

# NASFAA's "Off the Cuff" Podcast – Episode 288 Transcript

## OTC From the Field: Let's Dig Through Some FAFSA Data

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.

Bill DeBaun:

And I'm Bill DeBaun, senior director from the National College Attainment Network.

Justin Draeger:

Glad to have you with us, Bill. We're going to dive into some FAFSA numbers. You are the power and brains behind the FAFSA tracker that NCAN does we rely on every year to help us figure out who's filling out the FAFSA, how many people, and that helps our institutions on the NASFAA side to figure out how many FAFSAs might be coming on. This year will be more important than ever.

Before you were joining, Bill, Karen and I were just talking. We take various meetings throughout the day. Karen, I know. I can always tell when you don't want to talk about something just by the face that you're making, but I was on a call this morning and someone was advocating with me, not one of our members I should point out. This was not a NASFAA member, but someone was advocating with me and it was one of those meetings, it was going to be a short meeting, and I wasn't sure whether they wanted feedback on what they were telling me. Some of the stuff they were saying was like, "Should I tell them the stuff they're asking for is impossible or should I just take out my pen and take notes?" Do you ever have those meetings, Karen?

Karen McCarthy:

I do.

Justin Draeger:

And how many of those meetings are with me?

Karen McCarthy:

No, I don't think... You don't... Well-

Justin Draeger:

I don't ask for the impossible?

Karen McCarthy:

No, I feel more freedom to say, "Justin, that's impossible."

Bill DeBaun:

It sounds like the difference between these things is like aha versus aha.

Justin Draeger:

Oh, so you convey your feelings via verbal cues.

Bill DeBaun:

Well, that's one way I would say. Yeah, sure.

Karen McCarthy:

I do sometimes have meetings where, as they're talking, I'm like, "So what do I think that they want me to do here? Are they-"

Justin Draeger:

Are they wanting affirmation or they just want me to write furiously, or do they want me to tell them why this is not possible to do?

Karen McCarthy:

Yeah. Am I just listening? Are they wanting me to commit to doing something or am I just taking this back and okay, thanks for your thoughts? Sometimes I do kind of have that.

Justin Draeger:

I sometimes do that with lawmakers or their staff too, where they're conveying information and I'm like, "There's just no possible way. What they're conveying to me can be anywhere in the realm of reality." With NASFAA members, I always feel like I want to owe them context and explanation like, "Well, here's why this might work or that might not work." This morning I just had a meeting where it was like clearly they just wanted to, this was a one-way street, so I just got the old pen out. It was virtual, so I made sure they saw the pen and I made sure they saw I was writing down and for 15 minutes I just took notes. And afterwards I was, "Thank you so much. Very helpful." But it wasn't, I don't know how much of it was helpful.

Karen McCarthy:

And you didn't commit to anything.

Justin Draeger:

To think about it.

Karen McCarthy:

Okay.

Justin Draeger:

Which I did. I thought about it right after the meeting. So yeah, that was helpful. Bill, you are at NCAN and tell us a little bit, I mean I think most people, most of NASFAA's members know who NCAN is, but give us a little bit about NCAN and your mission, and you specifically the FAFSA Tracker. Just tell us

briefly what it is. And then I want to dive right into the numbers and talk about what you all are seeing. So a little bit about NCAN.

Bill DeBaun:

Sure. So first of all, just thank you for NASFAA's partnership, especially this year, but just in general all been tremendous partners to NCAN and I hope that we return that favor consistently. NCAN, we are a about 500-member organization based here in Washington, D.C., and our members are a real melting pot, but they are committed to expanding post-secondary access and attainment outcomes for students across the United States. My role as senior director of data and strategic initiatives, I do a lot of connecting the dots between different kinds of stakeholders, making sure that people in different states know what is going on in terms of policy and practice.

And the data part of my job often shows up in the FASFA Tracker, so this is an interactive dashboard where we take publicly available high school FAFSA completion data from the Department of Education and we transform it into something that you can engage with at the national state and local levels. So we've been doing this for seven years. It gives us really good insights into the FAFSA completion trends for high school seniors specifically, and unfortunately with the pandemic and also with the better FAFSA rollout, we have no kind of normal FAFSA trend. I mean, it feels like there's always something every year that shifts the lines one way or the other, but given that we do have a longitudinal look at this, it can be very valuable to understand, are we going to catch up with last year, for example, where are we relative to previous years?

