

# NASFAA's "Off the Cuff" Podcast – Episode 292 Transcript

## OTC Inside the Beltway: A Big Year for Delays

Allie Arcese:

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Karen McCarthy:

I'm Karen McCarthy with our policy and federal relations team.

Rachel Rotunda:

And I'm Rachel Rotunda, also with our policy team.

Allie Arcese:

We have a lot to cover today. We're going to get into some fun, maybe not the right word, some FAFSA updates. We're also going to be talking about the federal budget. So first up, in the last week we've gotten a barrage of some FAFSA updates, including some updated timelines. Big news was the miscalculation in the SAI formula that was announced last week. Karen, why don't you catch us up first on the updated timeline around student corrections?

Karen McCarthy:

Yeah. And Ali, was it in the past week when they just announced that asset issue in the reprocessing? That feels like it was eons ago.

Allie Arcese:

It was last Friday.

Karen McCarthy:

It feels like eons ago already.

Allie Arcese:

I know.

Karen McCarthy:

So if you haven't checked it out, the department released an announcement earlier this week on the 25th that is basically kind like a progress update wrap-up of things that are going on, and I kind of jotted down big headings of the important pieces from that announcement. One is that they have updated

their progress in getting through the backlog. It's about 6 million FAFSAs now that we're in the queue, getting through the backlog. They have said in that announcement that they are fully ramped up. They expect to clear that backlog by the end of March, so I think that is a little bit earlier than people expected since earlier in previous announcements they had said once they get to peak processing, it would take them about two weeks, and I don't think it's been two weeks since they've hit peak processing. So they are motoring along in terms of processing that 6 million FAFSAs that are in the backlog.

They did also announce, they had been promising to have some kind of progress tracker available publicly posted on their website, and there is a link to that that's now up on their '24/'25 Progress FAFSA updates page. I believe I heard elsewhere that they committed to updating that I think it was twice a week. And so right now we don't have any updates since they first launched it on the 25th. So the data points that were the first ones that they posted on the 25th is that they have processed to date 4.4 million, submitted to date 6.3 million. And so because they haven't updated UC process to date, 4.4 million processed since last report and it also says 4.4 million. So that number will be updated as well as we move forward with those semi-regular updates. I would expect that that will probably be updated again by the end of this week.

So we have the timeline in terms of getting through that backlog. They did related to corrections, that has been kind of a big outstanding question. So we have the ability of both applicants to make corrections that we are waiting on and we also have the ability of schools to make corrections. And their previous announcements had said that student corrections would be available by the end of March, school corrections would be available after that with no specificity there. And what they updated in this announcement is that student corrections are now expected to be available in the first half of April, so they like that first half of the month.

Allie Arcese:

The first half, yeah.

Karen McCarthy:

Yeah. The first half of the month and there was not any update at all related to school corrections, so we're assuming still following, but we do not have an exact date yet on that, which we are glad at least, not happy, that the student corrections will be delayed of course, but glad that they have come out and made that known. One of the big criticisms back in January when they had to postpone the release of the ISIRs to schools is that they announced it so late, I think it was like January 30th, so schools didn't know that they weren't going to get the ISIRs until the very last minute.

So I think this was a little bit of a response to that criticism from the last go around, that if they know student corrections are not going to be available by the end of March, that they should come right out and say it. So we still don't have an exact date, but they have at least said it's not going to be by the end of March, like their early estimate. And also, related to the issue that you mentioned about the assets that they had previously identified and that they were going to need to reprocess the affected ISIRs there, they did say that that would happen after student corrections are available, and I think they said shortly after. So again, no specific date there, but they did flag the update there on that reprocessing that they previously announced.

Allie Arcese:

So those ISIRs that will be reprocessed sometime in mid-April or in April in general, I think one thing people are always asking us is when are students actually going to be able to get their aid offers? So if

schools don't get the corrected ISIRs until mid-April, what does that look like for actually getting the offers out?

