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Hi everyone. Welcome to another episode of Off the Cuff. I’m Allie Arcese with our communications team.

I’m Megan Coval with our policy team.

And I’m Jill Desjean also with the policy team.

Justin is off this week on a much deserved vacation, so the three of us are pushing along without him, and we’ve got quite a few things to discuss on the agenda coming up, a new proposal from Senator Alexander regarding student loan repayment and FAFSA simplification, updates on the next federal relief package for coronavirus relief, the House pushing some student debt relief language into a defense policy bill, and a few updates from the federal register regarding guidance on the CARES Act.

It started out as a slow week, but it's kind of ramped up as the week has gone along, huh?

Yeah. I think, Jill, we were talking about that earlier, where it felt like this quiet summer week and it was Monday and things felt quiet and then, come Tuesday, things are rolling in. By yesterday, busy, busy, little fires. And yeah, I think by the end of the day tomorrow, it will have wrapped up as a pretty crazy week, actually.

Before we dive into everything that has been going on this week, let's review some of our member feedback. So last week, Justin asked what you do to gain perspective. So, Meredith Shore from GW said she gains perspective by networking, attending conferences and communicating with her colleagues lets her understand financial aid on many different fronts. That is a good one. Lisa Hopper said that gaining perspective methods that she uses personally are listening to inspirational music, reading a lot of books that involve being human and what the important things in life really are and connection to family and friends. That's always a good one, too. So those were a few of the answers that we got for gaining perspective, and we'll have another listener question for you guys at the end of this episode. To dive right in, Megan, do you want to kick us off on this new bill that we have from Senator Alexander?
Megan Coval:
Sure. So, I think this is the part in the week where things started to feel busy is that Senator Alexander, who of course is the chairman of the Senate Health Education Labor and Pensions Committee, and will also be retiring at the end of this year, released a bill earlier this week that would simplify the repayment system and also simplify the FAFSA, and it included both of these things in one single bill, but the FAFSA piece was really brought over from the big FAFSA bill that he released toward the end of the calendar year last year.

Megan Coval:
And the thing that we're really paying attention to here is the timing of this bill, and that's something important for us to watch. It was introduced separately and as a standalone, but Senator Alexander in speaking about it on the floor, was using language that was really posing it as a solution, maybe for borrower relief in the context of COVID and the bill that Congress is working on right now. So it was released as this is a standalone from Senator Alexander, but I think there's some interest from the Senator and incorporating it into this broader COVID package. And Jill, I think you're going to unpack for us what is in the bill.

Jill Desjean:
Yeah. So, one of the big things in there to Megan's point about linking this to the COVID-19 emergency has to do with federal student loan repayment plans. So right now, most student federal student loan borrowers are in good shape because they have this temporary forbearance where they're not required to make payments and also where interested as in accruing on their loans. That expires on September 30th of this year. And so, borrowers would be scheduled to just go back into repayment on the repayment plan that they had chosen beforehand, or would have to switch repayment plans if they could no longer afford the repayment plan they'd been on. So for instance, if someone lost their job since March, while their loan has been in forbearance, they haven't been making payments, but once they start having to make repayments, if they'd been on the standard plan, they might want to switch to income driven.

Jill Desjean:
And so, this bill consolidates all of the existing loan repayment plans, which as we know, are many and complex and a lot of them aren't that different from one another. And it would consolidate them into just two choices for borrowers. There would be the standard 10 year fixed repayment plan and then there would be an income driven plan, which looks a lot like IBR, pay as you earn, revised pay as you earn, those existing income driven plans. And it says that it would make those plans effective for borrowers going into repayment for the first time, on or after October 1st of this year, or for borrowers who were changing repayment plans. So if you were in a repayment plan already, it would just continue. But if you were going into repayment either through a change or just entering repayment after October 1st of this year, you would just have these two choices.

Jill Desjean:
So, it's not as though income driven repayment wasn't around before, but there would just be one of those options now as opposed to the many and varied options. And on the October 1st thing, there is, of course, the question of master calendar rules. Generally speaking, this is a sort of thing that would have to go through the notice and comment period. And so, you wouldn't probably expect this to be able to be implemented, even though it was effective October 1st of 2020, pardon me, probably wouldn't be
able to be effective until July 1 of 2022, if the master calendar rules had to be followed with Neg Reg and notice and comment and everything else.

