning and I just want to keep on keeping on, you know?

Justin Draeger: That's a good point. Jill, do you have anything you want to add here?

Jill Desjean: Yeah. Is your question how to like, can you laugh in these dark times?

Justin Draeger: Yeah.

Jill Desjean: Yeah. I feel like even about Covid-19 you can make, there are some things you can joke that sort of address the situation that we're in as far as like being stuck at home, social distancing, things like that. You just can't, there were places you can't go. You know, you can't joke about somebody dying. You can't joke about how you wish somebody gets Covid-19 like those aren't funny jokes.

Justin Draeger: 100% even though my face has differently. I agree with you.

Jill Desjean: Yeah.

Allie Arcese: Yeah.

Jill Desjean: Like there's a line you can't cross but you can joke about like someone on the walking trail was five feet away from me and I almost punched them. Like that's probably okay to joke about.

Justin Draeger: We still have to have somebody secure the building and we need checks that come in that have to be dealt with at NASFAA. I'm here in the office today and today I got on the elevator from the parking garage. You know, like I didn't interact with people. I drove from my garage to the parking garage and got out and came upstairs. And when I got into the elevator there were three other people on the elevator. I mean in a Covid-19 world obviously I asked them all to get off.

Allie Arcese: Yeah. Where they like the construction workers in the building?

Justin Draeger: It was the head engineer, who I think we all know, it was our security guard and it was an assistant engineer? No, these were not the come and go type folks. These were home team.

Allie Arcese: This was the same thing happened when I was in the office on Monday cause it was Hugh's first day and we got in the elevator and there were other people in there and I don't think I showed it, but in my head I was like panicking a little and I was like, do we wait? Do we like not get on this elevator? Like is that rude?

Justin Draeger: I didn't ask them to get off, but I did say, 'Hey, could we all just turn around and look at our respective corners?' And they laughed because then all if you're coughing it's into the corner or whatever.

Allie Arcese: Yeah, and now we know also just like breathing, not even coughing, like just breathing. It can-

Justin Draeger: Yeah. The six feet is not for somebody who's exercising apparently. Like if you're exercising it can be more than six feet.

Megan Coval: Yeah.

Justin Draeger: But anyway, none of them did it. Jill, to your point, they all thought it was a joke, but then when they thought it was funny, I laughed too. Like it was a joke. But I was the only one facing the corner. Awkward for them, I guess. All right, member feedback. Allie, what do we got?

Allie Arcese: Yeah, I mean again, we got a lot of nice messages from you guys, so thank you for those. It's good to know that you guys are still listening and then that this has been helpful whether we're talking about regulations or just giving you something normal. Here are a couple ones. So Chris Freeman, who's from Norman, he said it helps keep sense of normalcy. Like we've said, he's finding a lot more time to do things at home that have been on his to do list forever, but he's also somehow far less motivated to do them. I know that feeling. Bob Walker, said that he is happy to hear that NASFAA is sort of on the map with this in terms of our involvement with Congress and the department of education, there were a few answers to you know what stage of grief are you in? We got a few that were depression, that were anger.

Allie Arcese: Heather Boutell, said that she wrote to us from her new kitchen office and she said that she's in the depression stage because her son is a senior in college and his senior trumpet recital, choir concert graduation, those have all been canceled, so that is hard. Really sorry to hear that and I know there's many, many people in that situation. She did say that they've moved the commencement back to the fall, so hopefully that will work out for a fair number of students. But a lot of people are just saying they're trying to keep busy working on those to do projects and working their way through those different stages of grief.

Justin Draeger: I wondered if people would still be listening to the podcast to the extent that a lot of people might do it when they're commuting, but we're still seeing a lot of downloads.

Allie Arcese: Yeah, more so than usual. I don't think I expected them to drop. People do listen on their commute, but our podcast has always been kind of strange in the sense that the majority of our downloads actually come from people listening on their desktop rather than an app.

