



**To:** Secretary Linda McMahon, Secretary of Education – U.S. Department of Education  
**From:** [CJ Powell](#), Associate Vice President of Government Relations and Public Policy, Association of American Universities  
**Date:** August 25, 2025  
**Subject:** Docket ID ED-2025-OPE-0151, Comments on H.R.1 Implementation

In response to the Department of Education's July 25<sup>th</sup>, 2025, request for comments on the implementation of the H.R.1 reconciliation bill (H.R.1), I am pleased to provide comments on behalf of the Association of American Universities (AAU), an organization representing leading U.S. research universities. Our members include 69 leading public and private research universities in the United States. AAU appreciates the opportunity to provide comments to the Department of Education (ED or Department) on the implementation of H.R.1.

AAU knows that a robust, affordable, and accessible higher education system is crucial to America's continued success, regardless of a student's course of study. For that reason, it is critical that the Department provide clarifying guidance and information that will assist current and prospective students and institutions of higher education in understanding the changes made to federal financial aid and the implementation of these changes. The Department should also welcome the perspectives and expertise of additional groups of stakeholders such as financial aid administrators (FAAs) in this rulemaking to address concerns and ensure against unnecessary confusion.

### **ED should provide a clear definition and lists of professional and graduate programs**

As the association for the nation's leading research universities, AAU member institutions educate graduate and professional students across disciplines to be prepared to contribute to society upon graduation. As a result, the provision to both phase out graduate and professional PLUS loans and establish new loan limits for graduate and professional students is incredibly concerning as it would significantly limit access for students across socioeconomic backgrounds to pursue careers in social work, health sciences, law, and more. Without graduate and professional PLUS loans, students who want to continue their studies will be forced to decide between going to an unregulated private student loan market or decide that advanced study is not for them, thus limiting our nation's knowledge production and worsening shortages in vital sectors such as health care, law, and education.

Also troubling, is that the statutory language does not provide a clear definition of graduate and professional students. The H.R. 1 statute refers to the Code of Federal Regulations (CFR) to define a professional degree. However, the definition provided in the CFR is not exhaustive and only provides examples of what could be considered a professional degree. Furthermore, the CFR definition mentions that professional licensure is "generally required." Any process that limits professional degrees to those programs resulting in professional licensure would arbitrarily restrict the availability of funds for students to pursue crucial education required to start their careers. For example, degrees such as a master's in business administration (MBA), master's in public health (MPH), master's in public administration (MPA), master's in fine arts (MFA), and a variety of master's programs in engineering are



degrees that do not result in a licensure but are connected to professional practice. Indeed, these degrees are critical for professional work across a variety of sectors in our economy.

To assist postsecondary institutions to comply with these new requirements, the Department should issue an exhaustive list of professional degree programs that is compiled with input from experts in the field. This list should also be made available to the public to ensure transparency and inform prospective students of how much federal aid may be available to them as they continue their education.

### **ED must clearly communicate changes to federal student loans to all constituencies**

H.R.1 subjects every program at a postsecondary institution to the loss of Title IV loans if a program fails an earnings test for two out of three years. As mentioned in our June 2023 comments on Financial Value Transparency regulations, expanding these reporting requirements to all programs would greatly increase the number of staff and time required to accurately produce the data, and redirect critical resources away from students.<sup>1</sup> With these requirements now codified in statute, communicating exactly what is necessary and providing significant technical assistance will be crucial as postsecondary institutions aim to comply with the law.

For students and postsecondary institutions, the data used to determine the median earnings for each program should be made publicly available in a clear and user-friendly manner. Removing access to Title IV loans for programs that fail the earnings test will prevent students from using loans to attend those programs, limiting access for students from a variety of socioeconomic backgrounds, and potentially increasing the cost of college. Given these potentially life-altering impacts on students and institutions, both constituencies need access to the data used to hold programs accountable. Visibility into these data will allow students and institutions to better understand why they may no longer have access to federal student loans and to make more informed enrollment decisions. Additionally, it should be made explicitly clear to both institutions and students what happens to loan availability for those currently enrolled in a program that loses access to Title IV loans. Finally, the Department should consider processes from the Financial Value Transparency regulations and previous gainful employment regulations to determine an appeals process and ways for institutions to regain programmatic eligibility for programs that may have failed the earnings test.

### **Provide additional guidance on the requirement for institutions to package non-federal grant aid before Pell Grant**

The Pell Grant operates as a first-dollar program when institutions produce financial aid packages for students. However, the structure of the Pell Grant was changed by H.R.1. Under the statutory text, it appears that Pell is now being considered after all non-federal grant aid, regardless of whether it covers the full cost of attendance. This runs afoul of congressional intent, which is that Pell is to remain a first-dollar program when creating financial aid packages inclusive of all aid for students, including state, institutional, and private aid, with the rare exception if all other aid covers the full cost of attendance. This is the first major change in the Pell structure in decades. As a result, it is likely to create significant

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<sup>1</sup> <https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Higher-Education-Regulation/AAU-NPRM%202023-OPE-0089-Comments-FINAL.pdf>



confusion in the field. Additional clarifications are critical as institutions begin another admission cycle in which financial aid will play a significant role in students' decision of where to pursue their education.

### **Additional constituency groups should be considered for negotiated rulemaking committees**

This negotiated rulemaking session will tackle many important and significant changes to the federal financial aid apparatus for both postsecondary institutions as well as undergraduate and graduate students entering higher education. While the Reimagining and Improving Student Education (RISE) committee will be considering ways to phase out the Grad PLUS loans, the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) committee will consider changes to how Pell Grants are awarded, amongst other changes. At postsecondary institutions, these issues are under the purview of financial aid administrators (FAAs). As such, these conversations would benefit greatly from having the expertise of FAAs who manage complex financial aid systems, such as those at research institutions that include undergraduate, graduate, and professional students. Implementation of these provisions will be less challenging if the Department affirmatively seeks the insight and expertise of FAAs in both the RISE and AHEAD rulemaking committees.

AAU appreciates the opportunity to comment on this important negotiated rulemaking session. We welcome the opportunity to answer any questions regarding the concerns discussed in this comment. We look forward to working with the Department on our mutual interests of ensuring the American higher education system continues to meet the demands of an ever-changing world.