

NASFAA's "Off the Cuff" Podcast – Episode 345 Transcript

OTC Inside The Beltway: Previewing the AHEAD Committee

Maria Carrasco:

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Melanie Storey:

Hello, hello, and welcome to "Off the Cuff" inside the Beltway. Welcome back, everyone. I'm Melanie Storey, President and CEO of NASFAA. I am joined today by Karen McCarthy. Hey, Karen, how you doing post-Thanksgiving, pre-holiday?

Karen McCarthy:

Yeah, we were chatting beforehand. I'm feeling a little under the weather after Thanksgiving, but I hope I can make it through without coughing at you all today.

Melanie Storey:

Well, take care of yourself. No worries if you do. Yeah, we were joking that we both have older kids now and you think about your kids bring home all their germs when they're little, but the truth is they just bring their germs home all the time.

Karen McCarthy:

Yeah.

Melanie Storey:

If you could leave those at school, I'd be okay.

Karen McCarthy:

Yeah.

Melanie Storey:

But yeah, it's always this is the time of year, but I hope you had a good holiday. I know you didn't even get the benefit of traveling and getting sick. You just had your daughter bring things home to us.

Karen McCarthy:

Yeah.

Melanie Storey:

I actually traveled to your hometown, it was very nice. Winter has descended on the Southeast. I don't love that part, but it was nice. And so yeah, now we have a couple of busy weeks before we slide into the holiday break. And we were kind of chatting before. I've seen a little bit of chatter that I would say

happy FSA conference week to those who celebrate, because this traditionally would have been the week, right after Thanksgiving, is when we all would have been traditionally traveling, or in the last few years tuning in virtually to the department's FSA training conference. Seeing some chatter that folks are missing it. And I get that, right? I think everyone appreciates hearing directly from the department.

There's a lot. Obviously, they're very busy. There's a lot happening. We'll talk about the NegReg that wrapped and the NegReg that's coming in a little bit. But yeah, I know the department has heard the community's desire to continue with an FSA conference. I know that there's interest in doing it. Hope will spring eternal, we'll keep watching. But yeah, it definitely feels like a little bit of a vacuum, given how much is going on and just that not an opportunity, even with prerecorded sessions, to hear from the department. But NASFAA is pushing along. I think folks know, please take a look at our leadership conference, of course, in February and we will be excited to greet everyone and welcome everyone back to Washington, or I like to say Washington adjacent, because we're at the National Harbor.

In the summertime, we're excited to celebrate our 60th anniversary with everyone. And Lord knows what will have happened between now and June of 2026. But we are definitely excited and looking forward to welcoming everyone to Washington. So yeah, we'll see. More to come certainly on all things, our ability to bring folks together. Coming back from the break, there's a bit of a flurry of publications from the department, but one that we have mentioned in previous Inside the Beltways that we were eagerly awaiting were the verification requirements for '26/'27. I don't know, Karen, you want to walk through a little bit what we saw there?

Karen McCarthy:

Yeah, I'm glad that we're circling back to this, because we did earlier mention how urgently we really needed the department to get out the '26/'27 verification requirements because everybody needs time to get these programmed into their systems, if there were changes to update communications to students. And since most schools complete verification before they send out an aid offer, they needed to have all those ducks in a row before the cycle can begin for '26/'27. And so this year was definitely delayed. They did release the EA, I think just prior to Thanksgiving, was it? Right around Thanksgiving, yeah.

Melanie Storey:

I think that's right.

Karen McCarthy:

Yeah. And thankfully, there were not any changes from last year so that is a relief in terms of new work that programmers would have to do and people writing communications to students and all of that, policies and procedures updating. So hopefully that is a relief to schools moving forward, so that train can start to move forward as we enter the '26/'27 awarding cycle.

Melanie Storey:

Yeah, that's great. We know that they were working on it and I think when we were in the appropriations shutdown, we were like, "Ooh." But they got it out of there as quickly as they could after they were all back. But yes, good news that there were not changes, and so no significant, hopefully, efforts to redo anything there. Good news. Next week, that's NegReg, what are we doing? What's coming up?

Karen McCarthy:

Yeah, there's a lot coming up in the NegReg space. Next week is the kickoff of the AHEAD Committee, which is an acronym for something, I'm not sure. I think of AHEAD as accountability, A and A.

Melanie Storey:

That is what it is, accountability and higher education and access through demand driven workforce-

Karen McCarthy:

Okay, okay.

Melanie Storey:

Washington can make anything into a tortured acronym.

