

NASFAA's "Off the Cuff" Podcast – Episode 351 Transcript

OTC AskRegs Experts: Debriefing Data Analyses of OBBBA's New Accountability Metrics

Tim Maggio:

Hello everyone. Welcome back to another episode of Off the Cuff. I'm Tim with NASFAA's communications team.

Jill Desjean:

I'm Jill Desjean. I'm with NASFAA's policy team.

Sarah Austin:

I'm Sarah Austin, also with the policy team.

Tim Maggio:

Awesome. Hey, Jill. Hey, Sarah. I just learned before we hit record that I'm allowed to say whatever I want on this episode. Thanks, Jill, for that permission. So, I have some fun planned for us. Before we get into the weeds of things today, we're going to be talking about OB3, One Big Beautiful Bill Act, but some accountability frameworks, is that what I gather?

Jill Desjean:

And data related to such?

Tim Maggio:

Okay. All right. Data related to such. You heard it here first. So, Jill, Sarah, this is our last Off the Cuff together, so I thought I'd make it special. So, for those out there, I am going to be on the show next week, too, but I am unfortunately, my time at NASFAA is done at the end of this month, and I'll be starting with Navy Federal Credit Union on March 2nd in their education lending team, but it's not about me. So, what we're going to talk about is some drama between me and Jill again, because we saw each other at leadership conference, and the first thing when I walk or log into this Riverside podcast is, "Do we see each other this week?" Anything you want, any response?

Sarah Austin:

I'm sorry.

Tim Maggio:

Those five minutes meant everything to me that we saw each other.

Jill Desjean:

I saw a lot of people, and I did remember once you reminded me, I could probably provide some quotes from our conversation if necessary, but I did briefly forget that I did see you two days ago. That's pretty typical for me. You can ask Sarah, stuff doesn't stick.

Tim Maggio:

So, I'm not upset. I'm just hurt. That's something my mom would say to me.

Jill Desjean:

He was not mad, disappointed.

Tim Maggio:

But this leads into the question that I all gave you about 30 minutes before we started recording this because the night before I saw Jill, we were out doing some karaoke with about a hundred other financial aid professionals having a great time. And the other drama pieces, Jill told me she never wants to do karaoke with me.

Just kidding. She didn't say that. Just not as late as we were out that night.

Sarah Austin:

I was just about to say, I feel like this has come up before at National Conference and if it was at 8:00 PM, that's the absolute latest, but I swear last time, it was like you knew you were going to be out till midnight or later and I was like that. No way. I can't hang.

Tim Maggio:

I need an afternoon tea karaoke party for everybody.

Sarah Austin:

Jill, we need a 3:00 PM karaoke.

Tim Maggio:

Right after your third cup of coffee, okay. All right. So, what I prepped you for is what's your karaoke song, Jill, Sarah?

Jill Desjean:

Yeah. So, I don't have one because I'm not a karaoke person, but what would it be? It's not like I've ever actually done karaoke and whatever, sing anything in front of other people, but I guess not true. I'm going to tell you, there is a song that I don't know what it is, it's not my favorite song, but it is a song that when I'm with my best friend, we see this band a lot and when the song comes on, we go crazy. We've known each other since high school and we just felt that the song to the extent that the last time we saw this band and they sang it, the guy next to us was like, "I don't think there's anyone on this planet who likes that song as much as you two ladies do." We were like, yeah, that's probably true. It's Miles Away by Winger. Super random, but man, we love to sing that song together.

Tim Maggio:

I love it. Joy in all forms. How about you, Sarah?

Sarah Austin:

Okay, so my response that I always give people, which is true-ish, is What's Up by 4 Non Blondes because it's like a great song, good karaoke song, people know the words they can sing along. That's my normal response. But my true response is the Elephant Love Medley in Moulin Rouge, which if anyone's a Moulin Rouge movie fan, there's a song that's an Elephant Love Medley, but it's all these love songs all mashed up together. It's like a 10-minute song, but it's in the movie.

