



# **FEDERAL LEGISLATIVE & REGULATORY UPDATE**

**Thursday, June 26, 2025**

# AGENDA



## **Budget Reconciliation Update House Education & Workforce Committee Bills on Accreditation & Next Weeks' Department of Education Negotiated Rulemaking**

- Legislative Update
- Regulatory Update
- Q&A









# **LEGISLATIVE UPDATE**

**BREAKING  
NEWS**





## HOW DOES BUDGET RECONCILIATION WORK?



# BUDGET RECONCILIATION



# SENATE PARLIMINTARIN ELIZABETH MACDONOUGH'S BYRD RULINGS ON HELP COMMITTEE'S BUDGET RECONCILIATION PROPOSAL



1 **TITLE VIII—COMMITTEE ON**  
2 **HEALTH, EDUCATION, LABOR,**  
3 **AND PENSIONS**  
4 **Subtitle A—Student Eligibility**

5 **SEC. 80001. STUDENT ELIGIBILITY.**

6 (a) IN GENERAL.—Section 484(a)(5) of the Higher  
7 Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended  
8 to read as follows:

9 “(5) be—

10 “(A) a citizen or national of the United  
11 States;

12 “(B) an alien who is lawfully admitted for  
13 permanent residence under the Immigration  
14 and Nationality Act (8 U.S.C. 1101 et seq.);

15 “(C) an alien who—

16 “(i) is a citizen or national of the Re-  
17 public of Cuba;



[ABOUT](#)[CHAIRMAN](#)[RANKING MEMBER](#)[HEARINGS](#)[CONTACT](#)

[Ranking Member](#) / [Ranking Member's Newsroom](#) / [Press](#)

06.26.25

## Republicans' "One Big, Beautiful Bill" Includes Additional Provisions That Violate the Byrd Rule

**SENATE BUDGET COMMITTEE'S PRESS RELEASES ON  
PARLIAMENTARIAN'S RULING ON  
HELP COMMITTEE'S PROPOSALS**

**THURSDAY, JUNE 26TH**





# PARLIAMENTARIAN'S HELP COMMITTEE BYRD BATH RECISSIONS

## Provisions Subject to a 60-Vote Byrd Rule Point of Order

June 26, 2025

### Health, Education, Labor, and Pensions

WASHINGTON, D.C. – Today, the Senate Parliamentarian again advised that several provisions in the Republicans' "One Big, Beautiful Bill," would be subject to a 60-vote threshold if they remain in the bill. The below provisions are in the Health, Education, Labor, and Pensions Committee's jurisdiction.

"The Byrd Rule must be enforced, and Republicans shouldn't get away with circumventing the rules of reconciliation," said Ranking Member Jeff Merkley. "Democrats will continue to make the case against every provision in this Big, Beautiful Betrayal of a bill that violates Senate rules and hurts families, students, and workers. Democrats are fighting hard against Republicans' plans to increase out-of-pocket health care costs and restrict access to reproductive care. Republicans are scrambling to rewrite parts of this bill to continue advancing their families lose, and billionaires win agenda, but Democrats stand ready to fully scrutinize any changes."

<https://www.budget.senate.gov/ranking-member/newsroom/press/republicans-one-big-beautiful-bill-includes-additional-provisions-that-violate-the-byrd-rule>

# PARLIAMENTARIAN'S HELP COMMITTEE BYRD BATH RECISSIONS

## Provisions Subject to a 60-Vote Byrd Rule Point of Order

June 26, 2025

### **Health, Education, Labor, and Pensions**

The Parliamentarian's advice is based on whether a provision is appropriate for reconciliation and conforms to the limitations of the Byrd Rule; it is not a judgement on the relative merits of a particular policy.

#### Student Aid Eligibility for Immigrant Students (Section 80001)

This section removes federal student aid eligibility from certain immigrants who are not citizens.