Karen McCarthy:

Oh my gosh, yes. The three main, well, maybe four main topics that they'll be covering next week are, during this NegReg, I should say, the exact schedule still TBD. Workforce Pell, the kind of start of that big, big topic, the new accountability framework that was passed in the OB3 bill, related to that new accountability framework, they also have as an agenda item, "What are we doing with GE FET?" So they are going to be making decisions, those are kind of tied together. And then the other item that I did see on the agenda is the packaging item, packaging related item in OB3 that would prevent somebody who is receiving other aid all the way up to their cost of attendance from also receiving a Pell Grant. Seems very simple, very complicated in practice. So I don't want to diminish the importance of this topic on the agenda, because I think some people have forgotten that is on the agenda for the AHEAD committee.

They will have one week of negotiations next week, and then their second week will be in early January. And they will ultimately will follow the same pattern as the RISE committee. They will ultimately vote on consensus and then move forward through the standard regulatory process within NPRM and final rules. Their goal typically is to get issue papers posted a week prior to negotiation, so we're within that week. We've been checking religiously for both the final list of negotiators to be posted and all of the issue papers, because that will let you know the starting point for negotiations from the department's perspective. Those hopefully will be posted by the time this recording goes live. They will be up there and available for everybody to take a look at.

Melanie Storey:

Yeah, thanks, Karen. Yeah, we're always eagerly awaiting the papers. It is sort of the opening salvo of the negotiations, if you will. We're always trying to track who has been selected as negotiators. That also has not yet been published, which is not uncommon, but a number of folks have kind of self-identified. They've either kind of posted something on their website or put out a press release, there's various things. Interestingly, we have noted that a couple of the institutional negotiators, these are the folks that would represent an institutional constituency, are not folks who are at an institution.

They are folks who have, they're either with firms or consultants or other. They have relationships with one or more institutions. I don't want to diminish that they certainly have knowledge of the issues, but it's quite unusual. I don't know that I've seen this before, but I haven't kind of dug into it, but it's unusual to not have someone who is a practitioner, like someone who's actually employed by an individual institution as the negotiator. So, just a interesting quirk, I guess, of this.

Karen McCarthy:

Yeah. And there's that on top of, as a reminder, there is not an FAA seat at the table either. So we're always really interested to learn who the school negotiators are because those are the people who we'll try to work with if there are any concerning issues that come up during negotiation, so we're interested in seeing that full and final list.

Melanie Storey:

Exactly. And we'll work with anyone and everyone, right?

Karen McCarthy:

Yeah.

Melanie Storey:

But a couple of the issues that you highlighted, particularly GEFVT and the accountability stuff, but surely this packaging piece around Pell and COA, right? It can be a very in the weeds sort of, here are all the various scenarios that could play out and how to address those, that we certainly want to try to make sure that we can get an FAA voice or work with folks to make sure that there's a full understanding of what sounds fairly simple, is really as always, it's quite complex, right?

The devil is always in the details and so that, yeah, it'll be interesting. We also, I don't know if you want to say a little bit, we're hearing a little bit about they may be organizing their negotiations a little differently. Like I said, we haven't seen the papers, we haven't seen the protocols, we haven't seen... We expect all of that to be out any minute, but potentially maybe a little unusual in how they're going to address these individual issues.

Karen McCarthy:

Yeah, so typically what happens is the items that are on their tentative agenda, the committee will vote on the final agenda the first session, but the items that are already out there that they want to negotiate, they will post all of their issue papers before the first session for all of those agenda items. And then they will kind of schedule at the first session, "We're going to devote this amount of time to this topic," and kind of go from there. But you have all of the issue papers upfront.

And what we had heard is that for this session, they may be considering covering Workforce Pell only in the first session. So we may only see that issue paper for session one and then the subsequent sessions, they will discuss the other topics and we won't see those issue papers until much later. So it is a little bit of a different approach that I don't know if they landed on that in the end and that is what we will see, but we did hear that they are considering that approach.

Melanie Storey:

Yeah. I mean, there's a lot of work that has to go into these papers and kind of where the department... So I want to be mindful of that. They have had to sprint since they're back from the shutdown, so I definitely respect how much has to go into that. The hard part about that though, is the spirit of the two sessions is sort of, you kind of go through all of the issues. There's an ability for the negotiators to reach out to their constituencies to email and text and try to get input, but there's usually that window kind of between the two sessions where they can also go back and have more robust conversations if there's something particularly sticky or whatever, just as you're kind of going through it.

And so to try to start and conclude something as important as Workforce Pell and potentially complicated as Workforce Pell in one session might limit the ability to kind of really consult with your

constituency, make sure that we've kind of got everything, we've raised all the issues, that we've aired the concerns. Of course, this is just kind of things we're picking up. They could come out with all the papers and huzzah. That's fine. It's always, this is another version of reading the tea leaves and trying to understand.

Karen McCarthy:

Yeah. I mean, and that's why it was originally designed in that way with the one, two, originally there were three sessions.

Melanie Storey:

Right.

