

NASFAA's "Off the Cuff" Podcast – Episode 230 Transcript

OTC Inside the Beltway: A Conversation on Student Debt Cancellation

Justin Draeger:

Hey, everyone. Welcome to another edition of Off the Cuff. I'm Justin Draeger.

Karen McCarthy:

I'm Karen McCarthy from our policy team

Jonathan Fansmith:

And I'm John Fansmith from ACE's Government Relations Office.

Justin Draeger:

Welcome back gang. This week, we'll be doing some, Inside the Beltway, discussions on what's happening in latest and greatest in DC. We'll have Hugh Ferguson join us a little bit later to give us some updates on what's going on in the news. I just got back from a conference in Las Vegas, which in my opinion, when I talk to people about this, they either love it or they hate it. John, where are you on this spectrum?

Jonathan Fansmith:

I actually am neither. I think it's fine.

Justin Draeger:

Wait, John, I just set up a premise and you immediately contradicted it.

Jonathan Fansmith:

You didn't ask me about your premise before we started.

Justin Draeger:

Okay, all right. You're right in the middle.

Jonathan Fansmith:

I'm not a... I like gambling a little bit. I don't like losing money, so that limits how much I enjoy gambling.

Justin Draeger:

Yeah.

Jonathan Fansmith:

I like the glitz a little bit, but I don't know. It's fine. It's, I think...

Justin Draeger:

How do you feel about smoke-filled casinos?

Jonathan Fansmith:

Far less in favor of them than I used to be. So, yeah.

Karen McCarthy:

Yeah.

Justin Draeger:

Karen, how about, how about you love it or hate it? Don't get me in the middle either.

Karen McCarthy:

Ah, I would probably be more towards the hate it. I don't hate it, really, but kind of on the spectrum.

Justin Draeger:

Yeah. If it wouldn't be your destination of choice, if you were like, Hey, where's any way I could go. It wouldn't be in your top five.

Karen McCarthy:

No, but when I've been there for conferences, it's been fun. The food is good. I like seeing the shows and...

Justin Draeger:

Yes.

Karen McCarthy:

I'm always ready to go home.

Jonathan Fansmith:

Yeah. The conference thing is a perfect example. It's a great conference city, because you can go and do a little bit of all the things that make it fun, but it's not what you're spending your whole time with. That's the perfect level of Las Vegas, for me.

Justin Draeger:

I think that's fair. Maybe it is the perfect conference city and particularly where WASFAA had their conference, the Western Association, it was at Park MGM I think is what it was called, but it was a Smoke free casino, which is the first I think I've been in, in Las Vegas. Totally smoke free, animal friendly. So people, there were dogs on the casino floor.

Karen McCarthy:

Oh. Wow.

Justin Draeger:

Which was fun.

Jonathan Fansmith:

Okay.

Justin Draeger:

And I brought my oldest daughter with me. She had just turned 18 in January, so, I don't know, it didn't, on reflection, taking your 18 year old daughter to Las Vegas maybe seems a little off-brand for me. But at the time she's about to leave home, so I was like, "Oh sure. Let's spend time together." But I love Las Vegas.

Justin Draeger:

I love the sun. I love the desert. I love the pool. I love all the amenities in Las Vegas. I'm, basically, a teetotaler, I don't drink. So, and I don't smoke, and I gamble very little. In fact, I tried to teach Sophia a lesson about gambling. I was like, here's \$20. We're going to look at this as entertainment, money. Okay. This is not, this is entertainment only. So we picked a few slot machines, played it. I walked away with 150 bucks and I was like a total fail. She was...

Karen McCarthy:

Not a good lesson.

Justin Draeger:

Right? She's like, "Why aren't other people good at gambling?" And I was like, "I don't know."

Jonathan Fansmith:

Did you want your daughter to become a professional gambler?

Justin Draeger:

I wanted her to see how quickly \$20 could be blown on nickel slots.

Jonathan Fansmith:

The lesson she learned is right, like it's better than the stock market. You sevenfold increase in your funding in no time.

Justin Draeger:

Why are you even going to sessions? Why aren't we out here just making bank. So anyway, it was a good conference and I look forward, the conference was good. The venue was also really good. I...

