



# Trends & Issues In Independent Higher Education

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- Presented to Bryn Mawr College

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# Agenda

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- Trends in Independent Higher Education
- “The Great Unbundling”
  - Accountability
  - Graduate Financing
- Risks
- Institutional Considerations and Key Questions
- Other Federal Issues
  - International Students & Faculty
  - Congress
  - Department of Education
- What’s on the Horizon?



# **Policymaking Trends in Independent Higher Education**

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# Higher Education Policymaking Trends

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- 1 “Catch the Omnibus” higher ed policymaking
- 2 Program-level outcomes and accountability are **here to stay**
  - “The Great Unbundling” → regulatory to statutory reality
- 3 Tying funding to *type* of program – professional vs. non-professional grad
- 4 Trump 1.0 vs. Trump 2.0 → White House involvement in policymaking
- 5 Infusing “Compact” principles into regulatory efforts
- 6 Congress reasserting power of the purse...?
  - New handcuffs on Department of Education

# Celebrating Wins, Finding Opportunities



## FY2026 Funding

- Level-funded student aid programs, blocking language, MSI funding



## Budget Reconciliation

- Some bad policy outcomes (grad cuts, endowment tax expansion) but also some major wins given context...
  - Undergrad mostly untouched
  - Preservation of student, family, and institutional tax benefits
  - **Expansion** of Sec. 127
  - Funded the Pell Grants shortfall



## Department of Education

- Using our voices and seat at the negotiating table to represent sectoral voice
- Eliminated: worst elements of FVT , debt-to-earnings, PPA governance signatures
- **Goal:** build off momentum to push for reasonable deregulation



## “The Great Unbundling”

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# “The Great Unbundling”

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- Several **major** federal policy changes coming on July 1, 2026, as part of the *One Big Beautiful Bill Act*
  - Implementing regulations almost completed by U.S. Department of Education
- Changes reflect desire to unbundle institutions of higher education – away from institutional outcomes toward program-level outcomes
  - Program-level = undergraduate majors, master’s, doctoral programs
- No longer will BMC be judged as a singular unit, but each *program* measured and evaluated as standalone entities
- Two main avenues: (1) accountability metrics, (2) federal lending programs

# Accountability Metrics

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- As of July 1, 2026 *every program* will be evaluated for eligibility for federal student loans on an annual basis based **solely on earnings**
  - If an academic program fails the metric in 2 out of 3 years, it will lose eligibility to participate in federal student loan programs
- Debt-to-earnings is **gone**, but financial value transparency (FVT) **reporting remains**
- **Metric:**
  - Bachelor's degree programs will have completers' earnings measured against home state non-college grads (aged 25-34 years old) **four years** post-completion
  - Graduate programs will have completers' earnings measured against those in home state with a **bachelor's** degree **four years** post-completion

# Neg Reg – AHEAD Committee



- First test results go out in early 2027
  - First cohort of students is from award year 2021
- First possible loss of direct loans is July 1, 2028
  - Ineligible for at least two years; limited appeals
  - First failure unlocks **teach-out option**
- Regaining eligibility requires passing earnings test while ineligible, or after two years

## Teach-out option

- Voluntarily discontinue program; cease new enrollments
- Teach-out enrolled students for up to 3 years or remaining time to completion
- Students maintain Direct Loan eligibility
- Then at least two years ineligible

# Accountability Metrics



## Accountability Metrics in the One Big Beautiful Bill Act 'Gainful Employment for All'

### Bryn Mawr College

Senator John Fetterman  
 Senator David McCormick  
 Representative Mary Gay Scanlon

Bryn Mawr, PA  
 Congressional District 5

The One Big Beautiful Bill Act established a new program-level accountability framework for all institutions based on student earnings four years post-completion. Undergraduate programs will be evaluated against the median earnings of individuals ages 25–34 in the institution’s home state who do not hold a college degree. Graduate programs will be evaluated against individuals with a bachelor’s degree. Programs which fail this metric twice in a three-year period will lose access to federal student loans. The accountability framework takes effect July 1, 2026, with the Department of Education expected to issue final implementing regulations in spring 2026.

The Department modeled the impact of the new earnings-based accountability framework for programs with available earnings data, which make up about a quarter of all programs. This preliminary analysis uses the program-level earnings published by the Department to clarify the evaluation process and help institutions prepare for future accountability determinations.