Justin Draeger: Let's get into some things we want to talk about today. There is a webinar that's happening later today. Jill and I will be on that webinar, so I think we're going to defer a lot of the questions and comments about COVID-related department of

ed guidance and new legislation. Check out the webinar. It's open to NASFAA members and non-members right now and many thanks to our NASFAA members who are subsidizing these things through their membership dues and participation with the organization. But I did want to talk just a little bit.

Justin Draeger: There are several things that people are bringing up that we, that aren't really addressed in the current legislation with department of ED. These are on our radar and we just wanted to highlight these things for folks because we hear you. One is about the education stabilization fund. This is the emergency money; I think it was around Megan what \$14 billion?

Megan Coval: Yes, for higher ED.

Justin Draeger: And half of that it's going to be doled out based on a formula to schools and half of that can be used for the institutions but at least half has to be used for direct student aid, emergency aid to students.

Justin Draeger: People are asking, well does that have to be used for Title IV eligible students and what criteria has to be in place for us to be able to award this out? We don't have that guidance from the department just yet. We don't have that guidance yet, but we are and have sent up a letter to the department of education in concert with several of our higher education associates. And we asked the department to be as flexible and as possible. I mean there's good reason that schools might want to award this to undocumented students or perhaps international students who have a lot of need. So we would just sort of offer to schools, try to plan for maximum flexibility. That's certainly what we're pushing for with the department of education. Timeframe to spend, schools don't even have the money yet, so we want to be cognizant with the department that there's plenty of time for schools to actually ward out and spend this money.

Justin Draeger: You know, something like the entire next award year might make some sense, but there will have to likely be some limitation on this so that if it's not spent it comes back and reallocated out to schools who can spend it. And then of course, lots of comments from our members about relief for verification and documentation for educational purpose that people can't come into the campus and can't get a notary because of widespread business closure. We're going to need some leniency there as well. So we are hearing all the comments people are sending in and the concerns and we're taking those back to our federal colleagues. Megan, maybe this is a good point to just pause and just ask. Are there other relief bills on the way that could address some of these things in legislation?

Megan Coval: Yes, so the bill that passed last week was actually the third COVID-related relief bill. The first two did not get as much attention and weren't nearly as large as the third one, but Congress is already talking about a fourth bill, which will, I would say with 99% certainty happen and perhaps even a fifth and sixth bill. And I honestly wouldn't be surprised if I were even more than that when all of a said and done. And we do know from our colleagues on the Hill that we work

with regularly that there will likely be space for some additional higher education provisions in this fourth bill. So, we are already having conversations with them on a couple of different fronts. First with 1200-page, \$2 trillion package, there are going to be things that we come across that were like they just technical errors.

Megan Coval: So drafting errors that that were missed and were not intended to be in there. Usually kind of little things. So we're identifying some of that stuff, but then also we're just trying to think about things that come up that maybe Congress hasn't tackled and is out of the purview of what the department of ED can do. So that's where, I mean we're getting so much feedback, helpful feedback from our members and questions that prompt us to start thinking about things so there will be opportunity. And I think that two big picture things that may end up being addressed in that bill is possibly some more aid in general for schools. So maybe more funds and the emergency aid pot, I think Congress is looking at that. And then also maybe if there's a way they can go a little bit further for borrowers.

Megan Coval: So we have the payment suspended for six months and the interest waiver, but back when there were, we were first talking about all this, there were a lot of people who were discussing the possibility of some loan forgiveness or cancellation. So these are pretty hot button issues and lots of debate happened last time. But Congress is, House and Senate are out on recess until April 20th but staff are working already, so.

Justin Draeger: Yeah. You guys are our policy and advocacy team we've been in touch with the House and the Senate, they're aware that there's a number of issues that still need to be addressed. And at this point is it fair to say Republicans and Democrats are agreed that there'll be more relief bills, opportunities for changes here?

Megan Coval: Yes.

