

NASFAA's "Off the Cuff" Podcast – Episode 279 Transcript

OTC Inside the Beltway: ED Details FAFSA Release Date and ISIR Delay, While Appropriators Avert a Government Shutdown - For Now

Justin Draeger:

All right. What did you just say, Rachel? I want to hear what you just said.

Rachel Rotunda:

I said that our wonderful colleague, Megan Coval, texted the three of us, Karen, Justin and I once, and was like, I love the... I don't know exactly what she said. I love the video of you all from "Off the Cuff" on Instagram. Karen was like, what? I didn't know that that was on the internet anywhere.

Justin Draeger:

Karen, do you not check? Are you not a subscriber to NASFAA's Instagram?

Karen McCarthy:

I am not. No. I don't have any.

Justin Draeger:

Are you on Instagram?

Karen McCarthy:

No.

Justin Draeger:

Haven't you ever heard the parental advice that you're supposed to be on all the social media sites that your kids are on?

Karen McCarthy:

Scott's on Instagram, and he is friends...

Justin Draeger:

Scott's on Instagram and he's a retired school teacher and he's on...

Karen McCarthy:

He has lots of time.

Justin Draeger:

He's hipper than you're on... Oh, he's got lots of time. That's the excuse. You're not on NASFAA's Instagram. You're not on Facebook? I don't buy this for a second.

Karen McCarthy:

I do have Facebook because I need it for some volunteer stuff that I do. Yeah.

Justin Draeger:

La-te-da. Okay.

Karen McCarthy:

That was what made me do.

Justin Draeger:

Virtue signaling.

Karen McCarthy:

No, I was like, I guess I got to get this.

Justin Draeger:

You're not on the TikToks?

Karen McCarthy:

No. Scott does that too. Again, he's got...

Justin Draeger:

He does TikToks or he's watching the TikToks?

Karen McCarthy:

I don't think he... Oh God, I don't even want to know. I'm afraid to ask.

Justin Draeger:

Well, I was just commenting that you two looked very dressed up, so I had to go put on an actual shirt as opposed to the hoodie that I had been wearing all morning. I just feel like since Hugh, since you guys have been putting these videos out on social media, we do have to.... that's the point, Karen. You didn't dress up for the podcast though, I assume.

Karen McCarthy:

No, I had the PMPI thing before this anyway.

Justin Draeger:

Oh, I see. You were actually presenting it. I noticed that on the department... so we were at a stakeholder's briefing yesterday on the FAFSA release, which we'll talk about in a minute, but I noticed that Rachel, you were there and Karen, you were there, but neither of you were camera on.

Rachel Rotunda:

Actually I was camera on, but I was at a board meeting for CEF and I was at their office space.

Justin Draeger:

For folks who don't know, the Committee for Education Funding Committee.

Rachel Rotunda:

Committee for Education Funding, which we're a part of. I stepped out of the board meeting to get on this call and I was in one of their other conference rooms. It was a very nice space. I was like, this is perfect. Couldn't have worked out better. What happens not five minutes after the call has started, but the building fire alarms start going off. Then I'm paranoid that I wasn't on mute and the whole call just heard really loud fire alarms, so I had to get to my phone off camera. I was on for a little bit, but the fire alarm got in the way.

Justin Draeger:

Okay. All right. You were going to be camera on.

Karen McCarthy:

I thought that meeting was going to have a ton more people on it, and usually big things like that there are only a couple people that turn their cameras on.

Justin Draeger:

Well, I showed up and everybody had camera on, so I was running around. For the record, I had been at onsite meetings all week, so then I was working from home yesterday and was not prepped for an onsite meeting so quickly. It's within eyesight. I grabbed some stuff, put it on and grabbed a ball cap because I had worked out and had not quite gotten around... in my defense, had been working all morning since 6:30. It was a big day yesterday, so just got ready really quickly. I feel bad when people are all camera on and I'm not. Anyway, Karen, you seem to have about shown us today, so kudos to you. You'll be all done up for the Instagram.

Karen McCarthy:

Although yesterday with the webinar thing, I don't know. Everybody seemed to find it funny when I was like, okay, am I going to have to be on any video because I am not dressed for video. Yeah.

