

# NASFAA's "Off The Cuff" Podcast - Episode 177 Transcript

Justin Draeger:

Welcome everybody. This is Justin. Welcome to the podcast. I'm joined today by Allie, Jill and Megan. Welcome ladies. Before we dig in, though, I'd like to start this podcast a little bit differently and address what happened in our nation's Capitol yesterday. First and foremost, I want to let folks know that all the NASFAA staff are safe and the NASFAA headquarters is secure. And I know folks usually tune in to hear our take on higher education and financial aid issues. But I have a heavy heart today and having a tougher time than usual brushing off the fact that there was violent disruption of the peaceful transfer of power in our country yesterday. I won't joke about it. There's nothing funny here. This wasn't a demonstration that got out of hand, this wasn't peaceful. At the president's behest, there were people who marched on our Capitol, drove out lawmakers, and violently disrupted a step in the presidential transition that ultimately, at least as of this morning, resulted in four people being dead. Yesterday was a very dark day in our nation's history.

Justin Draeger:

Some of you who've heard me speak before, know that I grew up in a military home. With my grandfather and father, both having served in the military, my grandfather in particular deployed during World War II. I grew up in a religion and in the boy Scouts, both of which had a zealous, if not slightly cultish adherence to the idea of God and country. I wasn't just in the boy Scouts either, I was and am an Eagle scout. I also grew up with the sense of our country, almost completely whitewashed for my education. In other words, I grew up with a very sanitized, simplistic, patriotic view of our country in a home that was well acquainted with this idea, love of country. Until one day, I learned that that wasn't quite the case. My grandfather, the World War II veteran did not in fact have warm feelings about our country. As a veteran, he refused to fly the American flag and his wish after he died was that we would recover and take any flags that were placed on his grave on any federal holidays. Something that my family's honored some 30 years after his death.

Justin Draeger:

Now, he died when I was living with him at the age of eight. So I never had a chance to fully explore with him this complicated relationship and feeling that he had about our country. And where I'm going with all of this is that I had these two dissonant realities in my life, when I was 18 and went off to college, first-generation college student. This deep, if maybe sophisticated patriotism on one hand, but this conflicting nagging thought that my grandfather, a combat veteran, didn't share. And it was in college that the door to our long complicated history, with it sometimes disgusting record of abuses, was opened to me. And unlike my grandfather, I came through adulthood with more love of country. And that was after gaining a better understanding of our long and sometimes shameful history. To the contrary of some detractors, a broad-based college education didn't teach me to hate our country. It taught me lessons from the past that we wouldn't want repeated in the future. And the acute difference between unfettered, unbridled nationalism versus principled loyalty.

Justin Draeger:

To this day, I've never put my trust in any individual in DC, whether I voted for them or not, or whether I admire them or not. I put my trust in the process, in the collective, in the ideals, and ultimately in the constitution. Today, I have a deep love of country and I've had plenty of disagreements with elected officials, but never once have I doubted their commitment to the constitution. People who are listening

to this may have supported over the years, George Bush, or Mitt Romney or John McCain, or Bob Dole, or Bill Clinton, John Kerry, or Barack Obama or Hillary Clinton or Joe Biden for president. Those are the folks that have run for office in my adult life, but never once did I believe that any of them would incite an insurrection against our country. Would I disagree with any of them Republican or Democrat on public policy? Absolutely. Probably to some extent all of them.

Justin Draeger:

Now, before anyone writes me or calls me a partisan or anti-party, I'm not. I'm not anti-Republican, I'm not anti-party. But I do feel a moral need to speak out about the president inciting violence against a peaceful transfer of power. All the while, I also acknowledge that as a country, we cannot simply cast aside the millions of my fellow patriots who felt like Donald Trump gave them a voice. And after hearing others insult Donald Trump and sometimes insult the people who voted for him, I have understanding why there's such deep division in this country, large swaths of our country. Some who vote Democratic, some who vote Republican, do not feel heard or served. As it relates to the legal and lawful vote of this country, I'm grateful that none of our congressional leaders backed this effort. I'm grateful that several other members of Congress, after the violent rush into the Capitol, reversed their decision and backed our legal and lawful election results.

