

NASFAA's "Off the Cuff" Podcast – Episode 286 Transcript

OTC Inside The Beltway: Working Through the ISIR Delivery Delay

Justin Draeger:

Hey everybody. Welcome to another edition of "Off the Cuff." I'm Justin Draeger.

Karen McCarthy:

I'm Karen McCarthy from NASFAA's Policy Team.

Jonathan Fansmith:

And I'm Jon Fansmith from the American Council in Education.

Maria Carrasco:

And I'm Maria Carrasco with NASFAA's Communications team, and I'm also this week's producer of this podcast.

Justin Draeger:

Welcome, Maria. We're glad to have you. You're going to be involved in helping us sort through a lot of member comments that we've gotten over the last two weeks. We want to highlight some of them. Fortunately, we can't highlight all of them, but I said last week, it's always good to know we're not speaking into the void and boy we are not. So it's always great to get all of the comments. Thank you very much for sending them all in. We do, of course, see all the podcast numbers so we know we have a lot of good loyal listeners out there and it's good to know that we're helping a lot of people sort through a lot of these issues. It has been one of the weeks where it feels like we've lived an entire lifetime in the span of about one week. But Karen and Jon, you two look great. Maria, you two, you guys all look fresh and ready to go today. We have a lot. Jon, why are you shaking your head at that comment?

Jonathan Fansmith:

I mean, look, as we record this, there's a video component and I have my face magnified right up here. So I don't know what you think I used to look like, Justin.

Justin Draeger:

Well, okay, Jon.

Jonathan Fansmith:

I appreciate the kindness, but if this is fresh, oh God.

Justin Draeger:

You look pale. If I'm going to be honest. You do look actually like you have... Are you okay? Are you getting enough Vitamin D and sunshine? I guess that's my first question.

Jonathan Fansmith:

I think I can safely say no. Yeah. And I try to walk outside. I'm doing my best, but no, it's been a bit of a week.

Justin Draeger:

Megan Coval, who used to work here, did have a sunlamp and I'm going to see if we can find that somewhere around here so we can get that over to your office.

Jonathan Fansmith:

She was a person who looked fresh, so I'm going to see it. That sunlamp thing, if that works, we should steal that.

Justin Draeger:

All right. Yeah. I'm going to look into it for you.

Jonathan Fansmith:

All right.

Justin Draeger:

We do have a lot to talk about the latest news in the FAFSA so we'll probably take up the bulk of this, but a lot of member comments, how members are tackling the issue, plus competing visions of higher education reform in the House of Representatives. We won't be able to do a deep dive on that today, but a lot in there as well. Plus, holy cow, another session of negotiated rulemaking on student debt relief was announced today, which all of this sort of brings me to my very first question. The department this last week, of course, confirmed what we all suspected that students wouldn't be receiving ISIR. We thought there would be a delay, and I think this sort of blew a lot of schools minds when they said that they actually wouldn't start receiving them until the first half of March, which I think everybody immediately then said, okay, March 15th.

So Jon, given all the things I just said, new sessions of negotiated rulemaking added after we thought it had concluded. They're currently engaged in negotiated rulemaking, new efforts on debt relief. We have the FAFSA rollout that's been shaky with fits and starts and entire swaths of students who still can't complete the form. I think republicans, and maybe Democrats a little bit more quietly, are all asking this question, is the department doing too much?

Jonathan Fansmith:

Yeah. I mean, and it's an easy day to sit here and say the department's doing too much. Right? And luckily the way you even framed the question, right? You ran through a whole bunch of things.

Justin Draeger:

Are you saying this is a setup?

Jonathan Fansmith:

You clearly set me up here, right? Yeah. But your setup isn't wrong, right? I think you can say anytime you're looking at where there's been an organizational, and it's too early to say failure, but certainly a major hiccup, a huge problem that what went wrong and the postmortem is where should resources have gone, where should priorities be, and they have had a lot of priorities. We've got Title IX, we've got

loan forgiveness, both in terms of the broad base plan, the Supreme Court didn't put forward. PSLF across the permanent total disability, just a million different things they've been doing. The regulatory front, one of the most expansive regulatory agendas continues to go forward where we have multiple rulemaking sessions. I mean, this is a lot, and this is not all of a sudden people are realizing this because we have this problem with the FAFSA.

We've been saying this for going on three years now. They are doing a lot of things on a lot of different fronts, credit to them in a lot of areas. They're accomplishing a lot of things and some other areas you're starting to see the crack show, and I think you look at it now and you say, "Well, there are some things..." Really the football analogy, you can't really pass the ball until you learn how to block and tackle. If you can't get the FAFSA running, if you can't manage the student loan repayment system with the servicers, if you're having problems in lots of the core things that are people's immediate interactions with the Department of Education, then these other bigger policy priorities, it's not going to look as meaningful if the big things aren't working right and I think that's where we find ourselves. So you can certainly question how they've been prioritizing and where the resources have been going.

Justin Draeger:

It's easy maybe to armchair quarterback this thing, and I'm not at the department and I think these questions will... Well, they have been asked by Congress. They've already started investigations. It will be more difficult to try to tie this down to a one-to-one. Like can they find evidence that resources were siphoned off from implementing FAFSA implementation to other things? But of the things you mentioned, Jon, and I did sort of set you up here, the one that Congress mandated was FAFSA implementation. The regulatory agenda maybe was no less important. And I certainly think the administration would argue these things had to be addressed and a lot of those things, I would say we would support. Total and permanent disability, fixing public service loan forgiveness. These were promises made and promises not kept to student loan borrowers.

Others, not speaking for ACE, but for NASFAA or NASFAA members, we would certainly question whether there needed to be so much regulatory attention focused on those issues given the other items on their plate. I guess my point is, will we one day get an answer to that, and maybe, but right now we are where we are and we have to move forward.