Megan Coval:
Yeah. And Jill, I think you make a good point because when you mentioned this is really not that different from what we have now, of course, we have more repayment plans than two, that's kind of the big change, but in terms of a borrower with zero income, not needing to make a payment that is currently what we have under existing income driven plans as an option.

Jill Desjean:
Right, exactly.

Megan Coval:
Right. Yeah. So, the big thing that we're waiting on now is to see if this bill from Senator Alexander is folded into the GOP Senate proposal, and we're expected to see that, we think maybe sometime, we're taping here on Thursday later today, I was sort of hoping that we would have it out this morning so we could share with you some of the big things that were in there, and whether or not that's included, I think is really important. And it's an interesting exercise to think through because NASFAA has supported simplification of the repayment plans, within the context of HEA, but within the context of COVID, we have been on record as supporting the existing borrower relief that we have right now, so things that Jill talked about earlier, students not having to make payments, interest waived, and we're on the record as wanting to extend those benefits.

Megan Coval:
So, I think it's likely that if this bill is incorporated into Mitch McConnell's bill, Senator McConnell, leader McConnell, all of the things I should, I'm working my way up. I should be calling him by his proper names there. I don't think that we would see the existing borrower relief provisions. My guess is this would probably come in the form of a substitute, and I think that's really how Senator Alexander was talking about it.

Allie Arcese:
Okay. I did see on Twitter earlier this morning that a draft of the McConnell Plan was circulating on the Hill and from what they had there, and again, this was like two hours ago, so for all I know it could be totally outdated, but there was nothing student loan related in it.

Megan Coval:
Okay.

Allie Arcese:
So, we don't know. There's been talk, too, about it coming out like piecemeal, right?

Megan Coval:
Yeah. I heard that, too, Allie, that the deal has been reached, but they're planning on releasing it piecemeal based on the different jurisdictions, which would make it easier for us to go through if we just got handed a bill that was maybe 50 or 60 pages, as opposed to a thousand to get through, but basically,
here's kind of the state of play, so it's widely agreed upon that there will be another relief bill that comes out of Congress prior to August recess, and there's a strong incentive and motivation for Congress to get it done. One, because of August recess and two, because of the additional pressure with it being an election year. So they want and need to go home and want to get this wrapped up and be able to talk about it when they are campaigning and back in their home states and districts.

Megan Coval:
As a reminder, the House released their version of the next COVID relief bill, the Heroes Act, a couple months ago in the spring, and it was a three trillion dollar bill. And so, that's where the House Democrats are. That's their openings bow, their starting position. The draft that we're going to see come out as early as today was drafted by the Senate Republicans, and when that comes out, that will then mark the goalpost. So we'll have the Senate Republican bill and then the Heroes Act, and that's where the starting point will be.

Megan Coval:
The Senate Republican bill, I believe, is only going to be about one trillion, so right away, there's this really big difference in spending there, three trillion to one trillion, but also, there are just a few other hangups that apparently are resolved if they've reached an agreement, but it'll be interesting to see and I think we're looking out for how these things are handled. Big issues surrounding the payroll tax cut, unemployment benefits, which the add on for unemployment benefits is set to expire soon, big, big issues regarding the reopening of schools, which we got into the last couple of weeks and I don't think that we need to again, but it has become a really hot policy point and been something that the White House negotiators and leadership are talking about in these conversations. And it's not usual, as I said last week, for our stuff to really be elevated or catch the attention of folks at that high level.

Megan Coval:
One thing we do know, and I think these are rumors, but they've been reported on by multiple different outlets and I think on good source from the Hill, is that there is reported to be $105 billion for education in this bill, $70 of that for K through 12, and $30 of it for higher ed. We have heard that the higher ed piece of the pot does not tie any of the funding to reopening. K through 12, I think will be a different story, but I think that's overall good news for us.

Allie Arcese:
I think it's like 50/50 for K-12, half would be per capita or something, or based on head count and half would be tied to reopening.