Justin Draeger:

As dark as yesterday was, I do believe that the arc of the moral universe is long and it bends towards justice. And I believe that we will continue to inch towards the ideals that underpin our nation. At this point, I look forward to better policy fights, those won't, and I don't think should, go away, but I hope fights over whether people love our country and whether that means fealty to a single person, whether we voted for them or not are over. I hope that going forward, whether people identify as Republican, Democrat, progressive or conservative, we can all recognize that we are one nation. And I believe that ensuring that people have access to higher education for personal enrichment or educational gain or economic gain is at its core, part of that arc of social justice work. Thank you to all the NASFAA members and financial aid professionals, college access professionals, and others out there who are working for college access and success. And with that, let's get into today's podcast. Allie, do we have any comments from members from our last podcast?

Allie Arcese:

Sure. Yeah, it's been a couple of weeks, we all had a long break over the holidays, and I don't think that anyone necessarily missed this news, but just because it came right under the wire before everyone went about their own business over the holidays, Congress did pass and President Trump did sign a massive end of the year, what some people have called a "coronabus" spending bill. Which combined our annual federal funding for various departments, including the department of education. It included additional COVID relief aid and major higher ed policy changes. So we did get a few comments from people just saying, thanks for the special podcast episode that we did on that. And if you want to catch up our previous episode, episode 176, goes all into what the spending and coronavirus relief package means for federal student aid policy.

Justin Draeger:

All right, thanks Allie. And on that note, we are going to be doing much more on all of this. Some of this has a pretty long timeline though, right Megan? In terms of implementation. So we'll have some time to

get our ducks in a row, explore all the things we do and don't know, and maybe some things that are completely unworkable.

Megan Coval:

That's right. Yep.

Justin Draeger:

All right. Let's jump into sticking with what's going on in Washington DC, or maybe better, what's going on in the states that's leading to Washington DC. We did have another election this last week. Megan, you want to catch us up?

Megan Coval:

Yeah. So there were two runoff elections for the Senate seats in Georgia that occurred this week and you all have probably heard about them. They definitely made national news and they did because the outcome of those elections determined who controlled the Senate. And they were very very tight races and ultimately the end of the day, Democrats, Jon Ossoff and Raphael Warnock won those races. Now making the Senate a 50-50 even split. And since the vice president of the United States is the president of the Senate and the vice president is Democratic, Kamala Harris, she will cast the tie-breaking vote, essentially making effectively, I should say, making the Democrats in control of the Senate. So big news.

Justin Draeger:

Yeah. Real big news, especially when you consider, I think Senator Loeffler's opponent was polling at 9% just seven months ago. So a pretty big, significant shift. So in the Senate, we still have the filibuster rules at least as of today. So what could President-elect Biden do with a 51 vote majority in the Senate?

Megan Coval:

Yeah. So as you said, most of the time in the Senate, you need 60 votes, but there are some things that the Senate can do with a simple majority. So things like confirming judges or cabinet positions. So that, of course, especially cabinet positions right now is really important to President-elect Biden. They are able to enact some special type of budget legislation that moves things through the process more quickly, if you're talking about policy that ultimately affects spending or revenues at the bottom line, and we can talk more about all that wonky stuff later and that's really about it.

Justin Draeger:

So he'll at least get cabinet picks that he wants. He'll get some judges you said.

Megan Coval:

Yeah. And the thing I think with the judges, we all think of the Supreme Court. And well, maybe there won't even be a vacancy, but there's lots of other judge positions that are filled at lower levels. So that is very important.

Justin Draeger:

Not every case goes to the Supreme Court. We talk about those the most, but some of the most important or impactful judicating happens at the circuit level or the federal level.

Megan Coval:

Yep.

Justin Draeger:

So a 51 vote majority of Megan, I'm trying to think back, I mean, this seems pretty unusual.