Jonathan Fansmith:

I was taken by your point about evidence, right? There is, depending on how you look at it, tons of evidence to prove either case because there's tons of evidence. They are doing so many things that a person could reasonably look back and say, look, they spent all this time and effort on this and they spend all this time and effort on that. But I don't know that a person could reasonably look back and say it was this, like you said, one to one thing because they did loan forgiveness, which you've heard a lot of, frankly, a lot of Republicans have said, if you didn't spend time and money on a broad-based loan forgiveness approach, well you could have landed FAFSA. I don't know that that's necessarily true. They're being pulled in a lot of other directions as well. It's not clear.

In fact, maybe the greatest evidence that this wasn't one thing being responsible is that there were so many things that to which one do you attribute the actual problems with it. You kind of can prove and disprove a case using the exact same fact pattern. It's just too much for any one administration to manage and the stakes are so big that any hiccup is going to be a national item.

Justin Draeger:

It's a pretty big hiccup. It's hit all the national press, but where our members probably spent a lot of time, besides the politics back and forth and listening to all the press reports, was looking at the EA that came out this last week. And Karen, in that EA, the department clarified, and this I don't think is a throwaway line, but they talked about that ISIRs would be delivered to institutions in batches, and that students would also be able to make corrections of their FAFSAs in the first half of March. I wonder if you can help us focus in a little bit on the batches and also talk to us a little bit about these corrections and disentangle institutional corrections from student corrections.

Karen McCarthy:

Yeah. I feel like the corrections part is more straightforward, so I'll do that one first. So students cannot make any corrections to their FAFSAs that are already submitted at this point, primarily because their FAFSA haven't been processed at all yet so there's nothing to correct. So until their FAFSAs are processed, they get the notification, "Here's your FAFSA submission summary." Then at that point student corrections will be available so they can go in-

Justin Draeger:

This is any correction, right? This is school code.

Karen McCarthy:

For students. Students.

Justin Draeger:

I want to add a school code to my FAFSA. Can't do it.

Karen McCarthy:

Yes. Yes. Yeah. Right now you cannot do it. That will become available when they do that initial processing, which will be in the early weeks. First half of March was the wording that they used. And then they did not commit to when school corrections would be available. Verbally, they did tell us in the weeks following, after student corrections are available. In the weeks following, no number of weeks were identified there. So that's how corrections will work. We are still waiting a lot of information about how school corrections will happen and operationally, how they'll actually be submitting them when they can do it, all of that. But student corrections will open first and then the school corrections following.

Justin Draeger:

Let me pause for a second. FAFSAs are processed. A student is flagged for verification. I verify them. There needs to be changes to their record. I won't, as a school-

Karen McCarthy:

Those are corrections.

Justin Draeger:

Right. I will not, as a school, be able to make those corrections until weeks after FAFSAs are starting to be processed then, right?

Karen McCarthy:

Yeah, that's true. But I mean, schools need time to complete the actual verification. Go out to the student, request the documents. So I don't think that schools will necessarily be making verification corrections or have a need to do that right away, but yeah. But yeah, you're right. That is a correction. We need to have those school corrections be open and available for them as soon as possible.

Justin Draeger:

Well, I guess I'm just saying, I find it... Shouldn't we be somewhat alarmed that we don't have a timeline of when schools can make corrections?

Karen McCarthy:

Oh, yeah. Should I exude more alarm? Yes.

Justin Draeger:

Well, no, I'm not asking you to gin up alarm. I'm not asking you to... I'm just saying that a verification is a correction that a school would have to make. We have no timeline for that. Okay.

Karen McCarthy:

Yeah, no time. I mean, I do find that very concerning is that they said in the weeks following with no ideas to how many weeks are we talking about. Is it two weeks, seven weeks? Who knows? Don't know.

Justin Draeger:

All right, now let's talk about the batches.

Karen McCarthy:

Yes. So what they said in the announcement was that they would start to release ISIRs in batches. There was also some wording alluding to the fact that what we talked about in the prior podcast that there's a backlog of ISIRs and they can't just dump them all on schools at one time, in these batches, and it will likely take them, I think they used the word several weeks to clear that backlog. And that was about the level of detail that we got on the batches so I know that you want me to think of what are all the questions you have about how the batches are going to work?

Justin Draeger:

No, I mean you don't have to go through all of them, but some of the top level ones.

Karen McCarthy:

Yeah. Yeah. So the questions, how big are these batches? Are they coming every day? Are they coming once a week? How often are they coming? Does the school have any say in how big the batches are? Are they just showing up and we don't know? Will we know before they start coming? Then the other questions, an interesting question that somebody asked was if ISIRs would be released by applicant or by institution? And the answer that we got from the department is that it would definitely be by applicant. So if Joe Smith put six schools on his ISIR, those six schools will get Joe Smith's ISIR all at the same time. So it won't be that the University of Alabama is going to get all their ISIRs and then Auburn's going to get all their ISIRs in two weeks after that. It's not going to work like that.

It's going to be student based, which is generally the way that it has been in the past. And ISIR is processed, everything goes out to all the schools that are listed. But a lot of those details on the batches, when they're going to come, how many, how long it's going to take them to clear the backlog, we do not know at this time.

Justin Draeger:

Okay. All great questions and these are things we hope to get more clarity on as we move forward. I'll just point out that next week is our NASFAA's Leadership and Legislative Conference. We do have several folks from the department who will be at that conference and if there's anything reportable, publicly reportable out of any of those discussions, we'll certainly share them with NASFAA members, including if there's any clarity on the things that we're raising here today, although I don't know that we'll have clarity within a week based on the things that you're raising, Karen. All right.

Karen McCarthy:

Oh, wait, before we move on, because someone I'm sure is going to write in and say, "You forgot to ask this one." The other batch question we don't know is in what order they'll go out to schools. Is it like first in first out or is it just completely random? So if schools were interested in getting their first FAFSA filers and looking at them earlier, will they see them first or will they not see them first? We don't know.

Justin Draeger:

And there are equity questions in there that I think we talked about last week like equity in relation to deadlines, which we'll get into some of that later, but especially when you consider there are students who can't even complete the FAFSA just yet. So one of the reasons for all of this, of course the department is pointing to the fact that they're updating the tables, the income protection allowance tables that we'll put an additional \$2 billion, and Karen, we did verify that's all Pell Grant. Two billion dollars, \$1.8 billion more specifically of Pell Grants into students' pockets to help pay for higher education. And we are still waiting for Congress to finalize Pell Grant amounts for next year, but we did update the NASFAA SAI modeling tool, so that's updated and available right now and we'll put the link in our show notes so that schools can go out there and download it.