Tim Maggio:

[inaudible 00:04:31].

Sarah Austin:

It's Ewan McGregor and Nicole Kidman, like guy and girl, and they're both singing back and forth to each other. And as the younger sibling, I was always the man in the songs. If we were singing a Disney Aladdin song, I'm Aladdin, my sister got to be Jasmine because I'm the younger sibling, that's just always how it had to be. So, I'm the man in the song, but my sister and I have sang this song since it came out. We were children and we sing it like we are performing it on Broadway. That is how we do it, not in front of anyone. We've never performed this in front of, well, I take that back, this is a side story, but when my daughter was two weeks old, my sister came to visit and helped me with the baby. And one night, very late at night, I probably hadn't slept in two weeks. We started singing this and just decided to belt out the entire thing and my husband secretly recorded it all, and we did not know. He's the only person that's ever seen us perform this, but he did record it.

So, now, I guess it lives somewhere out there, but as far as I know, no one else has ever seen it. But that's my real answer. That's what I would see. But I'd have to be the male part because that's-

Tim Maggio:

So, I have a new goal, to find that video. Got it.

Sarah Austin:

A new goal for you to learn Nicole Kidman's part, and then we can duet.

Tim Maggio:

You know that I'll do that. The other thing that's fun about karaoke, and I love to talk with Maria about this is because Maria, I don't know if you want to share your karaoke song if you have it off the top of your head, but Maria is an avid karaoke person, which I don't know, it surprised me, but yeah, she is. You want to tell us?

Maria Carrasco:

Yeah, I'll share. I'll share with the class. I really like You Oughta Know by Alanis Morissette. I think her vocal, I don't know, she has a specific way of singing that I think makes really fun for karaoke and everyone knows that song. So, I think that's my pick.

Tim Maggio:

Great choice. Mine is either Mr. Brightside by The Killers or A Bar Song by Shaboozey. I'm a crowd pleaser. I'm a performer, so yeah. So, I do have a goal though, for anyone who ever goes to a financial aid conference, you always should find a karaoke spot and go have a ton of fun. So, if you see me there, let's do it. But I know we got to talk about things, but I have one more thing I want to do with you, we're going to take this segment from NPR that's probably... NPR's probably glad I'm going to stop stealing segments from them, but this is called, it's from Wild Card with Rachel Martin. So, Jill, I have a question for you. It's random, card one, two, or three. So, you got to pick one, two, or three?

Jill Desjean:

Three.

Tim Maggio:

Three. Okay. If you could give every, no, actually, what is one piece of financial aid jargon that you wish we could delete from the English language forever because it's just too hard to explain?

Jill Desjean:

I don't know. God, it could be the new loan limits, the limited exception provisions. Oh, it could be the new schedule of reductions for less than full-time study. My go-to's always R2T4. But yeah, no, I think I'm going to go with a new schedule of reductions for less than full-time study. That is the most complicated thing I can think of.

Tim Maggio:

Okay. And Sarah, one, two, or three?

Jill Desjean:

Two.

Tim Maggio:

If we could host a NASFAA conference anywhere in the world, regardless of budget, where are we going and what is the theme of your keynote speech?

Sarah Austin:

Hawaii is my choice and it's probably because it's February and I live in the Pacific Northwest and I need to be in Hawaii right now. So, that's my choice. But the theme, I don't know what my theme would be, something uplifting, something positive. We have too much negative stuff going on right now. We just need some light.

Tim Maggio:

Some happiness.

Sarah Austin:

Happiness, sunshine, beach, all of that.

Tim Maggio:

Okay. All right, well, I'll stop playing around and we can get into the content there. So, we're going to be talking about some stuff that you wrote with Charlotte. Jill, do you want to give us the background of what we're getting ourselves into here?

