

Negotiated Rulemaking on the One Big Beautiful Bill Act Implementation

On July 4, 2025, President Trump signed the [One Big Beautiful Bill Act](#) (OBBA) (H.R. 1), into law.¹ Below are the main points ACE will emphasize in public comments regarding the implementation of this legislation.

Clear and direct communication is critical for students, borrowers, and families to understand the new annual and aggregate loan limits and the new student loan repayment plans.

- Over 6.8 million students use federal student loans to finance their postsecondary education.² These loans include federal subsidized and unsubsidized loans, along with Grad PLUS and Parent PLUS loans.
- Currently, over 3.6 million students are using subsidized student loans (interest does not accrue while they are enrolled in college); over 5 million students are using unsubsidized loans; and over 900,000 students are using PLUS loans.³
- The Department of Education (Department) should ensure that all internal software is updated in a timely fashion to adhere to the changes in the law and provide clear instructions, to include relevant resources, to Financial Aid Administrators (FAAs) to allow them to properly notify students and families. Also, the Department should clarify whether the new loans limits apply to loans that were originated or disbursed on or after July 1, 2026.

The Department should create and disseminate an exhaustive list of professional degree programs.

- The OBBA changes annual loan limits for professional students from \$20,500 to \$50,000 and changes aggregate loan limits from \$138,500 to \$200,000 for first-time professional degree-seeking students.
- The law refers to the Code of Federal Regulations (CFR) to define a professional degree; however, the definition given in the CFR is non-exhaustive and only provides a few examples of degrees that would be considered professional degrees.⁴
- The Department should create and disseminate a comprehensive list of programs that would be considered professional degree programs. At the very least, the list should include nursing-related

¹ Congress.gov. (2025). *H.R. 1-One Big Beautiful Bill Act*. <https://www.congress.gov/bills/119th-congress/house-bill/1/text>.

² Office of Federal Student Aid. (n.d.). *Title IV program volume reports: Aid recipients summary (AY 2023-2024)*. Retrieved July 29, 2025, from <https://studentaid.gov/data-center/student/title-iv>

³ Office of Federal Student Aid. (n.d.). *Title IV program volume reports: Aid recipients summary (AY 2024-2025)*. Retrieved July 29, 2025, from <https://studentaid.gov/data-center/student/title-iv>

⁴ 34 CFR §668.2 identifies the following professional degree programs: Pharmacy (Pharm.D.), Dentistry (D.D.S. or D.M.D.), Veterinary Medicine (D.V.M.), Chiropractic (D.C. or D.C.M.), Law (L.L.B. or J.D.), Medicine (M.D.), Optometry (O.D.), Osteopathic Medicine (D.O.), Podiatry (D.P.M., D.P., or Pod.D.), and Theology (M.Div., or M.H.L.).

programs and programs identified in the *Federal Register* as meeting the definition of “qualifying graduate program” in the financial value transparency (FVT) final regulations because these programs are identified as needing professional licensure.⁵

Proper staffing should be in place to implement the full scope of the OBBB.

- The Department has moved forward with reducing its career staff by nearly half its workforce.⁶ This reduction in staff has already led to disruptions and delays of key services for institutions of higher education, students, and families, including trouble accessing FSA User ID and passwords, FSA regional office closures, and difficulties accessing the Free Application for Federal Student Aid (FAFSA) Processing System Helpdesk.⁷
- With an additional \$1 billion in funding for student aid administration, the Department should retain a sufficient workforce to ensure a smooth transition for all current students, families, borrowers, and institutions of higher education.

The data used to determine the median earnings for each program should be made publicly available in a clear and concise manner.

- The OBBB subjects each program at an institution of higher education to the loss of Title IV loans if the program fails an earnings test for two out of three years.
- Removing access to Title IV loans for certain programs will prohibit students from using loans to attend those programs, limiting access and potentially increasing the cost of college.
- Given these potentially devastating impacts, students and institutions require access to the data that is being used to hold programs accountable. Having access to this data would allow for these students and institutions to better understand why they may no longer have access to federal student loans and would help them make more informed decisions about their enrollment options.

Further guidance is needed on the requirement for institutions to package non-federal grant aid before the Pell Grant and on institutional accountability reporting.

