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August 28, 2025

Mr. Nicholas Kent
U.S. Department of Education
Office of Postsecondary Education
400 Maryland Avenue SW
Washington, DC 20202

Docket ID ED–2025–OPE–0151

Dear Mr. Kent,

On behalf of the National Association of Independent Colleges and Universities (NAICU) and the more than 1,700 private, nonprofit colleges and universities it represents and the undersigned associations, we write to offer input in advance of the Department's planned negotiated rulemaking sessions to implement the higher education provisions of the *One Big Beautiful Bill Act* (OBBBA).

We appreciate the Department's commitment to receive input and recommendations from stakeholders in advance of the Reimagining and Improving Student Education (RISE) and Accountability in Higher Education through Demand-Driven Workforce Pell (AHEAD) committee meetings. As the Department prepares to convene discussions on key issues, such as changes to the federal student aid lending programs, implementation of the new accountability framework, and related topics, we respectfully submit the following comments. Our recommendations reflect the perspectives of independent institutions nationwide and are intended to ensure that implementation of the law fulfills congressional intent while minimizing disruption to students and institutions.

Reimagining and Improving Student Education (RISE) Committee

Termination of the Grad PLUS Loan Program

The most immediate and far-reaching challenge for institutions and students is the termination of the Grad PLUS Loan program for new borrowers as of July 1, 2026. Grad PLUS has provided dependable financing for graduate and professional students, allowing them the opportunity to borrow up to the cost of attendance after other aid is applied. Its elimination raises several pressing concerns:

- **Financing Gaps for Students.** While Congress sought to reduce overborrowing, the abrupt elimination of Grad PLUS creates disproportionate financial barriers for students pursuing essential graduate and professional training. Without Grad PLUS, students will increasingly be forced to turn to the private loan market, where interest rates are higher, repayment terms are less flexible, and access often depends on credit history. Students attending private, nonprofit colleges and universities collectively received more than $8 billion in Grad PLUS loan in the 2023-24 academic year, and the abrupt termination of the program must be handled carefully to balance the needs of students and institutions alike given the historical reliance on the program as a primary financing vehicle.

- **Workforce Development Challenges.** Historically, access to graduate education has been broadened by the federal lending system's universality. Curtailing access through borrowing limits risks undermining national workforce development goals, particularly for students from economically disadvantaged backgrounds. Teachers, nurses, physical therapists, social workers, and other professionals have relied on Grad PLUS for access and opportunity to high-quality graduate education, providing economic and social benefits to states and communities.

- **Institutional Implications.** Institutions face uncertainty as they develop programs and attempt to advise current and prospective students. Many institutions have paused the launch of new graduate programs until financing clarity is provided. Others anticipate declining enrollment as students calculate whether they can afford tuition and living costs without the safety net of Grad PLUS. Innovation is a hallmark of private, nonprofit colleges and universities and the Department should be conscious of restraining that spirit of entrepreneurial programs designed to fit evolving market needs.

For these reasons, we urge the Department to:

- **Provide transitional protections.** Current Grad PLUS borrowers should be permitted to continue under their existing borrowing terms until completion of their programs. The statute is opaque in its commitment to students currently receiving Grad PLUS loans, which should be clearly defined to provide necessary financing certainty.

- **Coordinate with state lending agencies.** Many states operate supplemental graduate loan programs, but these vary widely. To promote consistency and reduce inequities across states, the Department should establish a structured consultation process with state agencies.

- **Issue immediate guidance for institutions.** Colleges and universities need clarity on how to calculate allowable borrowing under the new system, what disclosures must be made to students, and whether institutional payment plans can be aligned with new federal requirements. The issuance of sub-regulatory guidance to provide compliance guardrails is needed by institutional financial aid officers as they seek to understand and package graduate aid in the coming years.