Karen McCarthy:

You know what I wonder about Las Vegas, every time I'm there. And I see people from other countries, I wonder if this is their first exposure to the United States and what they could possibly be thinking about our country.

Justin Draeger:

In a way, you can hit the entire world in Las Vegas, you start at the Luxor and then you kind of moved to New York, New York, and you've, basically, touched all of America. I will tell you, my daughter and I went to the Michael Jackson One show, which is the Cirque show there. It's a great show. I understand that Michael Jackson's problematic, but the show is great. And his music is great. So, we were there and then sitting in front of us was some people from another country, a European country. I'm sorry, I couldn't quite, oh, they were from Turkey. So, Eurasian country there, and they, I can tell you of all the people in

our immediate vicinity, they were the biggest Michael Jackson fans in the crowd. And they were out of their seats...

Karen McCarthy:

Wow.

Justin Draeger:

Quite a bit during this show. So, you were talking about other people from other countries. They were definitely at Las Vegas for this show and they could not be happier about being there, so...

Karen McCarthy:

Oh, good for them.

Justin Draeger:

Yeah, that's what I said, welcome to America.

Jonathan Fansmith:

All the way from Turkey to see the Michael Jackson show, that's a commitment to your hobby there. That's great.

Justin Draeger:

Seriously, yeah. Anyway. All right. We have a lot to talk about. The very first thing, and I heard this a lot this last week, Karen, while I was at WASFAA, is big deadline coming up tomorrow. Or if you're listening to this on Friday, today. You want to catch us up? What's going on here?

Karen McCarthy:

Yeah. The second HEERF annual report is due tomorrow to be submitted. So this covers the last calendar year, 2021. The window is a little bit later this year than it was last year. And we have heard from the Department of Ed, that there are many institutions who have not yet submitted their final report. So, we've reached out to a few of our members and understand that they made a lot of great progress, they've been in there. They just haven't hit that final submit button. So we're hoping that's a lot of them. There were quite a few members who have not yet logged into the system at all. So, not yet started is their current status. If we are being optimistic, I hope, I don't know, could they possibly be doing all the work outside of the system and then going to...

Justin Draeger:

They could have downloaded the report template and be working on it externally. Right?

Jonathan Fansmith:

Right. Gathering the information and doing it.

Karen McCarthy:

Maybe. I'm hopeful.

Jonathan Fansmith:

I share Karen's skepticism, but yeah, possible.

Justin Draeger:

John, I know you and Karen, and others from government, relations folks from other hired associations, we were all talking about this yesterday and today, and throughout the week, but there department reached out right? And said, "Hey, we need your help because it looks like there's going to be a lot of people who aren't on track to submit."

Jonathan Fansmith:

Yeah, no. To the department's credit, they saw where the numbers were going and saw that there are big gaps. So they reached out. And I think certainly, the associations in DC are doing what we can, to get in touch with those members, both directly and sort of en mass with alerts and updates to make sure people file this. It's the importance of it, of course, is that it's not just a deadline and it's a legal requirement to comply, but that your access to your HEERF funds is frozen, if you don't file that report.

Jonathan Fansmith:

So, for institutions that still have remaining funds that have plans for those funds, obviously, you want to be in legal compliance first and foremost, but also your ability to use those funds is going to be hampered as long as you don't have that report in, so it is something really important.

Jonathan Fansmith:

If you are an institution you're listening to this and you don't know where you stand on that, you should definitely check in and make all do haste. And certainly if you hear from ACE or NASFAA or any of our other associations as to that effect, don't delete that email, right? For once read our emails, I'd appreciate it. You'd appreciate it.

Justin Draeger:

Karen, what else?

Karen McCarthy:

Justin, haven't we heard from a couple of our members that they do know the deadline is Friday? They are in there and working on it. They have not yet hit submit, but that their people who are frantically working on their report have been getting daily emails from the department. Our records show, you haven't submitted this. And it was, they're damned if they do and damned if they don't, because I'm sure, for some people that was news and then other people who are like feeling the stress of the deadline are like, "I know, get off my back. I know I haven't submitted it yet. Try to work on it."

