NASFAA 2023 – July 1 General Session

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Speaker 1:

(Singing) Ladies and gentlemen, please welcome your National Chair, Brad Barnett, to the stage.

Brad Barnett:

(Singing) All right. Good morning.

Speaker 2:

Good morning.

Brad Barnett:

Anybody else wake up and have absolutely no idea what day of the week it is?

Speaker 2:

Yes.

Brad Barnett:

Okay, it wasn't just me then. I could have promised it was Thursday, but that's okay. I'm a bit off. Well, I hope everyone enjoyed the dueling pianos last night. Yeah, round of applause. I didn't see my wife and son until much later in the evening. I think they were having a really good time. When we planned this conference, we knew FAFSA Simplification was going to be a hot topic. As such, we dedicated all of our general session time to the Department of Education and FAFSA Simplification. We have lot of FAFSA Simplification sessions out there. What we didn't anticipate is everybody and their mother would want to attend every FAFSA Simplification session.

You can't do an opening speech about listening without actually listening. NASFAA, we heard you. As a result, we are making some changes in the schedule today to try to make some accommodations for FAFSA Simplification. We have a team of folks yesterday. We worked on this yesterday evening and came up with a way that we think we can accommodate folks and make some movement in the schedule. Let me explain to you what we're doing today, and it is already changed on the app. If you're looking at the app, you'll see some things that have already changed. All right. The 11:15 to 12:15 session, Embracing the Future: Proactively Navigating AI, that session is being canceled. The 4:00 to 5:00 PM session, NASFAA's New Strategic Long-Range Plan, that session is also being canceled.

We are replacing those sessions with a FAFSA Simplification open forum. What will happen is we'll have some NASFAA staff and school people serving as a panel. This is an open Q&A. This is not a formal presentation. There's no PowerPoint slides. This is mics will be available, come up to the mic, air whatever you want to talk about, and we'll be happy to entertain questions and have some discussion and dialogue with you. With that said, I think there's a couple of caveats I should probably mention. One is, look, the room sizes are the room sizes. I mean, there's not a whole lot we can do about that. We have already dedicated our largest concurrent session space to all of these, so if you try to get in and we need to try to keep the seating capacity, we don't want the fire marshal coming in and we know there's some challenges yesterday, so if you can't get in, please just go to one of our other sessions. We have a lot of other sessions of other things that we need to know about to do our jobs outside of just FAFSA Simplification.

Also, if you make it to the 11:15 session, please do not come back to the afternoon session. You know who you are. I'm not going to point you out. I'm looking at some of you, but I'm not going to point you out. Let's give other folks the opportunity to attend one of these Q&As if they weren't able to get into the morning session. What this also means is that every concurrent session block today, we have FAFSA Simplification sessions because there was already another one scheduled during the 2:40 block. The other things I want to mention is Melanie's story will be coming up shortly from FSA to do an update. Melanie will bring some colleagues up on stage with her and she has agreed to leave a good chunk of her time to open Q&A here as well after she does some early presentations, so then you'll be able to talk with FSA about some of your questions this morning.

Tomorrow morning, we also have a session that is dedicated solely to the Student Aid Index. As we get into our closing, our closing session will be SAI, so you'll have another session on FAFSA Simplification at SAI. Also remember our virtual conference is coming up. The week of July 10th, there are FAFSA Simplifications all throughout the virtual conference. Our web center on FAFSA Simplification is kept up to date with the most current information that we have. You can join the FAFSA Simplification Slack group if you want to chat with community members after you leave the conference. Lastly, we did do a FAFSA simplification webinar couple of weeks ago. That's available on demand on the website if you want to see that as well. NASFAA, we heard you and we're doing our best to try to accommodate as much as we can. You're 2,700 strong. We appreciate you being respectful to each other, and hopefully, today, making these adjustments will accommodate some of your needs. Thank you to the NASFAA staff who were working diligently last night to try to make this thing happen. One more time, a round of applause for them.

All right, onto some fun stuff. We have some more people that we get the opportunity to honor this morning for contributions to the community. We're going to give out... There's four awards this morning. Three of the recipients are here today, one is not. You'll find out shortly. But the first award we're going to present this morning is the Allan W. Purdy Distinguished Service Award. This is one of the highest awards that NASFAA bestows and may be awarded either for significant contributions in the furtherance of NASFAA's goals over a sustained period of time, or a single contribution of such momentous importance as to deserve the award. I am pleased to present the Allan W. Purdy Distinguished Service Award to Roberta Johnson, Executive Director, Office of Financial Aid at Iowa State University.

For the past 40 years, Roberta has served the students at Iowa State University in the past 20 years in the role of Director of Student Financial Aid. She has been a tireless advocate and champion for student success and accessibility, and has developed numerous programs on campus to help her students. Roberta brought Iowa State University into the direct loan program as a pilot school, which led her to a longtime involvement in the National Direct Loan Coalition, including serving a term as national chair and on many committees. During her term, as I asked for president, she developed the Leadership Development program. Roberta has twice participated in federal negotiated rulemaking, showing her commitment to improving the financial aid industry. Her expertise in student financial aid has been recognized by Congress as she has testified in front of multiple committees. Former senator Tom Harkin appointed her to the advisory committee on student financial assistance on which she served from 2013 to 2015. Today, we recognize Roberta for her constant contributions to the financial aid profession.

Roberta Johnson:

Good morning, NASFAA friends, I want to thank you for being here so bright and early on a Saturday and for committing to be here again tomorrow on a Sunday, both days of what many people would be using as part of a long holiday weekend. I've never once doubted the commitment of financial aid staff to the profession. This conference, in particular, epitomizes the kind of people we are. Selfless, giving up personal time so that we can help our students and institutions navigate the massive changes ahead. As you've already heard, I've had a long career at Iowa State University, my alma mater for 40 plus years. Like many of you, it was an accidental career as I started in the Office of Student Financial Aid at Iowa State as a secretary, intending to stay only long enough for my husband to complete a second degree. But as opportunities became available, I applied thinking to myself that the worst thing that would happen would be that they would say no.

If that happened, it just meant that I'd keep doing what I'd been doing until there was a different opportunity that said yes. There obviously have been more yeses than nos, and advancing from a secretary to the director without having to change institutions is a rare blessing that I don't take for granted. Never be afraid to apply for new opportunities and say yes when they present themselves. We all stand on shoulders of others, and there have been several who were giants in my career. But probably the biggest influencer was Jerry Sullivan, along with Janie Barnett, both of whom retired from the American Association of Collegiate Registrars and Admissions Officers or AACRAO. Back in 1982, they hired me as that secretary one in the student loan unit, one of the very lowest positions at the university. The only criteria that you needed for that position was to be able to type 60 words a minute. But I said yes, and they saw something beyond my typing skills that I didn't know about myself at that much younger age.

It was Jerry who then volunteered me to be on the ballot for IASFAA as secretary, because after all, I could type. Later, after Jerry left Iowa State, I had opportunities to move into other IASFAA roles and have gladly served our state and regional and have been on some national committees as well. But it was also Jerry who recommended me to serve as a technical advisor for AskU, and that was my first Neg Reg committee as an advisor to AskU. I've also been, as you heard, highly involved to the National Student Loan Coalition at Jerry's recommendation, and now the Higher Education Loan Coalition. While we might hope that someday $12,000 plus Pell Grants would become available in a reality, in the meantime, we all need to be working to make sure that the students who need to borrow are doing so with the best terms as possible and that they are able to successfully repay.

Just as you need to know when to say yes, you need to know when to say no. Starting with two unexpected deaths in my family in 2006 and continuing for the next seven years, I had some family responsibilities that required that I take a pause from some of my professional development and involvement. In hindsight, this provided the opportunity for others on my staff to become more involved at the state, regional, and national levels. By providing these opportunities to staff, they were able to build their own networks and assume even greater responsibilities within the office, which has the symbiotic effect of reducing some of the pressure on the director. By saying no, I was providing staff with the opportunity to say yes, and that has been a good thing. A year ago, I took part in the first succession planning track at NASFAA, and I heard the remarkable story of our current NASFAA chair, Brad Barnett. I knew that his predecessor, Lisa Tumer, was investing in his development, but I didn't know to what extent until Brad's shared his story.

It struck me that succession planning means that you are investing in the success of someone else. Whether that's a work study student in your office or a full-time staff member. Investing in their success is only going to make your organization stronger. While I haven't done so perfectly, I know that the time I had to step away from as much professional involvement paid off when last year, Iowa State University made a bold and unprecedented move of announcing my successor while I was still the director. Chad Olson and I have been working in tandem this past academic year, making sure that some of my historical knowledge has been passed to him, and I'm truly indebted to Iowa State for giving me the opportunity and supporting me along the way. Now, as I stand on the precipice of walking into retirement, because Wednesday is my last day at Iowa State University, I do so knowing that my office has trained an entire cadre of professionals who will take up the mantle and do what we all do best, which is serve students. Because after all, that is why we do what we do. Thank you.

Brad Barnett:

Thank you, Roberta. It's funny, I just had lunch with Lisa a couple of weeks ago, so I'll be sure to tell her that you gave her a nod today. There seems to be a theme. We're getting to this. You get an award and you retire a bit. Lisa started it yesterday, Roberta. I don't know. Let's see where we go from here. All right. Our next award is the Meritorious Achievement Award. This is presented to an individual who has made either an important single contribution to the association, or profession, or significant multiple contributions. I'm pleased to present the Meritorious Achievement Award to Youlonda Copeland-Morgan, Former Vice President of Enrollment Management at the University of California, Los Angeles. Youlanda is a nationally recognized leader in higher education. After nearly 11 years at UCLA, Youlanda retired last fall. Among her other leadership roles, she served on the NASFAA Board of Directors and was president of WASFAA, as well as a board member for CASFAA.

During the Obama administration, she was an expert witness for the White House Task Force on Middle Class Families. Based on her expertise, she was involved, invited by representative Bobby Scott of Virginia to testify before a subcommittee on ways to strengthen federal student aid to better meet the needs of students. As a first generation college student herself, Youlanda understands the unique struggles American families face, getting access to quality K through 12 education that prepares students for college. Youlanda's 44-year career is a testament to her lifelong commitment to access, equity, diversity, and inclusion in education. Youlanda, please come forward and accept your award.

Youlonda Copeland-Morgan:

Wow, this is a good picture. Let me see if I can see you when I do this. I have my first pair of glasses in retirement and I'm learning to use them. It's not easy. You folks who wear glasses think that they are. Let me first start by thanking NASFAA and Justin, our President and CEO, who has done a tremendous job. I remember the first time that I met him when he accepted this position. Thank you for this honor. To the NASFAA Board of Directors, thank you. I want to thank all of you for the work that you do. Although I've spent the last 20 years overseeing enrollment management, I have to tell you, financial aid is still my first love. People who know me know that. The reason I love financial aid is because I learned that admitting students is one thing. Getting them through, giving them the support they need, giving them a financial aid package that allows them to work less hours and take advantage of all of the opportunities our institutions can offer them is really about the quality of work that we do to help them.

