

March 2, 2026

**To:** Tamy Abernathy, Office of Postsecondary Education, U.S. Department of Education  
**From:** [CJ Powell](#), Associate Vice President of Government Relations and Public Policy, Association of American Universities  
**Date:** March 2, 2026  
**Subject:** Docket ID ED-2025-OPE-0944, Comments on Notice of Public Rulemaking from Reimagining and Improving Student Education (RISE) Negotiated Rulemaking Committee

In response to the U.S. Department of Education's Notice for Public Rulemaking (NPRM) published on January 30, 2026 that includes the consensus language from the Reimagining and Improving Student Education (RISE) committee regarding the implementation of the H.R.1, the One Big Beautiful Bill (OBBB), 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 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 OBBB.

As stated in comments submitted prior to the start of the RISE committee, 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.<sup>1</sup> For that reason, it is critical that the Department addresses the logistical issues for both students and institutions that remain following the RISE negotiated rulemaking session.

A critical first step is providing clear guidance and information to help current and prospective students and institutions of higher education understand the changes made to federal financial aid and how they will be implemented. It is equally important that both prospective and current graduate and professional students know which rules and regulations govern their financial aid eligibility. Without clear government guidance articulating what has changed and who is affected, students may be surprised when reviewing financial aid offers and unable to cover funding gaps that are the result of the changes in H.R.1. While any changes to federal financial aid will inevitably be disruptive to students and institutions, AAU is pleased to offer recommendations of how the Department can ensure that students are well-served and institutions are equipped to implement the changes faithfully and in accordance with the law.

Before turning to our comments, AAU encourages the Department to allow sufficient time for any future negotiated rulemaking sessions. ED has reached consensus so far for all the rulemaking sessions, which is surprising considering there have been limits of one week to discuss issues with far reaching consequences for the higher education sector and students. Meaningful negotiated rulemaking requires that negotiators have adequate time – longer than one week



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- to understand the issue, engage with their stakeholder community, present well-supported arguments, and engage in a fair process with the goal of reaching consensus.<sup>2</sup>

***The Department should delay implementation of professional and graduate student loan caps to July 1, 2027.***

During the RISE negotiated rulemaking session, the Department informed negotiators that the Master Calendar requirement was overridden by statutory language in OBBB. As a result, the rule would be implemented July 1, 2026, regardless of when the final rule was published. Pursuant to the Higher Education Act, a final rule must be published by November 1 so that institutions have sufficient time to prepare for implementation.<sup>3</sup> As of March 2, 2026, no final rule has been published, leaving institutions with insufficient time to revise their institutional policy, update software, and overhaul procedures to implement a fundamental change in how graduate and professional student aid is delivered. Moreover, prospective students remain variably aware, some perhaps entirely so, that this significant change will affect how they finance their graduate education. Implementing this policy shift with so little lead time could be devastating to students who lack financial resources or outside support to absorb the impact.

The botched Free Application for Federal Student Aid (FAFSA) rollout in 2024 offers a cautionary lesson about what happens when institutions are not given adequate time to update financial aid systems. There is no compelling reason to rush a process that demands careful, deliberate implementation.

Furthermore, the stakes are further elevated by the elimination of the Grad PLUS loan program in OBBB, and the freezing or elimination of other funding mechanisms for postbaccalaureate students. These significant changes will force prospective graduate and professional students to seek alternative financing. According to the Federal Reserve Bank of Philadelphia, approximately 28 percent of graduate borrowers in recent years have borrowed above the new federal student loan limits, and of those graduate students, nearly 40 percent may be unable to secure private loans without a cosigner due to having limited or no credit history.<sup>4</sup>

The challenges of the private credit market for students are not new. Prior to the inception of Grad PLUS, institutions maintained preferred lenders lists to connect students to more borrower-friendly private lenders. Rebuilding this infrastructure will take significant time due to the vetting process required for recommending lenders to incoming students. Even with such lists, some students will inevitably turn to less favorable private lenders. Delaying implementation of this provision of OBBB beyond July 1 will allow schools to build financial aid infrastructure needed to serve students well, rather than subjecting them to an arbitrary deadline. The Master Calendar requirement exists precisely for this reason, and the Department should honor it, regardless of its legal interpretation.