Justin Draeger:

Here's the thing with the department where we can, I think, maybe show some empathy, which is, they deal with the whole spectrum of Title IV eligible schools. And in some instances, non-Title IV schools, and that's 6,000 plus schools. Now, at NASFAA. We have 3,000-member institutions roughly that serve 90% of all students in the country. But, that means there are 3,000 other schools that are participating in Title IV programs that are not NASFAA members.

Justin Draeger:

And, if I'm the department and I'm trying to cover everything from the most compliant school, to the school who has no idea what is going on, I'm not a member of ACE or NASFAA or anything else, sometimes they're playing to the lowest common denominator. So I agree with you. Sometimes they might appear damned if they do, damned if they don't, but Karen didn't we hear from some of our members that out of nowhere, the Department just asked for another report that was going to be due in short order.

Karen McCarthy:

Yes. On the third, some of our members reported receiving an email notification from a contractor at ED requesting that they import a lot of disbursement level data into an Excel spreadsheet related to HEERF, and send that to the department via email by the 13th. So a 10-day turnaround on that. And none of our members, it was news to us at NASFAA, and none of the members who received it had heard anything about it until they got this email. So we are trying to, and I know ACE has also put out some feelers too, to try to get some more information from the department as to what this requirement is all about. We think...

Justin Draeger:

Yeah. And why did some schools receive it and others not. What is the criteria? And also doesn't the department normally, if this is a standardized report, don't they have to usually put that out for comment. What is this report request?

Karen McCarthy:

Yeah. I don't know why they wouldn't have to follow the general information collection requirements, and the quarterly report, the annual reports, they had to put a draft out, announce it in the Federal Register, have a comment period. They're required to do that. So I don't know why, what's going on with this particular reporting requirement. Trying to find out more.

Jonathan Fansmith:

Yeah. It's an odd one too, because it references the OMB circular on improper payments, which makes you think it might be some sort of oversight thing, which is why it might have gone to certain institutions, but you can tell by the way I'm talking about this, I'm just purely speculating. I think we have a lot to figure out before we can tell people exactly what's happening here and we're trying to figure out what's happening here.

Justin Draeger:

Yeah. And on the improper payments piece, I hear what you're saying, because then I would look back at the schools we've heard from. I would be very surprised, given, I guess, the differences between the various institutions we've heard from, that all of these schools are on like on some improper payment flag list. But again, I guess we'll wait to find out. Karen and John, we are following up with the Department of Education on that one. But, there are certain days or weeks where there's a disturbance in the force where I hear a collective scream from financial aid administrators across the country, reverberates to me in my sleep. And this is one of those weeks. Annual reporting due, and then all of a sudden, a brand new report nobody's heard of from a Federal contractor. So we're trying to help schools sort it out...

Karen McCarthy:

With a 10 day deadline, 10 days.

Justin Draeger:

So, this is where I can't be on the Department's side and I'm saying, "Okay, well, we're trying to sort this out for you, but we are harnessing your power into a focused message to the Department, which is a 10-day turnaround for a report nobody was prepared to provide, is not workable as particularly as we're bridging terms, ending one term and going into another term on college campuses." So, all right more to come.

Karen McCarthy:

And I think that, and one other thing that I'm kind of wondering about, this particular, just the disbursement data they were asking for fiscal year data, which is not how any of the other reports have the time frames of any of the other reports. And we know that can be a challenge at some institutions, about getting the time frames right. And yeah, super complicated. Anyway...

Justin Draeger:

All right. So we'll keep people up to date on that. And please, if you haven't started, now is the time to. I'm confident all the Off the Cuff listeners are well aware that the annual report is due tomorrow. All right, let's move on. I want to talk about something, that we've had several things come to light in the last week or two on debt cancellation. And I have to admit, we don't spend a ton of time talking about debt cancellation, just because it almost feels to me like we've always had, all along the way since the campaign trail in 2020, more questions than answers about debt cancellation. So it just always seems like a very speculative and political conversation. That said, it does seem like the Biden Administration has articulated at least, not necessarily exactly what they're going to do, but they've put out some floaters about what they might do and tied themselves pretty definitively to some timelines here.

Justin Draeger:

So let me, let me talk about what I know. And then John, I want to bring you into this, and Karen, you as well. The, the first thing that maybe was new in the last couple weeks is, the Biden Administration has clearly tied itself to restarting repayment, once they have a decision on debt forgiveness. I've heard that now from Chief of Staff Ron Klain, and I've heard it from Jen Psaki. So it seems pretty clear that these two things are intrinsically tied together. Whereas, before, maybe we were just speculating that these two things were tied together. Is that your understanding?