As I thought about these two minutes, I thought, if I can leave one message with you, it is this. Know your power to change lives. Your duty is not simply about regulations. You have the power to make a college experience really fulfilling for every student that comes to the university. I think that is why I ended up in so many different roles. I still think today, and Marvin Smith, who was my last best decision at UCLA, bringing him on as our Executive Director of Financial Aid, he knows this. I would say to him, "Marvin, I don't want one student to leave UCLA because of a lack of financial aid when they're first generation underrepresented student. We'll find the monies." I hope that if nothing else, that you will take away from this knowing from my comments, just knowing that you have the power to change lives. You really have that power.

Many of you have seen that every day as students graduate and come back to you and say, "Thank you." Your names will be spoken in arenas you'll never know about. Some student is talking about you because of the help that you gave them. That becomes their example of what to do in whatever field that they choose. I thank you for the hard work that you're doing. I know it's not easy. I thank you for the impact that you're having on our college and university's ability to be true to their mission. Regardless of what the political climate is, you stay focused on what is right for students, and you'll have a more fulfilling and blessed life because of it. Thank you to all of you that I've had the opportunity to work with. Thank you, NASFAA, for this incredible award. It was quite the surprise. If you wanted that effect, you had it. It's good to be here. God bless you and take care.

Brad Barnett:

Thank you, Youlanda. I'm going to share something that I've never shared in front of a group of this many people before regarding your first comment. I brought these just in case I need them. These are reading glasses. I've never worn them in front of 2700 people, and I'm going to try to avoid it today, but they're here just in case, so I appreciate that. All right. I'm pleased to present our next Meritorious Achievement Award this year to Pat Peppin, Student Services Director, Mesa Community College in Arizona. Pat is an incredibly dedicated and motivating leader. Her career in financial aid has been one of service and advocacy in building others up for service. She has served on the Arizona Associations as the Arizona Association's president multiple times, as regional president, and served on numerous committees. During her second term as Arizona's president, she led a task force for the automation of tribal funding application process for tribes and schools across the state.

Pat led the association to host its first virtual conference and invited colleagues from PacFAA who were not able to host their own meeting at that time. Her work garnered, on the Arizona Association, a NASFAA Gold Star in 2006. Pat Peppin is a distinguished leader and she embodies the very best of our field. Unfortunately, Pat cannot be with us today, but we have arrangements for a colleague to come pick up her award after we have concluded. The next award, our final award this morning is the Robert P. Huff Golden Quill Award. This award may may be presented each year to an individual or individuals chosen for contributions to the literature on student financial aid. The award is named in honor of Bob Huff, former director of financial aid at Stanford University, and himself an outstanding contributor to the scholarly literature on student aid. Bob received the first Golden Quill Award in 1984. Nominations for the award are judged on the basis of published work, which exemplifies the highest quality of research methodology, analysis, or topical writing on the subject of student financial aid or its administration.

I'm pleased to present the Robert P. Huff Golden Quill Award to Steven McDowell, Associate Vice President for Financial Aid Services & Title IV Compliance at Connecticut State Colleges for his book, the Basic Guide of Financial Aid. The origin of this publication came from Steven's realization that while our colleagues at the American Association of Collegiate Registrars and Admissions, AACRAO, as we all know them, have many books relevant to enrollment management within their library. They do not have any of that focus on financial aid. Steven's book is intended to assist higher education professionals in enrollment management positions, including admissions officers, registrars, and even new financial aid administrators to gain the fundamental understanding of what goes into the administration of financial aid, to strengthen resources available to enrollment managers in higher education, and ultimately provide a benefit to all students who interact with those in enrollment management positions. Tom Green, formerly of AACRAO, and NASFAA President, Justin Draeger, both provided forwards for this publication. Steven, will you please come forward to receive this award?

Steven McDowell:

Thank you very much. I've had several weeks to think about what to say, and I'm still struggling. I told my wife this morning, I'm still not quite sure what I'm going to say. She gave it to me, not in that way. Thank you. It's an honor. I wouldn't have looked this good if my wife didn't pick out my clothes. Don't look at my socks, she forgot to match those up for me. But really, I want to thank a lot of people here. One is Julie Savino, CAFAA's President. I'm not very good about telling people for accolades and things like that. I told one person and it was Julie. I wanted it to be a surprise for my staff who were here, and Julie let it slip yesterday that I might have told everybody. Thank you for that. I'd like to thank Justin, who accepted my blind email about writing a forward to a book, and he graciously accepted on the condition that it was okay.

Tom, of course, from formerly AACRAO, who also accepted to do the same thing, I tripped into financial aid like a lot of people. I applied to lots and lots of jobs at a time where I didn't have a job. I got a call from Gibbs College at the time for a default loan manager position, which of course, I knew nothing about. They called me and said, "This job is a little far for you, but we just had another financial aid advisor position open a little closer. Are you interested?" Absolutely, I need to work. That evolved into getting into Gateway Community College, which evolved into the Connecticut State and Colleges University System and leading into where I am today. Along that way, Connecticut's gone through a lot of different organizational changes, a couple of mergers, which you may or may not know about. With that, I have stopped counting the number of supervisors at 12 a while ago under the realization that nobody really knows what to do with financial aid and that can be a very big challenge.

But along the way, you start to pick up different pieces of advice from your supervisors. There's a few that I'd like to highlight. They're not here, but one would be Dr. Michael Gargano. His advice was to have an opinion, and that's gone a long way for me. Second would be Dr. Estela Lopez, another supervisor who taught me the value of saying no and standing up for yourself. The last would be Dr. Alison Buckley, who taught me the value of being right. The thing I'd like to share with you all is as a financial aid administrator, and this was the premise of the book, was that you all are the smartest people in the room.

Aid touches more areas of an institution than most people care to admit or even realize. As you continue on and you go back into your institutions and share what you learned at the conference, just make sure that you're aware of that. You also understand that you realize that students may be experiencing difficulty before any other place. You see that through SAP appeals. You see it through students requesting loans and emergency aid, and academic difficulty. You see these things and you are the gateway for students who need help. It's your job to sit and match them up with the resource that they need. Is it food insecurity? Is it housing insecurity? What is the resource that they need? Just take that with you. As you head back your institutions, just be cognizant of what you stand for and what your job really is in financial aid. Thank you very much.

Brad Barnett:

Congratulations, Steven. Onto our Federal Student Aid update. Before I introduce Melanie, I just want to take a moment just to thank our federal partners for being with us this morning. This is a collaborative effort. Congress passes rules and we all, FSA and us, have to figure out now what to do with them. We appreciate their partnership and we appreciate them being here today to have some FaceTime with you, our NASFAA members. I'm going to bring Melanie's story up to the podium, but give you a little introduction on Melanie. Melanie joined the U.S. Department of Education's Office of Federal Student Aid in March 2020, and in May 2022 became the director of FSA's Office of Policy Implementation and Oversight, affectionately known as the PIO.

The PIO advises FSA on higher education policy to ensure that operations are considered in policy development, and once enacted, that policy is implemented to meet the intended goals. I'm also happy to say that Melanie is the proud parent of a James Madison University student. I don't know if it's a good thing that you have a high ranking federal officer who has a student at your institution, but so far so good. Let's just keep that track record moving, Melanie. All right. I'm going to turn the podium over to Melanie, who will bring up some additional colleagues to help her with Q&A, and then Justin and I will be up here as well.

Melanie:

Oh, hey. I almost wanted to bring Kira up as my opening act after yesterday because that seemed to warm you all up and make it an easier morning. Good morning. It is such a pleasure to be with you all again, and I will reiterate my thanks to everyone for getting up early on a Saturday morning to hear the federal update. How's your week been? Good. Mine's been good. Calm, pretty easy, not a whole lot going on, feeling relaxed, totally in control of my destiny. How about you guys? This morning, I woke up feeling ready, prepared, and then my hair dryer didn't work. That's what this happened. I was like, "Okay. Maybe this is a sign, some kind of metaphor." You pivot. I remembered some of you may have also been part of a webinar where I spoke from a McDonald's because my travel had gone awry and I needed to speak. I promise this is not a pattern, I promise.

Unfortunately, Greg Martin from the Office of Postsecondary Education had some travel woes and is unable to join me today. Trust me, no one is more sorry than I am than that. I will do my darnedest to cover what he was going to speak on, and we will do our darnest to answer questions, but we may have to take some things back to OPE if needed. But I will also remind you that in addition to the colleagues you'll hear from this morning, I'm also so pleased that we were able to bring our training officer colleagues for Ask a Fed. I know it was busy yesterday, but we will be there again today. I will be there, Kira and others, to try to answer questions. Thank you so much for all of your patience. I think there's a theme. Not only am I wearing my readers, but I'd like to announce my retirement as of Wednesday.

Brad Barnett:

No, no, no, no.

Melanie:

No worries. But I was like, "Oh, that sounds great. Can I get on that? That sounds fantastic." Let me talk a little bit about what we're going to cover this morning as Brad said. In Greg's absence, we're going to shrink our presentation a little bit. We know there are a lot of questions. I'm going to bring Kira back up. I'm going to bring my colleague, Dennis Kramer, up, who's going to be doing the SAI session tomorrow for some Q&A, so we can try to be as responsive. But I'm also, I am going to cover some of our regulatory updates that you've heard a little bit, and maybe give just a little bit of some of the new regulatory updates, some of the policy guidance. For FSA, some of our implementation updates. Believe it or not, while FAFSA Simplification is an enormous and priority project, we are implementing an awful lot at FSA right now.

Let me just spend a minute, and I really won't belabor this much. Doing a little review of some of the existing negotiated rulemaking, some of the negotiated rulemaking that has already occurred and that is being implemented today, or tomorrow, or the first, or whatever, early next week. It's a little awkward when it's on a holiday, but folks will remember that we had two tables back in '21 and '22 that met Affordability and Student Loans, and then the Institutional and Programmatic Eligibility. Sometimes math is hard for us, but we had two tables and four packages. We're now going to have a third table and a fifth package. But the complexity of so many of these regulatory rules, the packages are still quite large, as you know. We've been breaking them up in a number of ways. Committee one, the Affordability and Student Loans, covered a number of topics.