- The Pell Grant currently operates as a first-dollar program when packaging aid, but the OBBB has changed this structure. Students who receive non-federal grant aid covering the full cost of attendance (COA) are not allowed to access the Pell Grant.
- On first read, this may seem like the Pell Grant is now being considered after all non-federal grant aid regardless of whether it covers full COA. However, the intent of Congress is for the Pell Grant to remain a first-dollar program when packaging all aid—to include state aid, institutional aid, and aid from private sources—except in the one narrow instance that the aid covers full COA. Further guidance clarifying this to institutions of higher education is needed.

⁵ Federal Register. (2024, June 28). *Financial value transparency and gainful employment: List of approved classification of instructional program (CIP) codes for qualifying graduate programs*. U.S. Department of Education, Office of Postsecondary Education.

<https://www.federalregister.gov/documents/2024/06/28/2024-14217/financial-value-transparency-and-gainful-employment-list-of-approved-classification-of-instructional>

⁶ U.S. Department of Education. (2025, March 11). *U.S. Department of Education initiates reduction in force* [Press Release].

<https://www.ed.gov/about/news/press-release/us-department-of-education-initiates-reduction-force>

⁷ Blake, J. (2025, July 21). *Staffing shortages at ed hurt college operations*. Inside Higher Ed.

<https://www.insidehighered.com/news/government/student-aid-policy/2025/07/21/how-mass-layoffs-education-dept-affect-colleges>

- The OBBB does not require institutional reporting of data regarding accountability. However, institutions are able to appeal the earnings data if they believe it is needed. Further guidance is needed regarding what data, and in what manner, institutions should report to appeal the median earnings data from the U.S. Census Bureau. Also, the Department should consider processes from the FVT regulations and prior gainful employment regulations to determine small programmatic cohorts, the appeals process, and ways that institutions can regain programmatic eligibility.

The negotiated rulemaking committee should add additional constituency groups.

- On college campuses, FAAs serve as the main connection point at an institution of higher education for students and families when helping them decide on how to finance their postsecondary education.
- Over 7 million students receive a Pell Grant, the cornerstone of federal financial aid.⁸ On college campuses, FAAs help award and disburse federal student aid that includes the Pell Grant and other federal student aid programs such as the Federal Work-Study program and Federal Supplemental Educational Opportunity Grant program.
- On college campuses, FAAs also disburse student loans. Over 5 million undergraduate students, over 1.4 million graduate students, and over 567,000 parents took out loans in award year (AY) 2023-2024.⁹
- The negotiated rulemaking committee consists of two committees: the Reimagining and Improving Student Education (RISE) Committee and the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee.
- The RISE committee will be considering the phase out of Grad PLUS loans, the changes in the annual/aggregate loan limits, and the simplification of the student loan repayment program, among other things. The AHEAD committee will consider the changes to how the Pell Grant is awarded, among other things.
- Both negotiated rulemaking committees address key issue topics that fall directly in the purview of FAAs and not having their expertise on the committee will greatly hinder the overall outcome to ensure proper implementation of the OBBB.
- It is important to include a separate category for FAAs so that campus leaders can speak to the broad range of issues the committees will be considering, while also allowing for the expertise of FAAs on matters of financial aid administration specifically.
- In addition, the prior Trump administration included the following categories of institutions that each had a seat on a negotiated rulemaking committee¹⁰, and we recommend that these seats, at the very least, be added for a full and diverse representation of the higher education community:
 - Institutions of higher education eligible to receive federal assistance under Title III, parts A, B and F, and Title V of the HEA, which include Historically Black Colleges and Universities, American Indian Tribally Controlled Colleges and Universities, Hispanic-Serving Institutions,

⁸ Department of Education. (2025). *Student aid overview: Fiscal year 2026 budget request*. <https://www.ed.gov/media/document/fy-2026-congressional-justification-student-aid-overview-110116.pdf>

⁹ Office of Federal Student Aid. (n.d.). *Title IV program volume reports: Aid recipients summary (AY 2023-2024)*. Retrieved July 29, 2025, from <https://studentaid.gov/data-center/student/title-iv>

¹⁰ Negotiated Rulemaking Committee; Negotiator Nominations and Schedule of Committee Meetings-Accreditation and Innovation, 83 F.R. 51906 (proposed October 15, 2018). <https://www.federalregister.gov/documents/2018/10/15/2018-22506/negotiated-rulemaking-committee-negotiator-nominations-and-schedule-of-committee>

Alaska Native and Native Hawaiian-Serving Institutions, and other institutions with a substantial enrollment of needy students as defined in Title III of the HEA;

- Two-year public institutions of higher education;
- Four-year public institutions of higher education;
- Private, nonprofit institutions of higher education; and
- Private, proprietary institutions of higher education.