Justin Draeger:

Well, that's really helpful and we watch this very closely, and I imagine all of NCAN members out in the states watch this very closely because they can see like, "Are we on track with this year versus previous years?" And this year of course is, everything's thrown a little bit into flux, but if you were to try to distill for us the headlines, the 1, 2, 3 points about where we are, just based on the data points that have just now come to light that you're compiling and publishing, what are the headlines?

Bill DeBaun:

Yeah. Right now the class of 2024 is substantially behind last year, and that shouldn't be a huge surprise. The class of 2023 had a huge headstart. I mean, we are on a three-month delay for seniors to complete the FAFSA, and so should we be surprised that there's a lag here for the class of 2024? We should not. I'm surprised at the magnitude of that lag. Right now through February 9th, high school seniors have submitted, we don't have completion data as we all know, but we have submission data and high school seniors have submitted about 45% fewer FAFSAs this academic year than through February 9th of last year. That's about a 19 percentage point gap in the national FAFSA submission rate.

And we look at June 30th as a big milestone for FAFSA completion because we think that beyond that June 30th date, it's unlikely that students will get support from schools after that point. I mean, some schools have summer support, although kind of thing, but in general. And so the challenge here is that we've pushed the starting line back three months. We have the same finish line. Students' families are looking at the same finish line. The fall semester is not going to start November 1st, so we really are pressed up against it.

I've been getting asked a lot about, "Well, where are we through six weeks of last cycle?" And that's a little bit better. If we look at week six to week six, this year, seniors are up about 4.5%. That's encouraging, but we need that number to get much bigger, much faster if we're going to close the gap to the class of 2023 and get back to FAFSA completion outcomes from last year.

Justin Draeger:

So this is where I get into the apples versus oranges a little bit. So we started later, so you'd expect to see a lag, but not the 20% gap that you just said. We're down 45%.

Bill DeBaun:

And that gap has been closing. I mean, it went from 77% to 65%, to 56%, to 49%, and now 45%. We are closing that gap slowly, but minus 45% is way bigger than anything I've seen since I've been doing the Tracker.

Justin Draeger:

Let's get to the why. Do you think that it's closing because high school FAFSA nights are now ramping up? Is it because everybody was delaying or do you think there's a real messaging issue or that students and parents aren't internalizing or maybe they're internalizing too much the FAFSA issues and rollout challenges?

Bill DeBaun:

I think part of it is some of the early kinks are getting worked out and as advocates. And counselors are getting more comfortable with the new better FAFSA process, efficiency is probably increasing. We're probably seeing more FAFSA night pieces that are also contributors. I would say though that if I had to guess, the bad news and the bad PR around the launch might have put some students and families off and said, "Look, I'm just going to wait until it works." Maybe they had a bad experience and it didn't go so well the first couple of weeks. They said, "I'm going to put this off. I don't have a priority deadline. There's no reason for me to rush on this. I'll try again later." Well, maybe we have more people trying again later.

Karen McCarthy:

Yeah.

Justin Draeger:

So there's a potential we'll catch up, but there's enough here to be concerned that we have students that just might potentially give up and maybe even more acutely missed deadlines because deadlines have been pushed, but they're not pushed indefinitely.

Bill DeBaun:

Yeah, that's right. I mean, I'm really concerned. I ran the numbers last week and for where we are in terms of the percent of seniors submitting, to get to last year's FAFSA completion rate, we have to have about one and a half percentage points of the senior class completing every week from now until June 30th. The number of weeks where we hit that 1.5 Percentage point benchmark after week six last cycle, was one week and it was the week of California's priority deadline. So we need to get a lot more juice into the system. We need a lot more momentum here.

And my experience is that as fast cycles go on, we lose momentum. I mean, the class of 2021 picked up momentum because the vaccine came out and students started realizing, "Okay, the fall semester will be more normal." And so they switched back to going back to a college going pathway. That's the only place where I've really seen a FAFSA cycle make up a lot of ground as it goes on. I'm not saying it isn't possible. I mean, we have practitioners prepared all of 2023 to be ready for this moment, really did the

work, financial aid administrators, college access advisors, school counselors. But the finish line is still pretty set, so I am really concerned. I'm not here to hand-wave awakened concerns about this FAFSA cycle.