We reached consensus on things like TPD, Total and Permanent Disability, interest capitalization, really important where we are eliminating interest capitalization in all cases where it is not statutory, some additional discharge provisions. Of course, Kira spent some time and is our lead person, one of our lead people on the Prison Education Program, and implementing that. But we also had some additional work where we did not reach consensus, which if you were in Justin's somewhat bleak session a little bit last night where I was like, "We don't have a reauthorization process anymore, and we are doing a lot of things very quickly." This is an example of that, but moving forward on some work related to PSLF and Borrower Defense. On this list, you'll see Income-Driven Repayment that, of course, was pulled out into a separate package, which I-

PART 1 OF 4 ENDS [00:33:04]

Melanie:

You'll see income driven repayment. That of course was pulled out into a separate package, which I will say a little bit about. But all of these other provisions are being implemented now, this summer, this week in various ways. I mentioned, and I think Kira mentioned yesterday in various forum, the prison education program, really important expansion and reinstatement of Pell for incarcerated students. The application is now available on the knowledge center for those schools who wish to apply to be considered eligible, their programs for prison education.

Really important changes to PSLF. I think last year when I was with you, we were talking about the PSLF waiver, which we implemented to expand some of the, and relax some of the provisions for public service loan forgiveness, which I know many of you participate in. And so this regulatory package codifies some of those changes, including some expanded definitions of employer eligibility, the definition of full time and some other enhancements. We've also implemented digital signature for the PSLF employer certification, which is a big improvement and a real step forward for FSA and for PSLF.

And then I mentioned the interest capitalization changes. Again, really important affordability changes to minimize the interest capitalization events to only those that are statutorily required, hopefully providing some relief to borrowers. But on this list, as I mentioned, IDR not yet. I will just not spend too much time. Did I go down through there? Okay. Going through. I won't detail all of the other pieces of these packages. You can find everything on the OPE website. You can find all of the related guidance on the knowledge center, and I will talk about that.

So income driven repayment plans. We've been working on the IDR updates for some time. This again was from one of the earlier tables. You may have heard there were some announcements yesterday, a couple things. A number of efforts that the administration is taking to make student borrowing more affordable. I believe hopefully folks have at least seen some of the news reports that the president feels very strongly about continuing to fight for debt relief for students. One of the things that we have had in the works is the implementation of a new income driven repayment plan.

Yesterday the administration posted what we'll call the unofficial rule, the new IDR rules on the OPE website. You can see it there. It's a pretty large package, but I can tell you that we expect it will be on public inspection. So this is like a very processy thing. When we publish these rules, they have to go into the federal register and we have to put this package together. It has to be very formally signed, and then it goes on public inspection for a day. So the wiser among you know that you can get a preview to things before they're final or before they're published on the regulations.gov public inspection site before it gets published.

And so the final IDR rule, what we call NFR, the notice of final rule, will be on the public inspection site. It'll be exactly the same as it is on the OPE site. I promise you, we will not make changes between yesterday and Monday. That'll be on the regulations.gov site on Monday and we expect final publication of that, I believe I'm hearing, on Friday, July 10th. You'll also, if you are an astute reader of that rule, that we will be early implementing several key provisions of the new IDR rule. And we'll be early implementing it this summer.

I know Justin loves it when I talk about seasons and not months, but it will be soon and this summer month-ish. We're still in June, so it's a little tricky here. It's a little hard. Oh, it is July. Oh, okay. All right then summer month. But these are important provisions and some of the most significant provisions of the new IDR rule, which will increase the income that is exempted from the discretionary income that is available for payment from 150% of the federal poverty level to 225%. So that protects a significant amount more income from our lower income borrowers.

We will lower payments to 5% of undergraduate loans versus 10%. Borrowers who have both undergraduate and graduate loans will see a weighted percentage based on the mix of loans they have. And for low balance loans for students who took out loans under $12,000, they will see a 10-year forgiveness window instead of a 20-year forgiveness window. So you'll see details about that forthcoming from us if you don't want to read the multi hundred-page final rule. But that is forthcoming next week with implementation in the next month-ish.

So also, as I mentioned published yesterday, the Prison Education Program, we published the application for that. Again, important changes priority for this administration and for our implementation. This is actually technically an early implementation or maybe an on-time implementation depending on how you want to look at it. Implementing this for '23, '24, not in '24, '25, like the remainder of the FAFSA simplification provisions. So we've also published a number of Q&As and guidance both on the knowledge center and on the OPE website.

I also would encourage you, we're trying to do what we can to not only get you as much information as we can, but to make it easy to find. We've come a long way since IFAP, but sometimes the knowledge center still has a lot of information. And so we've created two topics pages on the knowledge center, one for prison education programs and one for FAFSA simplification. So if you simply just go to the knowledge center, you will see both of those and all of the related information easily accessible there.

So a little bit about committee two, institutional eligibility and accountability. The big one here I know is gainful employment. Thank you for your many, many, many, many, many thousands of comments on gainful employment. We've received them and we are working hard to review them and respond to them as is the appropriate process for negotiated rulemaking. So more to come on that later in the summer. Later in the summer. But importantly, I didn't even put an updated flag on this, but let me talk a little bit about upcoming negotiated rulemaking.

I think folks know that we announced in March our intention to do an additional table around institutional quality and accountability. We listed a number of topics here you can see on the slides related that we are considering as part of that negotiation. Importantly, I will note the second to last bullet, third party servicers. I'll talk a little bit about that in the guidance section, but I know that has been another area of intense interest and commentary. And so we will have more to say on that, but just flagging that as also a potential topic for this additional table.

But now apparently we are going to have a new table, breaking news as of yesterday. I think Justin mentioned it and it was announced yesterday, a new intent to regulate or intent to negotiate. The topic will be, and I'm going to read very carefully here because I have to read these things very carefully right now. The authorities granted under section 432A of the Higher Education Act, which relate to modification, waiver, or compromises federal student loans. That's what we will be talking about in that additional table. The timing around the table is not clear to me.

I've been here with you all and this is some fast moving information. But what we do know is that there will be an initial public hearing on July 18th for those who wish to comment and information and signups will be on the Office of Post-Secondary Education's negotiated rulemaking portion of their website. So clearly, much more to come on that as the administration seeks additional paths forward to provide debt relief to students. So let me talk a little bit quickly about some recent policy guidance. And I'm not, again going to get too into the details here.

If folks have specific questions, you're welcome to bring them up in the Q&A or we can bring them to Ask-A-Fed. But just in terms of distance education, wanting to talk quickly about the distance education policy guidance, just a reminder that the waivers and flexibilities provided to distance education as a result of the national emergency expire in October. I'll say a little bit more about the other waiver and flexibility expirations in a moment. Additionally, I've already alluded to the guidance that was clarified or maybe less clarified or unclarified and reclarified soon to be clearer on third party servicers.

We understand and let me just, I mean all jokes aside, this is an important oversight issue, but we also understand what an important issue it is for all of you and the work that you do. And so we issued some guidance with an effective date in May. We got a lot of public comments almost immediately after posting and through March. We then rescinded or removed that guidance and then revisited and added some additional guidance and then said, you know what, wait, we need to put a pause on this and we need to hear more, talk more and make sure that we do this in a nuanced way to meet both of the obligations of responsible oversight, but also making sure that you are able to do your work.

So let me just kind of be clear. We will issue a new dear colleague letter on third party servicers. We may also include it in the additional table, the third table that I mentioned regarding negotiated rulemaking. But whatever we were to put out in the new dear colleague letter, we are committed to not having anything, implementing anything sooner than six months after publication date, a minimum of six months after publication date. So we will continue to have those conversations. We will continue to try to refine this work with you moving forward.

I won't say anything more. I think I've already said a lot about the prison education program. So let me talk briefly about guidance regarding the end of the COVID-19 national emergency. In the government's ever infinite wisdom, we actually have two different emergencies. We had the national emergency, which ended on April 10th, and then the public health emergency that ended on May 11th. And different ways that we were able to provide waivers and flexibilities were dependent on the different dates. So that made things super clear for everyone.

But the end dates for most of the Heroes Act related waivers and flexibility were tied to the end of the national emergency on April 10th. Most of the end of the CARES Act waivers May 11th. So trying to juggle that. I know we have put out one. We have produced one EA with some general guidance around the end of the flexibilities and waivers. I understand that there are still a lot of questions. I got some questions yesterday in Ask-A-Fed. I know everyone liked the detailed table with all of the various flexibilities and waivers and the dates.

We needed to get something out quickly, and so we issued that first electronic announcement just to make sure that you had all of the overview information that you needed. But we will follow up with that detailed table and some additional detail regarding the end of the flexibilities and waivers. So stay tuned for that. Okay. So now let's talk about what's going on at FSA, a few things, just a few. As I mentioned, in addition to FAFSA simplification, lots of additional work that FSA is taking on. I'm sure Rich will talk a little bit more about his vision and how we want to work with you, but helping all of us work together to really navigate what is an extraordinary amount of change.

So here is, I would say, probably a high level but not exhaustive list of some of the other things that FSA is working on. Obviously return to repayment, an enormous effort this summer. I'll speak a little bit about USDS or the Unified Servicing and Data Solution, income driven repayment account adjustments. I've already kind of talked about the regulatory implementation. We are well underway with that, Fresh Start, and then of course all of our favorite Better FAFSA, Better Future, which I will spend most time on. But just want to be super clear about all of the things that we have to keep our eyes on.

So the payment pause, of course, payments will resume. It says August 29th here. It's actually September 1st, but we will now move in earnest on our efforts to bring borrowers back into repayment. This, of course, was part of the debt deal. You know your work is important when you reach the level of that kind of scrutiny. The debt ceiling is a very big overarching issue. But again, news flash, some additional news yesterday about our return to repayment. The president also announced what we are calling an on-ramp, a 12 month on-ramp to provide students and borrowers rather some flexibility, some ability to gear up and be ready for repayment.

We know this will be an enormous effort. So from October until September 30th of 2024, the 12 month on-ramp for borrowers who miss a payment, miss monthly payments, they will not face some of the most serious consequences. They will have interest accrual, but they will not be considered delinquent, reported to the credit bureaus, placed in default. So we will work, FSA will work diligently to get students prepared to re-enter repayment to make sure that they get into the best repayment plan for them, which for many we hope is the new IDR plan.

But there will be an on-ramp to help students do that. This is unprecedented. We've never had to bring the entire portfolio back into repayment like this. And so it's important that we do it carefully and within partnership with our borrowers. Let me just say a little bit about USDS exciting times at FSA this spring where we awarded our first USDS contract. The Unified Servicing and Data Solution is really going to transform. It is sort of our next gen repayment portal and system. It will be a phased implementation. That is what we do these days, phased implementation.

There's some details you can read here. I don't need to read you the slides. But to me, I think a really important one for borrowers is that last one is that we are going to transition the borrower repayment experience into a single portal over time with a single sign on and a consistent look and feel so that they can get all of their access, all their information in a single site.

Thanks. I mean, these are big lifts. These are important things. These are important efforts to coordinate and collaborate across a whole lot of systems and a whole lot of contractors. So thanks. We think it's really incredibly important work. Let me talk briefly about the onetime IDR and PSLF adjustment. This is aside from debt relief, we have been taking additional other steps to ease the burden on borrowers. We've expanded PSLF done a number of things. The IDR adjustment we announced back in April, I believe, of '22.