Justin Draeger: Thanks Megan. Let's shift gears for just a minute to borrowers. Allie, you have some new information coming out of the department of education about how they're going to be dealing with loan suspensions?

Allie Arcese: Yeah. So obviously that was really big news out of the CARES Act was suspending student loan payments until September 30th but after that announcement of course we get all the specific questions that you start thinking about really maybe not unique situations but just specific ones and such as like if I have a loan payment coming up and they haven't implemented this yet on the servicer side, do I still make that payment and just hope that I get a refund or do I not make the payment and hope that if I get a late fee that that's waived. And we actually saw in Politico last night that the administration is planning to have the suspension for loan payments implemented by April 10th so the end of next week. And they have instructed servicers to put that into place to

implement the interest accrual pause. And then you would have to sort of, if you wanted to continue making payments, you would have to opt into that.

Allie Arcese: So it's just automatically anyone who has a payment due, even if you have like a recurring automatic payment in place, those are all going to be frozen by the end of next week. And that was one of the questions that we really had outstanding was what borrowers needed to do or not do. And on top of that, if a borrower has made a payment since March 13th which is the date that they're sort of backdating everything to when president Trump announced that this was a national emergency, if you had made a payment on or after the 13th I believe that will be refunded. So those are the big updates there.

Justin Draeger: All right. And the department, I guess published a series of Q&A's on all of this and maybe we can stick that link in the show notes.

Jill Desjean: One just observation. I mean that bill passed last Friday, so that's pretty good, right?

Allie Arcese: Yeah.

Jill Desjean: I was sort of surprised to see that all kind of buttoned up this quickly, so.

Allie Arcese: Yeah. And I keep checking like my loan servicer for updates and then for a while it was just kind of a general like you know, we're working on this check back soon for more information. And then as of today they already had a new note up saying that like if your loans are fall in this category, your payments are automatically going to be suspended. You don't need to do anything unless you want to keep making your payments. And so it looks like they already have that sort of up and running with that new messaging.

Justin Draeger: So we'll include that link in our show notes, people can check that out. Thanks Allie. Let's catch up on distance learning regulations. Jill news coming out of the department on a different front. What do we got?

Jill Desjean: Yeah, so earlier today ED published in the federal register an NPRM for public comment on their proposed distance education and innovation rules. And so this comes out of the Neg-Reg session that took place, wrapped up right around this time last year and it covered a huge broad swath of topics included accreditation, state authorization for which the rules already came out and are going into effect on July 1, but also negotiated word teach grants, faith-based entities and this last topic, distance ED and innovation. The teach grants of faith-based entities had a proposed rule published in December. And so we were hanging on for this which came out today and just as a reminder back from Neg-Reg last year, consensus was reached on all these topics. So the language that we saw released today is the language that we've already seen. It's the language the negotiators agreed to at the conclusion of the session.

Jill Desjean: So there are no surprises in there, but of course the department's still needs to put it out for public comment and then publish final rules. And the point of these rules was really sort of to bring the Regs into the modern era with respect to how higher ED can be delivered, touches on topics like competency based education, which wasn't a thing just you know, not too many years ago, direct assessment, subscription based programs.

Jill Desjean: Those have been hard programs to sort of fit into kind of like the round hole in the square peg or however you say that term. You know, trying to make the rules that exist now to fit these innovative programs. And so some quick highlights of those rules include withdrawals. Withdrawals from some of these more innovative programs have been tricky for instance, students who complete their graduation requirements early if they're in like a subscription based model or for students who are in modular based programs who before if they didn't finish all their modules, they'd be treated as withdrawals and now those students, as long as they've completed at least half of the days in their payment period, they wouldn't be treated as a withdrawal.

Jill Desjean: There's some flexibility in there for how institutions can calculate the maximum timeframe for SAP. That's always been attempted versus earned credits and now you can actually use calendar time instead, you can say four years, six years something like that. And then there are some changes in there for definitions like distance education, redefining that, redefining regular and substantive interaction, which has been a popular point of concern.