Justin Draeger:

Yeah. Well, Karen jumped into... yesterday we had a NASFAA webinar in the afternoon and we huddled up really quickly because it was on student eligibility, and I was like, obviously we have to address the elephant in the room. It'll be on student eligibility, but everybody's going to, of course going to wonder, okay, are we going to talk? It's like everybody gets together and is like, are we going to talk about the FAFSA and the release because that what's on everybody's mind. Karen was going to show up as a resource, and first thing Karen wanted to know was... It was such a busy day, Karen. I'm not one to normally comment on anybody's looks. As we all know, when somebody's obviously got a haircut, the only thing I say is, hey, you got your haircut and that's it. I just acknowledge that you got a haircut. I feel that's the polite thing to do, but I don't know. I don't know what to say. You said it. You asked if you were going to be camera on because apparently you had some stuff to do, hygienic, personally hygiene wise.

I'm not speaking. You said it. I didn't say it right.

Karen McCarthy:

Yes.

Justin Draeger:

Right.

Karen McCarthy:

No, that's true.

Justin Draeger:

Okay, well, there you go. Anyway, we all look Instagram ready today, Hugh, so fire away. Hey, everybody. Welcome to another edition of Off the Cuff. I'm Justin Draeger.

Karen McCarthy:

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

Rachel Rotunda:

I'm Rachel Rotunda, also from NASFAA's Policy Team.

Justin Draeger:

Okay. Really glad to have you both here. A lot happening inside the beltway, so we have Karen and Rachel here this week, and we've already had some conversations. I think we just need to jump right in with two big pieces of news. We're going to talk about the FAFSA release date and what it means for institutions that some of the ISIR information will be coming later. Then we also want to talk about what's going on with Capitol Hill and funding for the student aid programs because this is a bit unique and the stave off of the federal shutdown. Let's start with the FAFSA release, Karen. Why don't you catch us up broadly with what's going on and then we'll dive into some of the details. What's going on with the FAFSA release and what this means for institutions and students and families?

Karen McCarthy:

Yeah. Yesterday the Department of Ed rolled out a release that basically made two announcements, one of which was not news to our community and one of which was really big news to our community. The first thing they said is that the FAFSA, the '24, '25 FAFSA will be available for students to start completing by December 31st, 2023. The second part of the announcement...

Justin Draeger:

Really quickly...

Karen McCarthy:

You want to talk about that first?

Justin Draeger:

Yeah. Let's start with that. We've joked around and a lot of offices have office pools. I don't know. That part I don't think was super surprising for folks that are working in financial aid. It's six weeks out from

the end of December basically. I think most people were thinking it would be near end of December and a lot of, for traditional schools, will be closed down anyway. They thought the FAFSA would close down or would open when they were going to be out of the office. That's sort of what they had mapped out anyway for their plans. The department used the language by, so that wasn't on. Potentially they could open it before, right?

Karen McCarthy:

Potentially, yes. Are we going to talk... do you want to talk more about that now?

Justin Draeger:

Go ahead. What information do we have there?

Karen McCarthy:

No, they did say by. They didn't say on. I would think that most schools are planning for late December and they were already planning for that before this announcement. This part of Ed's announcement, I feel like everyone in our community, our reaction was, yeah, that's what they've been saying. That's not really news. I feel like some folks kind of more tangentially attached to the FAFSA process outside of our members and our financial aid administrators that may have been like, okay, great. They said it's going to be out by the end of December. Our reaction was like, okay, yeah, they've already been saying that to us. That's not really news.

Justin Draeger:

We kind of knew, and the law stipulated, of course we've talked about this before in the podcast, the law stipulated by January one. Before we had prior prior year, it was January one, so by December, which means they could open it a few days before. If we're using previous launches of new products at federal student aid, like when they did their debt relief application, they sort of did a beta, they sort of did a soft launch. I don't know exactly how FSA is going to do it. They didn't have those details yesterday, but they said by December 31, so it will be launched by December 31, and for our community, right, it was sort of met with, okay, that's sort of what we assumed it would be, near the end of the month and most of us will be closed over the holiday break in this country. Okay. That's one piece of the news. All right. What's next?