The one-time account adjustment will count some additional qualifying payments for borrowers who have been working their way toward loan forgiveness. It also will supplement the relief that we provided under the PSLF waiver. But under this effort, we'll provide a one-time revision of IDR qualifying payments for direct loans and department held FFEL loans. That will include that regardless of the type of loan, repayment plan they're in or whether the borrower actually made payments.

This was really in response to a GO report that found significant concerns around how some of our contractors and others were managing the IDR repayment plan and counts, and so we wanted to make that right. The adjustment will also include 12 or more months of consecutive forbearance or 36 months of cumulative forbearance and provide some additional qualifying payments to those borrowers. It will also include time and repayment prior to consolidation. I think this kind of slides under the radar sometimes, but I think this is going to be an enormous benefit to students.

And they will see they're accelerated towards both discharge and forgiveness much quicker. So let's see. I'm going to talk quickly about Fresh Start again. We talked a little bit about this last year, so I don't need to spend too much time about it, but this is the administration's effort to get students who are in default status back into qualified status, being able to restart their education and get back into a repayment. So another, again, the department and the administration's focus on helping borrowers manage their debt.

All right. Let's get down to FAFSA, Better FAFSA, Better Future. We talked a little bit about it yesterday. We talked a lot about it yesterday. I understand I didn't know this morning you're moving all kinds of sessions for it. I think that both terrifies me and feels great. But it is enormous effort and while I very much appreciate Brad's kind words, let me say how much I appreciate all of your partnership and kindness and patience, and I hear your frustration too. I hear complification. I read your financial aid follies. I know what they are.

It's okay. Don't worry. I'm not taking names, not taking names. But in fairness, I actually really appreciate it. It's a great candid insight into what you're experiencing and I take it seriously to read it and to hear it and to try to be mindful of it. This is enormous change for all of us together. It is an end to end change. Kira talked yesterday about the three pieces of legislation. But it is how students apply, it is how we calculate and it is how we use the data. I mean, it is unprecedented. I mean, in any given cycle, doing one of those big changes would be a lot.

We're doing all three and we're doing them all at once and all the parts are moving. And I know that. We're trying very hard to keep the message to your leadership, to your presidents, to your chancellors, and also to our leadership in the administration. The FAFSA process is more than just a form. We are changing everything and we need to make sure that we are doing it right and we are serving students well and that we come up with a secure, stable, accurate FAFSA form and SAI at the end of this in December. Now Brad very cleverly distracted me yesterday when you all were doing some Q&A and suddenly they said, oh, Melanie will tell you that tomorrow.

And I was like, what did they say I was going to tell them tomorrow? And they said a date. And I was like, oh, okay, great. It'll be in December. So there you go. Much like Gail's husband says, I'll be there in a couple of minutes. I'm telling you we'll be there in December. So I'm sorry that I can't break any specific date news to you today, but I will promise you that as soon as we can tell you what that go live date is, we will. And we will tell you as quickly as possible and we will put out as much information about what that will look like and just when to expect and what you should expect.

I'm not going to spend a lot of time. Kira did very aptly cover, ably covered the overview of the legislation yesterday. I will just repeat my mantra as it relates to the Future Act. For years, we were talking about FAFSA simplification and how great it would be to get data directly from the IRS and it is going to be great. But with great power comes great responsibility and that is just a lot of what has to drive our careful implementation of this work. It is some of the most sensitive and protected data in the federal government.

And so we need to be very, very deliberate in our collaboration with them about how we access, use and share that data. I'll also tell you we're a little bit of a proof of concept. That's a blessing and a curse sometimes because we're working through some of the challenges. But FSA has been getting outreach from OMB and other agencies who are interested in partnering with the IRS. And so we are also sharing our lessons learned with them. And so we are really on the cutting edge of some of the most important government work.

So let me say a little bit more about some of the things you can expect and I'll talk about resources, but I know there is an overwhelming desire for more information and that the uncertainty feels unsettling. But I assure you that you do know a lot and there's still a lot to tell you. But the next month, and I am going to say month, July of 2023 will be a really fruitful month for some additional information coming your way. We're going to just put together a really simple glossary actually of all the new terms and concepts that are in the FAFSA Simplification Act.

We realized that as we were doing these kinds of presentations and webinars and in some cases even putting out guidance that we might be using, terms that we have been living with for a year, two years that you haven't been living with as closely and that we're so wedded to some of our nomenclature. The SAR is now going to be the FAFSA Submission Summary, that we just needed to say it out loud and like, oh, here's what that's all going to be. So you're going to see that soon. That's just like a small little piece.

But the FAFSA specifications guide volumes two and three will be out this month. These are important ones. This will be the FPS or the FAFSA Processing System. That'll be in the glossary. It'll be that. It'll be the schedule for the FPS and how to get help on that. That of course is the engine. It's the new CPS, so a hugely important part of this work. It also will have the electronic data exchange processing and some additional information on FAFSA processing. That's volume three. So those are two big FAFSA suspects guides that you will see this month.

And then we are also in the final stages of clearing the '24, '25 implementation dear colleague letter. You remember we did one last fall for '23, '24. This will be a fairly robust, I think it's probably in the 16 to 18 page range about everything that you will want to know for '24, '25, so lots. And then I know you all have been great. We've had great attendance on our training webinars for those who have not been able to attend or though someone told me yesterday they attended, but then have had to go and download and stop them and take notes and stop them and take notes and stop them and take notes.

That's great. They're on the training center. Please continue to attend, to send questions. There will be one more Q&A session. I'll talk about that in a little bit. I will also tell you that all of the questions that you're generating as part of those webinars are questions that we are gathering either for a Q&A document that we will produce, but will also be the driver behind some of our FSA training conference sessions. So we are taking all of this in. I know you may not be getting the answers as quickly as you may wish, but we are taking them in and processing and trying to get those answers out as quickly as possible because we cannot do this without you.

We know that. We're here. We want to take your questions. We will do everything we can to get you the information you need as quickly as possible. So I mentioned the webinars. I won't go through each one. The only one I will point out at the bottom there, the '24, '25 FAFSA demonstration is actually going to be a little bit later than July 25th. It's going to be in early August. And notice we put actual dates to these. It's amazing. Yeah. But let me flag that '24, '25 FAFSA demonstration.

We actually pivoted because we were getting a lot of feedback from you all and from the counselor community that you wanted something a little more tactile. And we can't give you the full demo site that we give you right before FAFSA launch, but we are going to give you a more interactive demo this summer so that you can see and feel how the application will move and work. It won't be quite, as I said, as extensive as the full demo, but it will be a FAFSA demonstration and we'll get that to you this summer so that you have some time with it and can ask us more questions and point out more issues as we are working towards this work.

So I'm going to wrap here. I'm going to just stay connected, send questions. We have a great partnership with NASFAA and I'm super grateful to them for that partnership. Our teams, Justin's team and my team meet every two weeks to talk about progress, to escalate questions. We're going to continue that. It's a really important partnership and exchange and so please share your questions with the NASFAA team if you can't get them to us and we will do our best. Again, I'll just plug the topic page on the knowledge center because that's where all the information lives.

And then I think, so I'm going to ask Kira and Dennis to come back up here and join me so that I'm not the single line of fire and because quite frankly they know way more than I do on many things. And so you met Kira, of course, yesterday. Kira is one of our primary SMEs on all things FAFSA and prison education programs. Dennis is my director of research and analysis, knows many and all things financial aid, but importantly is really one of our experts on SAI, and so you're going to hear from him in detail tomorrow. But yeah, let's open it up, Brad, and have at it.

Brad Barnett:

Okay. If you have questions, please start lining up at the mic and we're going to, this is a day of change. So we had a 45-minute break scheduled, so we're going to allow a little bit more time for questions and maybe compress into that break just a little bit, depending on how many people line up at the mic. Right now, Brenda is all by herself. So if you have questions, please come forward. This is what you wanted NASFAA and this is what we've agreed to do. I will ask you just one question, Melanie. Will the FAFSA be released before the ball drops on December 31st?

Melanie:

Is this on?

Brad Barnett:

It's on.

Melanie:

It's on. Yes.

Brad Barnett:

Okay. Hey, there you go. I had visions of the ball countdown and then the FAFSA going on. As people are lining up to give questions. Justin, why don't you go ahead and get us started.

Justin:

Well, first I do want to say a big thank you to Melanie and your team for making yourself so accessible, not just at the conference, but in general on all of this. So big thank you to all of you. I feel like since you mentioned financial aid follies, I want to ask you what your Finsta is or what your fake Facebook account is first to know where you're lurking on social media.

Melanie:

You all let me in, by the way.

Justin:

You had to ask permission. Okay. Well, I'm not in those either, but let me push a little bit on the exact date of the FAFSA. I understand that you can't give us today if it's December 1st or December 31st. But do you have in your roadmap, as we get closer, is it going to be like tomorrow the FAFSA is being released, or at what point in the pipeline will you tell the community we now have a target date, the

FAFSA will be released on this date? For this community, it's sort of like the sooner we know with some specificity when we are targeting.

Even if it's the latter part of December versus the beginning part, this really has a huge impact on enrollment management and how we message this to our own students. So do you even know, perhaps, when you would be able to tell us, we now have some specificity? Would that be in October or in November? It really is that important to us.

Melanie:

I hear that. I do. I can assure you it won't be a, oh, by the way, the FAFs is going live tomorrow or in two days or something like that. I don't have a date. I don't know when I can tell you with specificity other than to tell you we will share it as soon as possible. But what I can say is a little bit around some of the development schedule. So one really important proof of concept for FAFSA simplification is the interaction with the DDX and the IRS. And that will actually our first work with the IRS and the implementation of that direct data exchange will be part of the IDR, the new IDR implementation, which will happen this month, summer.

So, that will be a really important benchmark for us and a good sign for all of us and it's going to be a good sign for all of us. But then the development after that really is about once we get to our systems integration work and then we've got some security work to do, that's when I think we'll be really ready to land on a date certain. And so again, I know you hate the seasons, but it's fall, but fall goes till December 21st and it won't be that. It will be much earlier than that.

Justin:

The idea is that sometime in the fall you'll tell us with more specificity when the actual FAFSA release date would be in December.

Melanie:

Yes.

Justin:

Okay. Thank you.

Brad Barnett:

Brenda.

Brenda Hicks:

Thank you all for being here. My name's Brenda Hicks from Southwestern College in Winfield, Kansas. You guys are awesome.

Speaker 3:

Thank you.

Brenda Hicks:

I have been involved in discussions regarding the upcoming changes to the FAFSA application regarding the reporting of farm and small business assets, in particular farm assets. I was-

PART 2 OF 4 ENDS [01:06:04]

Brenda Hicks:

... Assets, in particular farm assets. I was expecting and hoping to receive some clarity at this conference so I could begin preparing the farm families I serve for the changes. As of yet I've not heard anything addressing how we are to guide affected families and how to report their assets.