This is available to all schools thanks to a grant from Strata Education. And so if you're looking for things to do between now and March when you receive your ISIRs, you could in the month of February be running these new modeling tables. Karen, as I understand it, now we've talked about this because the IPA adjustment will be lowering SAIs. What are schools likely to see when they remodel their data?

Karen McCarthy:

They are likely to see higher Pell awards and more Pell eligible students.

Justin Draeger:

So it might be worthwhile if your institutional budgets are hanging or contingent on how many Pell eligible students you have or need as it relates to SAI to rerun those and then see how those impact your numbers. Okay. Let's turn to member comments for just a little bit. Maria, you're going to help us sort through some of these. Let's jump in. Where do we start?

Maria Carrasco:

Yeah, so the comments are a mix of comments we received from our feedback form and stuff that we pulled from social media. This first one, "Justin, thank you for taking a harder line regarding NASFAA's position on our continuing challenges. I do not know if others agree, but I have been a little concerned about some of the complimentary language used lately in NASFAA Letters and on the podcast, including one letter noting, 'We know you are working 24/7.' It seems that FSA is growing increasingly detached from those of us outside Washington, D.C.

Justin Draeger:

Yeah, I appreciate the note, Christopher, and I will say that it's always tough drafting... And Jon, I think you'd probably agree with this part, at least from ACE. It's always tough drafting public statements. They have to be done relatively quickly and you're responding to first and foremost your advocacy principles from a place of principle, but you also have to take into account, number two then, that the politics of the situation. And I would also say that your first gut reaction might not be the reaction you want to lead with. Karen, we were just talking before the podcast.

We adhere to something around NASFAA to the Truman rule, which was Harry Truman always had this rule. It's at least articulated by his biographer, David McCullough, that he would write out a letter to people that had made him mad and boy, a lot of people made Harry Truman mad, which is one of the reasons why I relate to the man so much and, ultimately, ended up naming one of my sons after him.

But Harry Truman would write the letter and then put it away and wait for an entire 24 hours usually to go by before he decided whether to send it most often did not send it, which I think is a fantastic rule. Sometimes we don't have that ability when we live in a day and age where things have to go quickly.

Karen McCarthy:

The time.

Justin Draeger:

But Karen, sometimes we are drafting statements in real time in Google Docs where you, me, comms and Jon, I don't know if you guys do something similar, but our first draft is not the draft we go with, but we do try to work from our principles first and two, recognize in this instance specifically the department wants what we want. They want FAFSAs out just as quickly as we do. We still have to speak truth to power. We have to speak from our perspective. So we are trying to balance a lot of different things, but the department is not in any sense our enemy, but we do have to hold them to account. That is not just our right, but it's our responsibility. Anything you two want to add to this Jon or Karen?

Jonathan Fansmith:

The one thing I would add is that I think you started with talking about Harry Truman was writing to people who made him angry and a lot of people made him angry. But this is interesting in the policy space because you can be upset, and frustrated, and disappointed in things that happen. But the other part of this is what makes me angry is not that, right? The things that make me angry are where there's deliberate malfeasance or people are betraying the trust or they're doing things like that. Because to your point, the department wants exactly the same things we do.

They didn't want this to happen either. You can be upset about it, you can be frustrated with it, you can point out where you think they went wrong and that's reasonable. But ultimately, the failure is not something that I get angry about. I get angry about when they're misleading or they're spinning or I'll tell you the thing that frustrated me the most, absolutely frustrated me the most this week about this entire process personally, and this is just me, this is not an AC thing. But the press statement had this in I think

the fourth or the fifth paragraph after here's all the great things that are happening and it's not even an example of bearing the lead.

It's such a deliberate step away from what is the news that needs to be conveyed. And I think it does a disservice to them. It does a disservice to the public because it's an attempt to sort of say, "Look, ignore the big piece of news here and focus on these other things." And that, to me, was more frustrating and it made me more upset than anything else because you don't want this to happen either. We know that. Own it. Let's move on. Let's figure out what we can do. How can we get colleges to help address this? What are the solutions? Those are the things that make me frustrated. So sorry.

Justin Draeger:

So the spin... You don't need to apologize. The spin was frustrating for you. I'll plus one that. The thing that I found most frustrating was the delay.

Karen McCarthy:

Yes.

Justin Draeger:

So the writing was on the wall that the delay would happen. The fact that they waited until January 30, which is when we were supposed to be receiving ISIRs to communicate the delay is, to me, is where the partnership starts to break down because there is a trust issue then when March rolls around and schools are skittishly wondering if the deadline holds. Because if people can't take you at your word, they wonder if politics comes before trust in communication. And I can't blame institutions for then second guessing the next time this rolls around whether they're actually going to receive their ISIRs. So I'll plus one on the spin, but I'm also going to put a token down on the last minute communication. And Karen, how about you? What frustrated you the most?

Karen McCarthy:

No, both of those things actually frustrated me. We did have a reporter who reached out to us after they got the press release and immediately said, "Am I reading this right? Schools aren't getting this stuff until March. Am I reading this press release right?" Which kind of made me laugh, but Allie, our communications director said, "That's how you know that he's a good reporter." That he read through all the other spin that was in that, all the paragraphs before that where it emphasized the \$1.8 billion and all that. And he got to the, this is the meat of this and this is what I really need to write about. These are the implications. So that... I would also... And we thought that's how it would all play out.

We were talking about it ahead of time. How do we think this announcement is going to go? What are we going to need to draw out for our members to make sure that they're paying attention to as well? And the delay. I mean it was just going on and on. And I do agree with the dates and once you've kind of lost people's trust that you're going to deliver things when you say you're going to deliver them, yeah, it's really an uncomfortable situation for everyone. And I'm sure people are already like, okay, so ISIR's in April. I'm sure there may... I mean I would be having those conversations if I were at a school.

Justin Draeger:

Contingency plans.

Karen McCarthy:

Yep.