***The Department should convene a new negotiated rulemaking session to create a framework for graduate and professional degree program list that provides flexibility for the programs of today and beyond.***

The statutory language in OBBB allows the Department authority to define graduate and professional degree programs. While the law does reference section 668.2 of title 34 of the Code of Federal Regulations to define professional degrees, the NPRM removed the critical phrase “includes but not limited to” that previously signaled the list was neither complete nor exhaustive<sup>5</sup>.

This omission narrows the definition beyond what Congress intended. The resulting list of 11 qualifying programs is outdated, fails to reflect the realities of today’s graduate and professional landscape, and forecloses the flexibility needed to recognize the professional programs of tomorrow. The Department should facilitate innovation, not constrain it, particularly given the impossibility of anticipating which fields will emerge and evolve. The ambiguity around the definition of professional degree programs is an opportunity. ED could adopt criteria-based language that accurately recognizes a broader range of professional programs within the bounds of the statute.

AAU proposes the following framework, aligned with definitions permitted by statute. Programs meeting the following criteria would be considered “professional” for purposes of the new annual and aggregate loan limits:

1. **Require significant post-baccalaureate professional education**, as defined by accreditation standards;
2. **Prepare students to enter professional practice** as defined by standards of occupation and accreditation standards and requirements;
3. **Require or result in state or federal licensure**; and
4. **Have clear and recognized professional scopes of practice and meet the needs of our nation’s workforce**, regardless of inclusion in section 668.2 of title 34 CFR.

This framework reflects congressional intent and accounts for the full range of graduate and professional programs. It would extend qualifying status to programs the nation cannot afford to restrict, such as nursing, education, social work, accounting, physical therapy, and others, while allowing knowledge production and innovation to advance without an arbitrary limitation.

At a minimum, programs that lead to eligibility for licensure to practice such professions, or specialize within a licensed profession, are inherently professional in nature and require classification as such.

***The Department must clearly communicate changes to federal student loans to all constituencies.***

The Department must communicate changes to federal financial aid policies, including clear and defined start dates, clearly to all constituencies well ahead of implementation. Official communication from the Department lends credibility and ensures that consistent, authoritative messaging reaches prospective students, reducing the burden on institutions and financial aid practitioners to fill informational gaps. As the Department has acknowledged, previously there was



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a “confusing maze of repayment systems.”<sup>6</sup> Students and institutions require clear communication about major policy changes from a source they can trust. Early, clear communication will also reduce the likelihood that students are caught off guard by their financial aid packages, better positioning them to make informed decisions about their graduate and professional education.

The same standard applies to student loan repayment. The Department, not just student loan servicers, must take ownership of communicating the changes to the student loan repayment plans. Borrowers navigating significant and ongoing shifts in student loan policy, particularly those who are in delinquency or default, need direct, unambiguous guidance from the Department itself.

***The Department should provide additional guidance on the requirement for institutions to package non-federal grant aid before Pell Grant.***

Historically, the Pell Grant has operated as a “first-dollar program,” in which financial aid covers tuition and fees before other sources of non-federal aid, such as scholarships, are applied. However, OBBB changes this structure: under the statutory text, Pell now appears to be a “last dollar program,” applied after all non-federal aid, which may not cover the full cost of attendance. This is the most significant structural change in the Pell Grant in decades and is likely to generate substantial confusion in the field. Clear guidance from the Department is essential as institutions enter another admissions cycle in which the availability of financial aid will weigh heavily in students’ enrollment decisions.

***The Department should consider including additional constituency groups for future negotiated rulemaking committees.***

Future negotiated rulemaking sessions will need to address many important and significant changes to the list of professional degree programs. At postsecondary institutions, these issues most acutely affect financial aid administrators (FAAs), who manage the complex systems through which policy becomes practice. Institutions with graduate and professional programs, including research universities, are particularly affected, and the Department would benefit from affirmatively seeking FAA expertise in any rulemaking committees. Their practical knowledge will make implementation more workable and less disruptive for students and institutions.

AAU appreciates the opportunity to comment on this important negotiated rulemaking session and welcomes the opportunity to answer any questions about the concerns raised here. We look forward to continued engagement with the Department on our shared interests of ensuring the American higher education system remains accessible to all and equipped to meet the demands of an ever-changing world.