

The House Reconciliation Bill Makes College Less Affordable — All to Pay for Tax Cuts for Billionaires and Corporations

The Republicans budget reconciliation bill will make college less affordable for students, raise student loan payments for current borrowers, and expose students to predatory, for-profit institutions— all to pay for tax cuts for billionaires and corporations.

Republicans' proposal **raises costs for students** by:

- Cutting access to Pell Grants and other federal student aid.
This bill increases the number of credits per semester required for students to receive their full Pell Grant award from 12 to 15. This change would result in a \$1,479 cut to the maximum Pell Grant of \$7,395 for any student taking 12 credits, meanwhile approximately two-thirds of all Pell recipients could see even worse cuts to their award. The bill also fully eliminates Pell Grants for students who cannot take more than 15 credits per year. *Over 4 million students are estimated to have their Pell Grant reduced or eliminated if this bill is enacted.*
- Forcing student loan borrowers into unaffordable repayment plans.
For the more than 42 million Americans who hold federal student loan debt, this proposal would replace existing income-driven repayment plans with a single plan that would increase payments for most borrowers and remove existing safeguards that protect borrowers from carrying debt for more than 25 years. For the average borrower, the House Republican proposal would [increase monthly student loan payments by almost \\$200](#).
- Pushing students to the predatory private loan market by eliminating subsidized and Graduate PLUS loans, and capping Parent PLUS loans.
This bill eliminates new subsidized loans for all undergraduate students and new Grad PLUS loans. It also requires undergraduate students to exhaust their unsubsidized loans before parents can utilize Parent PLUS to cover the remaining cost of attendance and sets a limit for Parent PLUS loans of \$50,000. With these caps, students would be pushed to take out predatory, unregulated private loans to finance their degree – or walk away from their education.

Republicans' proposal **exposes students to predatory, for-profit institutions** by eliminating:

- The bipartisan 90/10 Regulation, which prevents unscrupulous for-profit colleges from duping vulnerable students out of their college benefits, such as veterans' hard-fought GI bill benefits.
- The 2023 Borrower Defense Regulation, which provides student loan relief for millions of borrowers defrauded by their schools.
- The 2023 Closed School Discharge Regulation, which provides student loan relief for students whose institutions closed before they completed their programs.

To learn more about how Republicans' proposal will make college less affordable and expose students and taxpayers to risk, [click here](#). For stakeholder opposition letters, [click here](#).



FACT SHEET

House Committee on Education and Workforce
Ranking Member Robert C. "Bobby" Scott

The Republicans' Tax Scheme Prioritizes Private Schools and Homeschooling Over Public Education to Give Tax Cuts to the Rich

The Republicans' so-called *One Big, Beautiful Bill Act* will create the first nationwide federal school voucher program, force taxpayers to fund private schools and homeschools, and effectively divert funding and resources away from public schools that serve over 90 percent of students—all to pay for tax cuts for the rich and subsidize their children's private education.

Republicans' budget reconciliation bill creates an unprecedented tax cut for the rich by:

- Enabling donors to school voucher programs to receive a **100 percent tax credit— all their money back**. This would elevate donations to voucher programs above all other donations, including donations made to food pantries, hospitals, houses of worship, and every other kind of charity.
- Allowing millionaires to **avoid paying capital gains taxes** when they donate investments such as stocks, bonds, and real estate.
- Letting wealthy people—those earning up to three times their area median income—qualify for the vouchers to use for their own children, either for private schools or homeschooling.
- **Forcing taxpayers to foot the bill at \$20 billion.**

Republicans' proposal will harm students and families and trample on their civil rights by:

- **Allowing private schools to discriminate against students and families.** For example, students attending private schools with these vouchers will not have protections under: Title VI of the *Civil Rights Act*; Title IX of the *Education Amendments of 1972*; Section 504 of the *Rehabilitation Act of 1973*; the *Individuals with Disabilities Education Act*; and only private secular schools must comply with Title III of the *Americans with Disabilities Act*. All of these are protected in public schools.
- Preventing federal, state, and local governments from adding transparency, accountability, and oversight mechanisms to either scholarship granting organizations or participating private schools.
- Providing a private right of action to allow parents *who support the program* to intervene in a lawsuit raising a federal or state constitutional challenge to the program. However, parents who *oppose* the program or whose children have had their rights violated by it are not provided the opportunity to intervene in such lawsuits.
- **Establishing a gag rule** that prohibits public school teachers, counselors, and administrators from honestly answering questions about the program when asked by parents or advising parents about what is in the best interest of their children, including that students, especially students with disabilities, will lose civil rights protections if they use this voucher at a private school.
- Permitting private schools to hire unqualified people to teach children, teach students whatever they decide, and avoid responsibility for student outcomes.

To read letters of opposition to this provision, click [here](#).