Megan Coval:

It is unusual. It actually has only happened three other times in history. So in 1881, in 1954, and in 2001 just for six months. So yeah, it's a very unusual circumstance. And I think one of the things that I guess we'll be looking out for and perhaps could happen in the near future is to see whether they decide to split leadership. So I think it was in 1881 and 2001, both parties agreed that they would share leaderships, divide up the committees and share leadership. And I just, I love that idea. I don't know if-

Justin Draeger:

I'll tell you what might happen. Of course, there's a difference between the executive and the legislative branches. There's an independence there, but that said everything that you hear, President-elect Biden, who spent so much time in the legislature. I could see him trying to apply pressure to his Democratic colleagues to try to split that baby, for lack of a better term. Because normally, the party in control would level up on all the committees. They would stack them with Democratic members so they'd always have the votes. So a split is a bit of a different way of going about things. But whether he could convince his Democratic colleagues in the Senate, who have full control over Senate rules and committees, I don't know, that's another story. That's pure conjecture on my part, but I guess we'll see.

Megan Coval:

Well, and I was reading somewhere that some of the staffers that were around in 2001 for Tom Daschle and Trent Lott are still working on the Hill and actually work for McConnell and Schumer. And so some people were saying, look, they have the whole playbook, if they want to just do it again. But I like the idea of it, I'm going to hold onto the idea of it.

Justin Draeger:

Well, I'm all for nonpartisan or bipartisan work. As we talked about previously moderates in the Democratic party might have an outsized role compared to where they've been before and maybe moderates in the Republican party too. So I'm thinking about Joe Manchin from West Virginia, Susan Collins from Maine, these are moderate members of their respective parties. If they can get together and figure out compromises, then they might have a pretty significant role in this next Congress. That said, the other piece, I think we'll have to watch is the Democrats have formed a pretty large coalition between progressives and moderates and maybe even fiscal conservatives in the Democratic party, that's been held together by an anti-Trump platform. But when there is no Donald Trump in the presidency anymore, does that coalition hold? And I guess we'll see, after January 20th.

Megan Coval:

Return of the moderates.

Justin Draeger:

Return of the moderates. All right. Thank you, Megan. Let's get to, just Allie mentioned at the top of this, but sort of a quick review so people who aren't caught up on everything that happened at the year end, but then also where do we go from here?

Megan Coval:

Yeah, so the year end coronavirus, that had the whole kitchen sink in it as bills at the end of a lame duck session normally do included three big areas for us is the best way to think of it. It wrapped up the funding for fiscal year '21, which impacts award year 2122. It included additional COVID relief for institutions and also included a big FAFSA simplification piece along with a few other higher ed provisions. So the bill was finally signed into law on December 28th, after a little bit of a back and forth from the White House, trying to change some things and threatening to veto. It was ultimately signed into law. So it's here, it's final. And the first things that we can be looking out for are the COVID relief components. So we know the overall numbers and all the details, and you can visit our podcast from before the holiday for that.

Megan Coval:

But one thing I want to remind folks is in the bill, it directed the secretary to allocate the funds within 30 days, to the extent possible. I mean, there's a lot going on with a transition of an administration and all that, but I think we can expect to see some information pretty soon.

Justin Draeger:

So we will be obviously staying, keeping our ears pretty close to the ground here. We've already been getting a lot of feedback from the NASFAA board of directors and our rapid response network. And we'll be having this webinar and continuing to put out articles and solicit feedback from members as we go forward.

Megan Coval:

Yes. And then I would also just remind folks that the rest of the bill, the FAFSA simplification, removal of the ban on Pell for incarcerated students, elimination of SULA, none of that goes into effect until July 1, 2023. So in that piece, we have some more time to work through things.

Justin Draeger:

One of the things that is of immediate concern to members probably is what's going to happen with the second tranche of funding, when do the allocations come out? When do they get them? And we don't have any of those answers right now, but we do, we are in contact with our colleagues over at the department of education. And as soon as we know something, we will obviously pass it along.

Allie Arcese:

It does look like some of the K-12 funds already were released the other day. So hopefully higher ed is not too far behind.

Megan Coval:

I read something somewhere, I wish I could remember where, that Secretary DeVos was like, I think they used the word, challenging her staff to get it out, get the money out even faster than the care spends. So they're working on it.