Megan Coval:
Yeah, and it's interesting, too, because I think sometimes we forget that there can be a lot of infighting within parties as well, and one of the reasons that this bill has taken so long to get out and I mean, we were talking last week about it, maybe being out this past Monday or Tuesday, is that the White House and the Senate Republicans actually had a lot of space between them on several different issues, so even though both coming from the Republican party, it took them a while to land in a place of agreement.

Allie Arcese:
Anything else we should highlight on the next package coming out?
Megan Coval:
No, I just think it's going to be a fascinating process to unfold because we just look at the calendar. Let's say we get it today, it's the 23rd or tomorrow, the 24th, the House is scheduled to be done at the end of next week on the 31st. Speaker Pelosi has said that she's not going to send anyone home until they get all the work done, but it just seems like there's a lot that really needs to happen in the next couple of weeks, especially when you're starting at a $3 billion price tag and a one billion, so I think things are going to move very quickly and also just to peel back the curtain a little bit, we're super involved in this bill and working on this bill with the broader higher ed community. We have meetings on it with a coalition that we are part of almost every day, I would say for the past month or so, just sort of updates, getting letters out the door. That work is being done on the backend and I'm sure we'll have a busy couple of weeks ahead of us as we learn what's in the bill.

Allie Arcese:
Yeah. Well, stay tuned to today's news everyone, and once we know more, we will push more out, more information for everyone. Moving on, it honestly can get a little confusing because while Congress is sorting out this coronavirus relief package, which is its own funding issue, they're also still at the same time working on the federal budget for fiscal year 2021. And as part of that, so I guess you could see Senator Alexander's student loan repayment proposal as one end of what Congress is looking at for student loan relief, and that's tied to the coronavirus aid package. And then on the other hand, Democrats in the House actually inserted some language into a defense policy bill that would provide student loan debt cancellation of up to $10,000 per borrower and extend the suspension on monthly payments until October of next year, so October 2021. So that is just a little bit further on the other side from where Senator Alexander landed with his ideas. So those are just the two sides of what we're looking at, but we should say that even though this was added to the bill, this is probably where it ends in terms of progress, right?

Megan Coval:
Yeah, I think so. It's putting a marker in the ground is what they're doing and pass out of the full House, so to be able to say that, but otherwise appropriations are pretty stalled.

Allie Arcese:
And again, that proposal, too, is pretty similar. I don't have the text up in front of me, but pretty similar to what is already in the Heroes Act, so it's a little bit like finding... We've talked about before, adding policy riders to bills that are going to have to move at some point to get those things through, since it looks like the Heroes Act is not moving right now.

Megan Coval:
Right, yep.

Allie Arcese:
So, to sum it up, things are a mess.

Megan Coval:
Yes, that's what happens. Yeah, you're right. Allie. I just feel people, they grab onto whatever vehicle they can get their stuff in because not a lot of stuff moves in Congress. So, the NDAA, the defense bill
that you were talking about is an attractive bill to people because it's considered a must pass piece of legislation.

Allie Arcese:
Yeah. Yeah. Defense is usually one of the-

Megan Coval:
Yeah, one of those things that we can't let linger.

Allie Arcese:
Yeah. That's usually one of the ones that goes through fairly easily, all things considered. But on the other hand, we're still getting guidance and news coming out of the CARES Act and the Department of Education this week posted two new pieces to the federal register. One was guidance on additional CARES funding for institutions with additional need, and the other, was reserve fund application. Jill, do you want to get into the details a bit more there and explain the difference between the two and what's going on with that?

Jill Desjean:
Sure. So this was yesterday, ED published two separate federal register notices related to the CARES Act, and this first one was on supplemental reporting requirements just for certain institutions that are applying for a subset of CARES funds that were under the Higher Education Emergency Relief Funds that were designated for institutions that ED determines to have the greatest needs due to coronavirus. So, this is not a reporting requirement for all CARES funding recipients or for all institutions of higher education. This is a very small little pool of funds within the larger HERF authorization. It's 2.5% of those funds, and it was just set aside for institutions that ED deemed to be needy. So this is not the student emergency grants and this is not the institutional money to reimburse them for COVID-19 related expenses. And even then, only certain institutions that meet certain criteria have to do the reporting. The department sent a letter to college presidents who they identified as needing to do this reporting. So long story short, if you saw this in today's news and thought, Oh God, not another reporting requirement. It likely doesn't apply to your school.