Justin Draeger:

All right. Let's go to our next comment. What do we got, Maria?

Maria Carrasco:

This is from Sandy. "The pivot clip from friends really resonated with me and probably everyone who listened to it. Financial aid folks are used to pivoting because there are always changes, but in the 25 plus years in financial aid, this is the first time I feel helpless when dealing with this change. I feel deeply for all families who can't complete the FAFSA, but especially for non-traditional students. Being a nontraditional student myself, I know that if I had to deal with the FAFSA fiasco at the time I was applying for aid, I think I probably would have just given up."

Justin Draeger:

Let's pause for a minute here. Sandy's describing nontraditional students, but I'm going to throw into this category also sort of all students who financial aid is most intended to help. And just to put a finer point on this, Jon, maybe we can talk for a minute about how lowest income students are hit the hardest here.

Jonathan Fansmith:

Yeah. I mean, we talked about what frustrated and upset us. When the form was delayed there's a level of frustration with that, but this delay in particular, because what you see is just that direct impact on low income students. And you can read study, after study, after study, about the decision making process around deciding to enroll in college and how low income students approach that and what we know is the uncertainty of information. A lot of students don't even apply because they don't think they can afford it, even though there's tons of information out there. There's tons of to say there will be tools, there will be resources available to you.

The longer and longer you deny those students in particular information about this is actually affordable to you. The longer and longer you deny those students information about you have options, and these are what the different options look like so you can pick an option that works best for you, the more likely... I mean, Sandy just knocked it out of the park, right? Like she said, I think I probably would've just given up. And that's the fear here. It's not that... I mean, there's plenty of other problems, right? I'm not diminishing to the other problems, especially to an audience of financial aid administrators who are living this real time.

But the thing that drives me crazy about all this is you can just see a student calling their institution and saying, "I don't know if I can afford this. I'm talking to my family. We're figuring out a plan. We're trying to figure a budget. What can you do for me?" School can't answer that question and they're ultimately... A lot of them I think will be frustrated enough and just walk away. Now, hopefully, the department timeframe can be delivered on. We joked about ISIRs in April.

Let's hope that's not the case. Let's hope that the other stages of the process get a little bit more seamless. And institutions are pushing back their deadlines. We know they're doing it already. We asked NASFAA, ACE, six other associations, seven other associations, I think. Yesterday sent out a statement urging schools to do just that. Look at your processes, look at your deadlines. Do whatever you can do to provide flexibility and additional time for low income students. We know schools are doing that. We hope all of them will be doing that. But think about it from the perspective of low income student. This is not an easy process.

It's, in a lot of ways, an intimidating and frightening process. It has huge financial implications. Maybe the biggest financial decision you make in your life, and then to say you now need to do it with less information on a compressed timeframe, it's bad. I mean, I feel like this is my end note on everything about this topic. It's bad and this is very bad, and we're very worried about it.

Justin Draeger:

Yeah, I agree, Jon. I think that's a really good summary of the bind that students find themselves in. Karen, I wonder if you could talk for just a second because as Jon mentioned, NASFAA, ACE, our admissions colleagues, several presidential associations, and can our college access friends and colleagues and partners joined in this effort urging schools to reexamine their enrollment scholarship, financial aid deadlines. For schools that can fill their class? There are schools out there that could have their class filled today. Talk to us about the implication. Why should they push their deadlines?

Karen McCarthy:

Yeah. I have had some conversations with schools who have said, "I don't think that my institution is going to move my deadline because some of the examples are we use the profile, so we have eight offers already out there. So for our applicants, there is no delay." They have eight offers. They have admissions decisions. Why shouldn't they be able to decide by May 1? And my response is, "Okay, well that is great from your perspective and thinking of your timelines, but from your applicant's perspective, what if they're applying to other institutions that are FAFSA only schools and they have no aid offer from those schools and they're not going to get it say until the last week in April. And now you've kept your May 1 deadline and they need time in order to compare their aid offers from your school and their FAFSA only school, and they have less than a week to do that because you haven't extended your deadline. So they have to tell you if they're coming or not."

So it's not about each individual school's process. If you think about it from the student perspective and the situations they might be in, in terms of when things are coming to them from schools that have different setups and resources and calendars and what they're doing, like the difficult decisions that some of those students may face and the limited timeframes that they have to make them.

Justin Draeger:

Right. I mean, I want to caveat this with two things. One is we are not going out and telling schools what they should move their deadlines to. We are not, in any way, trying to collude in any sort of way to say this is what every school should do for obvious reasons I hope. But we are asking schools to put themselves into the position of their applicant and recognizing that unless the applicant has signaled to you, which they only do in one way, which is usually through early decision. But unless they've signaled to you that you are the only school for them, that they are considering multiple schools, and at this point, they are not going to be able to consider all their options probably until we get past May 1.

And unless a school wants to fill, basically it's students with just basically people who can pay or full payers without considering all their options, it's all of us as a community deciding we're going to provide flexibility, whatever that flexibility is that you can provide on your own campus. So that's why so many of us got together on the association front to urge schools to examine their own flexibilities and why it was so broad.

Karen McCarthy:

You know what? One thing, I haven't really... I don't have any concrete thoughts on this. I don't know if you do, Jon. Is the topic of why do schools need to know by May 1 anyway? Why is it such a big deal for

them to extend their deadlines? Like everything that happens in terms of budgets and housing and all of that, why do they need to have their class set so early? Some people out in the public are kind of like, "Big deal. Can't somebody tell you July 15 that they're coming?" I don't know if that's something...

Justin Draeger:

Yeah.

Karen McCarthy:

Well-

Justin Draeger:

Go ahead. Go ahead, Jon [inaudible 00:30:24].

Jonathan Fansmith:

For a whole lot of reasons, right? I mean, it is not an understatement to say, or not an overstatement I should say, to say that these enrollment decisions drive pretty much everything in terms of campus operations. You, as an institution, start the entire process of your budgeting, your planning, your course scheduling, what faculty you retain based on who you have coming as students and who you have coming in in students is largely shaping terms of what kind of aid you have available to give them, what you've budgeted for those students, the size of your class, what kind of revenue you're generating out of an incoming class.