Defining "Professional" Graduate Programs

The RISE Committee is further tasked with redefining "professional" graduate programs for purposes of determining borrowing eligibility and program compliance. We urge the Department to approach this issue with flexibility and inclusivity. Accordingly, NAICU recommends that the Department adopt a broad and functional definition of "professional" programs that encompasses programs designed to prepare students for recognized occupations, regardless of disciplinary label, and that take into account:

- **The Applied Nature of Graduate Programs.** Most graduate programs — whether in business, education, social work, or public health — are designed to prepare students for specific professions. Narrowing the definition of "professional" to only traditional fields

such as medicine and law would exclude vital programs that meet urgent workforce needs across a variety of industries and academic disciplines.

- **Program Diversity and Innovation.** Private, nonprofit colleges and universities often operate interdisciplinary programs that do not conform to federal categories. For example, health informatics or environmental policy programs blend technical and applied content. Excluding such programs from professional designation would discourage innovation and create inequities among institutions.

- **Administrative Burdens.** Requiring wholesale reclassification of graduate programs under new definitions would impose significant administrative costs, particularly on smaller colleges. Institutions would need to revise program approvals, update accreditation filings, and adjust federal program participation agreements.

As such, we recommend the following to the Department as it implements the congressionally mandated changes:

- **Adopt a broad, functional definition with safe harbors.** Interpret the existing definition of "professional" programs in 34 CFR 668.2 broadly as *any graduate program designed to prepare students for recognized occupations*, but also establish safe harbor categories (e.g., programs leading to licensure, credentialing, or employer-recognized certifications). This approach would provide institutions with greater certainty that programs in emerging or interdisciplinary fields like health informatics or sustainability policy will not be excluded. At the same time, safe harbors provide a clear compliance pathway.

- **Allow institutional self-certification with periodic review.** Permit institutions to self-certify whether a graduate program meets the "professional" definition, using established criteria, including alignment with workforce outcomes, accreditation standards, or learning objectives. The Department could reserve authority to audit or review programs periodically rather than requiring pre-approval. Such an approach would reduce administrative burden, especially for smaller colleges, while ensuring flexibility to design innovative programs. It further provides certainty without forcing constant program recertification.

- **Provide transitional flexibility and technical guidance.** Issue extended implementation timelines and detailed technical guidance, including templates, FAQs, and model program descriptions, for colleges to map existing programs onto the new definition. Offer a grace period so institutions can continue to classify programs under the prior framework while adapting. This flexibility ensures institutions do not need to halt admissions, suspend program launches, or risk compliance penalties during the transition. This would give resource-constrained institutions a fair amount of time to adapt to policy changes.

The approaches outlined above are consistent with congressional intent to ensure alignment with workforce needs and avoid arbitrary exclusions that would harm students. We believe the existing definition provided in 34 CFR 668.2 and cited in statute supports such flexibility and recognizes the broad and varied nature of academic programs to meet workforce needs.

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Accountability in Higher Education through Demand-Driven Workforce Pell (AHEAD)

New Federal Accountability Metric

We support accountability measures that provide students and policymakers with transparent and reliable information. However, the accountability system envisioned under OBBBA, if unduly reliant on overly simplified earnings ratios or narrow employment measures, risks mischaracterizing the contributions and value of private, nonprofit colleges to the students they serve. Specifically, our concerns include:

- **Data Quality and Limitations.** Federal earnings data, particularly for small institutions, are often incomplete or unreliable. For example, College Scorecard data suppress outcomes for small programs to protect student privacy, yet these suppressed results may nonetheless inform accountability determinations. Penalizing institutions based on incomplete or inaccurate data would be unjust and counterproductive. As the Department designs the new accountability metric, such data limitations must be at the forefront of policymaking considerations.

- **Mission-Specific Outcomes.** Many NAICU institutions operate specialized programs, such as theology, fine arts, or community development, that intentionally prioritize service or civic engagement over high-paying jobs. Earnings-based metrics alone cannot capture these mission-driven outcomes. The Department must carefully balance appreciation for institutional mission and outcomes versus one-size-fits-all solutions that risk governmental intrusion into institutional mission.