#### Loan Repayment Plans (Section 82001)

This section establishes that beginning July 1, 2026, federal student loan borrowers will have only two repayment options: a standard plan with fixed payments over 10-25 years or a new income-based repayment (IBR) plan, Repayment Assistance Plan (RAP). These provisions cannot be applied to current borrowers under the Byrd Rule.



# PARLIAMENTARIAN'S HELP COMMITTEE BYRD BATH RECISSIONS

## Provisions Subject to a 60-Vote Byrd Rule Point of Order

June 26, 2025

### Health, Education, Labor, and Pensions

#### Public Service Loan Forgiveness (PSLF) Updates (Section 82004(b))

This section prohibits loan payments made while students are in medical or dental internships/residencies from qualifying for PSLF.

#### Workforce Pell Grants (Section 83002)

This section expanded Pell Grants to programs at unaccredited and for-profit institutions.

# PARLIAMENTARIAN'S HELP COMMITTEE BYRD BATH PROVISIONS STILL UNDER REVIEW

## Provisions Subject to a 60-Vote Byrd Rule Point of Order

June 26, 2025

Health, Education, Labor, and Pensions – Still Under Review

### Repeal of Borrower Defense to Repayment Rule (Section 85001)

This section repeals the Borrower Defense to Repayment rules issued in 2022 and reinstates previous rules in effect as of July 1, 2020, for forgiving federal student loans when schools mislead or defraud students.

### Repeal of Closed School Discharges Rule (Section 85002)

This section repeals the Closed School Discharge rules and reverts regulations back to those in effect prior to November 1, 2022.

### Limitation on Authority of Department of Education Secretary (Section 86001)

This section permanently restricts the Secretary of Education from issuing regulations that are “economically significant,” meaning their annual effect on the economy is at least \$100 million or they “adversely” affect the economy.

<https://www.budget.senate.gov/ranking-member/newsroom/press/republicans-one-big-beautiful-bill-includes-additional-provisions-that-violate-the-byrd-rule>





# SENATE HELP COMMITTEE ONE-PAGER

## FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM



### Loan Limits

- Eliminates Grad PLUS loans
- Grad students: keep \$20,500 annual unsubsidized loan limit, with a \$100,000 total cap (plus undergrad loans)
- Professional degrees: set a \$50,000 annual unsubsidized loan limit and a \$200,000 total cap (plus undergrad loans)
- Undergrads: cap Parent PLUS loans at \$65,000 per student with a \$20,000 annual limit
- Schools can set lower loan limits if applied consistently across programs



### Loan Repayment

- **Simplifies and Streamlines Repayment:** Replaces today's patchwork of repayment plans—including Biden's costly loan schemes—with just two: a new standard plan (fixed payments over 10–25 years) and a new Income-Driven Repayment (IDR) plan that protects taxpayers and borrowers while ensuring personal responsibility
- **Closes Loopholes and Enforces Program Integrity:** Streamlines deferment and forbearance, allows loans to be rehabilitated twice, excludes residency payments from PSLF, and fully funds proper loan servicing to protect both students and taxpayers



### Accountability

- Blocks federal loans for undergrad programs where former students earn less than the typical high school grad in their state, and for grad programs where former students earn less than the typical bachelor's degree holder in their field and state
- Programs lose eligibility if they fail the earnings test 2/3 years



### Limiting Authority

- Stops future administrations from bypassing Congress to unilaterally implement massive spending increases on student aid



### Pell Grants

- Establishes Workforce Pell
- Reduces Pell shortfall by \$10.5 billion
- Includes foreign income for purposes of Pell calculation
- Excludes farm and small business assets from aid eligibility formula



### Regulatory Relief

- Repeals costly Biden rules, including expansion of Closed School Discharge and Borrower Defense Rules

## LOWERING THE COST OF HEALTH CARE



### Funding Cost-Sharing Reductions

- Addresses the practice of silver-loading and reduces premiums by funding CSR payments under the Patient Protection and Affordable Care Act (ACA) for plan year 2026

Fixing Education. Empowering Students. Protecting Taxpayers.



# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM

June 10, 2025

### LOAN LIMITS

- Eliminates Grad PLUS loans
- Grad students: keep \$20,500 annual unsubsidized loan limit, with a \$100,000 total cap (plus undergrad loans)
- Professional degrees: set a \$50,000 annual unsubsidized loan limit and a \$200,000 total cap (plus undergrad loans)
- Undergrads: cap Parent PLUS loans at \$65,000 per student with a \$20,000 annual limit
- Schools can set lower loan limits if applied consistently across programs.

[https://www.help.senate.gov/imo/media/doc/help\\_committee\\_reconciliation\\_one-pager\\_finalpdf.pdf](https://www.help.senate.gov/imo/media/doc/help_committee_reconciliation_one-pager_finalpdf.pdf)

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM

June 10, 2025

### LOAN REPAYMENT

#### Simplifies and Streamlines Repayment:

Replaces today's patchwork of repayment plans—including Biden's costly loan schemes—with just two: a new standard plan (fixed payments over 10–25 years) and a new Income-Driven Repayment (IDR) plan that protects taxpayers and borrowers while ensuring personal responsibility

#### Closes Loopholes and Enforces Program Integrity:

Streamlines deferment and forbearance, allows loans to be rehabilitated twice, excludes residency payments from PSLF, and fully funds proper loan servicing to protect both students and taxpayers



# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM**

June 10, 2025

### **ACCOUNTABILITY**

- Blocks federal loans for undergrad programs where former students earn less than the typical high school grad in their state, and for grad programs where former students earn less than the typical bachelor's degree holder in their field and state
- Programs lose eligibility if they fail the earnings test 2/3 years

# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM**

June 10, 2025

### **PELL GRANTS**

- Establishes Workforce Pell
- Reduces Pell shortfall by \$10.5 billion
- Includes foreign income for purposes of Pell calculation
- Excludes farm and small business assets from aid eligibility formula

# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM**

June 10, 2025

### **LIMITING AUTHORITY**

- Stops future administrations from bypassing Congress to unilaterally implement massive spending increases on student aid



# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **CHAIRWOMAN BILL CASSIDY'S ONE PAGER: FIXING AMERICA'S BROKEN HIGHER EDUCATION SYSTEM**

June 10, 2025

### **REGULATORY RELIEF**

- Repeals costly Biden rules, including expansion of Closed School Discharge and Borrower Defense Rule

# SENATE HELP COMMITTEE BUDGET RECONCILIATION PROPOSAL

## 1 TITLE VIII—COMMITTEE ON 2 HEALTH, EDUCATION, LABOR, 3 AND PENSIONS

### 4 Subtitle A—Student Eligibility

#### 5 SEC. 80001. STUDENT ELIGIBILITY.

6 (a) IN GENERAL.—Section 484(a)(5) of the Higher  
7 Education Act of 1965 (20 U.S.C. 1091(a)(5)) is amended  
8 to read as follows:

9 “(5) be—

10 “(A) a citizen or national of the United  
11 States;

12 “(B) an alien who is lawfully admitted for  
13 permanent residence under the Immigration  
14 and Nationality Act (8 U.S.C. 1101 et seq.);

15 “(C) an alien who—

16 “(i) is a citizen or national of the Re-  
17 public of Cuba;

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle A—Student Eligibility

June 10, 2025

### **Sec. 80001. Student Eligibility**

- Student eligibility: End aid eligibility for certain non-U.S. nationals

### **Sec. 80002. Exemption of Farm and Small Business Assets**

- Farm fix: Exclude farm and small business assets from aid eligibility formula



# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle B—Loan Limits

June 10, 2025

### **Sec. 81001. Establishment of Loan Limits**

- Cap graduate lending: Eliminate Grad PLUS loans and cap unsubsidized graduate (e.g., masters) borrowing at \$20,500 per year (\$100,000 lifetime) and professional (e.g., law, medicine) borrowing at \$50,000 per year (\$200,000 lifetime); graduate limits are in addition to undergraduate limits
- Cap parent borrowing: Cap loans to parents of undergraduates (parent PLUS) at \$20,000 per student per year (\$65,000 per student lifetime; parents can borrow for multiple students)
- Prorate loans: Set lower limits for part-time students (e.g., half-time student eligible for half the maximum loan); this aligns with how the Pell Grant is distributed
- Institutional discretion: Allow institutions to set lower loan limits as long as they do so consistently within programs