Jonathan Fansmith:

Yeah, no, I think the president even very clearly said one, they're going to do yet another extension of the repayment pause, but two, they're making these decisions in tandem. They see this as an overall approach to student debt. And, the big thing is of course, they've essentially said, "We're going to do forgiveness." It's now a question of how do we do it and when do we do it? And we spent a year-and-a-half with this administration with lots more questions than answers, but the biggest one was, would they do it at all? We've really very quickly shifted in the last couple weeks to, "Oh yeah, they're going to do it." It's just a question of what it's going to look like and when they're going to announce it and when it'll be effective. It's a sea change on the discussion here.

Justin Draeger:

Yeah. Pretty big change. And then the next thing, as I'm watching all of this is that, out of the Hispanic caucus, was in talking to the Congressional caucus, was in talking to the President. And out of that meeting leaked from some lawmakers who didn't want to be named, saying that the President was going to do widespread debt forgiveness. And then out of that article was floated the number \$50,000, which we've heard a lot from Elizabeth Warren and majority leader, Schumer. And then like 24 to 48 hours after that, was walked back by the White House. This is one of those instances where I have no particular insight here, but I imagine a conversation where folks who may not know all the precise details of what they're talking about, have a conversation and things get misconstrued very quickly about what exactly is happening.

Jonathan Fansmith:

Not that, that ever happens in Washington.

Justin Draeger:

Right.

Jonathan Fansmith:

Especially on complicated policy matters.

Justin Draeger:

This article came out that said that it's happening. And I immediately was skeptical. This is where I envision two people who don't know all the details, had a conversation and they both walked away with different understanding of what happened. But...

Karen McCarthy:

Yeah.

Jonathan Fansmith:

Similar reporting, they talked about the fact that the President's exact quote was, "We're looking at our options in response to, we would love for you to do universal debt forgiveness and that got taken as, "Oh, so they're looking at doing..." Well, he said, "We're looking at our options." Basically, since he took office, right? That's the catchall answer here. And to your point...

Justin Draeger:

I guess he also said, "You're going to like what I'm going to do." Right? Didn't he say that?

Jonathan Fansmith:

Did, but, he said that. And he also said that thing about the repayment pause, where he said, "I've never failed to extend the repayment pause before." So you can read a lot of things into it, but, I could tell you, you're going to like what I'm going to do about a lot of things, doesn't necessarily mean you know what I need. Right?

Justin Draeger:

Well, okay. So, if I just take those statements that came out of all of this reporting, one is, as you said, they are going to do something. So there's an answer. Two, it looks like the President has moved away

from looking to Congress to do this, what he's going to do. If he's going to deliver a proposal to Congress, I don't think his caucus is going to like that, or at least some members of his caucus won't like that, which is a pretty big change from where we were a year ago. When speaker of the house, Nancy Pelosi said that the President couldn't do this by Fiat, that he had to seek Congress.

Justin Draeger:

Well, it appears the Administration now is in a different place about what, what he can do. And then the third thing is that they're hoping, and this, the timeline's still a little squishy, but at one point it was going to be the near future then weeks. And if we're going to tie it to the repayment deadline, that's coming up in August, which in DC might just be all one big timeline. That might just all be soon, all fit under the heading of soon.

Justin Draeger:

So also floated as part of this was a means tested benefit. Somewhere between 125 to 150, if you are unmarried, and potentially more if you are married. So it is targeted forgiveness. And John, I don't mean to put you on the spot here, but from ACE's standpoint, where are you at on targeted forgiveness? And are you specifically looking at means tested benefits, or not means tested benefits, but an income tested benefit.

Jonathan Fansmith:

Yeah. And we've been public before that we're in favor of forgiveness so long as it's, I think how we've defined it as appropriately targeted, and this is one of those Washington things, right? If you set a line, you immediately establish winners or losers. And it's really hard in the abstract to say X, Y, and Z need to be components of this. I do think, means testing I think, certainly when you look at the outcomes that people have had with higher education, we worry a lot about the people have had an experience with higher education that not only hasn't benefited them, but has harmed them. You think, especially the majority of defaulters are people with \$10,000 or less in student loans. These are people who attended, borrowed, didn't get a credential, saw no economic improvement, now have a debt that they're struggling to repay.