### Program-Level Outcomes

Program	Credential	CIP Code	Median Earnings	Median Benchmark Earnings	Flag
English Language and Literature General*	Bachelor	2301	\$38,040	\$34,808 National HS	At Risk
Liberal Arts and Sciences General Studies and Humanities	Bachelor	2401	\$43,321	\$34,808 National HS	Pass
Social Work	Master's	4407	\$57,867	\$46,158 National Same-Field BA	Pass
Sociology	Bachelor	4511	\$42,666	\$34,808 National HS	Pass

Total Programs	Programs Evaluated	Pass	Fail	At Risk*
58	4	4		1

# Neg Reg – AHEAD Committee

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- 6% of all programs fail the earnings test
  - Private, nonprofit sector: 3.1% of programs; 3.9% Title IV enrollment
- 5% of Title IV students are enrolled in failing programs (650,000 students)
  - 55% of these students attend for-profit institutions
- 31% of Title IV students in undergraduate certificate programs attend failing programs
- Fields of study with highest fail rates: culinary services, cosmetology, drama/fine arts, religious studies, and alternative & complementary medicine
- Some states, including FL, LA, CA, and ID have much higher share of programs that fail

# Graduate Program Lending

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- New federal law changes federal graduate, parent lending rules
- **Current law:**
  - Parent PLUS Loans can be borrowed up to **full cost of attendance** with no caps
  - Two graduate lending programs: Grad PLUS & Unsubsidized Stafford Loans
    - Grad PLUS allows students to borrow up to **full cost of attendance**
    - Stafford Loans have hard limits in place for graduate borrowers
- **As of July 1, 2026:**
  - Parent PLUS Loans capped at \$20k per student, \$65k per student aggregate
  - Grad PLUS eliminated entirely
  - Unsubsidized Stafford Loans delineated between “professional” and “non-professional” programs
  - Loans prorated based on enrollment intensity – i.e. 3/4ths max for 3/4ths full-time

# Professional vs. Non-Professional Grad

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- New grad program federal loan limits for *new* students as of 7/1/26:
  - “Professional” grad programs: \$50k annually/\$200k aggregate
  - “Non-professional” grad programs: \$20.5k annually/\$100k aggregate
- USED took *extremely* restrictive view of definition of “professional” to include just 11 fields of study
  - Only about 10% of all graduate students will be in “professional” field
  - *Excludes* nursing, PA, DNP, teaching, physical therapy, occupational therapy, social work, etc.
- According to federal data, Bryn Mawr offers 15 grad programs...*zero* will be considered “professional”
  - Each credential (i.e. MS, PhD in Physics) is a separate degree

# Legislative Landscape on Graduate Lending

At least **four** bills introduced or in process of being introduced to address professional/non-professional lending policies scheduled to be implemented on July 1, 2026

- Reminder: still waiting on final regulations from ED; proposed rules very soon



- **Lawler (R-NY)**: Adds approx. two dozen fields to “professional” definition
- **Kennedy (D-NY)**: Eliminates distinction between professional and non-professional, allowing all students to borrow \$50k/\$200k
- **Torres (D-NY)**: Turns back clock to pre-OBBBA loan policies
- **Harder (D-CA)**: Adds about one dozen fields to “professional” definition

# Legislative Landscape on Graduate Lending

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- NAICU working on bill that raises annual borrowing caps for non-professional programs, adds more programs to list of professional degrees
  - Ideally to be introduced by member(s) of the authorizing committees in Congress
- Bill would raise annual lending caps to \$33k annually for non-professional grad programs, maintain aggregate cap of \$100k
- Strong enthusiasm on Hill; challenge will be finding legislative vehicle

# Graduate Program Lending



## Federal Student Aid Summary



**Bryn Mawr College**

*January 2026*

Representative Mary Gay Scanlon  
Congressional District 5 Pennsylvania

Below is a summary of federal grant aid, work study, and loans that helped students attend your institution. Federal student aid is a top priority for NAICU.

<i>2024-25 Federal Pell Grants</i>	<b>Awards</b>	<b>Amount</b>
Pell Grants	252	\$1,493,381
<i>2023-24 Campus-Based Programs</i>		
Supplemental Educational Opportunity Grant (FSEOG)	194	\$167,714
Federal Work Study	194	\$274,082
<i>2024-25 Federal Student Loans</i>		
	<b>Loans</b>	<b>Volume</b>
Subsidized	246	\$971,392
Unsubsidized	375	\$1,797,888
PLUS	55	\$1,674,117
Grad PLUS	20	\$440,787
Grad Unsubsidized	93	\$1,782,177