Karen McCarthy:

I feel with regards to the affected applicants, which they didn't release an exact number, you can kind of do a little bit of your own math and it's approximately 200,000 dependent students who had assets that were reported on their ISIR, I do think that most institutions, if they have the capacity and they're able to identify who is likely to be impacted by this, they're kind of setting those aside and they will likely wait to receive those reprocessed ISIRs before they send aid offers. The department did say that schools may be able to estimate what that corrected SAI would be and then offer an aid offer accordingly now and not wait. However, that raises lots of questions at the institutions just in terms of how error prone that is, whether they have the capacity, the technological ability to do all of that. So schools really need to have that official calculated SAI, and I imagine that the vast majority of schools will be waiting until they get that reprocessed ISIR before they push out an aid offer to anyone.

Allie Arcese:

And then at that point, you're looking at possibly May before those go out?

Karen McCarthy:

That would be probably my guess. After I would say where we are now, and this kind of veers into the conversation of just where schools are right now in the process separate from this issue with the assets and the reprocessing. So I think now that most schools have a critical volume of ISIRs and they're not coming out with a trickle, they're really starting to dive deeply into those ISIRs, make sure that they can be loaded into their system and everything is looking as it should technologically, working with their software providers if they need to make sure they're good to go on aid offers.

So I feel like we're kind of in that testing, analyzing phase for the most part. I do not think, I've had some folks ask if schools have started to send out any aid offers, I haven't heard of any that are if they're a FAFSA only school. Some schools have sent out eight offers if they also use the CSS profile and they have a tax return on file, if they've requested that. So they have sent out tentative aid offers based on profile information, but I don't know that any schools consider themselves ready at this point to start sending out aid offers if the only thing they have to work with is the FAFSA.

Allie Arcese:

So last week we learned that as we've been talking about, as everyone knows, there was a miscalculation error in the SAI formula related to student assets. There's been a lot of chatter in the financial aid community and some of our slot communities about other possible issues that our members are seeing, and we have been looking into those and reporting them to Ed as necessary for further research. And it sounds like we have an update there, or an update of a possible update.

Karen McCarthy:

And this kind of ties into what I was saying about the stage that we're in right now where schools are taking a look at the ISIRs as they're coming in to make sure that they look how they expected them to look, and we have seen some reports from institutions of things that look like anomalies. And the challenge here is that this is completely new to everybody, the technology, the format, the fields, the formula, all of it. The information from the IRS. And so there's a lot of I would say a learning curve

especially in that this is brand new and sometimes things, if they don't look the way that they used to look-

Allie Arcese:

Everybody's [inaudible 00:10:45]

Karen McCarthy:

... you're questioning. But then there are also some issues that are a little bit more concerning, and those have been largely raised by schools that are CSS profile schools and they require their applicants to submit copies of their tax returns, so they do 100% verification. So they have a paper copy of a tax return in front of them and they're comparing what's on the tax return to what they're seeing on the ISIR. So not all schools can do that comparison, but some schools are taking a look at that and there are some things that they're questioning and wondering if this is accurate. Is the right field coming over? Is Ed communicating that a different field was coming over than what actually is, and how do we resolve that discrepancy? So we do know that schools have reported these kind of things that they're seeing to the department.

We have also reported several of these issues, questions around FTI to the department, and we know that they are actively researching to see. I'm not on the inside over there at the department, but my guess is they've got a lot coming in. They're trying to weed out what are just misunderstandings, what might people just not know how things are working? What are actually, "This could potentially be an error, let's dive deeper into this to see what's happening?" And then if they happen to see that, "Oh, this isn't right," then they turn to, "Okay, what's the scope? Who's affected? How many applications are we talking about?" And then they have to talk about, "Well, how do we fix any of this, and what's involved in the fix, and when can we do the fix?" And checking with all the people who have to do a fix.

And so all of that takes a little bit of time, and so we are kind of in that stage in terms of reported issues where we know the department is aware of them. We also know that because they've had so many reports, they haven't been able to individually acknowledge reports and get back to the school and say, "Yes, we have this, we're looking into it." But we do know that they're actively working all of those issues. And we have heard that we are expecting some release of information, guidance, something from the department shortly. I don't know what that will say. I don't have any inside info here. I will say, though, that we have really been pushing them to say something. So whether if everything is fine and just people are misunderstanding how this all works, then they should explain that, and maybe it's a training type of announcements. "Let us explain how this works."