Jonathan Fansmith:

Those are the people really first and foremost, I think. Forgiveness policy should be intended to help you start to look a little bit more broader. You touched on a lot of the procedural things. We haven't talked about the political concept, which is why we're having this conversation right now. Right? We have elections coming up. You start getting into what's means testing. What's an acceptable threshold. Is it 125? Is it 150, 300 for a married couple? Those tend to be a lot more political considerations than policy considerations. If you look at the borrowers who are really struggling. That income level, there's still, obviously, borrowers who are struggling at those income levels, but it's not necessarily the majority of your population there. So, I think we're talking a lot more about a policy that's going to be driven by who do we think is going to vote for us, if we enact something which seems to be rising to the top of the policy options, or...

Justin Draeger:

John, how dare you suggest there are politics associated with this?

Jonathan Fansmith:

I have to do it very gently. I really do.

Justin Draeger:

Well, I want to go back to implementation with Karen in just a second, but let me stick...

Karen McCarthy:

Because I've got thoughts on that.

Justin Draeger:

Let me stick with John for politics, for a second. It's not at all clear to me that this is a political win for the White House.

Jonathan Fansmith:

Yeah, no. I think you're right.

Justin Draeger:

On their left, I think there will be people who are very upset if the President doesn't go far enough, what that far enough is, I'm not sure, but so far this Administration has already done 17 billion in debt forgiveness targeted across what, just under a million borrowers, which ain't nothing. I know it's compared to 1.7 trillion it's not very much, but it ain't nothing. And from where I'm sitting, it was the right thing to do. They've been targeting borrowers who've been wronged or, or harmed in some way, but they ain't get getting a lot of credit on their left flank for that debt forgiveness.

Justin Draeger:

So, there's the risk of upsetting your progressive left, if you don't go far enough. And then I think the political calculus is on, if less than 15% of the American population has loan debt, and if half the American population doesn't have a college degree, meanwhile, you are focusing on debt forgiveness for what is potentially a small population, I'm not sure the politics are with you in the midterm elections. And the Republican punching points about this being a giveaway to students who have post-secondary education and potentially high salaries, I'm not sure that does land for you in the, in the midterms. And in terms of, I just saw this most recently in a pew report, which was like when pollsters are polling Americans who are likely voters about their top issues, student loan debt is so low...

Karen McCarthy:

So far down, yeah.

Justin Draeger:

It doesn't even, it doesn't register even as a statistically significant quantifiable number. So do you think the politics are there, John?

Jonathan Fansmith:

So I think the politics are there on a certain level. I think your point about this is a low-priority issue because you see tons of polls cited about Americans overwhelmingly support loan forgiveness. That's true. If you ask somebody, "Do you support doing something about student loan debt?" People say, "Yeah, absolutely. You should do something." It's the same thing about, you ask people, "Should you

increase funding for education or cut it?" People always say, "Yeah, absolutely. You should increase funding for education." But is it why they vote? Is it what they vote on? Not really, right. It doesn't translate directly. And I think you see that here? I think the people who tend to care most about this issue tend to be younger voters. And right now it's, how many times have you seen this statistic about the approval rating for Biden among 18 to 29 year olds, I think is 41%.

Jonathan Fansmith:

It's the largest drop in any portion of the electorate that he's experienced in his time in office. And one of the biggest complaints is, they don't see any achievements out of the Administration while here with a swipe of your pen, you can do something that is higher on their list of top issues. May not be across the general public, but for those voters, it's higher up. They can achieve something that doesn't require Congress to act. And it shows as responsive to concerns they've heard from that base, which is an important base, right? For the democratic party, young voters are a key part of their base. So...

Justin Draeger:

Right.

Jonathan Fansmith:

I do think there are politics that work really well for them here. I think your point is well taken. You might shore up your base. You might get better participation from them, but, especially in a midterm election where you're not talking about national election, you win on the margins, right?, You win in the suburbs. That's, that's where the battlegrounds are. And if you've got a lot of people who aren't seeing that benefit in fact, they are saying, "These are my taxpayer dollars going to support somebody who received a benefit, I didn't." It might swing against you. I think certainly if you're a vulnerable democratic member right now, I don't know if loan forgiveness is something you want to see the Administration do.