Justin Draeger:

Let's talk for just a second where we are today and some of the gains that you're seeing, and then I want to circle back around to what we can all be doing to sort of perhaps put our shoulder to the wheel here on FAFSA completion. But if I'm an institution, I'm thinking about when ISIRs are going to start being delivered to institutions, these FAFSA applicants processed and delivered in the first half of March. I guess I wouldn't be thinking about this the way I might've been thinking about this in past years. So if by March at my institution I usually have X number of ISIRs, this year it would be potentially significantly less, right?

Bill DeBaun:

Yeah, that's right.

Justin Draeger:

And so as an institution, there is no way right now, Karen, for schools to know how many ISIRs are going to be coming their direction. That's not published information. There's nothing from the department on this.

Karen McCarthy:

No, we did put in a request for the department if there was any way that schools could learn that ahead of time, but no information as of now.

Justin Draeger:

Okay. So I guess I'm just saying that if a school is out there trying to plan their workload, we've already talked about the fact in previous episodes that one, it's going to be batched. And now two, if we're looking at Bill's numbers, just the sheer number of FAFSAs would be potentially significantly less. As those start to roll out, how will an institution know when they've topped out or that they've received a certain percentage? Will an institution have any indication? Do we have an answer on that, Karen?

Karen McCarthy:

No, we do not. Although I did hear from FSA that because there have been so many questions about this initial release of the backed up ISIRs, that they do plan to put out some type of document in writing ahead of time that explains exactly what will be happening and when it will be happening because there are so many unknowns there, which is great and we're very supportive of rather than the, "Let's just open the faucet and stuff just starts flowing out to schools," everybody wants to know ahead of time so that they can plan. And they did say that they're working on that.

Bill DeBaun:

Can I just add one thing? This might be a little bit of a bank shot for institutions, but they can look at the high school level FAFSA completion data. And if they have a good sense of what their feeder pattern is in terms of high schools, they can certainly pull that subsample. That is a blunt instrument, but a fair amount of institutions are getting quite local matriculation consistently year after year. So those could

at least give you some kind of canary about how are my feeder high schools doing in terms of FAFSA submission right now? It's a blunt instrument, it's a bank shot, it's also what we have right now.

Justin Draeger:

Yeah. And if you've got some IR, Institutional Research capacity on campus, you can also do process of elimination here. You can also compare it to your admissions' data, you can compare it to your renewal FAFSAs, and you can look at your feeder schools as Bill just suggested, and try to piecemeal together where your FAFSAs are relative to your various populations. All right, Bill, you said earlier you're not going to wave off FAFSA concerns. I want to know on a scale of one to 10 here, how concerned are you about these FAFSA completion rates today?

Bill DeBaun:

On a scale of one to 10, probably an eight or a nine.

Justin Draeger:

And not being hyperbolic, but that sounds like very concerned.

Bill DeBaun:

No, I was running the tracker for the class of 2020 and 2021. I was using adjectives like apocalyptic that had much smaller decreases in percent change than we are seeing right now. I would love four months from now to look back on this podcast and have fingers pointed at me saying that I was being hyperbolic, that I was doing the Chicken Little thing. That'd be great. That would mean that we wound up in a place that is positive or at least within a stone's throw of the class of 2023. That would be a really good outcome for me. So yeah, I have really big concerns, and mostly it's because of looking at previous trends and just the anomaly would be to see a FAFSA completion curve slope upward as steeply as needed to for as sustained a time as we need it to.

Justin Draeger:

Let's talk about then and wrap up on what we can all be doing. And since the primary listeners of this podcast, we have listeners in all different professions, but primarily we're talking to institutions here, what sort of things can schools be doing, whether it's in partnership with college access professionals or on their own, to be sort of putting their shoulder to the wheel and giving some of the affirmative messaging to students that, "This is going to get worked out. It's challenging, but we're going to get this worked out. You're going to get your financial aid, we're going to make sure that you are able to attend come this summer and fall."