- **Graduate Student Distinctions.** Measuring employment and earnings outcomes for graduate programs is uniquely challenging. Many graduate students are already employed, seeking advanced degrees to enhance their current roles, or pursuing degrees in fields where salaries are not the primary motivation. A uniform earnings metric fails to account for these realities.

We recommend that the Department:

- **Provide flexibility within earnings metrics to account for student and program characteristics.** Programs that serve large percentages of graduates employed in rural areas or in certain mission-driven professions should not be penalized. Alternative measures, such as licensure exam pass rates, placement in service professions, or other metrics could be offered to preserve accountability while respecting programmatic mission, purpose, and geographic realities.

- **Allow for mission-based adjustments.** Institutions serving specific community, religious, or cultural purposes should be evaluated within the context of their missions.

- **Ensure transparent data and appeals processes.** Institutions must have access to underlying data, opportunities to correct inaccuracies, and meaningful appeals before sanctions are imposed.

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Compliance Burden

Small private colleges face disproportionate challenges in meeting new accountability mandates. Unlike large public systems, which maintain dedicated compliance offices, smaller institutions often have limited staff capacity. Without adequate timelines and technical support, compliance costs will siphon resources from student services and academic programming.

We urge the Department to:

- **Offer technical assistance workshops and templates** to ease compliance burdens.
- **Consider a phased rollout** of accountability provisions, beginning with voluntary reporting before high-stakes sanctions are applied.
- **Provide extended implementation timelines and safe harbor** for institutions operating in good faith to comply with evolving federal expectations.

We appreciate the opportunity to provide comments and to participate in the Department's implementation of the *One Big Beautiful Bill Act*. We urge the Department to recognize the unique challenges faced by private, nonprofit institutions in adapting to the elimination of Grad PLUS, the redefinition of graduate programs, and the imposition of new accountability metrics.

By adopting flexible definitions, ensuring transparent and accurate data, and providing transitional protections for students, the Department can implement OBBBA in a manner that strengthens graduate education and preserves the diversity and vitality of American higher education.

NAICU and its member institutions stand ready to work with the Department and the RISE and AHEAD committees to ensure a regulatory framework that advances access, accountability, and innovation while safeguarding student opportunity.

Sincerely,

Barbara K. Mistick
President

On behalf of the following associations:

Alabama Association of Independent Colleges and Universities
Asiciacion de Colegios y Universidades Privadas de PR (ACUP)
Association for Biblical Higher Education
Association of Catholic Colleges and Universities
Association of Chiropractic Colleges
Association of Independent California Colleges and Universities (AICCU)

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Association of Independent Colleges & Universities in Massachusetts
Association of Independent Colleges and Universities of Pennsylvania
Association of Independent Colleges and Universities of Rhode Island
Association of Independent Kentucky Colleges and Universities (AIKCU)
Association of Jesuit Colleges and Universities
Association of Presbyterian Colleges and Universities
Association of Vermont Independent Colleges
Commission on Independent Colleges & Universities
Conference for Mercy Higher Education
Connecticut Conference of Independent Colleges
Council for Christian Colleges & Universities
Council of Independent Colleges
Council of Independent Colleges in Virginia
Independent Colleges and Universities of Florida
Independent Colleges and Universities of Missouri
Independent Colleges and Universities of New Jersey
Independent Colleges of Indiana
Independent Colleges of Washington
International Assoc of Baptist Colleges and Universities
Iowa Association of Independent Colleges and Universities
Kansas Independent College Association
Louisiana Association of Independent Colleges & Universities
Maryland Independent College and University Association
Michigan Independent Colleges & Universities
Minnesota Private College Council
North Carolina Independent Colleges and Universities
Oregon Alliance of Independent Colleges and Universities
South Carolina Independent Colleges and Universities
Tennessee Independent Colleges & Universities Association
The Association of Theological Schools
Wisconsin Association of Independent Colleges and Universities
Work Colleges Consortium