Megan Coval:
Hey Jill, can I ask a follow-up question there?

Jill Desjean:
Sure.

Megan Coval:
Does this have to do with the issue of, back a couple of months ago, there was some scuttle about very small schools getting a windfall from the department?

Jill Desjean:
Yes, so this is that money.

Megan Coval:
This is that money, okay. And they had the allocations posted and then pulled them back and...

Jill Desjean:
Exactly. They posted these applications and basically just topped up all of these schools who had received less than a half a million dollars under the CARES funds for emergency grants and the institutional COVID-19 related expenses. Anyone who got less than $500,000, they just topped them all up to $500,000 out of this pot of funds. And so this is the same money.

Allie Arcese:
Yeah, so not necessarily actually looking at need, just looking at a set amount... I mean, I'm saying that's what presumably was done before.

Jill Desjean:
Right, right. Yeah. There were definitely some stories about schools having like $30,000 per student or something like that. It didn't seem very...

Megan Coval:
And so now they're doing a little bit of reverse engineering and saying, we need more information from you before we determine-

Jill Desjean:
Exactly.

Megan Coval:
... whether you, yeah. Okay. Okay.

Jill Desjean:
Just a small number of schools. So, not a new reporting requirement for everyone. Some people saw that in today's news and like, oh God.

Allie Arcese:
And now there's a collective sigh of relief.

Megan Coval:
I mean, it wouldn't be out of the realm of possibility to have some new-

Jill Desjean:
It wouldn't, for today.

Megan Coval:
For today, good point.
So the second FR notice was about an application process for supplemental funding. And this is about emergency grants for students and the institutional reimbursement for their own expenses related to COVID-19. This is that big pot of funding, the other 90% of the AGRF funds that had to go 50% to the student grants, 50% to be used for the institution. Some institutions didn't get initial allocations because of either missing data and iPads or missing Pell Grant, IPEDS, pardon me, and/or Pell grant data at FSA. So, this FR notice just describes the application process that they can follow, those institutions can follow to request the funding, and there's a deadline attached to that of August 15th, so they just have a couple of weeks to do so. And this is another thing that the department sent notification to college presidents, who they identified as potentially eligible for these funds.

Megan Coval:
Hey, Jill, I have a question about this. You may not know the answer, but to be missing from IPEDS seems like kind of a big deal, not having your information in IPEDS or the number of PELL recipients, so do you think that's an error on the part of the school or department or just room for error in general, whenever you have a big database and... no sense of that?

Jill Desjean:
I don’t know. Someone probably does, but yeah, they just said because of missing data and, because one of the things was missing data about Pell grants at FSA. So yeah, I am not sure where the hole was left that the data...

Megan Coval:
But good that good that there was this money set aside in the beginning to be available for things like this, so that's good.

Allie Arcese:
So, for the listener question for this week... Last week, we were talking about big picture perspective, this week, I think we are going to go back to good old quarantine questions. What is the biggest thing that you have learned about yourself during quarantine? I think one thing I've learned is I'm maybe not as much of an introvert as I thought I was, or maybe it's just a balance of seeing no one at all and now I'm wanting to go out and see people, whereas before I had a cap of two social things per week, and then that was my limit for social interaction. And then from there on, I would want to go hang out at home, but maybe it's just because we're getting nothing.

Jill Desjean:
The greatest of introverts, yeah. Several, several months without seeing anybody is, yeah.

Megan Coval:
More than one can take.

Allie Arcese:
I mean, Pascal went to his office the other day, he had to go in for something, and I'm just so used to being able to talk to him during the day now that I just started talking to Lucy.
Oh.

Allie Arcese:
Yeah.

Megan Coval:
Well, you could also talk to yourself.

Allie Arcese:
Yeah. Well, I feel it's only slightly less weird to talk to my cat than talking to myself, although she can't really carry a conversation.

Jill Desjean:
She's technically somebody else.

Allie Arcese:
What about you guys?