Allie Arcese:

That's what I was going to ask. If it's a thing where they say it's just a misunderstanding, then can we expect them to clear it up in this announcement?

Karen McCarthy:

That's what we requested. I don't know what they're planning to say. And then if they have observed some issues that are going to need to be fixed in some way, we've asked them to release whatever it is that they know now. And the reason that we want them to release information now, even if it's incomplete information, they don't have all those details ironed out, is that some of our schools are really in the know. They participate in our communities, they're talking to each other. Say they are a profile school who has a tax return, so they can do all of that deep diving, but a lot of our schools are not. So if schools are getting these ISIRs-

Allie Arcese:

Assume they're correct.

Karen McCarthy:

... and they're just loading them and they're like, "Okay, all looks good on our side. Let's start cranking out some aid offers," they need to know if there's any reason they might want to reconsider that or at least send out aid offers knowing that some of them might need to be adjusted later. We just want schools to have all of the information directly from the Department of Ed so that they can make those decisions.

Allie Arcese:

It would be even more confusing for students after all of this, to get an aid offer and have the school have to come back and say, "No, just kidding. It's not right."

Karen McCarthy:

I know. And there may be some schools that decide it's so late, they need to get an aid offer out whether it's tentative at this point or not. But my concern is I just want them to know what they're getting into, what the potential ramifications of that are. I just want to add one other thing on us pushing the department to release information. From their perspective, I certainly understand that they want to have all the information and when they share information, to be able to share all the information. "This is what we know, and this is if there are any issues," which I do not know if there are. "This is how we plan to fix it, this is when we're going to fix it."

And in the past, they've been criticized for not say releasing dates or releasing dates by season. "We'll fix these things. These things will be released in the spring," and people have been very critical of that. However, we'd also have people who have, say, reported or issue their suspected issue to the department and have asked the department to tell them what's going on within 24 hours, and that's not really a reasonable expectation. So we can't really demand that they issue timely information and also have all those details worked out, and we expect to see those in this timely communication. That's just not feasible at all.

Allie Arcese:

Right. It's like do you want the information as soon as they have it or the complete picture?

Karen McCarthy:

Right. So we have been pushing for as soon as something, the communication, transparency. Share what you know, even if it's not complete.

Allie Arcese:

And so we've seen also some talk in the communities about schools saying, "Should we wait to issue eight offers until all of these possible errors are resolved, or is anyone not waiting and just moving forward?" Do we have any advice for schools on that point?

Karen McCarthy:

Oh, advice for schools. I don't really. I don't know. What I would say, I feel like this is why we're really pushing the department to release something either way because I do agree with you, amongst the folks

in our communities who are really talking amongst themselves about what they're seeing, there's not a lot of confidence in the ISIR records that they're seeing. And there could be several reasons for that, as we discussed, which is why we encourage the department to release something to either reassurance or some, "Hey, we're still investigating," just so that schools kind of have something to go on. But I have seen a lot of that hesitation and having to make decisions based on not a lot of information.

Allie Arcese:

It's a hard thing to say, "Yes, this is the thing that you should be doing," when every school is different and every student population is different. They might not all be in the same boat. Crazy times. Hang in there, everyone.

Karen McCarthy:

I know. We are trying, and we do feel that they have heard our pleas and understand why schools really need to know this, so I'm hopeful that we'll see some guidance out from Ed soon.

Allie Arcese:

So now that the department is catching up, like you said, on the backlog of ISIRs that it's transmitting to schools, we're also seeing organizations in the department turn their attention to FAFSA completions, which we know has been much lower than in previous years. So what's going on there?

Karen McCarthy:

Yeah. Thanks for bringing that up, Allie, because I was going to mention that I talked about them clearing the 6 million backlog that they have in the queue. And then the department has previously said that once they get through clearing that backlog, they expect to return to a normal FAFSA processing timeline, which is several days. So an applicant completes a FAFSA, submits it. All the processing happens within several days and then the ISIR goes out to the school, the FAFSA submission summary goes to the student, how things normally happen. And so with that, soon we will be returning to that. We've also made a lot of progress in resolving most, but not all of the FAFSA completion issues that applicants were having. And so now I think that one of the natural progressions here is to turn our attention back to the lower than normal and not ideal FAFSA completion rates that people have been talking about.

