Damaging Provisions across House Reconciliation Proposals Would Make College More Expensive, Confusing, and Risky

Over recent weeks, House committees have considered legislative proposals to comply with H.Con.Res. 14. Across the proposals, many provisions are poised to increase college costs, make loan repayment harder, and do lasting damage to the economic opportunity and personal financial stability that higher education should bring. Among those provisions, ten are especially alarming:

1. The Education & Workforce proposal to change the definition of full-time enrollment for maximum Pell Grant eligibility from 24 to 30 credits per year and eliminate funding for students enrolled less than half-time would impact **2 out of 3** Pell Grant recipients, limiting the ability of students to work and go to school. Over 1.5 million low-income borrowers, or roughly 1 in 4 Pell Grant recipients, will see a nearly $1,500 decrease in their maximum award due to increasing the credit hour requirement. Additionally, about **1.4 million, or 20 percent, of Pell Grant recipients would lose their Pell Grant funding entirely** due to the limitation on awards for less than half-time enrollment. Affected students would include **810,000**, or about one-third, of the 2.5 million Pell Grant recipients who are currently **enrolled at community colleges**. Nearly 50% of incarcerated students would lose access to Pell Grants and access to college under this proposal, undermining the restoration of Pell eligibility that President Trump signed into law for this population.

2. By opening the Pell program to short-term programs–including *unaccredited* programs with no prior demonstration of quality–**the proposal risks exacerbating the current Pell shortfall and Pell's long-term solvency.** This approach to workforce Pell fails to include critical safeguards from previous bipartisan proposals.

3. The proposed elimination of subsidized loans for low-income undergraduate students would significantly add to their borrowing costs over time, removing the longstanding ability for low-income students to go to school interest-free. In the 2023-24 academic year, 4.2 million undergraduate students benefited from subsidized loans. A dependent student who completed a bachelor's degree in five years and repaid their loan in full under the standard repayment plan would end up paying **$12,422 more in total, a 29% increase** over what they would've paid with access to subsidized loans.

4. By eliminating the "income protection allowance" meant to ensure borrowers are not being forced to choose between covering basic needs and staying out of default on their student loans, the proposed Repayment Assistance Plan would **require borrowers with incomes below the federal poverty level to make unaffordable monthly payments or fall into delinquency and default**. This provision would increase monthly payments even for borrowers with annual incomes less than $10,000. The Education & Workforce proposal would also **eliminate the economic hardship and unemployment deferments** that allow student loan borrowers to temporarily pause their loan payments during times of acute financial distress. With nearly 25% of the current student loan portfolio now either in or on the path to default, this proposal would increase the number of borrowers in default.

5. The Education & Workforce proposal would **weaken student and borrower protections against waste, fraud, and abuse**. It would eliminate the 90/10 rule that requires for-profit schools to have a revenue stream other than federal dollars, and it would strike the expectation that career education programs set up completers for gainful employment. The bill would roll back the borrower defense rule that enables borrowers to seek relief from debt taken out when defrauded by their schools and closed school discharges for when students' colleges shut down.

6. The proposal would **undermine the Public Service Loan Forgiveness (PSLF) program**. As a result of making income-based payments less affordable than standard payments for many borrowers, they would likely choose to enroll in the updated "standard" plan to access lower monthly payments. However, because PSLF requires borrowers to be enrolled in an income-based plan, those borrowers would face a choice between accessing affordable payments and being eligible for PSLF.

7. Another provision would replace existing federal student loan and Pell Grant limits with a nationwide "Median Cost of College" cap for each academic program at each credential level–despite **lack of data to set program-level caps**. Students would be limited to borrowing only up to the national median cost for their programs—regardless of where they lived or what their college actually charged. **Students and families would face constantly moving loan limits**, institutions would struggle to share accurate information, and many students would inadvertently max out their loan eligibility before completing their degrees.

8. The House proposal includes accountability models with substantial implications that under scrutiny appear unworkable. One provision outlines a "risk-sharing" model that would likely **discourage colleges from offering programs** that prepare professionals for undercompensated fields like teaching and social work. Institutions would effectively be discouraged by this model from enrolling students who may struggle with repayment at higher rates, including students who are Black, Latino, and veterans, as well as students from rural communities.

9. According to preliminary estimates from the Congressional Budget Office, **at least 13.7 million people would become uninsured** as a consequence of the Energy and Commerce bill's Medicaid and ACA marketplace provisions, threatening healthcare for millions of students enrolled in Medicaid while also placing upward pressure on state budgets that would likely result in cuts to public higher education. On average, states spend more than 30 percent of their budgets funding healthcare and higher education, which means if healthcare spending rises, states will likely be forced to cut their education spending.

10. The House Agriculture proposal includes **deep proposed cuts to SNAP program eligibility**, expansions of work requirements, and limits to benefit increases–all of which would affect SNAP eligibility and access for college students. Out of roughly 75,000 participants in a 2024 survey, nearly 6 in 10 students reported facing some form of food or housing insecurity.

Collectively, these and other provisions under consideration by the House would do **real and lasting damage** to educational and economic opportunity nationwide.