Justin Draeger:

Yep. All right. Let's turn to the implementation piece again, Karen, because for colleges and universities and our members in the financial aid office, implementation will matter because how are they supposed to advise their students, current borrowers and incoming borrowers next year? So what are the implementation concern or concerns that you're thinking about?

Karen McCarthy:

Yeah, no, I was thinking specifically when they started talking about income thresholds, was how would they get that information, since that's not an allowable use of IRS income data? That's why we had to get the Future act passed, was for the IRS to be able to share with the Department of Ed, for these very specific purposes, loan forgiveness was not one of them. So I can't really imagine the President saying, "Yeah." But via executive order, they can access every student loan borrower's income information with the IRS. I don't know how that would go over. That doesn't seem like the way to go, either.

Justin Draeger:

I would say bipartisanly, Democrats and Republicans on oversight committees that oversee the tax system, are not super keen on that data being used for anything other than what it's specifically designed for in law, which is now FAFSA, but also income based repayment. Do you think anything could be bent there, where if we know that you could qualify for an IDR plan, maybe we would be able to do something to?

Karen McCarthy:

I don't know, right? But the future act hasn't been implemented yet where, and even under the Future Act they have to provide consent for the IRS to share that information. I don't know. I'm just thinking of, was like, oh wow, all these years and years of battles about getting access to this IRS data for FAFSA purposes. So how are they going to get it to do loan forgiveness?

Justin Draeger:

Well, I'm not going to debate whether this whole thing, because we don't know exactly what the proposal is, is progressive or regressive, but I will say implementation can make the most progressive plan regressive if the only people who can navigate the system are well off.

Karen McCarthy:

Yeah. Yeah. Because I'm thinking like you can't have like you wouldn't want to have like an application process because then all the people who are higher up the income stream are likely to be the ones who find out about it and go through the application, jump through all the hoops and the people who really need the forgiveness, less likely to do it. So an application process doesn't seem like a good idea either.

Justin Draeger:

There are drawbacks, at least. There, there, there's always going to be these sort of pros and cons. One other thing I would just mention about the debt forgiveness is it seems like we are narrowing in on some decisions from the Department. There was an article in the Chronicle of Higher Education that, John you were in, and I was in, and we talked about some of these things in that article, and we can link to that in the show notes.

Justin Draeger:

But one of the things that I sort of NASFAA a couple years ago, sounds like we're in the same place where ACE is, which is targeted forgiveness for borrowers who are in extreme economic distress, who have been wronged by programs or institutions, or mismanagement of the loan programs by the department or loan servicers. Absolutely.

Justin Draeger:

We need to figure out a way to get them forgiveness and the benefits that they were promised, even if that's retroactively, and make amends. But there is another piece to this, which is whether the President does widespread across the board forgiveness, or whether it's targeted in some way, set that aside for just a moment. I think from the NASFAA perspective, two years ago, we made the decision, as of our board of directors, that forgiveness would be what it is, but if forgiveness didn't come with a set of policy proposals to systemically address our Federal student loan policies, then we would really be short changing this entire conversation.

Justin Draeger:

It's one thing to do debt forgiveness, but then we're in the exact same place the next year. And the next year after that, and expecting this President or future Presidents to just continue to forgive debt on a rolling basis, is not sustainable public policy.

Justin Draeger:

Maybe not even legal. There are plenty of legal questions with just this first one. So, to that end in the next couple weeks, just to give folks a preview, NASFAA has been working with a grant from Arnold Ventures. We've worked with our colleagues at ACE and several other organizations, to take a look at our repayment system from an accountability standpoint, from making sure that borrowers are protected standpoint and repayment that they can navigate the programs, looking at loan default and how punitive it is in terms. So, looking at that reform, loan servicing contracts and reform. So it'll be a pretty comprehensive report. It'll be out in the next few weeks, but that has to come along with any debt forgiveness in order for this to be something more than a one time giveaway that could be seen as a giveaway for politics, I think.

Jonathan Fansmith:

Yeah. It's a much more serious issue, but it makes me think of that. There's constantly those calls when gas prices are higher, to do a gas holiday where taxes are off the table or something like that, you know?