Megan Coval:
It's funny, Allie, because I think I would say I'm the opposite. So, I feel like when things were normal, I was very eager to, especially on the weekends, always have plans. Okay, well, we'll do this Saturday morning and Saturday afternoon and Saturday evening, and I thought in the beginning of this, that was really going to be hard for me, and I'm with you. I miss people and stuff, but I actually am fine with having no plans and liking it and feeling like, I feel like once we get back to normal, I don't know, maybe it'll force me to slow down a little bit.

Allie Arcese:
Yeah. Yeah. That's true.

Megan Coval:
Yeah. I think I told the policy team this, but I had a friend that was wanting to get together for a deck social distancing thing, and I felt like it was very weird to be one, invited someplace, and she's like, "How about Saturday at three?" And I was very cagey about... In my head, I was like, well, I mean, I want to see her, but I don't know if I'll feel like it on Saturday at three and I don't want to make plans and I don't want to like... which is totally different.

Allie Arcese:
Yeah, and you don't really have the excuse anymore of, oh, I have something else going on, sorry. What else would you have going on?

Megan Coval:
Yeah, yeah. So, maybe the lesson will be ultimately, I'll have a better balance.

Allie Arcese:
Boundaries.

Megan Coval:
This could be a good...

Allie Arcese:
What about you, Jill?

Jill Desjean:
I think I learned, I always crave unstructured time. I feel like with commuting to work and then starting off with getting kids up, getting kids off, commuting to work, being at work all day, getting home, going to activities, everything else. I feel like every minute of my day is structured and scheduled and I always say, oh, someday when I have someone unstructured time, I'm going to really do something with that, and I'm finding that I'm forcing myself into structure because I actually miss it a little bit. I only work eight to four and between four o'clock and going to bed is quite a long stretch of time. I find myself just... I think I should just set this block aside from four to five to do a thing. I can't just be open-ended and oh, whatever happens, happens. I need to have some real structure in my life.

Allie Arcese:
No new hobbies yet?

Jill Desjean:
No, I'm filling it with some hobbies. Yeah. I'm studying a lot of languages and running-

Allie Arcese:
Wait, what? This is... tell us more.

Jill Desjean:
Yeah. So yeah, I've been practicing French and Spanish. I know them both a bit, so I'm trying to brush up and get a little bit more where I could have conversations because I'm really like, I can read pretty much anything, but it's very hard for me to have a conversation with someone. So I'm practicing those, and then I-

Megan Coval:
How do you practice? Do you have a Rosetta Stone or something?

Jill Desjean:
I use Duolingo. Sometimes I use Rosetta Stone.

Megan Coval:
Duolingo, okay.

Jill Desjean:
I listen to podcasts. Those are easier because I have some understanding, you can use a lot of different stuff, and then I studied Russian a long time ago, very briefly. And so, I've been trying to get that. Probably will never get to conversational, but just trying to pick that up a little bit more. And then, I was supposed to go to Iceland next week. And so, I was trying to learn some Icelandic, just for fun, because they all speak English, but I just thought it would really be fun to learn how to say, because it's a really hard language to look at and be able to read or understand anything. I didn't really get anywhere with it. I probably have been working on it for like a year. I know a lot of nouns, but like I don't know anything about grammar-

Allie Arcese:
Putting together a sentence is like, yeah.

Jill Desjean:
But we're not going anyway because Iceland won't let Americans in. So I've got another year and maybe by then, I might be able to have a real conversation in Icelandic. I will let you know.

Megan Coval:
You're being very productive. I am impressed.

Allie Arcese:
Yeah, I was like, now I feel lazy.

Megan Coval:
I'm glad though. I mean, it's good. Yeah, yeah. I'm glad somebody is because I keep having these feelings like, well, we are chipping away at little things at the house, but I think it feels like there's more free time than there really is.

Jill Desjean:
Well, you have little, little kids, so you do not have as much free time as I do. That is a fact.

Megan Coval:
Yeah. That's true. That is true. Got to keep an eye on them. That whole thing.

Allie Arcese:
Well, I think that about does it for this week. Write in to our feedback form and let us know what is something that you have learned about yourself during quarantine or maybe something that you have learned, a new skill or a new hobby. Write in and let us know. Thanks for joining us for another episode of Off the Cuff. Send us your questions, comments, feedback. Remember to subscribe, tell a friend, and we will talk to you next week.