May 16, 2025

Dear Members of the Wisconsin Congressional Delegation:

We write collectively as leaders of higher education in the State of Wisconsin to express our concerns about the Student Success and Taxpayer Saving Plan, the legislation that most directly impacts Wisconsin college students in the larger budget reconciliation package currently under consideration.

The legislation as passed by the House Education and the Workforce Committee would create significant 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. If this bill were to pass, students and their families would have a harder time accessing postsecondary education and low-income Wisconsinites and Wisconsin's economy would be harmed.

While 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. 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 others that are balancing obligations outside of the classroom. In the 2023-24 academic year, 78,366 Wisconsin students received a Pell Grant. Of those students, approximately 35% 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 lifted 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 our institutions have constructed for the students coming this fall.

Loans

The legislation also contains several problematic provisions, which, when taken together, will make postsecondary education more expensive and less accessible to students. 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. This provision may require borrowers to pursue additional financing options, such as private loans. Determining "median cost" across institutions is complex and may result in unintended consequences given costs can vary across institutions for a variety of factors, including, but not limited to, the institution's location and sector.

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. The cumulative impact of these proposals will be to make higher education less affordable and attainable. At a time when Wisconsin needs more skilled workers in nearly all occupations, ranging from nurses, teachers, engineers and physicians, 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. 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," the bill would penalize institutions for factors beyond their control, such as borrowers' personal decisions on their loan repayments, and drain critical financial resources needed to support students and programming. Once again, this set of provisions would have the adverse effect of making post-secondary education less affordable and accessible at a time when our state needs more individuals with skills.

As leaders of higher education in Wisconsin, 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's workforce and its students and families.

Thank you for your continued service to Wisconsin and your attention to this issue. If you or your team have any questions, concerns, or would like to discuss this issue further, please do not hesitate to be in touch with Rebecca Larson (Rebecca.Larson@waicu.org), Allison Steil (Allison.Steil@wisconsin.edu), or Megan Stritchko (Megan.Stritchko@wtcsystem.edu) from each of our organizations.

Sincerely,

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