Bill DeBaun:

Yeah, I think there is a little bit of tell them what you're going to tell them. Tell them and tell them what you told them here. I mean, students and families are going to need to hear repeatedly this spring one, that if they tried the FAFSA and it didn't work for them in January, it probably wasn't their fault. They didn't do anything wrong and it's worth going back. That they shouldn't let some technical issues derail whatever post-secondary aspirations they have is one.

I think the other piece that we need to lift up is that we're talking about expanding Pell Grant eligibility and increasing Pell Grant awards for eligible students in a lot of cases. We're talking about increasing student and family purchasing power with federal financial aid and often state financial aid for college.

That's great. I think the third piece that is a valuable message is for the students for whom this is working, we hear qualitatively that it's working quite well. I mean, I feel a lot of requests where people are like, "Wait, I think I did it wrong. It said that I had already submitted it." It's like, "No, no, no, you probably did." I mean, this was supposed to be the better FAFSA for a reason. This was supposed to be a much easier, much more streamlined process.

And so NCAN has a whole bevy of social media outreach kind of tools that are available for members and non-members alike. We have toolkits for high schools. We've been doing training, my colleague Morley Keller has been just doing training left and right for months and months and months so that people feel prepared to do this with students and families. So there are resources out there and our hope is that people will take advantage of them, get back on the FAFSA completion plans that they would've had for previous years, adjust the timelines, and that we can do some catch up this spring. It's really too important for us not to do that.

Justin Draeger:

Couldn't agree more. No, couldn't agree more, Bill. And there's a sort of trying to reinforce two things here. When the FAFSA isn't going well, we have to sort of speak publicly about that to continue public pressure on our federal colleagues to keep up the work and get the fixes done as soon as possible. At the same time, we don't want that to ward off students and parents from completing what it really is a better FAFSA.

When our federal colleagues came and visited our leadership conference and walk through some of the challenges, we reported out on this in our newsletter, but reported out some of the challenges, one of the things they saw that was adding a little bit of time to people completing the average amount of time that people were taking to complete the FAFSA, it was because they were completing it in at such a rapid pace, they were clicking backwards to say, "Did I actually answer all the questions correctly?" Because it was going so quickly. For those who are completing it is a faster process, there is a promise of increased aid on the other side of this for many students and families. And schools, we want to make sure that we're giving that affirming message that we're going to help them through this.

Bill DeBaun from the National College Attainment Network, big thank you to you, Bill, and all your colleagues over at NCAN. You guys are great partners and we're so happy to be in this boat rowing with you as we get to the other side of this better FAFSA. Thanks for joining us.

Bill DeBaun:

Thanks for having me. I am an avid OTC listener, so this is a real bucket list experience for me. I really appreciate it.

Justin Draeger:

Oh, is that right?

Bill DeBaun:

That's right.

Justin Draeger:

Maria, let's make sure we get Bill some swag on the other side of this episode.

Bill DeBaun:

Oh, wow.

Justin Draeger:

We've got really good swag this year.

Bill DeBaun:

Okay.

Justin Draeger:

Bookmarks and stickers, so make sure-

Bill DeBaun:

Oh, I'm totally sold.

Karen McCarthy:

It's better than that.

Justin Draeger:

We actually do have some good swag this year. We will send you some, Bill, and you'll have to support it and send it into our social media.

Bill DeBaun:

Okay, that sounds good. Well, can I just put in a plug for, it's ncanfafsatracker.org, all one word. If you or your audience want to go and listen to it, update it every Friday. And if you have questions or concerns or you need something pulled out specifically, please don't hesitate to email me. I'd love to dive into this data.

Justin Draeger:

That's great. And we'll make sure we put that link and the other link if you'll send us the link to the other resources, let's put all that in our show notes so people can reference it there.

Bill DeBaun:

Sure.

Justin Draeger:

Okay. Thanks, Bill. Appreciate it.

Bill DeBaun:

Sounds good. Thank you all. Bye.

Karen McCarthy:

Thanks, Bill.

Justin Draeger:



All right. Karen, let's talk. We've got a couple other FAFSA things I want to talk about in this episode and I also want to talk about some GE financial value transparency reporting stuff that came out this week. This last week, the Department of Education made good maybe on its promise to deliver some test ISIRs. I know you've been talking to a lot of NASFAA members about the test ISIRs that were released last Friday. Why don't you catch us up on what was promised and what was delivered and what are our members saying about it?