And that there may have been some folks who attempted to complete a FAFSA early on, ran into lots of issues and have not circled back around to try to do that and get that through. And so one of the things, and I know we're waiting for guidance from the department as to some of these potential errors that people have reported, but assuming all of that works out and ISIRs are relatively clean and schools are able to move forward on issuing aid offers, we wanted to flag for institutions if you are seeing lower percentages of your admitted students who have a FAFSA that's coming to your school, that you might want to be thinking about future communications to those students perhaps around when student corrections are available, pushing out guidance about, "Hey, if you haven't filled out a FAFSA, you should do that now. And if you have filled out a FAFSA, but say you need to add our school, you can do that now. Corrections are now available."

You may want to be thinking about communications, and I'm sure schools are all over this, especially about rejected for whom they do not have a processed SAI. Once those corrections are available, students can do that right away. And so I know that institutions are thinking about resolving those rejected FAFSAs so you can get aid offers out the door. So it might be worth thinking of communications to those applicants as soon as those corrections become available to say, "Hey, you can now fix that and

get an SAI and we can deliver an aid offer to you," to try to get both the FAFSA completions up and some of those rejected FAFSAs without SAIs resolved as quickly as possible, all with the goal of getting more aid offers out the door to students.

Allie Arcese:

Yeah, that's great advice. I know there's been a lot of concern about some students putting it off or just giving up altogether, but there's definitely still time. So we will keep everyone updated. Any other FAFSA news we need to discuss?

Karen McCarthy:

Let me see. The only other not directly FAFSA-related thing that was in that March 25th announcement is that schools that have say header periods in the summer or schools that just start their payment periods earlier, there are some programs that begin in May or June and are using '24/'25 FAFSA for that. We're very concerned about when COD was going to be available for the '24/'25 year, and they need COD so that they can originate loans so that students can get their '24/'25 aid as soon as possible so that they can do things like pay rent prior to their May start date and things like that.

Allie Arcese:

Live.

Karen McCarthy:

Yeah. Pay those educational expenses. And we hadn't heard any announcements from the department about when that was going to be open and available. And in this March 25th announcement, they did say that that would be open in the second half of April, which is a few weeks later than it was open as of last year, so a little bit late. But I feel like again, that was reassuring to schools who hadn't heard anything and were automatically jumping to the worst case scenario and, "Oh my gosh, my students starting in May won't have any of their loan money set up.?"

Allie Arcese:

Not ideal, but not catastrophic.

Karen McCarthy:

Yes, correct. Good summary.

Allie Arcese:

That's like the summary we use for a lot of things. Not the ideal situation, not the worst. All right. Thanks, Karen. Now we are going to turn to some talk about the federal budget. I feel like if you're not in tune with what all's going on with the federal budget, it can be really confusing even in a normal year because we have the president's budget and then the house releases a budget and the Senate puts their proposal, and Republicans and Democrats, and they're all flying around there at the same time. And this year we've still been trying to wrap up.

We finally did the fiscal year '24 budget, and then at the same time we had the Biden administration release their fiscal year '25 budget, and I think there were definitely some wires getting crossed there between the president's proposal and what's actually being wrapped up for this year. But we do have some news that finally Congress came to an agreement and President Biden signed it for a spending bill

for the fiscal year '24 year, and with that came funding for the Department of Education, student aid programs and a final maximum Pell grant amount. Rachel, do you want to catch us up a little bit on the details of that budget deal?

Rachel Rotunda:

Yes, yes. So as you mentioned, Allie, this has been ongoing for many months now. I think we had four funding extensions that got us to this point, it might've been five. It's really hard to keep track-

Allie Arcese:

And even crazier, they split them into two.

Rachel Rotunda:

Yes. We had different funding deadlines for different parts of the federal government. It has just been-

Karen McCarthy:

Super confusing.