Karen McCarthy:

Excuse me, and was so that the negotiators could go back home literally and figuratively to their constituencies between the sessions and gather feedback and questions, come to the next session with all of their follow-ups and, "Oh, I heard this, this might be an unintended consequence we need to work through." So you want them to be able to have that opportunity. And even if they do just do Workforce Pell during this first week, we don't know.

There are several ways they could approach it and they could ask for a vote on Workforce Pell at the end of week one, in which case they would lose that opportunity to go back home and gather any kind of lingering issues. Or they could say, "Okay, we'll stop the discussion for now. Next session we're going to start with accountability." But then they'll revisit Workforce Pell before they do a final vote. You don't know how they'll set up the voting either.

Melanie Storey:

Right. And a lot of this gets hashed out in that first day, next Monday-

Karen McCarthy:

Yep.

Melanie Storey:

When they'll go through that process. But not that we get a vote, but I do think that they would hold off until the second session for however they organize the votes, that will give all of the constituencies a little bit of time to just kind of check in on the details. Because like you said, it moves pretty quickly. It moves quickly and slowly. NegReg is such a funny, you're so in the minutia, it can feel like paint drying.

But also, you're covering a lot of ground. And so more hands, more minds helps identify some of those unintended consequences or things that maybe not everybody, or someone at the table, just isn't in their wheelhouse. So hopefully however they organize the votes, it will give the negotiators time in between sessions to do some consultation and raise any issues. That is the way to a better proposed rule.

Karen McCarthy:

Right.

Melanie Storey:

That's the way that we can streamline and be closer to where we need to be at the end of the day. I'm certain that there's a desire to kind of start landing on things, but having to revisit things is always more difficult and more painful and just delays all of the implementation parts. And so, anyway, it'll be interesting to watch day one, how they approach this.

Karen McCarthy:

Yeah, and think of being the negotiator at the table, representing a constituency. There's no expectation that that person know everything and think of everything on the spot. It's a very challenging position to be in, so we want them to have that opportunity to collect feedback from their constituency group.

Melanie Storey:

Agreed. And they're long days. They can do some work at night, but you're in the seat for a whole day and then you spend your nights reviewing revised proposals, reaching out to people. It is a very intensive time, both for the department and for the negotiators. It's a big responsibility, it's serious work. So yes, more to come on that in the days ahead. We will eagerly be looking for the papers, looking for information. And of course, always follow Today's News. We'll always keep everybody posted in TM. We got a couple of other things coming up though, just to highlight for folks. Some webinars and work that we will be doing to kind of keep folks informed.

Importantly, we're recording on Wednesday, so tomorrow, Thursday, December 4th at 2:00 PM Eastern. We will be doing a webinar, which will be kind of the takeaways from the first committee, the RISE committee. Don't ask me what that one stands for anymore, I don't remember. I've already moved it out of my head. So yeah, just an opportunity for folks to hear a little bit more about where we landed, where they landed and what we expect coming out of what we'll call the loan committee on all of the limits, repayments, definitions. And there's still-

Karen McCarthy:

Yeah, and I think on that RISE webinar, since it will have already happened by the time this goes live, NASFAA members can still register and watch the recording. So if you happen to miss it, you can go out once that recording is available and watch it again.

Melanie Storey:

Thanks, Karen. See, the time hopping lost me on that.

Karen McCarthy:

I know, yeah.

Melanie Storey:

I was like, "Wait, are we posting tomorrow or next week?"

Karen McCarthy:

Yes.

Melanie Storey:

But on Friday. And then kind of a broader interest, all things higher ed policy or financial aid policy, we are also doing a policy webinar coming up on December 17th. And so that will be with the full policy

team, I presume, and covering a whole breadth of issues. Before folks start leaving campuses and turning their attention to the holiday break, I hope everyone will join us for the policy webinar on the 17th. A couple of helpful webinars coming up or you can look at and review, but some other resources we have available. Karen?

Karen McCarthy:

Yeah. We just this week, I believe, again, time and when things happen, rolled out our new OB3 web center where we are compiling and we'll be moving forward, providing all of the tools and resources and training and all of that related to OB3. And most of the information on the web center is open to the public. The site for that is NASFAA.org/OB3, and we'll put that in the show notes. But definitely check it out. We'll have slideshows from the presentation that we're doing the webinar tomorrow. We have some flow charts, some summary articles right now, and we'll be continuing to populate that all the way up through the implementation next summer.

Melanie Storey:

Great. So yeah, we'll keep everything out there, try to keep everyone up to date. As I mentioned, once we are full into the AHEAD committee, follow Today's News, there will be summaries and updates around what is happening.

Karen McCarthy:

Yes.

Melanie Storey:

But I think that's what we have for today. So thanks everyone for joining, thanks for joining "Off the Cuff" Inside the Beltway. I hope everyone has a relaxing couple of weeks while they will be informative and busy before we are all able to take a little time for the holidays. Thanks much.

Karen McCarthy:

Yes, happy holidays.

Maria Carrasco:

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