In the meeting we discuss the complexities around identifying when your farm is to be considered a reportable farm, as well as how to exclude where you live from your farm's net worth.

Do you have any update on the progress in this area?

Speaker 4:

Yes. So on the 18-page Dear Colleague letter that Melanie, the book that we're about to publish, we do talk about that. I can't really see you because of light, but I think I recognize you from being on that conference call with you, because I'm involved with everything, everyone.

Brenda Hicks:

Yes.

Speaker 4:

But, what we're going to clarify is like we talked about in that meeting, and she's a great example of talking to us, helps to guide some of the policy guidance, because we've realized that none of us in DC grew up on a family farm.

I am still in shock that if I go to the farm and pick off some corn, there might be a bug on it and I'm like, "Oh, no!"

But talking to you was really helpful. So we're going to clarify in that Dear Colleague letter what we hashed out during that meeting, which is going to be, they have to be able to differentiate, like you said, that they should be able to, what part of the farm is investment income bearing purpose, and what part is the family and what they're living. And we're hoping that language also clarifies the difference between me and my backyard garden, where I'm really excited about growing two tomatoes, and a whole family farm that's in it as a business.

Brenda Hicks:

Cool.

Speaker 4:

So it'll be in that larger Dear Colleague letter and I think it'll be a little blurb on FASFA health topic.

Brenda Hicks:

Awesome. Thank you.

Speaker 4:

You're welcome.

Brad Barnett:

Go over here.

Bethany:

Hi, my name is Bethany, I'm with UNC School of the Arts and my question is regarding the shift from household size to family size. And I've really enjoyed the Better FAFSA, Better Future webinars and in the SAI webinar they went over more specific bullet points of who's in the family size.

And so, I noticed that for dependent students, the student's sibling should be included if they live with the student's parents, or live elsewhere to attend college. So, that's a little bit narrower than the current language, where it's if you provide more than half of their support, even if they don't live with you, and there's not a qualifier of, "to attend college." And of course it still says you have to provide more than half of their support.

So I noticed that's a little tweak and I imagine it's to put it in line with the exemptions?

Speaker 4:

Right.

So remember that household size has pretty much been eliminated by FAFSA simplification, and they replaced it with family size. And it wasn't just the changing of the name of it, the other part of the change is that family size is aligning with IRS code.

And so we have to try to describe how to come up with that number without saying exemptions, because exemptions doesn't exist on the 1040 anymore. So that's why you see some of that more narrow language about who was in the family size compared to when we were talking about who was in the household. So you are correct on that one.

Bethany:

And the presentation for SAI, the presenter was just like, "No family size left behind. If you need to manually update it, you'll be able to do it." And it was very sunny, easy-breezy. I was like, "Oh, I'm not worried. This is just going to be something they do on the FAFSA. No worries."

But then at one of the presentations here, their tone was not sunny. It was kind of like, "This could be bad, this might be hard, this could be household grids and stuff." And I was like, "Oh, no."

So can you talk a little bit more about how it works to manually...

Speaker 4:

No grids! Listen, if you work with us in a department, the one thing Kira hates is charts, so no grids. Now the FAFSA Simplification Act says that every applicant should be given the opportunity to update their family size, which is true. However, we have to try to explain it on the FAFSA, when you're updating the family size, updating the family size still has to coincide with tax code.

So it's like if your family size is different but you were to file taxes today, who would be in the family size? Rather than an opportunity to update the family size being a complete ignoring of IRS code. Does that make sense?

Bethany:

So will everyone put in a manually inputted number or will they be presented with like, "Hey, this is the number, do you want to update it or how does it work?"

Speaker 4:

No, you won't even be... Do you want to talk about a lot of that tomorrow?

Dennis:

Yeah, we'll talk about it tomorrow.

Speaker 4:

Just going to talk about a lot of that tomorrow and I don't want to give too much because I want Dennis to be the wrap up of our show.

Brad Barnett:

All right.

Bethany:

Thank you.

Brad Barnett:

Let's move on to the next question then, Alex.

Alex:

Yes. Hello. Good morning, Alex Delonis, Wabash College.

Yesterday it was brought up the subject of contributors with no social security number, and one of the answers was, "We're working on it." Working with TransUnion, the thought of that makes me a little uncomfortable, not knowing a lot of details and sending folks with no social security numbers through a process with TransUnion. And my concern is that it might deter some of those contributors from contributing.

So I was hoping that you could share where we're at and what that process might look like, and any details you might have there.

Speaker 4:

So Kellis, who's the FAFSA building leader, she's probably on an airplane right now, so I don't know for sure. I just know that Kellis had answered this question down at [inaudible 01:12:43] yesterday and her response usually was, "We still working on it and trying to figure it out."

Dennis:

I think we've heard this comment from a number of individuals and that's a concern for us, and we're exploring multiple options to provide that authenticated experience for contributors who might not have a social security number.

I think we're exploring a number of avenues, and, just follow the lead of my boss, more information will come in a timely fashion when it's available, but I think that your concerns are shared, and we're exploring multiple options with other federal partners, as well as other options outside of TransUnion.

Melanie:

Yeah, we hear you. And it's also something that we've heard, advocacy groups in the administration is hearing from, so we are sensitive to that. I will say authenticated users are requirement of the FAFSA Simplification Act, so we've got to figure out how to navigate being sensitive to that, but still meeting our obligations to make sure that we have authenticated the identity of the people who are participating and entering the systems that way.

Alex:

Awesome, thank you. You

Melanie:

You bet.

Brad Barnett:

All right.

Emily Osborne:

Hi, good morning. I'm Emily Osborne from Northwestern University. I'm going to switch gears just a little bit because this is a federal update. I have a question/comment for you.

As you can see, this is a room full of financial aid administrators who are very interested in these topics, and this is very important, and one thing that I would love to see, and I think many of my colleagues would love to see, is FSA going back to an in-person conference. This year more than any year, I think we could have used that. We all really appreciate all of the hard work that you have put into the webinars, and all of the hard work that the in-person conference is, of course, but we also really miss it. And so this is really my comment, question, plug. Please bring it back. Is it ever coming back?

Dennis:

Have fun with that one.

Emily Osborne:

Sorry, I know that this is not...

Melanie:

No, it's fine. I'm looking at... I'm like, "You did that while my boss was here. He's going to think that I planted that."

Emily Osborne:

She absolutely did not. This is exactly what we all feel.

Melanie:

Thank you for that. I take that as a compliment, really, to the FSA team and the staff and how valuable both the interaction and the relationship is, so I thank you for the comment and I appreciate it. Personally, I'll say it is something that I share. The challenge, I think as you all know that we have at the department and at Federal Student Aid is one of resources. And while this would've been one of the most important years to have us all in person, I assure you you also need all of those people developing these systems to be ready in December.

Emily Osborne:

A hundred percent.

Melanie:

So it's also just making sure that we are focused on what really needs to happen, but also, it's no secret that our budget is tight. We are implementing an awful lot of enormous transformational systems and that has forced us to make some challenging choices in our support of this work.

But it is an annual and ongoing conversation at FSA. I don't believe the door is closed at all to in-person. It is for this year, just so I'm not misleading anyone. For '23 it will be virtual, but it is not something that we have closed the door on and we hear you.

Emily Osborne:

Perfect. Thank you.

Dennis:

Thank you for the question, Emily. One of the things I've noticed this year kind of in this role, I've gained a lot better appreciation for the resource constraints at the Department of Education. We all have them in our offices, of course Department of education is no different, but we appreciate the desire to get back in person when and if we can do that. We're here.

Kim:

Good morning Kim [inaudible 01:16:51] from Chippewa Valley Technical College in Eau Claire, Wisconsin.

My question is with you having a complete system overhaul, we are as well at the schools, and at this time we can't do any setup. You're not done, we're not done, our systems aren't done. Will you be providing a test population so that when these systems are ready... Because we don't have any students to load as a test, where in the past we could go out, it wasn't a complete overhaul, now it is. Will you be providing a test population so that we can do that and we can get ready?

Melanie:

Yes.

Kim:

Thank you.

Dennis:

What a great answer. Just, "Yes." Drop the mic. Yes, we're good.

Melanie:

I like those. And let me just, so yes, now changing the answer or nuancing it in any way, but just to let you know that we have also been hosting regular webinars, meetings with software vendors, and all of the folks that work with you on your campus, with our tech...

To the FSA conference point. We need those folks to be focused on our development, but we know that we need to interact with all of the other folks that are doing this work downstream, and so we have been engaging them and we'll continue to, as well as those in the states and those who are developing mainframe work. So we are keeping them informed as much as we can as well.

Brad Barnett:

Jeff?

Jeff Arthur:

Jeff Arthur with ECPI University. I was going to ask whether we should get a headstart and start studying the 107 electronic announcements on gainful employment reporting, but I'm going to pivot to something more urgent.

A few days ago, hundreds of institutions, if not most, were notified by the National Student Loan Clearinghouse that we had data stored on their systems that has been compromised. We haven't been told that the specific records have been compromised, but apparently this has happened, and this is going to be pretty large. And can we look forward to some pretty urgent guidance on how to proceed with this? Whether the Department of Education might help out with notices? Right now there's many colleges, I've talked with many colleges in technology in Virginia that are scrambling, talking to lawyers, counsel, trying to figure out what to do. But some universal approach to this might be helpful.

Melanie:

Thanks. So let me just say in candor, I'm also getting up to speed on what's happening and the details of that. And when you see me doing this, Dennis has been back, he just got in last night, so he was in the office and he sent me a message, "Are you back briefed on this?" And I was like, "No." And we haven't... So I'm looking at him to be like, I don't know if there's anything...

Speaker 4:

We just found out yesterday?

Melanie:

That was literally like do we have anything we can say just yet? The answer is no, not right now, but we are aware and we will be focusing on what...

Jeff Arthur:

I assume you're urging the clearing house to be as urgent...

Melanie:

Oh sorry, could everyone hear that?

So yes, so we are in conversations, we are trying to figure out what exactly the nature of everything and what needs to be done related to that. But it is very much a live issue and I don't have any detailed update on that.

Jeff Arthur:

Okay, thanks.

Melanie:

Surely.

Brad Barnett:

Justin.

Justin:

Just to follow up on that, if folks don't know what Jeff is referring to, this is related to the MoveIt transfer product, and NASFA will report out on that in the coming days once we are finished with all of this.

So we'll make sure we put something out and you all can see it.

Brad Barnett:

Kim?

Kim J:

Thank you. Good morning. My name is Kim [inaudible 01:20:33], I'm with Cedarville University in Ohio, and I have a question regarding the elimination of the number in college in the SAI formula. A little embarrassed and hesitant to even ask this question, because probably everybody knows it but me, but I did ask several of my colleagues and we can't seem to come up with the answer.