And if you don't have any way of knowing that until very... I mean, why can't you do it on July 15? Well, think about any organization you're working in. If you don't know your budget a month and a half before you kick off the key part of your operations where you're putting these students, who are you contracting with and at what rates to provide services? What level of services are you providing? Because you might not know how many students you have incoming. You might not know what revenue you have available to make investments. Everything keys off this. And what's more, it's not just this year. You enroll students regardless of your institution type. There are multiple years where that decision impacts the revenue, the operations, the planning.

Karen McCarthy:

Yeah, that's your class.

Jonathan Fansmith:

That's your class.

Karen McCarthy:

Transfer admissions happen, but yeah, that's your class and the same class is going to be there next year.

Jonathan Fansmith:

Yeah, right, exactly. It's not a little thing, and it's not a short-term thing. This may be a one-year problem in terms of getting all these FAFSA issues sorted out, but for the campuses, there will be lingering impacts of the decisions they're making now. And frankly, a lot of them are going to tie right back to the delays we're seeing from the department.

Justin Draeger:

And the public could be forgiven for thinking that higher ed in general is just flush with cash because the national press tends to focus on a very narrow set of institutions that do tend to have pretty healthy budgets and healthy endowments. But most of higher ed does not live in that universe. The large majority of higher ed is operating on slim margins from year to year where the class does make or break that institution's ability to employ faculty, administrative staff, and keep all the budgets in check to keep the lights on in a very real sense, just maintain operations of the institution. So it's a great point.

All right, let's keep moving here. I want to get through two more comments and then I want to do a summary of... Very high level summary of what happened on the Hill this week with the two bills. We're going to have to revisit those in a future episode, but let's get through two more comments. Maria, what do we got?

Maria Carrasco:

How can we help our US citizen students who have undocumented parents. They need FAFSA reports for scholarships. Will it work for them to send in a paper FAFSA? Will it be processed? Any and all ideas are helpful. We want them to have access to the same options as our students whose parents are citizens or permanent residents.

Justin Draeger:

So Karen, we also know that students with parents without social security numbers are having issues here. And we've heard that the FSA call center is advising some students to just complete a paper FAFSA. Can you, as concisely as possible, explain to us, is this the path forward right now? Paper FAFSAs?

Karen McCarthy:

Oh, you want a concise answer?

Justin Draeger:

Yeah.

Karen McCarthy:

I feel like...

Justin Draeger:

Well, I said as concise as possible.

Karen McCarthy:

Okay. Okay. I feel like there are no good answers here because there are so many unknowns. And so these folks right now cannot complete a FAFSA in any way as of February 1, and the FAFSA has been open for a month. And there is no timeline from the Department of Ed as to when this problem will be fixed. So if we knew, "Hey, they're installing a fix over this upcoming weekend, it should be working next week," I would say, "Hang on, you can fill out an online FAFSA next week." If they said it's going to be April 1, which they have not said, we have no idea to clarify. But if they said it was going to be a long time into the future, then you'd feel more comfortable sending people towards the paper FAFSA. But we don't know that so that is one of the unknowns.

And the other thing that is a really significant unknown is that once they start processing the online FAFSAs in the first half of March, in quotation marks, then they will subsequently start to process the paper FAFSAs that they've received. We do not know in terms of the subsequently, how long after they start processing online FAFSAs, are they going to process paper FAFSAs? There will be a little bit of a delay. How much is that delay and is that delay going to significantly impact applicants? We don't know. So that also makes it hard to determine. But what I have heard from some of the college access folks, which seemed reasonable to me, what they have been advising people is that if you, as a FAFSA applicant, do not have any looming priority deadlines hanging over your head in any way.

So say you are an incoming student, but you have decided you're going to go to your local community college, they are only awarding federal aid. There are no deadlines for federal aid and so it doesn't really matter when you file a FAFSA, as long as it's done before you start school. Then those folks may want to hang tight and hope that they fix these issues with FAFSA completion for them. However, if you are in a situation where you have some kind of priority deadline that is looming over your head, that is hinging on a FAFSA application date, then, at this point, if that is coming and there's a chance you're going to miss that deadline, then you may want to fill out a paper FAFSA and send that in.

Because when they receive your paper FAFSA, that will be considered your FAFSA application date. So none of this is great because I feel like it is kind of putting the onus on the student to track all these down and know does the FAFSA date matter for me or does it not matter for me? And making sure that they're filling out the paper FAFSA, which again, we all know takes a lot longer, is much longer than the online FAFSA. Mail it in, put a stamp on it, I don't know when the last time I did that was. Send it in and hope it gets logged in as being received. But that would be your application receipt date that's used going forward. So it's really challenging. There aren't a lot of good options. The workarounds aren't great here.

Justin Draeger:

All right. That was-

Karen McCarthy:

Concise?

Justin Draeger:

Concise. Well, as concise as possible. And you're right, no good options, but the advice they're getting is the best advice they have right now, and it's hard to wrap your mind around the fact that paper FAFSA might be the best option that they have.

Karen McCarthy:

Yeah, if you can't fill out a FAFSA right now and you have a deadline coming, what are you going to do?

Justin Draeger:

Yep.

Karen McCarthy:

Yeah.

Justin Draeger:

All right. I want to turn away from the FAFSA and then come back to one final comment. Okay. But Jon, I'm going to ask you, if you can, at a very high level, we're going to have to devote a future episode to these bills. And we have several deep dive articles that we'll put on the NASFAA website, Maria, that we can link to in the show notes. But give us an overview. We've got two competing visions that just sort of broke loose in the last two weeks on the Republican and Democratic side of the House Education Committee. What is going on and what are the visions for higher education?

Jonathan Fansmith:

What is going on? That's a great question. No, and they broke loose in the last two weeks. I think a lot of these things are things that, well, let me step back. So Virginia Foxx, Chairwoman of the Health Education Workforce Committee introduced her bill, the College Cost Reduction Access Act about two weeks ago, three weeks ago, and they marked it up yesterday, meaning they brought it before the committee and made changes to it, and ultimately, voted to move it forward. So the next step would be a vote among the full House. Day before the markup, her democratic counterpart, Bobby Scott from Virginia, introduced the Democrats response. I forget exactly what the title of the package was called, but seven bills that they, sorry, the Roadmap to College Student Success is some great notes prepared here by Maria. Thank you for that. It's seven bills. All of them have been introduced before.