Karen McCarthy:

Yeah. So at our leadership conference earlier this month, the department did say that they plan to release approximately a hundred test ISIR records within two weeks of that date earlier this month. They did caveat it a little bit by saying that those 100 records would likely be released again in batches. We're talking a lot about batches these days. That they would not have a hundred ready to go, but they will have some. And everybody said, "Great, send us what you have. We need something. Right now we're operating with only three test records, so we need more." So they did release those on Friday, this past Friday, which was within the two-week period of time. The records that they released were a total of eight records. And so that was, I would say a lower number than most people were hoping for.

Justin Draeger:

Eight is less than a hundred.

Karen McCarthy:

Yes. And people had the batches in their mind. I'm not sure that they were thinking that it could possibly be single-digit batches. But yeah, we got eight. And the other piece that we got a lot of feedback on is that the test records were hand-created by FSA. They were not system-generated.

Justin Draeger:

I see.

Karen McCarthy:

So for that reason they didn't have the maximum amount of utility, I will say, by schools. So some schools said, "These are a little helpful." There were some schools that said, "I can't really do much of anything with these eight records." So based on the feedback that we got from institutions, we were planning on raising this issue with FSA, they were also apparently had the sense of either they anticipated what the reaction was going to be or if they were getting direct reports of feedback because I brought up the subject, "Hey, can we talk about the release of the test ISIRs?" And they completely preempted me and said, "We know it's insufficient, we know there aren't enough, we know that schools need system-generated ISIRs."

They basically made all my points before I even was able to bring them up. So they did say that they are working on releasing a larger volume of system-generated test records for schools. The last time I checked with them at the end of last week, they did not have a date available for that. And as it's February, today's the 22nd. So we're running out of time really before schools get the actual ISIRs for the test records for them to even have time to be able to use them and test their systems.

Justin Draeger:

And of course you say running out of time, the time being that we are still expecting ISIRs to be processed in that first or second week of March. So at some point the ISIRs will be processed and whether they have test ISIRs or not, this is all in anticipation of those student information records arriving on campus.

Karen McCarthy:

Yeah. The other bit of feedback that is still a little bit up in the air that we have raised with the department is that there were multiple requests from schools to somehow be able to get the records through the new SAIG mailbox that they had to set up. So they'll be getting these new records through this newly created mailbox. And as of right now, everybody is wondering, "Is my mailbox going to work? I don't know. Can they send me something through the mailbox box?"

And we do know that FSA based on that feedback is exploring if there might be the opportunity for them to drop just an empty file in there so the school can see, "Yes, I can see it, I can retrieve it. Okay, we know that the process is working as it should," but they haven't made any promises or commitments there. They thought that was a worthwhile idea for them to consider and they were taking that back.

Justin Draeger:

Okay. So a lot more testing could and should be done. The department is aware of these issues, they have promised to take some sort of action, but we don't have any timeline, which isn't super helpful, but we can say that they are aware of the issues. All right. And we did get a lot of feedback from NASFAA members on the test ISIRs and their encouragement, if I'm going to put a positive spin on this, for the department to do more here.

Karen McCarthy:

Right.

Justin Draeger:

Okay, let's move to FAFSA contributors without social security numbers because obviously we've been talking about this issue for months now. This has been a lingering issue and we have been pushing on the Department of Education to not only solve the issue but attach a timeline to it. When will this issue be solved? Because right now these folks have not been able to get in and actually complete and online FAFSA. So some news coming out of the Department of Education this week, both in terms of, I say this with a bit of a question mark, Karen, interim solution and a timeline for a final resolution. So catch us up here.

Karen McCarthy:

Yeah, I think that obviously the big problem that they're trying to solve is the big problem, is getting these people to be able to complete a FAFSA. It has dragged on, it sounds like, longer than they had hoped and planned for and any of us had. And the longer it goes, the bigger problem it is because of the deadline issue and when people need to be able to complete FAFSAs. And that right now these folks can't do it at all. So they did announce that they expect the permanent solution to roll out in the first half of March, so there's a lot going on in the first half of March. And I wouldn't call this thing an interim solution. It's more like-

Justin Draeger:

What would you call it?

Karen McCarthy:

Maybe a workaround.

Justin Draeger:

Because it's not an interim solution because they actually don't want people to use it if they can avoid it, right?