In one of the presentations and within the department themselves been talking about how we can incorporate the number in college in the PJ process and define how to adjust fields used in SAI formula and it was mentioned yesterday. Come to the Ask a Fed table and I'll give you some answers on that. Rather than 2000 plus people coming in line and waiting, I figure it's a great opportunity for the Department to give 2000 plus people an answer right here and now.

So, for years, and I've been at this a long time, for years we have been told we cannot go in and adjust the formulas. If I don't like the Income Protection Allowance or such, I can't adjust the formulas. How in the world can I adjust number in college within the PJ to affect the formula?

Speaker 4:

So you're not going to adjust the formula, you're going to adjust the data element on the FASFA like you're doing at PJ.

Kim J:

Give us an example.

Speaker 4:

Thank you! I needed you to say an example, whether than to say tell us what to do. Because I am aware that when we release guidance, if we say may, sometimes y'all translate it as must, and we say you might and y'all be like you should. And I'm like "Nobody said that!"

Okay. So for example, you may want to adjust the AGI to account for the extra expense of the other children at a college.

Kim J:

Define expense. Define expense for us.

Speaker 4:

"Nope. Your friends said don't do it. Your friends told me don't touch it." Did you hear the groan?

Kim J:

I don't think that was for my question. I think it was for the answer.

Speaker 4:

Okay, so I would leave it up to you.

So you can take tuition and fees, books, supplies. You can take the cost of attendance at the other school and to decide how you want to address the AGI for it. Keep in mind we use the word reasonable around here a lot, but there are some things that I would suggest you don't want us to define too closely.

Kim J:

I agree. We agree with that. We agree.

Speaker 4:

The other thing you might want to think about doing is an adjustment to the cost of attendance. So it's like what's in the best interest? Use your judgment about what's the best thing to do, with consideration of numbering college.

Does that make sense?

Brad Barnett:

I think we're good. And thank you for the continued flexibility.

Removing the number in college has caused some consternation for people and not everyone sees this thing eye to eye, but having the flexibility to do things on our campus, without too prescriptive of a definition, that's a blessing. So thank you. All right, Robert.

Robert:

Hi. I have a very simple question, but I do want to follow up on the issue with parents without social security numbers in another direction, and that is I'm really worried with the new process that eligible students with undocumented parents may be blocked for conflicting information reasons from accessing aid.

In today's world, a lot of the schools I work with won't award federal aid to a student whose parent doesn't have a social security number, or reported one, or said they didn't have one, or reported one in secondary application, and then gets to W2 with a different one, because they consider that conflicting information, which I don't think it is because the parent's social security number has nothing to do with the EFC, but there are institutions that simply don't award federal money in that situation.

And I'm worried that because of the issue with parents without social security numbers, and the matching, and the requirement that they authenticate, schools may take a position that they can't award federal aid if they have any documentation on the school system that says there is a social security number, maybe on a W2, but the ICER, or the placement for the ICER comes in and says there isn't.

So I'm going to ask if the department could clarify for the community in a Dear Colleague letter that parent social security number is not conflicting information so that that's clear across the board, and the students who have undocumented parents have access to aid. And in addition, just wanted you to know as you're investigating the way to authenticate the parents that that's a possible barrier to access to aid as well.

Speaker 4:

So years ago we actually said something publicly about that, if you guys remember the FSA conference for a couple of years, we used to collaborate and do a session with the IRS, and that was fun times because the IRS used to have their full-fledged expertise in the front row, and every question they had to collaborate, and then they would come out of their meeting and be like, "No." Good times.

But it was during one of those meetings where this very question was asked and they collaborated, because the question to the IRS was like, "When we get a W2 with a social security number, and we know it doesn't belong to the person, should we report it to the IRS? Is it conflicted information?" They met amongst each other and they came back and they said, "We don't care."

So they didn't even want the schools to report that to them. So we've said something publicly before. It may have been historic when we were cleaning up old guidances on when we were building the knowledge center. So it might just be us doing a reminder about the guidance we have on that, which is basically the IRS is saying to you guys, "If you have a W2 with a social security number, who doesn't belong to the person they don't want to know." And our position at the time was, "Well, if the IRS doesn't care, why should we?" And so that's what it was.

Robert:

That's awesome.

Brad Barnett:

Okay, so we just have a few minutes left, so we're not going to be able to take any more people in the line. We're going to try to push through as fast as we can with quick questions, quick answers.

Robert:

I do have my trivial question to ask.

Brad Barnett:

Okay, Robert.

Robert:

Will there be a follow-up draft FAFSA eligible for comment,?and if there is, close to the final FAFSA, is that likely to be

Melanie:

So the... Sorry. Oops!

So it's been through 60-day comments. We respond to all of those comments. We put it back out for 30 days, so there'll be another 30-day comment period and it will be very, very close to the final FAFSA. We are at a point where we're going to need to wrap that up so that we've got it locked and loaded for full development, and testing, and integration.

Robert:

Thank you very much.

Melanie:

Yep.

Brad Barnett:

All right. We're in the speed round. Go.

Mindy:

Okay. Mindy Schrum, San Juan College, Farmington, New Mexico.

So I have undocumented parents, student's US citizen, but they have work permits. So they have a TIN number. Are they going to be able to do their FSA ID versus a TIN?

Melanie:

Yes.

Mindy:

Okay.

Melanie:

Yes.

Brad Barnett:

Perfect. Love that answer.

Mindy:

So everything's going to flow through for that particular group. It's just my undocumented student and parent that's going to maybe go through TransUnion?

Melanie:

Yes through some other authentication.

Mindy:

All right, thank you

Brad Barnett:

Tim.

Tim:

Tim [inaudible 01:28:26], UMW.

First I'd like to say I really enjoy the vague language. Now, my administration doesn't know it's vague, but I tell them it's very strict so I can craft my policy. So I just wanted to say that comment.

And my question is about... So we've talked about when the FAFSA is going to be live this year. I'm curious where it's going to go back to in future years. I'm just saying October is great, but I like January because that gave me the month of November to actually do work.

Melanie:

All right. Simmer down. Simmer down. Simmer. Simmer down. Simmer down. It's going to be in October next year.

Brad Barnett:

Tim, you started on a good note and then I got scared there for a minute. Okay. Oh, go ahead.

Ellen:

Ellen Bathe, UC Berkeley.

I have a system question. You mentioned that you've been working with our vendors. So with that in mind, are there concerns on the depart of the department that vendors will not be able to support us as an industry? And is there a backup plan if any of our vendors go down?

Melanie:

We haven't heard that. Certainly, that would be a concern for us. So I think I would like to know more about that before, and what our plan B would need to be on that, but we continue to work with them to give them as much technical information as we can as soon as we have it available. And same thing when you ask when we'll have dates, I'm talking about...

Sorry, talking about the FAFSA specifications guides that are coming out, we do webinars with them as soon as we issue these new guides to make sure we can clarify questions and get them what they need. So we're working very closely in tandem with them, so if there's a sense of a problem, I guess I'd like you to come talk to me about that.

Brad Barnett:

Brandy.

Brandy:

Yes, I'm Brandy from Drake University, and I have a question about the PJs, and I was wondering if there's going to be a guide that might give us some direction if we're going to be adjusting data elements that are going to be targeted to AGI. Because sometimes medical might be more than.

Speaker 4:

No, you do not want us to guide PJ.

Brandy:

Direction.

Speaker 4:

Not only that, the authority to PJ is clearly with the FAA. So I really don't even have the authority to guide. And we're very careful about publishing anything that's like, "Here's how you may want to do a PJ." Because like I said, when we say may you hear must when we say you might, you say you should, and so we're very careful about what we put out.

Now, if you need help with learning how to do a PJ, then you can ask us off on the side and say, "If you do it, what would you do? Or does this seem reasonable?" Or a side conversation.

Brad Barnett:

We're good, Brandy, we'll take care of that. Yes, we love you, but we don't want you in that space.

Well NASFAA will put stuff out. I'm sure all the states and regions, you'll start seeing training sessions at your conferences on how to do PJ. So as a community, we'll take care of this.

All right. Last two questions. Go ahead.

L:

Great. My name is [inaudible 01:31:48] from Monroe College in the Bronx. We do know that FAFSA will be available sometime in December. We're wondering, with the contributors with no social security number, how soon can they start creating their FSA ID account?

Speaker 4:

This fall?

Dennis:

Yeah, I'll give specific language and say this fall sometimes.

L:

And then my second part question, I have more question, but I'm going to limit myself to two only.

For the '23, '24, and prior years, parents were able to do the data retrieval process. Now, if the parents had an issue with the identity, they will receive a message saying, "Call this telephone number in order to release your tax information." How is that going to happen for '24, '25?

Speaker 4:

Okay, so under... Remember when Melanie quoted Spider-Man and she said, "With great power comes great responsibility?" Part of the IRS requirements about getting information from them is that we have to protect it. It's called FTI. We have to track it, we have to code it, we have to flag it. And the most majority of the people outside of you guys in this room, we can't even share with, including the student. We can't show it to them or the parents.

So we're going to get a notice on the backend from the IRS if in the IRS system, the filer is flagged as identity theft and they can't share it. And that's going to be the gist of what we know from the IRS. We can't share it for this reason. So what's going to happen is we're not going to get any information in the transfer from the IRX into the FAFSA, and so that person will just be pushed to manually enter it, but they're not going to know why they've been told to manually enter. They're just going to be told to manually enter their information to the FAFSA.

Brad Barnett:

Thank you. Katie.

Katie:

I hope to give you a very easy last question.

So will the parent wizard on the FAFSA provide some guidance on how to count child support? Meaning, if the financial support is coming from child support payments, who's the contributor?

Speaker 4:

Child support receive is not an asset in FASFA simplification.

Katie:

I realize that, but that's not really what I'm asking.

Speaker 4:

Well it wasn't an easy good last question.

Katie:

I'm sorry. My question makes sense to me, but if I am receiving child support payments and that is how I am financially supporting my child...

Speaker 4:

Yes.

Katie:

Who is the contributor there if that child support payment is the actual financial support? Is it the father of the child who's providing the child support payments?

Speaker 4:

No, because it is called child support received, not child support in general. So whoever receives it is the person who's going to report it as their asset.

Katie:

Thank you.

Speaker 4:

You're welcome.

Brad Barnett:

All right, and Justin, do you have any follow-ups?

Justin:

Follow-ups? Yeah, I have one follow-up and I'm going to switch gears. How many federal work study schools do we have in here?

I'm afraid this might be a sleeper issue, but we have an entirely new federal work study reporting regime being proposed due this fall on a calendar year basis. The department put forward a 200-hour burden estimate for schools. And setting aside for a minute all the extra data elements, I guess I'm wondering whether the department would consider what NASFAA has put forward, which is giving schools a little bit more time to meet that reporting requirement?

Melanie:

I thought I was going to get an easy one.

Justin:

I never said easy.