Rachel Rotunda:

... yes. If you are not closely following or understanding the annual budget and appropriations process this year, you definitely get a pass because in addition to everything else that's been going on in our world, it's just been a really strange year with lots of extensions and a really different approach than what we've seen in the past. So all this to say, as you mentioned, Allie,, we did see President Biden sign the final fiscal year 2024 appropriations package into law on Sunday. That package includes \$79.1 billion for the Department of Education, which is a relatively small decrease when we're talking about federal spending numbers, a \$201 million increase when compared to fiscal year 2023. I would just remind folks that fiscal year '24, we are operating under some spending caps that were put in place by the debt ceiling agreement. And so this has been definitely a different type of funding environment and what we've had back in 2023, 2022, where we were able to see pretty robust increases when it came to education spending.

In total, this package contained \$24.6 billion for the federal student aid programs. Probably [inaudible 00:26:59] community is the maximum Pell grant amount, which for the '24/25 award year will remain even at \$7,395, so we will not see a Pell grant increase. This is the first time in quite a few years where we won't have at least a small bump. We've seen a \$900 increase over the last two years and smaller, \$100 or \$150 increases in years before that. So we aren't going to see a Pell grant increase and for those that might be wondering why is that, that really just goes back to those spending caps that we saw put in place as part of the debt ceiling agreement. On the campus based aid funding front, SEOG and federal work-study will also both be flat funded, so we'll have \$910 million for the SEOG program and \$1.2 billion for federal work-study.

I do think in the current funding environment, we are always pushing for increases. We always want to see as robust of funding as we possibly can for the federal student aid programs, but I do think especially for the campus-based aid programs, I think a lot of advocates see flat funding as sort of a win. We had seen proposals introduced earlier this year by House Republicans that propose completely eliminating both campus-based aid programs. So to have at least retain funding for those programs, while we of course always want to see increases, I do think we're glad that there weren't any cuts. So those programs will remain level funded. The proposal also included some language that would bring a



small increase to funding the Student Aid Administration line, which is funding for FSA, so that FSA got about a \$25 million boost over fiscal year 2023 levels.

And then there were a number of other higher ed funding streams that were included in the package, \$2.18 billion for career and technical education, \$171 million for FIPC, which includes \$10 million for basic need grants, \$45 million for the relatively new post-secondary student success grants, and then a smattering of other higher ed related funding, things like funding for MSI, HBCUs, TRIO. I think across the board we saw a lot of programs that were receiving level funding, some small boosts here and there, but again, I think a lot really goes back to those funding caps. I think we all kind of knew it was going to be a different type of year for federal student aid appropriations and like I said, I think while we're always pushing for increases, I think in a lot of cases we're just at least happy to see that our programs did not receive cuts.

Allie Arcese:

Definitely. So that is all wrapped up for this year, finally. Normally the goal is to have it wrapped up the end of September each year, and so ideally this would've been done this past September, 2023. Here we are, March 2024. What, that makes it six months late-ish?

Karen McCarthy:

It's like the FAFSA. It really is really similar.

Rachel Rotunda:

Big year for delays, big year.

Karen McCarthy:

So Rachel, I know that I am kind of connecting my FAFSA topic with your budget topic here. For those that kind of gloss over at some of all of the numbers that you just rattled through, and finally, we have a budget. We now have a final maximum Pell grant award for '24/'25, and it is the same maximum Pell grant award that the Department of Ed has been using. So kind of a key takeaway there is that we will not have to do any reprocessing of ISIRS to accommodate a changing Pell grant award, which we have had to do at some points in the past. So on the not great side, we're level funded, no Pell increase, but the silver lining to that is that means we do not have to reprocess any ISIRs.

Rachel Rotunda:

Right. In years past, when Congress hasn't wrapped up appropriations by the time aid offers were going out, schools were just kind of having to provide a best guess estimate. Sometimes schools would say, "We're just going to use the Pell amount from last year, and we'd rather go up if Congress gives a \$100 or a \$500 increase," but sometimes schools may have said, whether it's their own federal relations staff or whoever, "We feel like there's going to be an increase," and then if there wasn't an increase, they would have to go back and make adjustments. I think that's a good silver lining, Karen. We try to see silver linings where we can.