Karen McCarthy:

Yeah, they are encouraging people who do not have any looming deadlines, FAFSA completion deadlines, to wait if they can for the permanent fix in the first part of March and then file an online FAFSA like everybody else is able to.

Justin Draeger:

Right now, these folks have had to complete a paper FAFSA. The problem with the paper FAFSA is those will be the last in line to be processed when the department is processing FAFSAs and generating ISIRs. So we need a different solution to that. So now they've come up with, what did you say? You don't want to call it an interim, you did call it? A workaround?

Karen McCarthy:

No, it is interim, but you called it an interim solution. I was like, "I would not call it a solution."

Justin Draeger:

So you were saying I was being too generous with the solution?

Karen McCarthy:

Yes. I call it a workaround, which implies not ideal and a lot of work.

Justin Draeger:

Okay. The interim workaround is only for people who must file because they must meet some sort of deadline, but ideally we want to wait for this permanent fix that will be in the first half of March because at that point they'll be able to just log on and complete a real online FAFSA supposedly.

Karen McCarthy:

Yeah. And the reason, anybody can file a paper FAFSA and as the department is receiving paper FAFSAs, they do timestamp them. And when they are processed, that timestamp will show as the application receipt date. The problem, well, there's two problems. One is that the paper FAFSAs will be processed at some unknown date after the online FAFSAs start to be processed. We don't know how long that delay will be. And the other thing is that when somebody mails in a paper FAFSA right now, they're being logged, like timestamped, but they're not being processed in any way. So the applicant doesn't get that email confirmation that they have filed like the online people do.

And so if that applicant, that paper filer needs to show documentation to somebody, some kind of aid provider, that they actually did submit a paper FAFSA, they don't have anything because they're not

getting those email confirmations. So this interim workaround, although it does involve a lot of work and multiple entries, and all that-

Justin Draeger:

And this is on the work.

Karen McCarthy:

Yes.

Justin Draeger:

Yes. Because I read through the process when they released it. It's a burdensome process and confusing.

Karen McCarthy:

And I feel like, well, okay, I've got a couple of thoughts on that, but if you jump through the hoops, you will get an email confirmation that has a date on it. So the applicant then has some kind of documentation that they did file a FAFSA on this particular date.

Justin Draeger:

Has the department confirmed that they're going to process FAFSAs in the order that they receive them?

Karen McCarthy:

The paper FAFSAs?

Justin Draeger:

No, the online FAFSAs. I didn't know that was confirmed just yet. Are we making an assumption here or is that confirmed?

Karen McCarthy:

They did at one point say that they were probably going to do, they called it first in, first out.

Justin Draeger:

Oh, okay.

Karen McCarthy:

But I would expect to see that when they released this public release of what they're doing.

Justin Draeger:

So that's our expectation, but that hasn't been confirmed in writing.

Karen McCarthy:

Right.

Justin Draeger:

Okay. I know that they had confirmed that it'll be on a student-by-student basis, so all schools listed by a student will all get a student's record at the same time, but I didn't know that they had confirmed that it'll be a first in, first out.

Karen McCarthy:

Yeah, I think that was a verbal response provided at the leadership conference.

Justin Draeger:

Okay. Gotcha.

Karen McCarthy:

But somebody asked a question and they said, "This is what our plan is." But nothing official.

Justin Draeger:

All right. Any other thoughts on this work?

Karen McCarthy:

Yeah. I will say a lot of, I don't know if you have noticed this, Justin, but with this whole FAFSA delay, it's really been an opportunity. I'm trying to be generous. It's been an opportunity to explain to people outside of our little bubble of expertise how all this goes down.

Justin Draeger:

Like how it works?

Karen McCarthy:

Yes. Behind the curtain, how it all works. And the fact that I feel like our folks, when they look at those nine steps that somebody has to go through, they understand that it is a lot of work for the applicants to do all of this just to get something going so they have this documentation, but the steps all make sense to them. They understand what it means when a FAFSA is rejected, what they're going to get. They understand then what will happen later, what the applicant has to do, the notifications that the applicant will get, how the school knows that it's a rejected FAFSA and the reason code that they...