Karen McCarthy:

Yes. The second piece of the news was very newsworthy for our community, and it was that institutions will not start to receive processed ISIRs until the end of January and institutions will not be able to start making any corrections to ISIRs until February. I feel like that announcement made some of our members be like, whoa, whoa, whoa, what is that, and freak out a little bit. I feel like the other group of people who are paying attention, like the tangential FAFSA people didn't really understand what all that meant. They're all asking, okay, but what does that mean? Is that a big deal? What does that mean for schools? Meanwhile, the schools are freaking out a little bit about the impact. On that side of it was definitely newsy for our community and the other folks were a little bit confused. What does this mean? What's an ISIR? I don't even know what that is.

Justin Draeger:

What makes this a little bit more confusing is that when a student fills out a FAFSA, they will be getting from the Department of Education their own calculated SAI and their Pell Grant eligibility. They will be

getting that back from the Department of Education in a normal timeframe that you would expect when you complete a FAFSA. What won't be happening though is none of that information will be transmitted to an institution. In fact, the institution won't even know, it sounds like, that a student has put their institution down as wanting their FAFSA to go to that institution, so institutions won't have any institutional records, won't have any knowledge that a student has completed a FAFSA and wanted that school to receive that FAFSA. The student will be receiving information.

I think this is something for schools to think through because we were thinking through this yesterday, Karen. Originally when we first saw this in the electronic announcement, I think my thought was, oh, okay, so the student will submit and then it'll just sort of go into maybe a limbo or a black hole. That's not exactly the case. The student will be receiving information. It's just that none of that information will be going to a school for packaging purposes or be loaded into a school system so that they can be packaged and receive a financial aid offer. In that way it's not clear to me whether that creates any additional confusion for a student.

Karen McCarthy:

Yeah. I am a little ambivalent about whether that is a good thing that the applicant will get their estimated SAI and estimated Pell Grant eligibility. One, because like you said, the school doesn't get anything, so the applicant will then logically call their school and say, hey, I got an email that says I'm eligible for a Pell Grant. Okay, great. I don't see any of that. I have nothing on you. There's that factor. Then the other thing that may be an issue is that while the student will be notified of their estimated SAI and Pell Grant eligibility, none of the database matches will have been conducted and there will be no verification selection. None of that will happen until the processing turns on later in the month of January. There will be multiple communications going to the student.

The way that it happens right now is that all of this work happens upfront. The database matches happen, verification selection happens, and then everything goes to the student at one time. Here's your estimated SAI, here's your estimated Pell Grant eligibility. Oh by the way, you've been selected for verification and we have a problem with this document. Your school will be reaching out. You may need to provide additional documents. Now they'll only be getting the information about the SAI, the estimated Pell Grant eligibility. If I were a student, I might assume everything is peachy at that point, but then they may be following up later once the processing kicks on later in that month and the database matches happening and the student may actually have to provide more information later. The messaging that first time I feel like will be very important. The department did say that they would work with us to make sure that they're communicating correctly to students to make sure that they're setting expectations appropriately. This is all tentative. You might need to do more things later on, all of that.

Justin Draeger:

The department signal a willingness to work with the community on their messaging to get a timing because obviously the schools are the intermediary here. They're the nexus of pulling together all the different financial aid sources and giving the student the package of estimated financial aid, so it's natural that the student would go to the school and perhaps place a lot of the blame for the delay. I completed this FAFSA back on January 1st. Why am I not getting an aid package until the end of February?

Karen McCarthy:

Even I could see a student saying, okay, it's January 20th. Do you need anything else, school? Well, I don't really know. We might. I don't know yet.

Justin Draeger:

Or if, for example, there's an error that's generated when the database matches actually occur later in January. That might not occur, Karen, until potentially January 30th. Is that right?

Karen McCarthy:

Right. The school, until they get that, it's like, you know what you know when you know it. I know you're calling me now and you want to know if everything looks good and I have no information on you right now.