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle C—Loan Repayment

June 10, 2025

### Sec. 82001. Loan Repayment

- Simplify repayment: New loans (starting 7/1/2026) can be repaid using only two plans: a new standard plan and a new income-driven repayment (IDR) plan; existing plans (SAVE, PAYE, ICR, graduated, extended, alternative) are eliminated
  - New standard plan: borrowers make fixed payments for 10-25 years based on amount borrowed
  - Repayment Assistance Plan: New income-driven plan where payments are 1-10% of income depending on income level, with a minimum monthly payment of \$10; payments are reduced by \$50 per dependent; borrowers who make on-time payments always see their balance go down, as unpaid interest is waived and there is a principal match of up to \$50; any remaining balance is forgiven after 30 years
- Transition existing borrowers to lawful income-based plan: Existing borrowers (with loans taken before 7/1/2026) will have access to the income-based repayment (IBR) plan created by Congress; under this plan, pre-2014 borrowers pay 15% of discretionary income (income above 150% of the Federal Poverty Line) with forgiveness after 25 years; post-2014 borrowers pay 10% of discretionary income with forgiveness after 20 years; existing borrowers can switch to the Repayment Assistance Plan once it is available

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle C—Loan Repayment

June 10, 2025

### **Sec. 82002. Deferment and Forbearance**

- Streamline deferments: Eliminate economic hardship and unemployment deferments to encourage borrowers to use options (such as income-driven repayment) that are better for them
- Limit forbearances: Limit availability of discretionary forbearances to no more than 9 months during any 24-month period

### **Sec. 82003. Loan Rehabilitation**

- Loan rehabilitation: Allow borrowers to rehabilitate defaulted loans twice instead of once; set required monthly payment for rehabilitation at \$10 instead of \$5



# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle C—Loan Repayment

June 10, 2025

### **Sec. 82004. Public Service Loan Forgiveness**

- Repayment Assistance Plan: Allow payments made under the Repayment Assistance Plan to count toward PSLF eligibility (included in cost of new IDR plan)
- **Qualifying jobs: Payments made by doctors and dentists during residency no longer count toward Public Service Loan Forgiveness**

### **Sec. 82005. Student Loan Servicing**

- Additional funds: Provide funds to the Department of Education for costs associated with returning borrowers back into repayment on their loans and to help with the costs of building the new repayment plans

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle D—Pell Grants

June 10, 2025

### **Sec. 83001. Eligibility**

- Foreign income: Require foreign income to be included in the income calculation for the purposes of calculating Pell Grant eligibility
- Exclusion of higher-income families: Exclude families with a Student Aid Index more than twice the maximum Pell grant from receiving Pell

### **Sec. 83002. Workforce Pell**

- Workforce Pell Grants: Expand eligibility for Pell Grants to students enrolled in short-term (150- 599 clock hours), high-quality, workforce aligned programs; include guardrails for student outcomes including earnings, completion rates, and job placement rates; allow students enrolled in programs operating outside of the accreditation system to be eligible for Workforce Pell Grants

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle D—Pell Grants

June 10, 2025

### **Sec. 83003. Pell Shortfall**

- Reduce shortfall: Provide additional funding for the Pell Grant program in FY26 to address the funding shortfall

### **Sec. 83004. Limits for Students with Full Scholarships**

- Limit Pell for full-ride Students: Exclude students receiving full cost-of-attendance scholarships from Pell eligibility



# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle E—Accountability

June 10, 2025

### **Sec. 84001. Ineligibility Based on Low Earning Outcomes**

- Establish “do no harm” standard: End federal loan eligibility for programs that leave students worse off than if they had never gone
  - Prohibit new federal student loans from paying for undergraduate degree programs where the majority of former students earn less than the median high school graduate in the same state
  - Prohibit new federal student loans from paying for graduate programs where the majority of former students earn less than the median bachelor’s degree recipient in the same field in the same state
  - Programs lose eligibility if they fail to meet the standard for two years in a three-year period.