# Risks

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1. Accountability Risk
  - Programs near or below earnings benchmark threshold
2. Financing Risk
  - Programs where tuition exceeds borrowing cap
3. Enrollment Elasticity Risk
  - Markets and enrollment groups sensitive to new borrowing constraints
4. Cross-Subsidy Risk
  - Programs historically subsidized by graduate margins

# Institutional Considerations

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- Conduct earnings stress tests of all programs to understand vulnerabilities and model enrollment elasticity under new lending caps
  - Program-level audits
- Develop graduate financing strategy to shore up student lending gaps given BMC graduate program offerings
  - AICUP, private lenders, publics, etc.
- Consider integrating program-level dashboards and reporting to relevant Board committees

# Key Questions

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- Which programs are mission-critical regardless of earnings pressure?
- What level of financing gap risk are we willing to tolerate?
- How aggressively should we pursue partnerships?
- Where should institutional capital be concentrated?

# Status of Regulations – Department of Education

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## 2025

- Changes to PSLF eligibility based on employer – **COMPLETED**
- Implementation of OBBBA – **PENDING, TO BE IMPLEMENTED 7/1/2026**
  - RISE Committee - Proposed rule published (NPRM), comments due March 2
  - AHEAD Committee – No NPRM yet, expected soon

## 2026

- Accreditation, Innovation, and Modernization (AIM) Committee - **NEW**
  - ED seeking nominations now, due February 26
  - Will convene in April and May 2026
  - *IF* final regulations published by November 1, 2026, any changes will be implemented on July 1, 2027 (AY2027-28)

# Neg Reg – AIM Committee

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## Accreditation, Innovation, and Modernization (AIM) Committee

- New accreditors and change of accreditor
- Program-level student achievement and outcomes standards
- DEI and viewpoint diversity
- Burdensome requirements
- Two meetings: April 13-17 and May 18-22
  - Nominations are in, selections not yet announced

# Other Federal Issues – Department of Education

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- IPEDS ACTS Reporting
  - Submission due March 18, 2026
- Foreign Gift Reporting
- DEI
  - ED Guidance vs. DOJ Guidance
- Interagency Agreements with DOL, State
- Deregulatory opportunities – governance, financial responsibility

# Proposed Rules – DHS, State, Other Agencies



## Duration of Status

Waiting for Final Rule (Feb/Mar)

## Optional Practical Training

Waiting for NPRM (Feb/Mar)

## H-1B Visa Lottery

Final Rule Issued Dec. 29

## Presidential Proclamations

- **State Dept. freezes visa processing for individuals holding Afghan passports** – following National Guard shooting in D.C.
- **Travel Ban increased from 19-39 countries** – including Nigeria, a top 10 sender of international students to the U.S.

# Other Federal Issues – DOD

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## **New focus on DOD relationship with colleges and universities**

- 35 institutions (34 private nonprofits)

## **Professional Military Education (PME) vs. Tuition Assistance (TA)**

- Fewer rules around PME, more structure around TA

## **Hill operating in “information vacuum”**

## **Dangerous precedent, long-term race-to-the-bottom**

- Bipartisan opposition to idea

# Other Federal Issues – Congress

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## **FY2027 Funding**

- President's budget expected any day...
- DHS funding for FY2026
- \$17 billion Pell Grants funding shortfall
- Election year, short legislative calendar (fiscal year expires 9/30/26)

## **College Costs & Financial Aid Transparency**

- Hearings, Legislative Markups

## **Very few legislative vehicles likely to move through Congress**

- Makes “catching the omnibus” more difficult

## **Budget Reconciliation 2.0 unlikely, but will be prepared**

NAICU50 

**QUESTIONS?**

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# Other Regulatory Changes – Pell COA

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## Pell cost of attendance exclusion

- As of July 1, 2026, a student is no longer eligible for a Pell Grant for any term in which they receive non-federal grant aid in an amount that equals or exceeds their cost of attendance for that period
  - **This does not make Pell Grants “last dollar”**
  - Schools must review student accounts prior to the final disbursement of Pell that award year, and may adjust grant/scholarship aid so the student can retain Pell

## Other Regulatory Changes – Workforce Pell

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- Effective July 1, 2026, Pell Grants are available for short-term programs 150 – 599 clock hours and 8 – 14 weeks in length
  - These will be prorated by program length
- Student eligibility rules are the same as standard Pell, except bachelor's recipients may take part
  - Workforce Pell burns students' standard Pell eligibility
- Program eligibility has several parts, including approval processes from the Governor of the state the school is in, and the Secretary of Education