Karen McCarthy:

I know. When you're like this, you have to count your blessings. When I saw that, I was like, "Phew. No reprocessing."

Rachel Rotunda:

Yes. Pell is the same, so I think that is a piece of good news on that front is that no ISIR-

Allie Arcese:

A very sad yay.

Rachel Rotunda:

The smallest yay.

Allie Arcese:

And then kind of simultaneously, the next fiscal year budget process has kicked off, we saw the president's budget come out. What all did we see in there?

Rachel Rotunda:

I feel like in years like this one where Congress takes much longer than usual to wrap up appropriations, I feel like we've all kind of grown accustomed to them not hitting that October one deadline and at least seeing appropriations drag out through the fall and into December. But in years like this one where we go fully into the next calendar year, it really starts to I think kind of muddy the water of which fiscal year or what are we even talking about? Because we haven't wrapped up '24, but we're talking about '25. So when you've heard folks talking about fiscal year '25, what they're probably referring to is the president's budget request, which came out, I believe it was March 11th. So this is sort of the first step in the typical annual budget and appropriations process. The first thing that we look for is for the president to release their budget proposal.

They send this to Congress, and more than anything, this is just kind of a signaling of priorities. The president's budget does not actually have any kind of legislative or legal authority. It is telling Congress, "Here are the priorities for my administration. Here are the programs I would like to see funded and at what levels." And really more than anything, it just kind of formally kicks off the appropriations process and that budget cycle. So we saw that happen back in early March before we actually had seen fiscal year 2024 wrap up. I'll go through what was in that request. I think it's again, important to keep in mind that this proposal was developed with those same spending caps that were part of the debt ceiling deal in mind. So I think if you were to look at the fiscal year 2022 or '23 or '24 budget requests that the Biden administration put out, those will look very different than this budget proposal in terms of some of the increases that we saw for things like education programs because we now have these spending caps in place.

So that was something that I think was looming over the process of developing the president's budget. So we saw the president request \$82 billion in discretionary spending for the Department of Education in the school year 2025, which is about almost a 4% increase, so not quite as substantial as the increases that we had seen proposed in previous years. That was about \$8 billion less than what the president had proposed in 2024. The president's request also included a proposal to increase the maximum Pell grant by \$750, but that increase is a little bit wonky. So really what they requested is increasing max Pell buy \$100 through the annual appropriations process, so a smaller boost that would come through the annual spending and budget negotiations, and then they also include an additional \$650 that would come through mandatory spending, and that is the kind of spending that would require changes to the Higher Education Act.

So that doesn't come through the annual appropriations process, that comes through actually making changes to the HEA. That's additional \$650, so they add \$650 through mandatory spending to the \$100 through discretionary, and that's how they get to that \$750 overall increase number. They did only propose that additional \$650 in mandatory spending for students attending public and nonprofit institutions, so for those students, the total max Pell that they propose is \$8,145. They do not propose that \$650 additional increase for students attending proprietary institutions. This is something that we have seen the administration propose before, I believe it was back in one of the proposals around their Build Back Better Act where they proposed an increase that would've only been available to students attending public and nonprofit institutions and would've excluded students at for-profits. So that's definitely something that we've seen the administration propose before budget. So that kind of covers Pell.

The budget, similar to what we saw last year in the fiscal year 2024 budget request, they proposed level funding for SEOG and federal work-study, which I think is fair to say is a little disappointing to those of us who are in the student aid advocacy community. I don't think we need to tell our members how important federal work-study SEOG are. And we've continued to see those, I don't want to say they're not priorities for the administration, they proposed level funding, but we haven't seen the proposed increases in the same way that we have seen the administration propose. Especially over the last couple of years, pretty robust Pell increases.

I think when we've talked with them about that, they've sort of said that their focus has really been on Pell, but we are continuing to press them to advocate for those increases to the campus-based aid programs because we know they serve a very important role. So they proposed SEOG remaining at \$910 million and federal work-study staying at \$1.2 billion. Another thing that was included in the budget request that I think is very exciting to those of us in the aid community is that they propose eliminating student loan origination fees. That has been a longstanding NASFAA priority, it's been something we have been advocating on for years. I think it's really exciting to see that this is an issue that's risen to the level of being in the President's budget request.