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle F—Regulatory Relief

June 10, 2025

### **Sec. 85001. Borrower Defense to Repayment**

- Rule repeal: Repeal Biden expansion of Borrower Defense to Repayment regulation, restoring regulation from first Trump Administration

### **Sec. 85002. Closed School Discharge**

- Rule repeal: Repeal Biden expansion of Closed School Discharge regulation, restoring regulation from first Trump Administration

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## SECTION-BY-SECTION – Subtitle G—Limitation on Authority

June 10, 2025

### **Sec. 86001. Limit Authority to Issue Regulations**

- Limit authority: Restrict the Secretary of Education's ability to issue regulations and executive actions that increase costs, or subsidies, in the Federal Student Aid programs





# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **Section 84001—Ineligibility Based on Low Earnings Outcomes**

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(A) IN GENERAL. —Notwithstanding section 481(b), an institution of higher education subject to this subsection shall not use funds under this part for undergraduate student enrollment in an educational program offered by the institution that is described in subparagraph (B).

(B) LOW-EARNING OUTCOME UNDERGRADUATE PROGRAMS DESCRIBED. —

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(A) ....described in subparagraph (B).

(B) LOW-EARNING OUTCOME UNDERGRADUATE PROGRAMS DESCRIBED. —

An educational program at an institution is described in this subparagraph if the program awards a bachelor's or a lesser degree, for which the median earnings of the programmatic cohort of students who received funds under this title for enrollment in such program, who exited such program during the academic year that is 4 years before the year of the determination (through either completion of the program or ceasing enrollment and not re-enrolling in the same program at any point through the year of the determination), who are not enrolled in any institution of higher education, and who are working, are, for not less than 2 of the 3 years immediately preceding the date of the determination, less than the median earnings of a working adult who, for the corresponding year, is aged 25 to 34, has only a high school diploma or its recognized equivalent, and is not enrolled in an institution of higher education, as determined under subparagraph (C) and in accordance with subparagraph (D).



# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(A) ....described in subparagraph (B).

(B) ...as determined under subparagraph (C)

(C) CALCULATION OF MEDIAN EARNINGS. —

For purposes of applying subparagraph (B) to an educational program at an institution, the median earnings of a working adult who is aged 25 to 34, has only a high school diploma or its recognized equivalent, and is not enrolled in an institution of higher education shall be based on data from the Bureau of the Census —

- i. for the State in which the institution is located; or
- ii. if fewer than 50 percent of the students enrolled in the institution reside in the State where the institution is located, for the entire United States.

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(A) ....described in subparagraph (B).

(B) ...as determined under subparagraph (C)

(C) ...and in accordance with subparagraph (D)

(D) SMALL COHORTS.—

For any year for which the programmatic cohort for an institution is fewer than 30 individuals, the Secretary shall —

- i. first, aggregate additional years of programmatic data in order to achieve a cohort of at least 30 individuals; and
- ii. second, aggregate additional cohort years of programmatic data for degrees of equivalent length in order to achieve a cohort of at least 30 individuals.

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(A) ....described in subparagraph (B).

(B) ...as determined under subparagraph (C)

(C) ...and in accordance with subparagraph (D)

(D) .

(E) APPEALS PROCESS.—

An educational program shall not lose eligibility under this paragraph unless the institution has had the opportunity to appeal the programmatic median earnings of students working and not enrolled determination under subparagraph (B), through a process established by the Secretary. During such appeal, the Secretary may permit the educational program to continue to participate in the program under this part.



