May 9, 2025

Dear Members of the Washington Congressional Delegation:

We write today collectively as leaders of higher education institutions in the State of Washington to express our concerns about *the Student Success and Taxpayer Saving Plan*, the legislation that most directly impacts the millions of Washington college students in the larger budget reconciliation package currently under consideration. On balance, we firmly believe that the legislation would create bigger barriers to higher education for students of all backgrounds at a time when a wider range of knowledge and skills are needed to be successful. Ultimately, if this bill were to pass, students and their families would have a harder time accessing postsecondary education and Washington State would be hurt.

While we recognize there are additional concerns, we emphasize the following as our primary issues with the legislation, given their significant impact on our students and families.

Pell Grants

The bill, as written, would change the definition of a "full time" student for the purposes of Pell Grant eligibility, increasing the credit requirement from 12 to 15 credits per semester or 45 credits per year for trimester institutions. In addition, the bill would remove Pell eligibility for students attending postsecondary education less than half-time. The proposed changes would make postsecondary education less accessible to working students and students who are parents, athletes, and other populations who struggle to enroll in a full courseload.

Here in Washington, 83,201 students received a Pell Grant in the 2023-24 academic year. Of those students, 15,226 – or 18.3% – received part-time Pell. Part-time students are generally our most financially vulnerable students. Many of these students must attend part-time so they can work and support themselves while studying. The impact is especially significant for adult students, who typically cannot rely on parents or families for financial support or for assistance in securing Parent PLUS or private loans.

The Pell Grant program has served as the foundation of this nation's social compact on higher education and has served millions of students and families for more than 50 years. The proposed changes would reduce college access and affordability for the very students the Pell Grant was designed to support.

Notably, the House bill proposes making these Pell Grant eligibility changes effective July 1, 2025, immediately and negatively affecting the financial aid packages we have constructed for the students coming this fall.

Loans

The legislation as approved by the Education and the Workforce Committee contains several problematic provisions, which, when taken together, will make postsecondary education more expensive and less accessible to students.

We first note that the bill would eliminate the federally subsidized loan program, which benefits undergraduate borrowers. In other words, even the neediest undergraduate students would be forced to borrow unsubsidized loans or private loans, making higher education more expensive by shifting the cost burden directly on to students and their families.

In addition, the legislation would limit the amount that an individual could borrow from the federal loan program to the national "median cost" of the program that the individual is pursuing. Operationally, this means that a student who pursues a program that is even $1 over the "median cost" of a program – determined by comparing all similar programs across all states and in all sectors, including comparing private, not-for-profit, and public institutions against each other – would be forced to take out private loans to pay for the difference between the median cost and the cost of their program. This would make education more expensive. Worse yet, the student may not pursue a postsecondary education at all as a result.

On top of the PLUS loans being eliminated for graduate and professional students, the bill seeks to make PLUS loans eligible to parent borrowers *only after* student borrowers have exhausted their own federal borrowing capacity.

As a result of these and other problematic changes to the federal loan program – including lowering annual loan limits – the overall aggregate limits at both the undergraduate and graduate and professional levels would be curtailed. Again, cumulatively, the impact is to make higher education less affordable and attainable. At a time when Washington State needs more skilled workers across a panoply of fields, ranging from healthcare workers in rural areas and special education teachers in every corner of the state to a new generation of agricultural scientist and foresters, the bill's loan provisions would exacerbate these unmet needs.

"Risk Sharing" by Institutions of Higher Education

The legislation adopted by the House committee also would hold institutions responsible for the unrepaid loan balances of graduates and borrowers with the unintended consequence of incentivizing universities to enroll fewer students from low-income and/or first-generation backgrounds. The legislation forces institutional payments to the federal government, regardless of whether students from that specific college or university have a strong history of repayment and low rates of federal loan defaults.

Rather than holding college and universities "accountable," in practice the bill would adversely impact low-income and first-generation students, as data confirms that they are most likely to default or have greater difficulty managing repayment. Institutions that enroll a greater share of low-income and/or first-generation students would be forced to either re-evaluate their missions or cut programs, student services, or financial aid offerings to help pay back student loans, even though loan repayments are generally outside of the direct control of the institutions.

Once again, this set of provisions would have the adverse effect of making postsecondary education less affordable and accessible at a time when our state needs more individuals with skills.

Conclusion

As leaders of higher education in Washington State, we appreciate the level of attention that has been given to the role that higher education plays in our society during the recent policy debates. However, we believe that the legislation, as currently drafted, would lead to a myriad of unintended consequences for the state and its students and families.

Sincerely,

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