Jill Desjean:

Yeah, sure. I wanted to give some people some background on Charlotte. I don't think a lot of people at NASFAA know her. I feel like NASFAA, there's a couple of faces in NASFAA. Tim is one. There are some others who are out there all the time, and that's like the tip of the NASFAA iceberg. And there's all these other people who do all this great work and don't really get a lot of attention from our members because they don't know who they are. So, Charlotte's our Director of Research and Grants and she is responsible for every survey that you get from NASFAA. So, you have her to think every time you see a

survey in your mailbox, but she helps our team a lot with our data requests as well. So, whenever you see data cited in our TN articles or webinars or reports, testimony, odds are good. Charlotte had a hand in that.

So, after the AHEAD Neg Reg Committee wrapped up in their second week where they covered the accountability provisions of the OB3, we knew the big things our members would want to know is, will any of my programs fail? Which ones, if any of them would? And we also figured some would be interested in which types of programs fail, more like trends because, of course, that could inform how to design a new program or redesign an existing program that might be a higher risk of failing this accountability standard. So, we pulled in Charlotte and we said, "How can we help to sort through? Do we need to do our own data analysis or can we sift through some of the data analyses that people have already done to figure out basically which programs might fail, might pass, and identify any trends?"

Tim Maggio:

Okay. Yeah, that's awesome and good insight because really any problem that we have here at NASFAA, we tend to be like, "How can we pull Charlotte into this?" She really does help us out a little bit. So, what did you all find out?

Jill Desjean:

Yeah, so the good news was we learned that several data analyses had already been performed, so it took us off the hook. We didn't have to do anything. So, instead of reinventing the wheel, duplicating work someone had already done, we decided to just provide our members with this quick-ish summary of a few of the data analyses that were out there so they could find the one that was going to be of the most used to them because in the spirit of not recreating the wheel, people all took their own special focus. And so, we wanted to be able to say, "Maybe for your population, don't waste your time with this one. This one might be most helpful to you." That kind of thing.

Tim Maggio:

Okay. So, efficient use of our resources and members' time. So, when you were looking at all this data analysis, these different reports, were they different or were they all pretty much the same? What did you find in that analysis?

Jill Desjean:

Yeah, so we looked at four different analyses. We started with the Department of Education's own data that they shared with negotiators in January before Neg Reg started. And the idea was that this data would help to inform the negotiators to make their decisions, to be able to see what the current landscape looks like, so that when they're making decisions, they go back to that data and say, "Oh, okay, if we do A, B, and C, these programs will fail. If we do it a different way, different programs wouldn't fail," kind of thing.

So, that includes all the information that any institution would need to be able to see, would my program in X pass or fail? And this is the new earnings premium metric. It also includes information past data on whether programs would have failed under the Gainful Employment and Financial Value Transparency Regulations. So, you can compare, not just would my programs fail under this new earnings premium metric, but does that match what it would've been under the old framework or would it be different? Downsides of this data source, it's a little bit hard to read. The departments, their column titles are things like there's ones Fail_OBBB_SIP2_Wage B.

When Charlotte and I started looking at the columns were like, "So, what does that mean?" They did provide a handy dandy data dictionary so you can go back and look and figure stuff out, but it's hard to read. It's definitely for real data nerds, which I am not. And I think a lot of some of our financially professionals are, but not all of them are. So, you might find it a little bit tricky. I definitely think the department's data source is really good if you are one of those data nerds and you want the raw data file that you can then take and manipulate and play around with because it is an Excel format, so it's something that's really easy to manipulate and everything else, but might be a little bit too much for a lot of people's purposes. So, then we looked at one that was done by Robert Kelchen who was a professor at the University of Tennessee in Knoxville. A lot of our members probably know who he is. He does a lot of work in the higher ed space and especially on this accountability stuff.