So none of that part of it is new and different. We've had rejected FAFSAs forever, but people outside of our world, they're like, "What are you talking about? What's a rejected FAFSA?" And then, I mean, I actually heard somebody outside of our bubble say, "Can we not use the word reject? Can we not tell people that their FAFSA has been rejected?" And it just really made me think because that's our lingo, that's not the messaging that goes out to the applicants at all.

Justin Draeger:

Right, this is inside baseball.

Karen McCarthy:

Yeah. And it really kind of struck me how for our people, we don't have to explain these steps at all to our people, but I've had a lot of people who work more on the student side say, "You got to tell me here what's happening? What is it happening? How do they fix it?"

Justin Draeger:

We're not trying to be insensitive by saying that your FAFSA has been rejected.

Karen McCarthy:

Right.

Justin Draeger:

This is an actual process and that FAFSA has a reject code. It's nothing personal about that FAFSA.

Karen McCarthy:

Yeah. And we don't tell the applicant, "Your FAFSA has been rejected." That's not the wording that comes to them. It tells them that they need to make corrections.

Justin Draeger:

That's the wording I'd use with my own kids, but I would never use that with other people's kids obviously, or applicants. But yes, go ahead.

Karen McCarthy:

Yeah. So yeah, that just kind of struck me about some of the questions I was hearing people ask versus our folks who are like, "Okay, yeah [inaudible 00:33:39]."

Justin Draeger:

Well, there is sort of a, as we've talked about, yes, Karen, I do recognize this because even as we've been, you and I and others on the team have been briefing a lot of other groups who aren't as familiar with this process, other associations, even tangential to higher ed, not in higher ed necessarily, and folks aren't even recognizing that there are federal database matches that are happening on the backend. Folks don't even recognize that there's a different process between when you file a FAFSA and it going to the school. I think people have thought that this happens instantaneously, and so I've even had to stop in presentations and realize, "Oh, these folks don't even recognize that there's literally 20 things that are happening between the time a student logs into the system and a school actually gets an ISIR." These things are so disparate and have become so seamless for end users that people don't even recognize all the stuff happening on the backend.

Karen McCarthy:

Yeah. Right.

Justin Draeger:

All right. Let's put a pin in the FAFSA stuff for a moment because I do want to highlight one other thing that happened this last week, which was in the federal register, there was a publication about gainful employment and financial value transparency reporting. On Wednesday, they announced that this was the beginning of another 60-day comment period for reporting requirements. And I want us to be clear about what was actually published, what can schools do with it, and what we expect to happen now over the next several months. So Karen, catch us up. What was actually published on Wednesday?

Karen McCarthy:

Yeah, on Wednesday. So this is a procedural statutory requirement that because this is a new information collection that they'll be doing, schools will have to be reporting in new information that they did not have to do in the past. They have to jump through all of these hoops regarding public comment. So this is the first 60-day public comment period, and what they have released are basically the items that the institutions will be required to report in. Starting right now, the deadline is July 31st, so there's annual, there's reporting fields related to the academic programs, and then there are reporting fields related to individual students. And it is basically just letting people know what's going to be requested and allowing folks to submit public comments if they wish.

Justin Draeger:

Did it actually contain the elements that would help with schools start preparing for gainful employment reporting?

Karen McCarthy:

I guess I would say they are identified. So I do think it is with not a lot of detail. So I think it's worth it for schools to take a look at it and especially have the folks who are gathering this information, depending on if that's your institutional research folks, take a look at it, because they will probably have a lot of questions because they work in that world about, "So do you think it's this, do they mean this or do they mean that?" And those are the types of questions that can be submitted through the public comment process.

Justin Draeger:

Let me just say a couple things about gainful employment and financial value transparency as reminders to folks. So if I'm sitting in a financial aid office right now, a couple of things come to mind. One is, as a reminder, NASFAA back in December did ask the Department of Education to delay financial value, transparency, and GE reporting without delaying any of the deadlines of when they would take effect, which wouldn't be until July 2026. So we asked for an extension beyond July 2024 for reporting purposes.

Obviously, I can't speak for the Department of Education, but we did repeat that. We've repeated that message multiple times, including when the secretary was at our conference, our leadership conference earlier this month. And I feel confident that they have received that message that we don't want to be spending our remaining months between March and July distracted on reporting when we should be now spending it in a compressed timeframe on issuing eight offers and getting students packaged. And I think that message has been received by the Department of Education.