Justin Draeger:

Right. At that time the student would presumably be notified by the department that there's something wrong, but they can't resolve it until they hear from the school. The school's not going to receive that information until that exact moment as well. All of that's going to have to be loaded into the school system and then the school's going to have to load all of that in. It's going to take some time for the school then to review all the ISIRs that they receive. They're going to have to then review all of the data as it comes in. This is not an instantaneous process, and this assumes that all the data comes in cleanly and can be loaded cleanly as well.

We have to be clear that this is an entirely new FAFSA, entirely to new federal methodology that all the test files work out great and all the financial aid management systems that are operating on a campus are all ready to receive the files that come from the department. I guess what I'm saying is the FAFSA will be ready by December 31st. ISIR, the applicant information, will be ready by the end of January. Database matches will be happening by January 30. The word by is doing a lot of work in all of these sentences.

Karen McCarthy:

That doesn't mean that eight offers are going out by February 1st.

Justin Draeger:

Right. It's not because schools don't want to. It's just the nature of how all of this... and this presumes, again, that all this works. Let's walk through an actual example here because I've heard over the last 48 hours from various stakeholders, data transfers, and when we talk about the data transfers that we were just talking about, we're talking about the data that's filled out by the student and then transferring that, it's processed by the department, transferring it from the department to institutions through an ISIR.

Karen, I guess an assumption I want to ask you about is when we talk about data transfers, I've heard that used in a couple different contexts over the last 48 hours. When we talk about transfer of data to the schools, we're talking about the ISIR, like a processed FAFSA and then the applicant data being transferred to the school, but there's a whole other data transfer that's happening from the IRIS to the Department of Education that was made possible through the Future Act. I'm presuming if the FAFSA is open by the end of December, by December 31, that transfer is operational. If the FAFSA is open and it can be completed in 10 minutes for some students, which is what the department was touting and the White House was touting in the press release, then I'm presuming that data transfer is operational. Is that right?

Karen McCarthy:

I have the same understanding because that is part of the application itself and the department has said that the application will be up and running by December 31st. Transfers and exchange of data, the database matches with other federal agencies, that's all post FAFSA completion stuff that happens on the backend. Those database matches with other federal agencies won't be happening, but with the IRIS, that's really part of the students' application experience. I would assume that that will be up and running by December 31st as well.

Justin Draeger:

Very few applicants use a paper FAFSA, but for those who do, when will that be available?

Karen McCarthy:

They have said that they will start to process paper FAFSA that are submitted in February, so later than the online FAFSAs even.

Justin Draeger:

Then how will this impact students who can't use the FAFSA today? The students without social security numbers or our DACA students or undocumented students?

Karen McCarthy:

The department has said that in order to complete the online FAFSA, everybody, all the contributors need to have an FSA ID and they're creating a new process for applicant contributors who do not have a social security number because right now those people cannot get an FSA ID. The new process for people without a social security number they have said will be available for enrollment or they can apply for their FSA ID when the FAFSA goes live. We are assuming that again, because that was tied to the FAFSA going live date that that will also be available by December 31st.

Justin Draeger:

That's an assumption though. We don't have that confirmed from the department.

Karen McCarthy:

Right.

Justin Draeger:

Okay. Can we talk for a moment about the corrections? Students, you said that corrections won't be able... schools won't be able to make corrections until February, and we don't have a date on that. Is that correct? That doesn't necessarily mean February one. It means in the month of February right now.

Karen McCarthy:

Yeah. A general rule is that we don't have any specific dates on any of it. Anything we're talking about, no date, no specific date.

Justin Draeger:

Yeah. That's important because anytime that a school finds a conflict or has to resolve something, they might have to go in and make a change once they've verified information or resolved any of those conflicts or done a professional judgment, for example, that results in a change, or a dependency

override in many cases, all of that would have to be done on the school side and those won't be able to be done until February. Is that right?

Karen McCarthy:

Yes, that is correct.

Justin Draeger:

Okay. All of those will have to be placed aside and be done in the month of February, further delaying for those students any sort of finality on their financial aid package until that time. I suppose a school could estimate out some of those changes for those students, but they wouldn't be able to be presented with any finality at least until the schools are able to submit changes.

Karen McCarthy:

Right, and obviously schools can't submit any changes until they get the initial record in late January also.