# **SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL**

## **Section 84001—Ineligibility Based on Low Earnings Outcomes**

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES. —

(1) UNDERGRADUATE PROGRAM INELIGIBILITY. —

(2) GRADUATE OR PROFESSIONAL PROGRAM ELIGIBILITY. —

(A) IN GENERAL. —

Notwithstanding section 481(b), an institution subject to this subsection shall not use funds under this part for graduate or professional student enrollment in an educational program offered by the institution that is described in subparagraph (B).

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES.—

(1) UNDERGRADUATE PROGRAM INELIGIBILITY.—

(2) GRADUATE OR PROFESSIONAL PROGRAM ELIGIBILITY.—

(A) ...as described in subsection (B)

(B) LOW-EARNING OUTCOME GRADUATE OR PROFESSIONAL PROGRAMS DESCRIBED.—

An educational program at an institution is described in this subparagraph if the program is a program—

- i. in the case of a graduate or professional program that requires less than 3 academic years (on a full-time basis) for completion, for which the median earnings of the programmatic cohort of students who received funds under this title for enrollment in such program, who entered into such program during the academic year that is 6 years before the year of the determination, who are no longer enrolled in any institution of higher education, and who are working, are, for not less than 2 of the 3 years immediately preceding the date of the determination, less than the median earnings of a working adult who, for the corresponding year, is aged 25 to 34, has only a bachelor's degree, and is not enrolled in any institution of higher education, as determined under subparagraph (C) and in accordance with subparagraph (D)

# SENATE LABOR, HHS, EDUCATION & RELATED AGENCIES BUDGET RECONCILIATION PROPOSAL

## Section 84001—Ineligibility Based on Low Earnings Outcomes

(c) INELIGIBILITY FOR CERTAIN PROGRAMS BASED ON LOW EARNING OUTCOMES.—

(1) UNDERGRADUATE PROGRAM INELIGIBILITY.—

(2) GRADUATE OR PROFESSIONAL PROGRAM ELIGIBILITY.—

(A) ...as described in subsection (B)

(B) LOW-EARNING OUTCOME GRADUATE OR PROFESSIONAL PROGRAMS DESCRIBED.—

An educational program at an institution is described in this subparagraph if the program is a program—  
in the case of a graduate or professional program that requires 3 or more academic years (on a full-time basis) for completion, for which the median earnings of the programmatic cohort of students who received funds under this title for enrollment in such program, who entered into such program during the academic year that is 10 years before the year of the determination, who are no longer enrolled in any institution of higher education, and are working, are, for not less than 2 of the 3 years immediately preceding the date of the determination, less than the median earnings of a working adult who, for the corresponding year, is aged 25 to 34, has only a bachelor's degree, and is not enrolled in any institution of higher education, as determined under subparagraph (C) and in accordance with subparagraph (D)



# HOUSE E&W COMMITTEE MARKUP

## Full Committee Markup

June 25, 2025 - 10:15 AM

**H.R. 3453, H.R. 2516, H.R. 4054, H.R. 2528, H.R. 2988, H.R. 2571, H.R. 3170**

2175 Rayburn

[Watch](#)

### Opening Statement:

- **Chairman Tim Walberg (R-MI)**

### Agenda:

- **H.R. 3453**, *Empower Charter School Educators to Lead Act*
- **H.R. 2516**, *Accreditation for College Excellence (ACE) Act of 2025*
- **H.R. 4054**, *Accreditation Choice and Innovation Act*
- **H.R. 2528**, *Association Health Plans Act*
- **H.R. 2988**, *Protecting Prudent Investment of Retirement Savings Act*
- **H.R. 2571**, *Self-Insurance Protection Act*
- **H.R. 3170**, *Improving Access to Workers' Compensation for Injured Federal Workers Act*

# ACCREDITATION PROPOSALS

## H.R. 2516 – The Accreditation for College Excellence Act

This bill, introduced by House Postsecondary Education and Workforce Subcommittee Chairman Burgess Owen (R-UT) and sponsored by nine House Republicans, would prohibit accrediting agencies from requiring, encouraging, or coercing institutions of higher education to either support or oppose partisan political ideology, cultural dogma, or religious belief systems.