He used the department's raw data file, but he made something that's a lot more user-friendly. He renames the columns. So, instead of that underscore OBB, blah, blah, whatever it says, would fail earnings threshold. So, that's what you wanted to know and that's what that is. You don't need any data dictionary to read this. He also added to the department's data, really, to me, some very helpful columns. He added a column for how many programs at an institution fail. So, you can see not just, do I have any programs that fail, but how many total fail? And that could possibly give you a little bit of a peek into whether institution could be in trouble in terms of getting to that potential loss of all Title IV eligibility if more than half of your students or half of your dollars came from failing Title IV programs.

So, that was really helpful. And then he also included in their loan volume for each program, so you could see if a program is failing, how many students were borrowers in that program and what was the loan volumes that you could anticipate what your school's potential loss of direct loan volume would be if that program ultimately lost eligibility. He also provides some high level findings on his blog where that data sits. So, on just high level what programs fail. So, if anyone's interested in trend data, you can get that from there, as well.

From there, we looked at a third analysis. This is from the HEA group. They're a higher education consulting firm and like Dr. Kelchen's, it contains a data set and some analysis on which programs fail. It's actually two separate data sets. So, he does one for undergraduate degree programs, one for undergrad certificates. So, they're not combined. It's two separate data sets. There's no data for grad prof programs. So, this would not be very helpful if you have only, or even if you have some grad prof programs that you're interested in looking at, the Kelchen one would be better for you in that point from that point of view, but this could be helpful to schools that only have undergraduate programs.

And finally, we have an analysis from the Urban Institute, which does not include any data about which programs pass or fail because that wasn't what they were trying to do. They actually did this prior to the start of Neg Reg and it was really meant to inform the Neg Reg process. It was saying there are going to be decision points during Neg Reg that will impact certain things, and here's what we want to talk about. And it's specifically about the small program size issue. So, this is something that always bubbles up whenever any new accountability standard comes up or any other measurement, there's always a requirement that you have at least 30 completers in a program for these accountability standards. This is required by the law, it's required by the regulations just to avoid the possibility that individual data could somehow be identified.

The problem is that there are many programs out there that do not have 30 completers in a year, and so the department always has to do this thing called a roll up where they have to, they take that one single year of people with X completers and then they have to add onto that to get up to 30, but it still has to be program specific, so you can't just start throwing random people in there. And so, this roll up involves looking back to prior years and then also potentially expanding out to higher CIP code levels so that

you're going from a very specific chemical engineering degree to more broad engineering to more broad whatever. I'm just throwing that out there, but the idea of similar fields but not the exact same program. And so, this paper was about presenting how different decision points that might get made during Neg Reg could impact how many programs actually become subject to this new accountability rule because if you are not rolling up enough people, you'll exclude more programs from this accountability standard. So, this is really for people who are really into the policy itself and what goes into making a policy versus what's coming out of the policy, which the other ones are about.

Tim Maggio:

Gotcha. So, when looking at these, so if some of our members go out there and decide to a look at any of these and they're digging into the data, is there things that they should keep in mind? Is this something that most of our members, they could maybe clean some type of use out in their work or yes, no, maybe?

Jill Desjean:

Yeah, I think higher, the senior level administrators in the financial aid office, I know not everyone in the financial aid office really, this is not part of your day-to-day. You're not deciding which programs your institution offers. You're not deciding how much to charge and how much students might borrow. You're just helping those students to get through those programs. But some of our senior level administrators are actually at the table when people on campus are talking about which programs to offer or redesigning programs. And so, it's good to have this background to be able to walk in and say trend stuff for sure. Someone's looking to start a new program and you can say 40% of programs in this field are failing this new accountability metric. We need to be super intentional about how we design this to make sure that it's a program that is sustainable and will last, that won't get shut down for failing the standard, that kind of thing.

So, yeah, so I think for senior level financial aid people, definitely useful. I think for anyone in financial aid, interesting just to learn more about it. And yeah, we're not recommending or promoting any of these data analyses. We were happy to see that so many were out there because it saved us a lot of work. But we're just trying to help our members sift through what's out there because what we were hearing was just like, "Where do we even start? Really?" A lot of people are just like, "Do I have any programs that fail? Can anyone tell me that?" And of course, we can't tell you that right now because all of this data analysis is based on not the actual data that will go into the earnings premium metric calculation. It's older because it's the most recent data the department had and the department did make a few minor tweaks during Neg Reg, nothing significant that should really change whether programs are pass or fail.