Justin Draeger:

Right.

Jonathan Fansmith:

And it literally does nothing other than make consumers feel better about it for that day, because you've done... Nothing changed our dependency on fossil fuels or whatever. You can do a debt forgiveness one time. And the people who are most concerned will see the immediate impact and they'll feel very good about that. But the point remains, we didn't get here because of one-off events, this is a decades long systemic build that there are problems, which, and credit to you guys. Having worked with you, you've thought very thoughtfully about the repayment system and where the gaps are, and how they don't help borrowers both navigate it and get through it in a way that's fair to them in lots of ways.

Jonathan Fansmith:

We don't change anything else about that. We're just assigning a whole nother generation of borrowers to the exact same problems that people are concerned with now. So, and I should say, it's not just managing the repayment system., It's how do we counsel students before they pick an institution or pick a program when they get there? How do we do the financial aid counseling that your members do really, really well. But are there other ways to enhance that and to promote that, and then that back end about when you enter repayment, is it a system that's easily navigated? Is it a system that's fair? Is it a system that responds to the economic circumstances, borrowers find themselves in. And then level by level by level, our system isn't doing that very well. So, right. It's a much bigger lift than simply saying, President Biden signs the pen and the problems resolved. Right?

Justin Draeger:

Right. This is an ongoing problem, and we don't want to make this an issue of, it's almost like randomness when you were born, the stars aligned for one cohort of people, but if I'm slightly younger and I'm about to enter college, what do I get? How do I get helped? So, that's where the systemic reform comes in. All right. Well, we'll continue to watch this. This is not a topic, I think we should talk about every single week, even though it's in the press every single week, just because as much as it's talked about, there's an inverse relationship between the amount that it's talked about publicly, and the amount of exact information or details that we have in terms of what exactly is going to happen. So, it's been a long time...

Jonathan Fansmith:

It's more fun to talk when you don't actually know what you're talking about. Right? Like it's all speculation.

Justin Draeger:

That's right. So we'll talk more about this when there are details to talk about, but it seemed like a good place for us to actually have a conversation. All right. Thanks Karen, John, thanks for joining us as always. We'll talk to you again really soon. All right. Let's bring in our senior reporter, Hugh Ferguson and podcast producer this week. Hugh, what else is going on in the news?

Hugh Ferguson:

Thanks Justin. Yeah. So this week we have coverage of a new initiative from the Institute for Higher Education Policy, that is seeking to identify tangible ways in which policy makers can promote equitable degree completions in the wake of the ongoing challenges presented by the pandemic and this three-year initiative from 2018 to 2021 enlisted nearly 200 institutions representing 23 states. And listeners can learn more about that in our show notes.

Justin Draeger:

Fantastic. IHEP does great reports. They've received several awards from us over the years, just because of their excellent research. That is very pointed and helpful as we develop Federal student aid policy. What else is going on in the news?

Hugh Ferguson:

Yeah. So we also have coverage of some concerning FAFSA renewal numbers from March, where the National College Attainment Network reported an overall 8.9% drop in applications from the 2022, '23 cycle. The data highlighted heightened concerns over renewals for currently enrolled students, as well as Pell Grant-eligible students who had declines of 12.3% and 15.5% respectively, which sparks significant concerns around a potential plummet in enrollment.

Justin Draeger:

Yeah. And, of course, the implications there are twofold. One is, just overall college attainment and college going behavior from both traditional and non-traditional students. The other is, has pretty significant budgetary impacts on schools, particularly those that are tuition dependent. So not great news there. We'll continue to monitor the situation and Hugh will include some links in our show notes if people want to dig in a little bit more. Yeah?

Hugh Ferguson:

Yep, can do.

Justin Draeger:

All right. Thanks very much, Hugh. Folks can check out our today's news for ongoing news coverage from Hugh and his colleagues. Thanks everybody for listening to another addition of Off the Cuff. Thanks for all of your comments over the last couple weeks. We've read every single one of them. And remember to subscribe. If you're not already subscribed, you can continue to send us comments and feedback. If

you get a chance, leave us a review on your podcast platform of choice. That helps other people find the podcast. And we look forward to hearing from you again very, very soon.