## H.R. 4054 – The Accreditation Choice and Innovation Act

This bill, introduced by Representative Randy Fine (R-FL), makes a number of revisions including, but not limited to:

- Providing for the expedited establishment of new accrediting agencies;
- Requiring inclusion of achievement outcomes in the assessment of institutional success by all accrediting agencies;
- Mandating accrediting agencies to have substantive change policies; and
- Adding new Committee Member participation requirements for individuals serving on the National Advisory Committee on Institutional Quality and Integrity.

**WHAT  
COULD  
BE  
NEXT?**







# **REGULATORY UPDATE**



**HOT TOPIC**





**SAVE PLAN  
& IDR PLANS  
CANCELLED  
BY COURTS?**

**2025-2026 FEDERAL NEGOTIATED RULEMAKING**

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(b) Definitions. The following definitions apply to this section:

(1) Aiding or abetting has the same meaning as defined under 18 U.S.C. § 2 .

\* \* \*

(2) AmeriCorps service...

\* \* \*

(3) Chemical castration or mutilation means -

(i) the use of puberty blockers, including GnRH agonists and other interventions, to delay the onset or progression of normally timed puberty in an individual who does not identify as his or her sex; and

(ii) the use of sex hormones, such as androgen blockers, estrogen, progesterone, or testosterone, to align an individual's physical appearance with an identity that differs from his or her sex.



# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(4) Child or children for the sole and specific purpose of this section means an individual or individuals **under 19 years of age**.

\* \* \*

(5) Civilian service to the military...

\* \* \*

(6) Early childhood education program...

\* \* \*

(7) Eligible Direct Loan...



# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(8) Emergency management...

\* \* \*

(9) Employee or employed...

\* \* \*

(10) Foreign Terrorist Organizations mean organizations on the list published under paragraph (a)(2)(A)(ii) under the Immigration and Nationality Act (8 U.S.C. § 1189).

\* \* \*

(11) Full-time...

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(12) Illegal discrimination means a violation of any Federal discrimination law including, but not limited to, the Civil Rights Act of 1964 (42 U.S.C. § 1981 et seq.), Americans with Disabilities Act (42 U.S.C. § 12101 et seq.), and the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621 et seq.).

\* \* \*

(13) Law enforcement...

\* \* \*

(14) Military service...

\* \* \*

(15) Non-governmental public service...

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(16) Non-tenure track employment...

\* \* \*

(17) Other Federal Immigration laws mean any violation of the Immigration and Nationality Act (8 U.S.C. § 1105 et seq.).

\* \* \*

(18) Other school-based service...

\* \* \*

(19) Peace Corps position...

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(20) Public education service...

\* \* \*

(21) Public health...

\* \* \*

(22) Public interest law...

\* \* \*

(23) Public library service...



# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(24) Public safety service...

\* \* \*

(25) Public service for individuals with disabilities...

\* \* \*

(26) Public service for the elderly...

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(27) Qualifying employer means:

(i)

- A. A United States-based Federal, State, local, or Tribal government organization, agency, or entity, including the U.S. Armed Forces or the National Guard;
- B. A public child or family service agency;
- C. An organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of the Internal Revenue Code;
- D. A Tribal college or university; or
- E. A nonprofit organization that—
  - 1. Provides a non-governmental public service as defined in this section, attested to by the employer on a form approved by the Secretary; and
  - 2. Is not a business organized for profit, a labor union, or a partisan political organization.; and
  - 3. Does not include organizations that engage in activities that have a substantial illegal purpose, as defined in paragraph (b)(30) of this section.

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(28) Qualifying repayment plan...

\* \* \*

(29) School library services...