All of them have introduced, I believe, in previous congresses. So nothing here is totally new, but there are two very, very different views of how the federal government should... Federal policies towards college financing, college should be reformed. And what's clear is that Chairwoman's Foxx's view is that really the federal role is ensuring that when students go to college, they graduate and enter into employment that is of a sufficient level to return whatever they borrowed or accessed to get to college. It is a very laser-like focus on the idea of evaluating individual programs, of setting the availability of aid, of determining who gets aid, determining what institutions might have to pay back to the federal government on this concept of how are their students doing, leaving the institution within a very short timeframe. Within really four years of leaving the institution for high level graduate students. Democrats approach are very different, very consistent with where they've been before.

It focuses on a lot of things about reducing what they see as the cost drivers in higher education, providing free community college. This is a big Biden administration initiative right from the beginning. Increasing the Pell Grant. There's other provisions in there around students with disabilities being better served, other things like that. It's a package of seven other bills very much focused on increasing the amount of aid that's available to students. A number of these things are things on the democratic side that we have supported at AC in the past on behalf of the community. There's things within the college Cost Reduction Access Act, the Republican version, that we thought were good. One of the things I know has been a priority for NASFAA too. It's giving schools some authority to limit borrowing by program type. That's included in there. They limit interest capitalization. They get rid of origination fees.

There are things in there that have been consistently things we want to do, and to their credit, they've listened and included those. But I think the two big things and the things we've heard the most about, one is this idea around cost of attendance. Cost of attendance no longer is set by the institution. It's no longer necessarily institution wide for undergraduate level programs, for instance. Instead, cost of attendance is now dictated by the program type. So you have... I always use example of my degree, a BA in history. You as an institution don't set the COA for your undergraduate students and you don't set it for your BA in history students. There is a median average of the BA in history of similar programs across the country, and that is the maximum amount you can use as cost of attendance. So every institution has the same COA for students who are in those programs.

There's a bunch of things about capping loans and things like that. But the other big piece is this resharing component, and we have heard various resharing proposals over the last decade. This is a concept that has some bipartisan interest, not necessarily agreement on this proposal, but the idea is simply this. If your students attend and after they leave your institution, they can't repay your loans, you're on the hook for some portion of that. Kind of complicated formula in this bill to do that. But the estimates the committee provided were somewhere in the nature of between \$2 and \$6 billion annually in risk sharing payments returned to the federal government. That's a lot of money by anyone's standards, but particularly... And we're running the numbers now to try and see what the individual impact on institutions would be of this proposal. But we've run the numbers on all the previous proposals that have been introduced, and there's one consistent theme. Won't shock people to hear that any risk sharing proposal tends to disproportionately hit institutions that enroll large numbers of low income students, large numbers of first gen students, large numbers of students of color.

And we also know that the institutions that disproportionately enroll those students tend to be the lowest resource institutions in our higher education landscape. So you're looking at putting the heaviest penalties on the schools who can least afford to pay those penalties. It's a system, no matter how you try to finesse it, that sets certain outcome standards that just predetermine where the penalties are going to hit in ways that are really problematic. So we will see where it goes. It passed the committee pure party line vote. There were some things in the markup that were positive.

They restored the Supplemental Educational Opportunity grant program that had been stripped out in the original version. But it's future, I think it's kind of safe to say it's uncertain, has no path forward in the Senate at this time. It's not clear, especially I think once members of Congress are hearing from their individual constituents about what this might do to their institution, that there'll be a lot of appetite to bring it to the floor in the house where I think the effective majority is about two votes right now. You can't really afford to lose people, and this is the kind of bill where you're probably going to lose a whole bunch of people. So it's pathway forward, not so clear, but it's a pretty distinct vision of what higher ed should be and what we should be focused on from Chairwoman Foxx.

Justin Draeger:

Stake is in the ground and so from here on out, we'll see... A lot of what can actually move forward will depend on future elections and how many caucus votes she can pull to her side, not just in the house, but then, of course, negotiations with the Senate. Thanks for that summary, Jon. We'll do, again, NASFAA has sent up a letter to the committee on this. People can read NASFAA's position. Jon, I know ACE sent up a community letter. Let's make sure we've put that in the show notes, Maria. Let's turn back to one final comment on the FAFSA. So I kind of want to end here. I think it's a good place to end for our community.

Maria Carrasco:

So Susan sent this message to us before the ISIR delay announcement. "The FAFSA rollout has clearly had issues, but all the negative talk about it makes it feel like we're heading towards a black hole. I like to think that there is a light at the end of the tunnel, and a big part of that light will be the students who benefit from these changes." Susan sent us a follow-up message the day the ISIR announcement was released. "I take back all my optimism from my last comment. Sigh." Aww.

Justin Draeger:

Okay. Yeah, Susan, don't give up. Don't give up, Susan, I appreciated both of your...

Jonathan Fansmith:

Susan's mistake was having optimism in the first place. That's why I avoid it like the plague.

Justin Draeger:

No, no, Jon, she's not here in the beltway where all optimism and light is crushed on a daily basis. No, Susan, I appreciated both notes, and I think it is important to sort of stay grounded. Tuesday, when the announcement landed, was not the day to be like, "It's okay." I'm a person who believes in sort of leaning into whatever you're feeling. Feel it. Ride the ride, man. It's okay. I'm for riding the ride of the emotions and just observing them from a nice sort of detached place for a minute and it's okay. Just let the feeling go and wash over you. But it did sort of raise a question.