Allie Arcese:

That's very exciting to see that in there.

Karen McCarthy:

Is that the first time that that's been?

Allie Arcese:

Yeah.

Rachel Rotunda:

I think so. And I feel like when I started at NASFAA, it was still an issue that a lot of Hill offices hadn't even heard of. It just was not something I feel like was on a lot of folks radars, and I feel like it's been something that we've continued to push on, continue to just try to spread awareness around, and so to see it in the budget request is certainly very exciting. A couple other small things here and there. Similar to what we saw in their request last year, President Biden proposes a pretty robust increase for the Office of Federal Student Aid. So that is that Student Aid administration funding line. They propose \$2.7 billion, which is a \$625 million increase over fiscal year 2023. We have seen the administration continue to push for increases for FSA. There's been a lot of discourse around FSA's funding challenges and

especially with everything that's going on over there, so I don't think it's a huge surprise to see that they're continuing to advocate for big increases at FSA.

Allie Arcese:

Great. So we're seeing some progress on the budgeting front, and-

Rachel Rotunda:

I would just say this budget proposal from President Biden, it kicks off the budget appropriations process, but I do want to be clear that there's a long road ahead and also just remind folks that we are in an election year and typically when we're in election years, never say never, it's been a wild couple of years, but I do feel like we tend to see Congress punt until after the election. So this is definitely a starting point, but there is a long road ahead and I would not be shocked if this was another year where we did not see appropriations.

Allie Arcese:

I can't remember if it was Justin or John who said this last year, but the president's budget, we've said this many times, it's a wish list. It's just a request. Someone said it's completely meaningless.

Karen McCarthy:

It's not completely meaningless.

Allie Arcese:

It's not completely meaningless. It does know, like you said, Rachel, it looks at priorities, but it doesn't carry weight in terms of what's going to end up being the budget.

Rachel Rotunda:

Yeah. I feel like when we've talked about this, we're part of a group called the Student Aid Alliance, and we talk in that group about how it's an important document. We've had Hill offices say to us, "SEOG and work-study didn't get increases in the president's budget, so it seems like that's not as big of a priority." It's a messaging document. It holds importance in that way. But in terms of how powerful it is and what it can actually do does, at the end of the day-

Karen McCarthy:

It's not binding.

Rachel Rotunda:

... it's definitely not a binding agreement. I think a wish list is a very good way to describe it.

Karen McCarthy:

A wish list. I'm going to use that because I do also, when I am presenting out on the road and presenting about the proposals, I always make clear, "This is a proposal. It's not a done deal," especially when any of these groups propose cuts like we saw with the House one where it was like eliminate, and on our chart we had, "Elimination of SEOG, elimination of work-study. It hasn't happened yet. This is a proposal."

Rachel Rotunda:

One other dynamic that I think could come into play in addition to it being in election year is that the chairwoman of the House Appropriations committee, Congresswoman Granger, has announced that she'll be stepping down from her role. She announced that following the conclusion of this year, 2024, once that was a done deal, she's stepping down. And so they'll need to find new leadership for that committee on the Republican side and so that will, I think, be another potential bump in the road. We're off to the races, but I think it's fair to say things aren't going super smoothly at this point.

Allie Arcese:

Thanks, Rachel. Yeah, it's always an interesting ride. It seems like the new norm is not running things on time, so there's probably every reason to expect we might be in a similar situation next year. All right, that's everything we have for you all this week on "Off the Cuff." Be sure to check out our virtual conference on [nasfaa.org/virtual](https://nasfaa.org/virtual). We'll soon, I believe in the next couple of weeks, have some session descriptions available, but be sure to register again. Everyone on your NASFAA for Roster can participate for one price. It's an institutional registration, and there will be completely unique new content that we did not have at the in-person national conference a couple weeks prior. Thanks for listening. Be sure to subscribe, tell a friend. Send us your questions, comments, feedback, and we'll see you again soon.