But I think that this could still be helpful to schools to just look at, even just to look at the median earnings of their completers and see how they compare to the thresholds. Those are both separate columns in a lot of these analyses. So, even separate from the pass fail, you can see who's on the cusp, as well, and I think that could be really helpful to know not just which programs would almost certainly fail, but which programs are teetering over the edge that you need to be looking at.

Tim Maggio:

Okay. And if anyone out there was trying to busily write down what are these analyses or whatnot, we'll make sure that we put the article in the show notes. And within that article, I believe we have links to each of those analyses for you all to be able to find. So, don't feel like you have to find those by yourself.

So, Sarah, we're moving on to OB3 or OBBA or I think I even heard recently somebody call it OBBA. So, what are we chatting about?

Sarah Austin:

Yes, there's a lot of names for it and we're not say OBBA. No one's going to say that. But there is another, I know Karen talked about on the last podcast that there is another name that some congress people are calling it, so we did add that to our web center. So, if anyone's confused on what we're talking about on all these different terms, they're all on there. But yes, so I wanted to talk about some of the resources that we have put out recently regarding OB3. We do have an OB3 web center, if you're not familiar with that on the NASFAA site. It has more than just these resources. It has all of our news coverage from Negotiated Rulemaking sessions, other news coverage since this was signed into law last summer, we have a bunch of AskRegs Q and As that are related to this and I know our members are finding super helpful.

We have the actual regulatory text, so you can see the actual text, the regulations there. We also have links to two webinars that we did after each of the negotiated rulemaking sessions, so the Rise, Neg Reg, and then the AHEAD. So, some webinars that summarize those. So, a lot of super helpful things on the web center. But what I wanted to focus on today are these member resources that we've been putting together on the policy team. And there's really quite a few things on there already, and there's actually more to come, as well. So, there are some charts, some flow charts. I know we've already talked about how much NASFAA loves a flow chart, so we have a lot of flow charts on there. We have some leadership briefs, which are one-page documents that we hope you would find helpful to give to senior leadership on your campus that maybe gives an overview of the different provisions.

We have one on loans, one on the accountability provisions, those things, but more of high level, not quite into all the details. And then we have some checklists that you also can use as you're thinking about the implementation of all of these. So, like I said, there's still a lot more to come. We're working on them as we speak. So, keep an eye on today's news as we're putting more things onto that web center. But I did want to make sure that everyone knows that web center exists and knows what is on there for them.

Tim Maggio:

Yeah, no, that web center is definitely a lifesaver, especially when people come to ask me questions and I'm not as brilliant as the policy team. I can go there and be like, we can find the answer together. But the leadership brief in particular, it reminds me of the hill visits that our members just did at the leadership conference. If you're at an executive team meeting or something like that, maybe you don't go over the brief in the meeting, but if you have space, maybe leave it on their desk as a leave away. Maybe they'll have some time to read it, tell them, "Hey, if you got five minutes, check out what's going on in this arena."

And I know the AskRegs, in particular, we had some people come up to the table at leadership because program of study is something that people are still trying to remember because that had changed a couple of times. And that AskRegs we have out there for that one specifically is super helpful. So, if that's you, go read the AskRegs. But with that being said, are there any other resources that you want to highlight today, Sarah?

Sarah Austin:

Yeah, so I wanted to just kind of go over a couple of the more recent ones we put out there. I know last time I was on Off the Cuff, I talked about that flow chart for the can't get Pell if your non-federal aid is

over COA. So, we've already walked through that one, but I wanted to highlight a few that have come out since then. And the first one being there is a student loan repayment plan options chart. And so, these are the repayment plan options that are available as of July 1st, 2026. So, this is a table and basically just goes through if you had loans before July 1, 2026 or if you had loans after or both, what repayment plan options are available to you? And then also based on those repayment plan options, do you have things like TSLF available, time-based loan forgiveness or cancellation? So, it goes through the different scenarios, but it's in table form. And this is actually a perfect example, Tim, that you were just saying that you even refer to our web center.