I was somewhere weeks ago. Oh, it was actually at a conference in Puerto Rico, and I was listening to a presentation. I think I brought this up before where I was hearing an aid director speak to college presidents. And at that time, because of just the anticipation of everything going on with FAFSA reform, the aid director had said to these college presidents, "Please check on your financial aid office because they are not okay." Now, this was two months ago when schools thought they were getting ISIRs in January. So it did just sort of... I just want to collectively reach out through the void, and like Elmo on Twitter this last week, ask, are you all all right? Are we okay? And Karen, and Jon, and Maria, maybe briefly, what are you doing to stay grounded in all of this? Or just in general, what do you do? And you can... Whatever it is that you do. So Karen, what do you do?

Karen McCarthy:

What do I do to stay grounded? Are you looking for serious responses or... Yeah, clarifying questions. Okay. I will say-

Justin Draeger:

Well, I want a day where I can ask you a question and not have a question asked back at me. That's all I want.

Karen McCarthy:

I know. I know. You know, my husband says the same thing. You're not alone. All right. So first thing that pop... I really enjoy walking my dog. Yeah. I know it's a task and a chore for a lot of people, but I really look forward to it as a way to get out of the office, get outside, get some vitamin D, and yeah, just kind of pay attention. Everybody loves all their dogs, little mannerisms when they're walking, what they do, what they like, and everyone thinks their dog is the best and they all are. So yeah, I just like walking the dog.

Justin Draeger:

And you guys don't talk about the FAFSA when you're walking, right?

Karen McCarthy:

Right. I do. Have you ever, I know we are running out of time, but have you ever been caught talking to your dog when you're out on a walk, you're talking to your dog and you turn around and there's somebody?

Justin Draeger:

Yes.

Karen McCarthy:

Yes.

Justin Draeger:

Or turn a corner.

Karen McCarthy:

Yes.

Justin Draeger:

First of all, I not only talk to my dog, I'm an only child. I talk to myself. I talk out loud all the time. I speak out loud constantly, and it's not comfortable when I run into other people.

Jonathan Fansmith:

I might've even said this before, and I think you both know this. I work standing. I have a standing desk in my office. And when I am writing or working, I will often pace and talk through things with myself out loud. And very often people wander by my office and see me just walking in circles, talking out loud, and I can only imagine that they think that something has just happened that's the last straw that broke me. And there I am.

Justin Draeger:

Jon's muttering again in his office. Yeah, right. All right. How about you, Jon?

Jonathan Fansmith:

I'll say two things, right? One, really quickly. The thing about a week like this, I will say in doing the work we do is in some ways-

Karen McCarthy:

Oh, you're going to be all deep, aren't you?

Jonathan Fansmith:

No, no, no. Not super deep, but I promise not super deep. And my other one is about dogs.

Karen McCarthy:

Okay.

Jonathan Fansmith:

So not super deep. It's just that it is actually in some ways I have a harder time with the weeks where you're plotting through and trying to push the boulder up the hill and looking for incremental progress on things. Even when things are really bad, and really difficult, and really challenging, your days are long and crazy and super busy, at least you kind of feel like the work you're doing matters in a way and there's a direct impact on it, and you have a role to play in trying to make things better for students and

trying to make things better. So there's sort of like, in some ways, a bad situation can be kind of a healthy validator of why you spend your time working on this, which is nice for me.

But then I'll also say every day this week, we have a new puppy in my house, and oh man, I go right to the puppy when I get home. I love my wife and my kids. They're great, but they usually have a lot of things they need from me when I get home. As a puppy just wants to lick my face and be held or that's why I'm just going to spend 20 minutes just with this little monster jumping all over me and that's a nice little energy verse that kind of makes you feel like, okay, all right, everything's all right. Everything's fine.

Justin Draeger:

Right? Yeah, I can see that. Did you have a second thing or was...

Jonathan Fansmith:

Those were my two things. It's like the sense of purpose and then puppy.

Justin Draeger:

Oh, purpose and the puppy. I just heard puppy. Okay. Gotcha, gotcha.

Karen McCarthy:

Yeah. So Justin, are you going to share about your Guinea pig since we're talking about our pets? And it just kind of conveniently came up.

Justin Draeger:

Well, I will say, because like you Jon, I'm sure the NASFAA staff were working really long days and nights this last week as we were juggling all sorts of briefings, and press briefings, and calls, and keeping our members up to date and whatnot. So by day, I posted them talking tough to the department during the day. And at night, I posted a picture that my son had taken of my wife and I. I was holding our Guinea pig while my wife was trying to feed him with a drop-

Karen McCarthy:

Syringe.

Justin Draeger:

Yeah, syringe, because we're trying to nurse him back to health.

Jonathan Fansmith:

Aww.

Justin Draeger:

Which Karen and others have heard me complain about these damn Guinea pigs for five years now. Because in a moment of-

Jonathan Fansmith:

It's very sweet.

Karen McCarthy:

Far outside. Really [inaudible 00:51:35].

Justin Draeger:

In a moment of mental and emotional weakness, my wife and I decided to adopt Guinea pigs from the local shelter. I don't know what went wrong in our brains for that day, but we adopted them. We have a two-story house for them in the front room and an outdoor cottage for them in the backyard.

Jonathan Fansmith:

They're multiple property owners. I like that.

Justin Draeger:

Now I've spent... I've said I would never take them to the vet, and now I've spent money taking them to the vet, and now we're feeding them with droppers and it's like a whole thing. Anyway.

Karen McCarthy:

Slippery slope. Slippery slope.

Justin Draeger:

You're exactly right. It's a slippery slope. I'm also keeping in mind that in other countries, I'm pretty sure they raised these things to eat them. So I mean, there's a very mixed up thing going on in my home right now. But I will tell you, I do hear the connection to other animals, and I think there is a connection here, which is like I sort of feel in these sorts of weeks at NASFAA, I feel a little invigorated in these weeks because this is where the experience kicks in.

Jon, you've been doing this a long time. Karen, you've been doing this a long time. This is where the experience kicks in. The culmination of all the GR, comms, PR stuff we've done for a long time, it all kicks into gear. And this is when we show up for our members to help guide them through what is really a challenging time so we show up. But for me, the thing that I've tried to cultivate over the years is quieting the mind. So how do you turn it off so that it doesn't become all consuming? It's sort of like it can burn you up really quick too. So then it's how do you quiet the mind? So that's where it's the feel what you feel, feel the frustration, feel the whatever, but then quiet the mind. And whether it's the break by walking the dog, connecting with your new puppy, or for me, writing it down or just... I'm not into commercial mindfulness or whatever, but I do have a habit, a mindfulness habit that I've tried to cultivate over the years and it works.