So I guess I don't want to say I'm feeling too bullish on whether that deadline will be moved, but I'm feeling optimistic that the message has been received. So we're still waiting for a word from the Department of Education on this, but I did want to point out our advocacy on this issue and my hope that we'll see some leeway granted on those reporting deadlines.

Karen McCarthy:

Yeah. And I think, Justin, I had somebody ask me, since they put this out for public comment, what do we think that means for the prospects of them delaying that reporting deadline? Since they're moving forward with this, does that mean that they aren't planning on delaying? And I don't think it means that at all, because as I said, they have to do this public comment. Eventually this is going to happen, so they have to do the public comment period. They have a 60-day public comment period right now. That deadline is April 22nd, and then they have to review and respond to all the comments in the next 30-day

public comment period. So that April 22nd, if you assume they get the 30-day out at the beginning of May, now we're into the beginning of June for that 30-day comment period.

And so we're getting closer and closer to, I mean, I'm sure that they are doing work even while the public comment period is going on, but we're getting closer and closer to those July dates.

Justin Draeger:

And we'll obviously review what's in the federal register and examine whether we need to offer public comment because this is still our window to say something doesn't make sense. The other thing I would just say, Karen, you said give this to your institutional research folks, and I just want to plus one that and say that if I'm at an institution, I would just look for opportunities in the financial aid office to say to your dean or your provost or your college president, that even though this is a Title IV requirement, I don't know that it should be an automatic given that this ought to live in as a responsibility of the financial aid office.

Ultimately, gainful employment and financial value transparency is trying to answer two questions, which is what is the value of a specific program of study? That is, have students borrowed too much debt in a specific program, or are they better off in a program if they had just gone to high school in terms of earnings? This is about whether a program is paying off for students. And I don't know that anybody who's in charge of academics at an institution would say, "Oh, you know who should figure out whether a program is valuable to students? The financial aid office."

This is something we talked about at the board, at the NASFA board meeting in December. I think if a financial aid office can sort of frame it that way, yes, it's a part of Title IV compliance, but I don't know that the financial aid office should necessarily quote, unquote, "own" this issue and this comment period is an opportunity, a touch point for the aid office to say, "This came out and here's an opportunity for this to be a campus-wide or maybe academics or institutional research to take lead." Flaggging it. Here it is. Who should own this? Because this ultimately comes down to academic integrity and value.

Karen McCarthy:

Hey, Justin, I had one other thing I wanted to-

Justin Draeger:

Yes, please do.

Karen McCarthy:

Yeah. I was looking for something else in the final rules that when they came out back in October, and I was doing this, looking this morning and came across in the preamble discussion, I was looking at folks' comments about the reporting requirements and the deadlines that were in the proposed rules. And in that preamble discussion, the department responded to some concerns about the reporting deadline. The department will provide institutions with guidance and training on the new reporting requirements, provide a format for reporting, and enable our systems to accept reporting from institutions beginning several months prior to the July 31st, 2024 deadline, so that institutions have sufficient time to submit their data for the first reporting period.

Justin Draeger:

Several months.



Karen McCarthy:

Several months, yeah. And they said, "Training and you'll be able to start sending in your data to us several months before that July deadline."

Justin Draeger:

Okay. So that's probably more than two.

Karen McCarthy:

I would think.

Justin Draeger:

That would be a couple months.

Karen McCarthy:

And it's March.

Justin Draeger:

Yeah.

Karen McCarthy:

Yeah.

Justin Draeger:

Okay. Well, several months to me is at least more than two, so okay.

Karen McCarthy:

Right.

Justin Draeger:

Well, Karen, I'm glad that you clarified that issue for us, and I hope that-

Karen McCarthy:

It doesn't sound sincere.

Justin Draeger:

No, it is sincere. I just hope it carries weight with the people that need to hear it. So thanks very much, Karen. Thanks, Maria, for editing and producing this week. A big thank you to Bill DeBaun for coming on from NCAN and helping us sort out through where we are with FAFSA's completed this so far this year. And thank you to all of you for listening. Remember to subscribe and tell a friend. That helps other people find the podcast. Leave us a rating on your podcast app of choice. That also helps people find the podcast, and we will talk to you again very soon.