

Federal Policy Developments Digest

June 13, 2025

Senate's Budget Proposal for Higher Education Is Similar to House Version But Includes Notable Differences (6.10.25)

The Senate Health, Education, Labor, and Pensions (HELP) Committee [released](#) their [budget proposal](#) for the One Big Beautiful Bill Act, which is designed to fund Trump's tax cuts. As [expected](#), the HELP Committee's proposal is similar to the version the House recently passed, with a few key differences for higher education:

1. **Pell Grants:** Importantly, the Senate bill differs from the House bill by not limiting traditional Pell Grant eligibility (i.e., changing the credits required to receive Pell), although students who receive scholarships covering their cost of attendance would no longer be Pell eligible. Both the House and Senate versions allow Pell to go towards short-term programs.
2. **Accountability:** Federal student loan eligibility would be cut off to programs that don't pass an earnings test. At the undergraduate level, programs would be at risk if over half of former students earn less than a median worker in that state with a high school diploma. At the graduate level, programs would be at risk if over half of former students earn less than the median worker in that state with a bachelor's degree working in the same field. Failing to meet these benchmarks for two out of three years would result in losing access to federal student loans. This plan is different from the House's proposed risk-sharing model, which would require institutions to pay a penalty based on students' unpaid loans.
3. **Borrowing:** Lifetime student loans for professional programs would be capped at \$200K instead of \$150K. The \$100K lifetime cap for graduate students remains unchanged. Parent PLUS loans would be capped at \$65K lifetime limit per student, rather than \$50K per parent. The Senate bill also maintains subsidized loans and doesn't cap undergraduate borrowing. Both versions still end Grad PLUS loans and consolidate existing repayment plans into just two plans: one standard plan and one income-driven repayment plan.
4. **Regulations:** Only two Biden-era regulations would be rolled back: borrower defense to repayment (which made it easier for students whose colleges defrauded them to receive loan forgiveness) and closed-school discharges (which gave student loan relief to students whose institutions suddenly closed). The House bill would also roll back these two regulations, plus the gainful employment rule and 90/10 rule.

Implications/next steps: Emmanuel Guillory, senior director of government relations at ACE, [noted](#) that while this bill is an improvement from the House's bill, it "is still going to have an impact on access to postsecondary education, and that will be reduced access for low-income students." Sameer Gadkaree, president of the Institute for College Access & Success, expressed concern about "widespread harm" to students and borrowers, even while the bill pares back some of the most consequential changes that the House proposed. The House and Senate will need to address the differences in their bills to pass the legislation. An area [likely](#) to create conflict is the college accountability measures. As a reminder, lawmakers are attempting to pass the bill through the reconciliation process, which means that the Senate can pass the bill with a simple majority rather than 60 votes. Trump's goal is for the legislation to be passed by July 4th.

Colleges Can Directly Pay Athletes Starting July 1 (6.6.25)

Judge Claudia Wilken [gave](#) final approval in House vs. NCAA that institutions can now directly pay student athletes starting July 1, ending an era of college athletes as amateurs and [ending](#) three separate federal lawsuits that claimed the NCAA was illegally limiting student-athletes' earning power. The ruling

establishes a 10-year revenue sharing model, in which athletic departments can distribute roughly \$20.5M in name, image, and likeness (NIL) revenue to athletes during the 2025-26 season, in addition to scholarships. The \$20.5M cap will increase incrementally every year. The ruling also gives conferences the ability to regulate booster influence; boosters have paid athletes – particularly top male football and basketball athletes – millions of dollars through NIL deals. A new clearinghouse will vet endorsement deals between boosters and athletes over \$600, although it's unclear how this regulation will work in practicality. Additionally, the NCAA and the power conferences (ACC, Big 12, Big Ten, Pac-12, and SEC) will pay almost \$2.8B in back damage over the next decade to athletes who were not allowed to sign NIL deals, dating back to 2016. A newly established regulatory body, the College Sports Commission, will oversee this new system, which it [says](#) will give student-athletes “more opportunities to financially benefit during their participation in intercollegiate athletics than ever before.”

Implications/next steps: The timing of the ruling may be difficult logistically for colleges and conferences to implement in time, although some had already begun making changes in anticipation. Administrators hope that the settlement will curtail the influence of boosters, which use purported NIL deals to lure recruits and transfers. Experts expect that more lawsuits on the basis of Title IX, antitrust violations, and conflicts with state laws are likely to ensue. One ongoing case – among others – centers on athletes being classified as employees entitled to minimum wage compensation. Industry leaders have made requests to Congress to create a law to prevent student-athletes from being classified as employees.

Trump Administration Proposes Cutting Tribal Colleges' Funding by Almost 90% (6.2.25)

The [proposal](#) is a component of the budget request from the Department of the Interior to Congress, released on June 2nd. The [document](#) outlines a request that appropriations for postsecondary programs drop from \$182M+ this year to only \$22M for 2026.

Implications/next steps: Ahniwake Rose, president and CEO of the American Indian Higher Education Consortium, states that if passed, the proposal would devastate the 37 tribal colleges and universities in the US, [noting](#) that the proposed numbers “would close the tribal colleges.” She also noted that she and other college leaders were not warned about the proposed cuts. Moreover, last year, *Propublica* [reported](#) that Congress was underfunding tribal colleges by a quarter-billion dollars per year.