This is the thing that was created because I kept trying to refer to something like this. On all these, a lot of reporter calls, they would ask me a question and in my head I'm like, "Oh, my gosh. What options are available to that specific demographic of borrowers?" And I'm looking it up. And so, I finally just made myself this very down and dirty chart of the different options that I would never publish for anyone. And then it was like, "Wait, if I'm looking for this constantly, maybe we should actually have a resource for our members also." So, that's where this came from. But it's I think very helpful to just be able to quickly glance and be like, "Okay, I have a new parent borrower, never borrowed loans before, but they're going to borrow next year. What are the loan repayment options available to them?" So, that's what this chart is. So, check it out if you have not seen it already. We put it out, gosh, within the last couple of weeks.

Tim Maggio:

Okay. And with OB3, we're pretty much done at this point. We don't have more resources. There's nothing new, right?

Sarah Austin:

Totally done. We figured everything out. Everyone is good. Yeah, no, I would say this is the start. We have put out, looking at the web center, I think we've put out, I don't know, 10 or so resources already. And this is really just the start. And also, I will say there is a disclaimer on every single one of these resources at the bottom that says, this information is based on Neg Reg. We had consensus at both Negotiated Rulemaking sessions. And so, this is based on that consensus language. But of course, subject should change on any final rules. We do not anticipate major changes. But I just want to put that out there that you'll see that on the bottom of every single one of these resources that this is based on the information we have right now and we will, of course, update all of these if anything changes.

Tim Maggio:

Okay, this is super helpful, and again, we'll make sure all of this is linked in the program note or the show notes. Anything else, Jill, Sarah, that you want to highlight for our members before we end here today?

Sarah Austin:

I will just point out that we have another, if you're looking on the center and you see the chart that I just mentioned, but then you also see a flow chart about repayment plan options, you might be like, "What? Why are there two of these things?" They are, in essence, the same information. However, what Jill and I realized is that people may want one format depending on the situation or just because your brain works a certain way. Because when Jill and I were discussing these resources, we were like, "Oh, do we really need two?" And I was thinking, "No, we just need the table." And Jill was thinking, "No, we just need the flow chart." And we immediately were like, oh, okay. So, on this call of two people, we both

want different things. So, chances are out there in our membership, people will want different things, as well.

So, while the information is generally the same, it's about which loan repayment plan options are available to certain categories of borrowers. One is a flow chart so you can look at a specific situation, see what's available to them. The other is in a table. And I will say the one thing that if you have not been paying very close attention to these new repayment plan options that I just want to highlight is when looking at parent PLUS borrowers after July 1, 2026, so anyone with new loans after that point, there is no TSLF or time-based loan forgiveness repayment plan option. And I just want to make sure everyone knows that because that was something that flew by without a lot of talk and I think is actually a very big deal.

So, I want people to realize that with parent PLUS borrowers, because the only eligible repayment plan for them after July 1, 2026, if they have any new loans on or after July 1, 2026, the only plan available to them is this new tiered standard plan, which is not eligible for TSLF or any time-based loan forgiveness. So, if there's one thing I can say when you're looking at those to really pay attention to, it's that.

Tim Maggio:

Okay, thank you, Sarah. I will say I don't remember being on that call [inaudible 00:29:12], if you want to make my third option, I don't know it would be, but I want my own option. But no, jokes aside, thank you both so much for creating all these resources. Head out to that OB3 web center. It's going to keep being updated as we continue to learn more and then also learn what you need at your campus to be helpful. So, continue to monitor that and thanks to the policy and training team for putting all that together. That's all we have for today's Off the Cuff, and we'll see you next week.