Justin Draeger:

Okay. Initial aid offers, so if we back up everything until its last moment, we're talking if they don't get anything until the end of January, we're talking initial eight offers at the earliest mid to late February, and then potentially corrections thereafter anyway so late February, potentially running into March. What about student corrections? If a student notices that they made a mistake, when can they go in and make their corrections?

Karen McCarthy:

They said that students can go in and make corrections when the processing starts at the end of January. Any changes, like if they want to go in and add a new school, that would be at the end of January.

Justin Draeger:

What are we hearing from some of our members, some of their top concerns? Karen, anything that you're hearing?

Karen McCarthy:

Yeah. I think there is general disappointment, some concern about their very compressed timeline in the spring and that they're losing months. If you go back, the FAFSA used to go live on October, so they've lost... the end of January can be significant in terms of the time that they have. You've already mentioned all of the testing of files, making sure the processes work correctly, then the aid offers go out. There's a lot of helping students to resolve from database matches that didn't go through smoothly, performing verification, getting aid offers finalized. Professional judgment is very time-consuming, especially when you're talking about incoming students. For a lot of incoming students, they need to know what their final aid offer is so that they can decide where they're going to enroll. Timeframe for all of those processes to happen is a lot more condensed now with this calendar. I feel like there's a lot of anticipatory dread of what the winter and spring will be like to work in an aid office.

Justin Draeger:

I think that's a fair assessment. Some schools won't be largely impacted by this. Some schools were already planning on sending aid offers out in February, but for other schools, this will have a pretty big impact. There are a group of schools out there where it's no longer regular admission. They have a large chunk of their students who are applying early admission. Early admission is sort of the new norm and it's become very disjointed from the financial aid process at this point. Admission decisions are rolling out in December and January, and then schools students are just held back. The students that are most impacted then in these situations are the ones who are least able to pay because those who can pay and afford outside of the financial aid process are able to more easily make decisions because they aren't hamstrung by affordability issues.

Karen McCarthy:

Yeah. I feel like the institutions who do have some amount of institutional aid but they award it using only the FAFSA are really in a tight spot because it's really hard for them to do estimates. They're not using the profile. They can't do anything until they get these ISIR files. Some of those institutions may feel pressured to build their class in terms of their enrollment management. They're working hard to get every student they can to enroll and they need to get these aid offers out there so that they can work on building that class.

Justin Draeger:

Right. Rachel, let's bring you into this conversation about reactions from the Hill. What are we hearing from lawmakers about these latest announcements?

Rachel Rotunda:

Yeah. Yesterday was a pretty newsy day on the Hill, I would say outside of everything happening in the financial aid world. There weren't a ton of reactions from lawmakers. That doesn't mean that there won't be more to come in the next couple of days and weeks ahead, but I did see one quote from Senator Bill Cassidy, who is the ranking member or the lead Republican on the Senate Education Committee. He called the process another "consequence of the administration prioritizing their illegal student loan schemes over their job of supporting students". Senator Cassidy had also led an effort yesterday to overturn the Biden administration Save Plan, so I don't think it's a surprise that he tied the delays in the FAFSA release and FAFSA processing to some of the administration's action around student debt.

Justin Draeger:

Okay. Well, we'll be on the lookout for additional questions or comments from Capitol Hill. Karen, of course, we want to give financial aid offices as much space as they need to focus on their students in the months ahead. To their credit, our federal colleagues have signaled a willingness to work with us on things like communications and potentially ways in which we can partner together over the next couple months. Now, they haven't responded to some of our specific asks, and we'll make these asks in writing in the weeks ahead, but just out of the gate we threw out some ideas. Can you summarize quickly for us some of the things that we're exploring to give our members some space?

Karen McCarthy:

Yeah. Interestingly, Justin, in the department's communications with us, they actually brought up the idea of we want to work with schools to make sure that they are able to clear the decks, speaking work-wise to make sure that they can focus on counseling students and getting aid offers out the door over

these coming months. They brought up that topic before we even did. We kind of had that in our back pocket. What will we ask for in terms of relief so that schools can really focus on the aid offer project over the coming months? I thought that was interesting that they brought it up, again, without any specifics, but their willingness to consider that.