Melanie:

That reporting requirement is part of the statutory language that we have to implement, so I will take your comment back and see what we can do, but I cannot commit to anything at this point.

Justin:

We would not only really appreciate it, but really insist. It's a tough time for all of us, and there are a lot of extra data elements in the reporting regime that we think go above and beyond what's required by statute, but thank you for considering.

Melanie:

I hear you. Thank you.

Brad Barnett:

I feel like I'm in an uncomfortable conversation between mom and dad right now. I don't know which parent to look to.

Melanie:

I have to say, did y'all see my face as soon as he said work study? Because I know exactly what this is going to be.

Brad Barnett:

Well, please join me in thanking them for staying up here and taking some questions.

All right, at this time I'll call Justin Drager up to do our introductions for our next speaker.

Justin:

Big thank you to Brad and our federal presenters, and thank you for coming up and doing a long Q and A for us. Much appreciation.

Good morning everyone. It's my pleasure to now introduce FSA's Chief Operating Officer Richard Cordray. Before coming to FSA, Mr. Cordray served as the first director of the Consumer Financial

Protection Bureau, where he brought several enforcement actions that resulted in billions to tens of millions of Americans. He served in numerous positions of public trust in my home state of Ohio.

Personally, I have found Rich to be personable, responsive, candid, and forthright. And I should point out he has come to each of NASFAA's in-person conferences in his role as COO at FSA.

Please join me in welcoming Rich to the podium.

Rich Cordray:

So thank you.

I will say that when a senior leader in the government comes to give a talk to a group like this, there's a protocol that has to be followed, which is that the remarks have to be prepared well in advance. I get them to my satisfaction, then they go through editing at the Department and if need be the White House. And by the time it's all done, the remarks are very set in stone, they're be delivered just as written, and that's the way it is.

However, this morning feels a little different. So I have my speech, I'll get to it, not yet. There's some other things I need to say. First, and most important, was I heard Melanie's story...

PART 3 OF 4 ENDS [01:39:04]

Rich Cordray:

... say first and most important was I heard Melanie's story give a retirement announcement. I know that she said she was joking, but in her heart of hearts I know that she was really thinking. And I'll just say, "No way." Seriously no effing way. Melanie, do you hear that?

And right now we are so under siege with so much to do at FSA. All of the other FSA people here and let the word go forth back home, the same to the rest of you. All right.

Second, I heard Yolanda and Brad had little things to say about their glasses. I've got my own glasses here. These are distance glasses in case my contact lenses give me trouble, which they've been doing all weekend. Hopefully they'll be okay. But if you see me looking like I'm weeping, it's not that I've just been weeping for the last 48 hours at the Supreme Court. I have been weeping part of the time because of the Supreme Court, but that's not what's what's happening.

And finally... I'll turn to the remarks after all. And by the way, there was another thing I was going to say, which was when we planned to come here to the conference in Southern California, my father-in-law lives up the coast. It's quite a ways up the coast. But rather than stay here, I decided to stay with him. It's not a natural in-law relationship as you can see. And I didn't know how long it would take me this morning to get down here to the conference.

So I asked the folks if we could change the order of things so that Melanie and her panel could go first. Just in case I was late and didn't want to have to get up at the crack of dawn. And they agreed to change the order of things. And now I realize that was a profound mistake because what I'm offering you is gauzy generalities. Whereas they give you satisfying specifics and you've already had the satisfying specifics and now you have to suffer through the gauzy generalities. So I apologize for misunderstanding that I will not make that mistake again in the future.

So now I'm to my remarks and I'll give them as written. Thank you and good morning to everyone. I then see on my sheet it says, I must say on behalf of FSA, which doesn't give you a clue as to whether that's just compelled that I have to say it or whether I really mean it. That it is our privilege to be with you in person here in San Diego.

Especially after the good reception we had with the in-person format of last year's conference in Texas. That part is actually true. Maybe I'll make that same disclaimer at times during the remarks. We're glad to join you again. That part is true again, to honor are all the important work you do. And this is actually from the heart, from all of us at FSA. All the important work you do in our colleges, universities, community colleges, and other higher education institutions around this nation. We are deeply aware of how much difference you make to the people we serve. And just how impossible it would be to have that work without you as the essential intermediaries who make it possible for so many people to go to school.

And we know as well as anyone, it's not an easy job to help students navigate the complexities and challenges of higher education. Students and families differ enormously in their financial situations. And in the breadth of experience and sophistication they may have with the different many different financial aid tools and resources. Your efforts to guide them through the maze of federal grants, loans and other assistance programs provide an essential lifeline to many who would not make it without you. And that's even before they have to navigate the difficulties of preparing, studying and passing their coursework. And even as I recall from some years ago, the occasional pitfalls of a drunken weekend or some misadventure that might land them in jail or whatever it may be never actually happened to me. But all of those things... And if they do not make it. If these young people do not make it, the entire trajectory of their futures, the chance to realize their hopes and dreams for carving out a better life for themselves is irreversibly altered.

That's the difference you make. You have lives in your hands and the financial aid is such an important part of that. So many people just need a hand up. They just need a chance to show what they can do. And in many cases, they're discovering for themselves what they never knew before that they could do. And you make that possible.

Now, multiply that by millions of students and think about the massive difference your collective work makes for our nation, taken as a whole. America is blessed by abundant natural resources to be sure. I'm on my philosophical side of this speech here at this point. But it matters far more that we find a way to develop and maximize the potential of our human resources and that is just what you do. By your work to make higher education more accessible to more of our young and I know not so young people. You're keeping our country at the forefront of the world, nothing less than that. So don't by any means underestimate the importance of what you do day in and day out. You play a vital role in strengthening our capabilities and shaping our futures. So one message I have for you all today is just to say, "Thank you."

This gathering is a great occasion for us to learn from one another as we compare notes on what is working well and what could be improved for the students we serve. I say we, because at. Federal Student Aid, our mission is the same as yours to build America's future one student at a time. We provide funding for students and families so they can learn more, do more. And gain the kinds of credentials that create new opportunities to expand their horizons and realize their potential. We especially appreciate how you share our determination to make good on the promise of higher education for your students, their families, and our communities.

But let's take a step back and think some more about how far we've come in our country in appreciation for the effects of higher education. And moving from the philosophical to the historical here. 150 years ago... That would be taking us back to just after the Civil War. Only a small subset of Americans could afford the luxury of even pursuing or even thinking about pursuing any limited form of higher education. Ours was a rural society and even as it became increasingly industrial, people who opted to take non-farm jobs often did so with the understanding they would learn how to do the work on the job itself.

What came to be known as on-the-job training. The notion of spending an extended amount of time learning more in school and paying for the privilege was still quite exotic and not very widely followed.

Notably, as public universities began to grow up in the wake of the first and second moral acts, the higher education that was on offer was quite inexpensive. Though it usually carried the additional financial penalty of drawing the students away from several years of other full-time remunerative work. But over the generations, our perspective, our attitude and our experiences have changed dramatically. People have seen over and over this is something my parents drilled into us, my brothers and myself. That education produces a unique form of human empowerment that opens new roads to the future. And higher education in particular helps pave the way to prosperity in this country and for this country. Many of us can see that very clearly in our own lives as well as in our communities.

We literally help build and augment America's human capital in ourselves. And everyone should recognize that our broad system of higher education has made this country the envy of the world, the envy of the world. Part of why it's so important to make higher education accessible and affordable is to give as many people as possible the chance to pursue their hopes and dreams and take their own chances at making the most of themselves. Higher education does that again and again for millions of individuals, and in that way it is essential to our democracy.

Not only that, but our system of higher education has become a powerful engine of economic development in and of itself. Quite apart from those who graduate from its programs and go on to pursue their own wide range of careers. Research and innovation on our campuses is intensely desirable for fostering positive urban development. The spinoffs for creating new businesses and pioneering new modes of production create great value in intellectual capital that translate directly into dollars and cents. The medical facilities on many campuses, in particular I've visited several lately, are profit centers. Even as they pump out more medical expertise in their graduated cohorts each year. Colleges as institutions, even apart from the students they mold and improve, are now among the most desirable economic drivers we know in our society today. In the realm of global competition once again, our not so secret advantage is our strong system of higher education.

And all this is true even though the product itself, higher education and its recognized credentials, has grown notably more expensive over the years. And especially over the last two generations. Where once the obstacle was a paucity of higher education offerings, the new roadblock is high cost. Of course, financial obstacles are always a reality of human life, but the runaway costs of higher education leaves so much potential unfulfilled that it cries out for rethinking of how to finance higher education.

Nowadays, even many middle class families struggle with the hefty tuition bills they face. And most families with lesser means find it hard to see any path to college at all. Federal Student Aid was developed to help fill that gap between reality and aspiration. And it's groaning under the load these days. We must remain focused on the main goal, as each student succeeds, we all succeed. This idea happens to be ingrained in the missions of both NASFAA and FSA. Your mission description says that you quote, "Advocate for public policies that increase student access to and success in post-secondary education for our nation students. And serve as a forum on student financial aid issues." End quote. FSA's mission is similar and we describe it quite simply as enabling the American dream.

So let me talk about some of the ways we try to do that together. But before I do, let me just say a word about the Supreme Court. The Supreme Court is one of the unique institutions of our government. And I had the occasion to serve as a clerk at the Supreme Court a number of years ago after law school. And the Supreme Court has its own traditions that it follows faithfully and therefore pretty predictably. Each term of the Supreme Court, they hear arguments in a number of cases starting on the first Monday in October and ending up by the end of April. And they make it a point, a point of pride, to decide every one of those cases and issue their decisions by the end of the term before their long recess begins at the 1st of July.

So as the Supreme Court comes toward the end of its term, it becomes clearer and clearer which cases remain. A dwindling number of cases remain undecided. And which days are available for them to issue decisions. And as we ran up against the end of June this year, the 29th being Thursday and the 30th being Friday, there were just a handful of cases remaining to be issued on one or other of those days. So we know when they're going to issue decisions roughly and which decisions they're going to issue. We have no idea what they're going to say or what the decision is going to be. On Thursday, the court issued its decisions in the two affirmative action cases that will have a tremendous impact on college admissions processes around the country. They had the Harvard case which applies to private schools. They had the North Carolina case that applies to public schools. And the Supreme Court said, at some length, what the Equal Protection Clause mandates as a constitutional matter in terms of admissions and affirmative action.

I thought back to when I was young, the Bakke case that was decided and the cases have been decided since. And this is the newest of those. And it will require college admissions to adjust perhaps significantly in response to what the court says. The White House and has announced a conference at which there will be discussion of what the Supreme Court Court decision means. What latitude it gives around the difficult issues of equity, diversity, inclusion. All of the colleges and your lawyers and others will be opining as to what this means in terms of what course we take. It remains a difficult issue in American life and it remains a hard issue for everyone. And we will now be in a period of ferment again on those issues for probably some few years before we settle back into another pattern. That happened on Thursday.