Justin Draeger:

Which can be a bit of a mixed bag only in that what we don't want is there are slight differences in this group of funding. And what we wouldn't want is retroactive guidance again, telling schools how they misspent the money after they've spent it.

Megan Coval:

That's right.

Justin Draeger:

So there is a balancing act here that again, we are meeting with our colleagues over at the department of education in the next few days. And we'll be talking through some of these issues and pass it along as we have it.

Megan Coval:

It feels a little bit like deja vu on the COVID piece, which it certainly does not all associate with positive feelings. I think all of us were talking about it the other day and sort of like, "Whew, we remember this."

Justin Draeger:

Well, what seems clear as day sometimes, and in legislative language, we have no idea once it goes through the meat grinder of federal bureaucracy, sometimes what it looks like on the other side. So we'll be keeping an eye on it. All right. Speaking of Secretary DeVos, sounds like she bid a farewell, Allie, to the department of education and the folks she's worked with there over the years, any highlights?

Allie Arcese:

Yeah. So a while ago before our break, Secretary DeVos did have a farewell speech to those at the department, urging them to resist some policy ideas that have been part of President-elect Biden's platform. However, more recently, this week on Monday, she sent a letter, a farewell letter of sorts to Senator Mitch McConnell, the majority leader for a few more days, just reflecting on her term, what she feels like the department has accomplished and encouraging him to put certain policy positions as a priority in the new Congress. So she talked a lot about school choice and K-12 things, referencing how students can take their Pell grants and student loans to various schools of their choice, making that comparison for school choice at the K-12 level.

Allie Arcese:

Related to higher ed, she talked a lot about the Title IX rule that she rewrote during this administration. She talked a lot about the overhaul of the FAFSA and the associated websites, taking that into a mobile app, creating the customer service bot Aidan. But she did encourage Senator McConnell to push for certain positions. One of which was considering establishing FSA as a standalone government corporation, entirely separate from the department and run by a professional apolitical board of governors. That's something that NASFAA has also recommended in the past. She also, and I'm going to quote her here, said, "I hope you also reject misguided calls to make college "free and require the two thirds of Americans who didn't take on student debt or who responsibly paid off their student loans to pay for the loans of those who have not done the same. Across the board forgiveness of college debts is not only unfair to most Americans, it is also the most regressive of policy proposals, rewarding the wealthiest sector of our labor force at the expense of the poorest."

Allie Arcese:

And then she goes on to say that her remarks at the FSA training conference last month, go into that a little bit more, which we covered.

Justin Draeger:

This was a letter to Congress. So this sort of last, her bidding policy priorities is not unexpected and overall it's stuff we've heard before. And you're right, Allie, we've supported and tried pretty hard to align ourselves with the secretary on FSA reform. Unfortunately, weren't able to get accomplished. That said, anything in here surprise you?

Allie Arcese:

Nope. It's yeah. I mean, it is all things that we've heard before.

Justin Draeger:

I think a more surprising letter was one that she, I guess she had sent out to all the department of ed staff separate from this, that called on them to in some way resist all of the change that I guess they brought about that she feels in her administration. I would just say to that for an administration, that's talked so much about the deep state, that seemed more than a little ironic to me.

Allie Arcese:

Yeah. And she sent it to career staff, not political appointees who, I mean.

Justin Draeger:

Well, yeah, so this gets at the whole thing. One of the things we've always respected about career staff at any federal agency is these are folks who are also called on to uphold the constitution, which means you have a different boss, potentially every four to eight years. I don't envy an environment like that, but I respect the people who are able to do it. New boss, new administration, new priorities. I mean, that's how it works. So anyway, onward and upward. We'll see what the next secretary of education brings. All right. Let's go to HEERF reporting. I feel like our favorite topic, if not mindbogglingly confusing to me, Jill, something new has happened, is something open, can people do something now? Where are we at?

Jill Desjean:

People can do something, Yes.

Justin Draeger:

What is it?