We are still brainstorming on some of the specifics, but one of the most obvious that comes to everybody's mind is verification relief in terms of the selection rate for '24, '25. The department did say earlier that for '24, '25 they would be returning to random selection for verification, but they had not publicly said at all what kind of rate they were looking at. We're hoping that the selection rate can be as low as possible while still ensuring program integrity on their end to offer families and institutions some relief. Families also have this really condensed timeline and they've got to do a lot of things. If they're selected for verification, they have to be really on top of things to get things in so that they can get their final aid offers.

Customer service to students and applicants, the Federal Student Aid Information Center had cut their weekend hours in terms of assistance. We'd like that to come back so that when the FAFSA does open, people can get through the process, get their questions answered a lot quickly so that things can move more quickly and we can save time during the process. Some of the things along those lines. We're also exploring if there might be the potential for any relief in terms of enforcement, reporting, some of those things that might not be absolutely required by statutory restrictions that Ed could possibly delay. Again, it's kind of tricky because you don't want to forego program integrity along the way. We'll be working out the details of what those asks will be in the coming days.

Justin Draeger:

If folks have additional ideas, they can certainly send them into policy@nasfaa.org. Listen, we get it. The Department of Education folks also, I'm sure this is the last thing they wanted either, and we know that they're working really hard to get all of this done as soon as possible, and they want to get this over the finish line as much as all of us do as well. We're of course urging them to get this done. We don't want anything done that would cause any of us to have to go backwards and redo any student application, so we want it done. We want it done right. We recognize they're working really hard and they're not blind to the consequences and how high stakes this is for institutions and of course the students that we're all trying to serve.

A big thank you and kudos to all of the financial aid offices out there that are going to have to work really hard to ensure that students don't bear the brunt of these truncated timelines. NASFAA is here working on your behalf to work with our federal colleagues to make sure that all of this messaging is just right for students. Thanks very much, Karen, for all of those updates. Rachel, let's turn to you and turn to the funding battles that are going on here inside DC. Why don't you catch us up on what's going on with the government potentially shutting down or not shutting down, and then we'll turn to the student aid program. Where are we?

Rachel Rotunda:

Yeah. It's been a very busy six weeks since the last time that we narrowly avoided a shutdown. That was at the very end of September. Since then, we've had a speaker ousted, we've had a new speaker elected, and we've really just had a lot of uncertainty around what lawmakers are going to be doing leading up to this deadline of November 17th, which was the deadline from the previous funding extension that was passed at the end of September. There's been quite a bit of speculation about what funding proposals would be put forth that would extend funding, what we would see party leadership proposed.

Then the second question is whether whatever is proposed would have sufficient support to pass the House and Senate. Fortunately, it does look like we have once again avoided a government shutdown, which I think you had told a lot of folks this six weeks ago, they would be surprised to hear it, but we did see the House of Representatives pass a short-term funding extension, which is called a continuing resolution that happened on Tuesday of this week. It was a bipartisan vote, so it was a vote of 336 to 95. We saw 209 Democrats and 127 Republicans vote to support that funding extension.

Then just yesterday we saw the Senate approve the continuing resolution, so that happened Wednesday night. That was also a bipartisan vote. There were 10 Republicans in opposition and one Democrat who opposed. That was Senator Michael Bennett who objected to the funding extension due to the exclusion of additional relief aid for Ukraine. We've seen the bill clear Congress and now it will head to the White House for President Biden to sign, which he is expected to do so, and hopefully by the time this episode comes out, we will have funding extended. That's kind of where things stand.

Justin Draeger:

Rachel, no government shutdown, that's good news, particularly as we have so many government workers working to make sure that we have borrowers onboarding successfully in repayment, we have everything going on with the FAFSA, but how long has the government funded for, since this is a continuing resolution, and then do we have any sort of finality for the student aid programs for '24, '25?