Justin Draeger: Jill, I have a question for you. When the department released these, when was it, was it today?

Jill Desjean: Today, yup.

Justin Draeger: They couch them in with so much disruption caused by COVID-19 that these are needed now more than ever. Is that spin or is that legit? Because I guess I'm just wondering there is waivers in place for schools that went to online learning right now, they don't have to meet all of these stringent requirements. So I'm just trying to figure out, I think some people feel like this might not be the best time to be releasing regulations for a comment period, but the department then dressed it up in the language of like, no, these are needed now more than ever because of the number of schools going online.

Jill Desjean: Yeah. Yeah. I hope that people aren't confused about what this means. You know, sort of the flexibility that ED granted earlier in March in the electronic announcement addressing COVID-19 related disruptions that's what's in place. Broad flexibility for institutions to offer distance education without the usual constraints that are attached to that. This stuff is for one thing, it's out for public comment. They still have to issue a final rule that has, if that was issued before November one of this year, the rule wouldn't even go into effect until July 2021. So this is not addressing Covid-19 related disruptions at all. This is something that's been in the works for a long time, was negotiated a long time ago,

happened to be released as a proposed rule for now, but doesn't really have any bearing on how institutions are offering distance education now either as part of their regular offerings or as part of their emergency COVID-19 related disruption plans.

Justin Draeger: So, when would these regulations, they're going through a comment period then we'll have final rules. When will these take effect?

Jill Desjean: The earliest would be July of 2021 and that's if they get the final rules published before November of this year.

Justin Draeger: Will there be any early implementation in any of this you think, or we don't know yet.

Jill Desjean: I don't know.

Allie Arcese: You know, while this doesn't impact what they're doing, what schools are doing right now necessarily, like is this the best time to open up the comment period? Like are people really going to have time to put in that they might otherwise.

Jill Desjean: I should note it's a 30-day comment period.

Allie Arcese: The way it was like stuck at the very bottom, of the press release that they sent out yesterday. Like I skipped it initially 'cause I was like blah blah blah, distance education, COVID whatever. And then I went back to it and I was like, Oh there's an NPRM in there. And it like barely said it at the very end of the press release.

Justin Draeger: I will say for the department sometimes it's hard to decipher they had, what was that earlier this week? Was it like a conference call or something?

Megan Coval: What was that?

Justin Draeger: Were you guys on that, who was on that?

Allie Arcese: Yeah, I wasn't on it, but I saw all of our members tweeting about it afterwards. I was like, oh, that sounds like it did not go well.

Justin Draeger: I didn't know. So I talked to reporters before the call and they were like, they didn't know about the call first of all, which surprises me.

Jill Desjean: Yeah.

Allie Arcese: Well, it was only sent to stakeholders. It wasn't like sent out as a media advisory.

Justin Draeger: Yes, that's true but they were like, who's going to be on this call? And I was like, I have no idea. I don't know who's on this call. Did you guys know going in? I

didn't know. I did feel like it was very vague in terms of like, yes, stakeholders, but I didn't know if that meant higher ED association, schools, whatever. And I didn't really have time to figure it out. Then when the hour came, I was like, I got pulled into another meeting so I didn't end up attending. But on the other side of it, I think there was a misalignment between expectations and delivery because I think everybody was like, Megan, to your point, this bill passed last weekend. Finally, we're going to get some answers here and I think it turned into like a cheerleading session for the federal response to COVID-19. Am I mischaracterizing that phone call?

Jill Desjean: No, no. I think that's right. I mean the secretary was on, General Brown was on, so it was pretty, when you have that level of folks speaking, you're not necessarily diving into the nitty gritty, which is normal. I think we thought maybe it was going to go there and then.

Justin Draeger: I thought Diane Jones, the undersecretary was going to be speaking there. Again, did I make this up out of whole cloth or was that announced somewhere? Maybe I just misunderstood.