\* \* \*

(30) Substantial illegal purpose means –

aiding or abetting violations of 8 U.S.C. § 1325 or other Federal immigration laws;

- i. supporting terrorism, including by facilitating funding to, or the operations of, cartels designated as Foreign Terrorist Organizations consistent with 8 U.S.C. § 1189 , or by engaging in violence for the purpose of obstructing or influencing Federal Government policy;
- ii. engaging in the chemical and surgical castration or mutilation of children or the trafficking of children to states for purposes of emancipation from their lawful parents, in violation of applicable law;
- iii. engaging in a pattern of aiding and abetting illegal discrimination; or
- iv. engaging in a pattern of violating State tort laws, including laws against trespassing, disorderly conduct, public nuisance, vandalism, and obstruction of highways.

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(31) Surgical castration or mutilation means surgical procedures that attempt to transform an individual's physical appearance to align with an identity that differs from his or her sex or that attempt to alter or remove an individual's sexual organs to minimize or destroy their natural biological functions.

\* \* \*

(32) Terrorism is defined under the Crimes and Criminal Procedure (18 U.S.C. § 2331 ).

\* \* \*

(33) Trafficking means transporting a child or children from their State of legal residence to another State without permission or legal consent from the parent or legal guardian for purposes of emancipation from their lawful parents or legal guardian, in violation of applicable law.



# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

\* \* \*

(34) Violating State tort law means a final, non-default judgment by a State court of:

- i. trespassing;
- ii. disorderly conduct;
- iii. public nuisance;
- iv. vandalism; or
- v. obstruction of highways.

\* \* \*

(35) Violence for the purpose of obstructing or influencing Federal Government policy means violating any part of 18 U.S.C. § 1501 et seq. by committing a crime of violence as defined under 18 U.S.C. 16.

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

(c) Borrower eligibility.

\* \* \*

(2) Except as provided in paragraph (c)(4) of this section, a borrower will be considered to have made monthly payments under paragraph (c)(1)(iii) of this section by—

\* \* \*

(4) Effective on or after July 1, 2026, through a standard as described in paragraph (h) of this section, no payment shall be credited as a qualifying payment for any month subsequent to a determination that a qualifying employer engaged in activities that have a substantial illegal purpose, as described in this section.

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

(g) Borrower reconsideration process.

\* \* \*

(7) Notwithstanding paragraph (g)(1) of this section, a borrower may not request reconsideration under this paragraph (g) based on the Secretary's determination that the organization lost its status as a qualifying employer due to engaging in activities that have a substantial illegal purpose under the standard described in paragraph (h) of this section.

# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

(h) Standard for determining a qualifying employer engaged in activities that have a substantial illegal purpose.

The Secretary determines **by a preponderance of the evidence**, and after notice and opportunity to respond, that a qualifying employer has engaged on or after July 1, 2026, in activities that have a substantial illegal purpose. In making such determination, the Secretary shall presume that any of the following is conclusive evidence that the employer engaged in activities that have a substantial illegal purpose:

1. A final judgment by a State or Federal court, whereby the employer is found to have engaged in activities that have a substantial illegal purpose;
2. A plea of guilty or nolo contendere, whereby the employer admits to have engaged in activities that have substantial illegal purpose or pleads nolo contendere to allegations that the employer engaged in activities that have substantial illegal purpose; or
3. A settlement that includes admission by the employer that it engaged in activities that have a substantial illegal purpose described in paragraph (h) of this section.



# PSLF ISSUE PAPER – STARTING POINT

## Issue Paper – Public Service Loan Forgiveness

34 CFR § 685.219 – Public Service Loan Forgiveness

(i) Process for determining when an employer engaged in activities that have a substantial illegal purpose. The Secretary will determine that a qualifying employer violated the standard under paragraph (h) of this section when the Secretary:

1. Receives an application as referenced under subsection (e) of this section on which the employer does not certify that it did not participate in activities that have a substantial illegal purpose; or
2. Determines that the qualifying employer engaged in activities that have a substantial illegal purpose under subsection (h).

**WHAT  
COULD  
BE  
NEXT?**