I can just go back to breathing, just noticing my breath, and I can quiet the mind. And yeah, right now I can do it, man, and it's good. I'm there and I can just ride the emotion and just notice it detach, and that's what I'm feeling and I can just let that emotion go. So I know it sounds weird, I'm out of the sixties right now, but...

Jonathan Fansmith:

No, I mean, I will say so many people I know they teach it in schools. So many people I know have found it effective. So you don't sound weird at all, actually.

Justin Draeger:

They didn't teach it to Gen Xers, I'll tell you that.

Jonathan Fansmith:

No, no, no, no.

Justin Draeger:

In our, it was definitely like keep it to yourself and put on a smile.

Jonathan Fansmith:

Why do I have to hear that you were sad? That's not my [inaudible 00:54:34]. No, but I was just going to say, I found myself at one point this week at 2:30 in the morning checking my phone, and I was just like, "Why hasn't this person gotten back to me?" And I'm like, "Of course. Because they're a human being. Why would they have gotten back to me in the window of time since I last..." So I might be following up with you afterwards, Justin, for some mindfulness steps.

Justin Draeger:

Well, Jon, you are the first year or two of a new gig too, and that's a different pressure I'll say as well. So I want to acknowledge that. But was that person me, Jon?

Jonathan Fansmith:

It was not, Justin.

Justin Draeger:

Was it Joy?

Jonathan Fansmith:

I don't look for your communications.

Justin Draeger:

Yep. Just for the record, last night, Jon sent me a text and we was like, "Did you hear X, Y, Z?" And I was like, "No, what is it?" And then Jon just went MIA for like 20 minutes.

Jonathan Fansmith:

[inaudible 00:55:23]

Justin Draeger:

It was like 20 minutes. These are DC mind games if you don't know. This is the stuff we all do to each other inside D.C. I mean I do this too to people, Jon. It's well played. So then I had to go into mindfulness and then I let it go.

Jonathan Fansmith:

And then I got back to you.

Justin Draeger:

But by the way, Karen, by the way, two days ago was like, "Justin," it was 5:30. She's like, "Justin, I'm going to be offline from 5:30 to 7:30, so are you going to-

Karen McCarthy:

Offline. Really like, don't call me.

Justin Draeger:

This is exactly the sort of thing she was saying just like this. And I was like, I knew you were baiting me. Did you want me to ask what you were doing? I was like, "What does that mean off..." You emphasized it so much.

Karen McCarthy:

Yeah. Like will not have my phone. Well, just because if you really need to reach me, then you'll call.

Justin Draeger:

What the hell is this? What is this? Why are you saying it like this? I don't get... So anyway, I was like, all right, great. I'll call you at 7:31. I'll talk to you then. I mean that's...

Jonathan Fansmith:

Just know as soon as your moment's over Justin will be there.

Justin Draeger:

I'll set an alarm right now.

Karen McCarthy:

Also, that was also that I wasn't sure if you felt like you were going to need to talk to me before 7:30. I was trying to relieve some anticipated guilt while was out and about without my phone, I didn't want to be thinking, "Oh, Justin could be trying to reach me and my phone's at home."

Justin Draeger:

That's so sad. I feel bad for you that this is what you think about between the hours of 5:30 and 7:30. I feel bad for you.

Karen McCarthy:

That was the day of the announcement though so that was like crazy day.

Justin Draeger:

And you had something going on at 5:30 to 7:30.

Karen McCarthy:

Yeah, I did have a previous commitment.

Justin Draeger:

And still won't say what it is, but sure likes to talk about it.

Karen McCarthy:

No, we've talked about it before that I go hiking. It's at night. It's dark. There's people there.

Justin Draeger:

Oh, you were hiking?

Karen McCarthy:

Yes, yes.

Justin Draeger:

One time I did call her on a hike and she answered the phone. She's like, "What is it?" I'm like, "What the hell are you doing right now?" And she's like, "I'm hiking. What is it?" I'm like...

Jonathan Fansmith:

Why did you pick up the phone then?

Justin Draeger:

Yeah. I'm like, I'm glad you picked up. This is an emergency.

Karen McCarthy:

No, because...

Justin Draeger:

Did you get my email?

Karen McCarthy:

Because you had texted, "Can you talk?" Like it was one of those and so I don't know.

Justin Draeger:

I'm sure it was something really important. I can't remember what it was.

Karen McCarthy:

It was FAFSA related. I do remember that.

Justin Draeger:

I'm glad you picked up.

Karen McCarthy:

Because I got off the phone and my friends were like, "What's going on with the FAFSA?"

Justin Draeger:

Aww. They must think you work for a terrorist. I'm sorry. I'm sorry. Maria, did you want to share something? I'm sorry, I skipped over you.

Maria Carrasco:

We could skip me. It's fine. It's more like an hour. So what I do is I'm a big proponent of yoga and I've been doing yoga with Adrian's 30-day yoga challenge.

Karen McCarthy:

Oh, yeah.

Maria Carrasco:

Very good. I recommend.

Karen McCarthy:

Yeah, I've known several people who have done that.

Justin Draeger:

Adriene's very popular on YouTube and she probably is like a millionaire multiple times over. We prefer yoga with Cassandra at our house, but Adriene is also very popular. Good for you. I hope all of our members are doing well. Jon, I hope the college presidents are doing well and if you can put in a word for them to check on their aid administrators and directors, please do. Okay?

Jonathan Fansmith:

All right.

Justin Draeger:

I think they're doing okay, but...

Jonathan Fansmith:

I will pass that along. Although I don't think college presidents are doing great over the last few months either.

Justin Draeger:

Understood. To all of you out there. Thanks for doing what you do. We know this was a long episode. If you hung in there to the end, thank you and continue to subscribe. Remember to tell a friend. If you get a chance, rate us on your podcast of choice, but only if that rating is five out of five stars and we will talk to you again very soon.