Jill Desjean: I think we were told that, and it may and then something came up maybe.

Justin Draeger: All right.

Jill Desjean: I'm not sure. But yeah, I mean I think we were sort of like, it was the end of the day, right? So we were kind of all like, it was like we had three people on, we're trying to take notes thinking we're going to get something in today's news. And I had like a meeting scheduled for the team and I was like, I don't think we really need that.

Justin Draeger: All right, well I'm going to go back to just a second for this between like the fine line between like I'm in a dark place and now I'm laughing. My favorite thing from the last week since everybody in the world is going to Zoom is like Zoom hi-jinx. So whether it's like virtual backgrounds that people are using or Allie, you had one where-

Allie Arcese: It wasn't Zoom but it was Microsoft teams and it was someone posted that their boss like accidentally turned themselves into a potato and then couldn't turn it off. So they just went through the whole meeting with her as a potato and I will say like we have an all staff meeting tomorrow and I sent that picture to someone else on staff and they were like, we need to figure out a way for every single person on NASFAA staff to be a potato except for Justin and like surprise you.

Justin Draeger: A room of potatoes. That's how I see you all as potatoes. It's fine. It would be heartwarming. Of course, like now there's all like the Zoom bombing like which I've also read about like I think it was the Wall Street Journal.

Allie Arcese: What is that exactly?

Justin Draeger: No, I'm just trying to think about this. I think it's like if you have like a class of like this happens on schools, like if you have a class of like 3,000 people, you send out this Zoom link and people get it who aren't supposed to and they just start dropping into your class. And of course it immediately crosses like lines that shouldn't be crossed. But at the outset I think it's funny. And then of course people take it too far, they ruin the fun for everyone.

Jill Desjean: Everyone. Yeah.

Allie Arcese: That's like the theme of all of this is-

Justin Draeger: A step too far.

Allie Arcese: Too far and ruining things.

Justin Draeger: Oh, like the lifetime movie will be COVID-19 a step too far?

Allie Arcese: Yeah.

Justin Draeger: Couple of years

Jill Desjean: Did you guys seeing you in there I will have to get security for Dr Fauci?

Allie Arcese: Yeah.

Jill Desjean: I thought that was an interesting development in this.

Allie Arcese: That was kind of crazy.

Justin Draeger: Because people don't like the projections that he's talking about. And then also he went missing for a couple of days, for a couple of press briefings and people were like, uh oh, did you know?

Allie Arcese: I thought you meant he like literally went missing.

Justin Draeger: Like he wasn't showing up at press briefings anymore, but I have to think like he also has a lot of things going on and also, he might need like a day, like he has family and whatnot. But anyway, since we're doing a Zoom meeting, should we bring in a member?

Megan Coval: I think that is a good idea.

Allie Arcese: Didn't we do this a while ago at the first live podcast that we did at a conference, we brought people up.

Jill Desjean: Yeah, we brought up Chandra.

Justin Draeger: I feel like if we go back to wait, wait, don't tell me the NPR show they do. They bring guests on in a nice way where it's not just free form. It's like we have a little game for them. It might be something about higher ED news, a little background and then move on. And if they win something, we can send them whatever.

Allie Arcese: We have like hundreds of those Off The Cuff earbuds.

Justin Draeger: Should our listener question be who wants to be on the podcast?

Allie Arcese: And why? Why would you be the most interesting member for us to have on the podcast?

Justin Draeger: Give us something that makes you unique either as an aid administrator or as a homo-sapien.

Allie Arcese: Like what would you talk about if you were on the podcast?

Justin Draeger: This is not a promise that you can talk about that thing. Alright, so send us your comments. Let us know how you're doing. Remember to subscribe, tell a friend, and if you want to be on the podcast, send us a note and that interesting tidbit that will really grab our producer's attention. See you again next week. Thanks everyone.