Then on Friday we got the decisions on the President's debt relief initiative. Which we had gone to such great lengths last summer to work to implement and to have in place before it was stopped by orders of lower courts. Pending then the Supreme Court's consideration and resolution of the cases. On Friday, they issued both of those decisions. And the upshot is, in the Nebraska case in particular, that the court has said that the debt relief is not authorized under the Heroes Act. Which was the authority cited for it and cannot go forward.

We were ready to go forward had they ruled differently, but they did not. That was no two ways about it. A great disappointment to us as we were trying to implement the President's directive. That we give people quite a bit of relief coming out of the pandemic. Knowing it's going to be difficult for millions of people to be returning to full repayment on their student loans after more than three years of having a payment pause under two different administrations. The White House announced yesterday afternoon that they would seek to pursue the same objective through other means. Looking at the Higher Education Act of 1965 and would undertake a negotiated rulemaking process on the issue and that will get underway.

One thing about it is, it does not... Those processes do not go fast. So it will take some time and it will no doubt be subject to legal challenge and we'll see how that is. But the President is determined to fight for this relief and I'm glad that he is and we will see what happens on that front.

They also announced things that Melanie and her panel covered a little bit earlier in somewhat more detail. That there is a new income driven repayment plan. It is the most generous and affordable repayment plan now in history, and that will be becoming available very soon. It is known as SAVE and that will help people with the return to repayment. Very important that people who have borrowed on student loans to the extent you're dealing with them, are aware that there is this plan available and that they explore it. And sign up for it if it at all makes sense for them. It can lower their payments and make things more workable during what will be a difficult transition for many borrowers.

And then finally they announced that the return to repayment, which is going to happen at the near the end of the summer. Approximately September 1st, August 29th. It's about the same. That's where interest will be begin to accrue and repayment will be expected. The bills will go out, payments will be due probably in October that there will be some bit of an on-ramp that will be used to soften the landing. This is, as Melanie said, "An unprecedented situation to have more than 40 million Americans..." I can say this from my background in consumer protection. "Never before have we had so many Americans, again, 40, 45 million take a hiatus for more than three years on one of their major financial obligations." For most people, those are either mortgages, credit cards, auto loans, or student loans. One of their four major obligations and then be expected to come back into payment having adjusted their lives differently. Millions of them never having made a payment before because they've graduated into this. And we will be working to try to soften the consequences to the extent we can, but understanding return to repayment is real.

These are all things that we'll be working toward as we're digesting that decision, which again, just came yesterday morning. So there's a lot going on at FSA and now I'm back to my speech.

As the academic year has drawn to a close and a new one begins, we know that many of you are navigating enrollment challenges to prepare for the fall semester. Now, add what I just described previously. The receding pandemic has been very challenging for us and we know it's been for you as well. The well-known admonition is, may you live in interesting times. Doesn't mean that we always want to. During the past three years, we've all been doing that in ways we never even dreamed of before. At FSA, we've tried to take advantage of this very strange period by taking deliberate steps to improve our processes. We've upgraded tools and communications to help more students and families better understand all aspects of federal student aid. We've adopted new measures to fix longstanding flaws in our loan forgiveness programs. And we've expanded our efforts to ensure school accountability and we've made changes to the federal student loan servicing processes. Things that I'll say a little more about. But not at the satisfying specificity of the panel in the gauzy generalities, which was meant originally to proceed the panel.

As you know very well, all federal student aid begins with the free application for federal student aid known as the FAFSA form. It is the golden ticket that allows students to apply for federal grants, work, study assistance, and student loans. Right now, we're well along in our long awaited overhaul of the application form. In fact, we're now in the home stretch of this substantial multi-year project. But again, you've heard the details already. The FAFSA form that we will unveil, again carefully phrased here, later this year... That's accurate enough, I guess unless we go into January, which we're not going to do. Has been improved the Better FAFSA, Better Future Initiative, which is spreading awareness about the substantial changes we're making to the redesign 2024, '25 FAFSA form. The changes are required by the two laws, blah, blah, blah. You know this part already.

We know that you're focused as always on helping your students and families deal with rising college costs. It's quite a workload and we want to support you every way we can. As you've heard today and throughout the conference, these legislative mandates call for a sweeping redesign of the processes and systems used to award federal student aid. Understand how hard this is. I mean, it may seem like it's just a form. What's a form? Fix the form. There's seven systems, multiple systems, at FSA that are complex that have to interact in order to deliver Federal Student Aid. And the FAFSA Saber Project touches them all. The new approach will end up making it simpler for students and families to complete and submit the FAFSA form by replacing blah, blah, blah. More things that you've already heard about. And we have to replace our 47-year-old legacy computer processing system, which has been a load of work. And we're unveiling these changes in phases, which again, you already know.

The changes we're making... And this got some attention I noted as I was sitting and listening to the panel before me. To accommodate the Internal Revenue Service merit special attention. We have to obtain consent from all FAFSA applicants and those helping them retrieve federal tax information directly from the IRS. It's highly sensitive personal and financial information which we must carefully protect based on specifications the IRS provides. And I will say this, our partnership with the IRS... And I was just over to see the commissioner with the undersecretary just two weeks ago has been effective and productive. That was not necessarily a given. That relationship has been difficult over the years. But it's been effective and productive this time around. And they've been very helpful in achieving the vision that Congress laid out for us. In fact, he knew the details and specifics of exactly what was remaining for us to implement all of this and was very supportive.

Congress also directed us to implement more than a thousand additional security requirements to the systems that store federal tax information. Because again, we have to protect this in information very carefully. Among other things, we've developed new secure processes for viewing, handling and storing information from individual tax returns. And we're working hard to remain on track to absorb all these mandatory changes to the FAFSA form itself and our methods of processing the millions of FAFSA forms annually. The Better FAFSA, Better Future roadmap... I'm going to blah, blah, blah that paragraph as well. Can never get in trouble with the blah, blah, blah, you see.

As we recover from the challenges the pandemic forced upon our higher education system, we should note that in the past two years we provided far more debt cancellation than any administration has before us. This is quite apart from the debt relief initiative of the president. So far, FSA has approved more than 66 billion in targeted relief to nearly 2.2 million borrowers, and there's more that we have in process. This includes public service loan forgiveness, which has eliminated the entire student loan debt owed by more than 650,000 borrowers. By contrast, only 7,000 borrowers had qualified for this relief at the outset of the Biden administration.

And by the way, if there's anybody in your cohort, in your students, in your former students, in your colleagues who could be qualifying for public service loan forgiveness... And they are out of their mind, if they're not signed up for it, please make sure that they are. Please make sure you're spreading this word widely. There are a lot of people who we found didn't believe this because they'd heard it before and it was just too hard. It was too complex. It wouldn't work. There was always some reason why things didn't quite qualify. That's not true anymore. And make sure that they keep trying and they try again now. By untangling the morass of administrative complexity, we finally made this program work as it should. And in addition, right now we have more than 2 million borrowers who are on the newly repaved road to earning full forgiveness when they reach 10 years of public service work.

Although they may not be there yet while making their monthly loan payments. Our debt cancellation efforts also apply to schools that cheated their students out of the education they were promised. We've granted hundreds of thousands of borrowed defense claims to students who were defrauded .and for millions of borrowers who will still have debt and will enter repayment later this year. We're focused on improving the system as they return to make it more affordable and easier to navigate. That's the income based repayment plan, the SAVE's plan that was described earlier and will save borrowers hundreds of dollars at least, a year.

It also includes our Fresh Start Initiative, which provides a clear pathway out of debt for roughly seven and a half million borrowers. I don't know how many of them will actually take that pathway out of default. I hope that many of them will. I'm sure many of them are just exhausted by their travails with the system, but we are trying to reach them as well.

Another focus has been accountability. We're committed to improving student outcomes, including by holding accountable, low performing and predatory schools that swindle their students and leave taxpayers to foot the bill. That's wrong, and we're working to stop it. We're targeting misconduct and criminality and we've increased enforcement and oversight of all types of higher education institutions. Understand that we mean business there. Accountability efforts also extend to our loan servicers. We recently awarded new loan servicing contracts, which is a major step in overhauling the servicing system. And the so-called NextGen servicing system, which has been a glimmer on the horizon for about the past seven years is now finally being delivered at FSA. The new loan servicing solution known as USDS will provide a high quality customer experience and deliver support for at-risk borrowers.

This will enable all borrowers to take advantage of the most affordable ways to repay their loans, avoid default, and get loan forgiveness if they're eligible. Vendor accountability is also a central goal of the new servicing contracts, which provide rewards for better customer outcomes and impose consequences for failing to meet expectations.

With everything that's happening in 2023, let me note that it is not too early for us to encourage your participation in the FSA training conference later this year. This is one year where you're definitely going to want to be there, I think. The conference starts November 28th. It will run through December 1st. This is less than a month before the new FAFSA form is unveiled. And we may have, no doubt will have, more timely, informative updates to share during those sessions. I saw and could feel you pressing Melanie in the panel. What day in December is it going to be? What day earlier are we going to hear what day it's going to be? What hour are you going to give us? What minute? We don't know yet. There's a lot of work to be done. Still is a lot of work to be done. But we will share as soon as we can and no doubt by that point we'll have a lot to say.

Please note that once again, the training conference will be virtual this year. I know a lot of people prefer an in-person format. But the major advantage we found with the virtual format, aside from the fact that is true of everything around FSA right now. If we can save money, we should, is our ability to accommodate more participants with no physical limitations and very little wear and tear on anyone. Notably, this format also makes things easier for participants to minimize travel time and expenses they incur.

Some of you will observe the virtual format as less fun. No doubt that's true. We haven't quite figured out how to put fun into the virtual format to the right level. But we're open to suggestions, but then again, all of life is a kind of trade-off. We just encourage you to send as many people as you like. That's send as many people as you like, to take part in the sessions at virtually no cost to you. Including multiple people from the same place, which might or might not have been possible with travel budget limitations.

At FSA, we spend considerable time working on complex operational details about student loans and our programs for delivering Federal Student Aid. But when we talk about those things, we're deeply aware that they're much more than just numbers. They're a meaningful part of the process to help lift people up, help them lift themselves up and reshape their futures. Our work is exciting and its consequences are vast for students and their families. The work we do together is nothing short of life changing. Rest assured, we're fully committed to working with you to deliver for every last one of them. Thank you.

Justin:

Rich, we just want to say a big thank you to you and your team. You employ some really talented people. And these in-person interactions really do go a long way in humanizing and solidifying the partnerships between FSA and our profession. So a really big thank you for coming and being here with us. Let's give Rich and his team another round of applause.

All right, Brad talked to you about how we've reconfigured our day a little bit. Our next set of sessions began at 11:15. Thanks, everybody.

PART 4 OF 4 ENDS [02:11:18]