Rachel Rotunda:

Yeah. It's a great question. This spending plan, or rather not a spending plan, a funding extension, is a little bit different from what we are used to seeing. Typically in pretty much every funding extension in the last few years, we'll see that continuing resolution will extend all government funding for a certain amount of time. Back at the end of September, that continuing resolution extended all government funding until November 17th until tomorrow. The continuing resolution that was just passed this week by the House and Senate actually creates two deadlines. It's sort of this laddered approach; one deadline in January and another in February. The first deadline is January 19th, and on that date, funding would expire for a handful of the appropriations bills, military construction, agriculture, energy and water, and transportation.

There would then be a second deadline, which is February 2nd, where the remaining appropriations would expire or funding for the remaining appropriations bills would expire. That's where the Labor H Bill, which includes education funding would lie. For the purposes of our programs, February 2nd is that new deadline, but there are a handful of other appropriations bills that funding will expire a little bit earlier on January 19th.

Justin Draeger:

I assume since our programs are funded through that February 2nd date, we don't have final Pell Grant amounts then for '24, '25. We don't have FSEOG or Federal work Study then figured out just yet.

Rachel Rotunda:

That is correct. Yeah. What we saw Congress do this week is essentially just kick the can a little bit further down the road, buy themselves a little bit more time to hopefully finalize fiscal year 2024 spending levels, and once that happens, I was going to say if, but I'm going to say once, I'm going to be optimistic, once that happens, that's when we'll know final Pell amount, SEOG, Federal Work Study funding. We have seen both chambers put forth proposals related to the student aid funding levels. Some of those proposals over in the House have been really alarming with the proposal elimination of

SEOG and federal work Study, but we, I think, are still a pretty long way from actually seeing the type of compromise that's going to be needed to get to a place where a bill is actually going to pass both chambers.

Justin Draeger:

Okay. We'll find out, I guess, in the new year. Not only will schools be getting ISIRs later, but we won't have final funding levels for '24, '25 until sounds like we get much closer to February or at least into January. We have a new speaker of the house. He and his staff are all new to this. I don't think anybody including Mr. Johnson himself planned to be necessarily in this position. What's the game plan if we get to January? Is there a way to bring all of this into some sort of conclusion in January? I can't imagine we'll be kicking the can down the road into March, April, or May, or will we?

Rachel Rotunda:

Yeah. This is definitely a tall task and the approach that Speaker Johnson has laid out with this two different deadlines happening in January and February is really different. At first there were folks on both sides of the aisle saying, we don't want this approach. We want just one deadline, but now we've seen them kind of come around and support it. I think to me that's significant in just showing that he has been able to build some bipartisan consensus even within different parts of his own party. In one of the press items that the Republican leadership put out over in the House, they said something to the effect of, if we don't see Democrats and the President work with us to finish fiscal year 2024 funding on this timeline, House Republicans are going to sort of shift gears and work towards implementing a full year CR, which would just mean extending the current funding levels from last year all the way through fiscal year 2024.

Never say never. We definitely have seen Congress pass additional short little funding extensions if they feel like they're close on fiscal year 2024. We could see something like that, but I do think it's interesting that they've said, look, we're going to give a little bit more time. We want to pass these spending bills in a way that aligns with how our party wants to do business, but if that doesn't happen, then we're going to do a full year CR, which I think it would depend on who you ask. I think given the cuts that have been proposed in the House, some advocates might say maybe a full year CR isn't so bad because it's not cuts.

Justin Draeger:

At least preserve.

Rachel Rotunda:

Right. There are some that would say we need increases, so a full year CR really when you take into account things like inflation actually is a cut. I think it'll be interesting to see how it plays out, but when I was reading through all of their materials, that really jumped out to me as they're putting a stake in the ground and saying, we want to be done with appropriations on this timeline, but there's a lot that remains to be seen.

Justin Draeger:

Well, we're glad that we have you plugged in to make sure we've got everything buttoned up, Rachel, and thank you for being on to keep us all up to date on everything going on in our Student Aid program funding levels. Big thank you to you, Rachel, for keeping us all up to date and informed on federal student aid funding levels. A big thank you to Karen and the team for keeping us up to date on all things FAFSA related. Send us your questions and remember to subscribe, tell a friend. We will not be back

next week. I hope everyone has a healthy and happy Thanksgiving and we will see you on the other side of the federal holiday. Take care everyone.