Jill Desjean:

So earlier this week, the department sent out emails to school officials giving them their login credentials for its annual report data collection system for HEERF funds. So schools remember that they have a quarterly reporting requirement and they have an annual reporting requirement. This annual reporting requirement went through the notice and comment phase over the fall and the winter of 2020 and now has been finalized and the reporting system is open. And you guys might remember back in early December, there was a bit of a scramble because the department had actually emailed schools

IPEDs contacts to say, 'hey, you need to send us your HEERF contacts so we can give them the login information for this new system.' And it was by the time we had heard about it anyway, it was like tomorrow, I think we did that on a podcast.

Jill Desjean:

So hopefully everybody got that information out to the department so that they've received their login credentials. If you didn't, you should be sending a message to HEERF annual that's, H-E-E-R-F annual@ed.gov. Don't email Allie, because she won't know how to fix it. But I am sure that the nice people at the heerfannual@ed.gov website, will be able to help you out. This report's due on February 1st, by the way.

Justin Draeger:

The annual report is upon us, and lest people get too angry about some of the reporting requirements, this all was required in the law. Right, Jill? I mean, this is statutorily required.

Jill Desjean:

Yeah. The secretary had a lot of discretion as to what they could ask, but it was about use of funds. And this is a long-ish set of questions about how schools use their funds and should actually prove to be pretty useful for future endeavors.

Justin Draeger:

All right. So please stay in contact with us. We understand reporting is, I think when reports become so complicated, people start to question the value of not just the reporting, but maybe some of the funds that came with it. The funds were absolutely necessary for students. We're glad to have a second traunch. We hope we'll have another traunch of funding for schools and students in the future. But the reporting is one of those things that comes along with all of these money. So stay in touch with us on all of that. Jill, I think we also have some news for schools that weren't able to draw down their money or applied and didn't receive their money. Where are they at?

Jill Desjean:

Yeah. So back in December, right before Christmas, December 23rd, the department announced that it had some funds left over from the Cares Act HEERF fund, and that money hadn't been obligated or dispersed to schools. And that was for various reasons. But some schools may not have applied at all or may not have applied for the full amount that was allocated to them, or they could have had their applications denied because of technical reasons like missing information, something like that. So they reopened the application process just for those schools. And this is from the three pieces of the HEERF fund. So that 50-50 split for student emergency grants and institutional reimbursements, then the funds that were set aside for HBCUs, MSIs and tribal colleges. And then the third bucket for FIPSE funds, funds for the improvement of post-secondary education. So that process got reopened on December 23rd.

Jill Desjean:

Then the Consolidated Appropriations Act got passed on the 27th, which changed the way that the department is allowed to spend Cares Act HEERF funds. They have to use the new formula from the Consolidated Appropriations Act, as such they can no longer obligate the funds just under that big bucket, the \$12.5 billion bucket what's left over from there. The 50-50 split student and institutional. So the process is still reopened for HBCU, MSI, tribal college money, and for FIPSE money, it is no longer

reopened for that other bucket of money. And the department will not process any applications that they got.

Justin Draeger:

Because that money has to go through the new allocation.

Jill Desjean:

They have to use the new formula now. Yeah.

Justin Draeger:

So stay tuned. They could still have opportunity for funding, but it'll be under a different funding model.

Jill Desjean:

Exactly. They just can't apply under this reopened application process that just got announced and quickly closed down.

Justin Draeger:

Got it. All right. Thank you everyone. As we wrap up, this is our first podcast of 2021. Let me just ask you all in a word. What are your hopes for 2021? Allie, how about you?

Allie Arcese:

One word to describe my expectations, I guess change.

Justin Draeger:

Change. All right. Megan.

Megan Coval:

Collegiality.

Justin Draeger:

Collegiality. Thank you, Megan. Jill?

Jill Desjean:

Stability.

Justin Draeger:

Stability. I'm starting to feel-

Jill Desjean:

Not as opposed to change, just less chaotic change.

Justin Draeger:

Less chaotic.

Jill Desjean:

Open to change, just not the way it's been changing. Yeah.

Justin Draeger:

Yeah. I didn't actually prepare for this. So I wanted to know where all of you were and what I'm hearing is a theme of hope. And so I'm going to stick with hope, a hope for a better year than the one we just had. We're really appreciative of everyone who has stuck with this podcast. Thank you for listening. Remember to subscribe. We look forward to being with you this next year and we'll see you again next week.