



Testimony before House Education Committee



January 9, 2026

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Higher Education In the Crosshairs

TRUMP'S EXECUTIVE ORDERS SHIFT HIGHER EDUCATION LANDSCAPE

January 27, 2025

New Era in Higher Education: Key OBBBA Changes and the Trump Administration's Policy Shift

BROWNSTEIN CLIENT ALERT, JULY 29, 2025

The trickle-down effect of President Trump's massive NIH budget cuts

U.S. medical research is at a precipice as President Trump proposes cutting \$18 billion from the National Institutes of Health.

New International Student Enrollments Plummeted This Fall, Survey Finds

Why colleges became the center of the culture wars: ANALYSIS

Educators and researchers say they see an effort to delegitimize higher ed.

**KNOCKING
AT THE COLLEGE DOOR**

Projections of High School Graduates | December 2024

Is college worthwhile? Two-thirds of Americans say no, new poll finds

 PBS NEWS HOUR

Why fewer young men are choosing to pursue college degrees

Higher Education Faces Enrollment Challenges on Multiple Fronts

- Demographics—2025 will see the beginning of a national decline in high school seniors.
- International students—long a part of enrollment growth strategies are facing obstacles to enrollment and choosing other places to study.
- Young Men are at the forefront of skepticism about the value and hospitableness of higher education.
- Graduate Programs—once seen as an economic buffer from undergraduate demographic challenges—will face new federal aid limitations.

Federal Policy Seeks to Redefine the Federal compact with Higher Education

- Research programs are being cut, grants are being cancelled, and competition for international talent is being viewed through the lens of America First.
- Federal government seeking to use the leverage of federal dollars to remake the culture and focus of higher education.
- The next front in the battles will be through a remake of the accreditation process. In the words of Deputy Secretary Kent to higher education—"Buckle Up."



One Big Beautiful Bill—Largest Changes in Federal Student Aid Policy in Decades.



Changes to Federal loan policy will begin to go into effect for new students next academic year (this coming Fall).



Workforce Pell Program will theoretically be available in July of 2026.



New accountability measures that will limit Federal aid to programs that demonstrate improved economic outcomes will be phased in over the next two years.

Student Loan Changes for Undergraduates



- The Parent PLUS Loan Program will be capped at \$20,000 per year per student with a student lifetime cap of \$65,000.
- Families who need additional loan funding will need to access the VSAC loan program or the private credit markets.
- Families who do not have good credit (roughly 680) will not be able to access additional debt at reasonable prices.
- These are students who should always have been supported with non-loan aid.

Student Loan Changes for Graduate and Professional Students

- During the Financial Crisis, graduate students were allowed to borrow the total cost of their programs without regard to their capacity to repay.
- One Big Beautiful Bill caps graduate borrowing at \$20,500 a year with a lifetime limit of \$100,000.
- Graduate borrowing for professional programs (a historic list of about 11 programs) is capped at \$50,000 with a lifetime limit of \$200,000.



New Accountability Measures

- There has been a lengthy debate within higher education policy about whether federal financial aid has an inflationary impact on tuition.
- One Big Beautiful Bill requires that, as a condition of federal loan eligibility, every undergraduate program (think major) demonstrate that its graduates earn more than they would with only a high school diploma.
- The same rule applies to graduate programs—every program—to retain eligibility --will have to demonstrate that its graduates earn more than they would with only an undergraduate degree.



Things We Will be Monitoring

- In the absence of alternate strategies, will some low-income undergraduate students fall through the cracks
- How will colleges respond to the changes in loan limits at both the undergraduate and graduate program level—will they discount more deeply or rely upon student access to private credit?
- Will these policy changes depress the expansion of graduate programs that have become part of college and university enrollment strategies?
- Will higher cost programs and professions (medical school) be limited to students from families with the means to pay tuition or borrow in the private credit markets.
- Will high credential but low-pay professions meet the new accountability measures? Examples might include early childhood education or licensed clinical mental health counselors?

Bright Spots & Mitigations

802 Opportunity & Freedom & Unity Scholarship Programs

Student loans offered by VSAC and other State-based, Non-Profit Lenders.

State funded workforce forgivable loan programs

Privately funded workforce forgivable loan programs

Workforce Pell Grant Program



Students will now be able to use a portion of their Federal Pell grant eligibility to pay for short-term credentials.



Programs must be at Title IV eligible institutions (accredited higher education institutions).



State Workforce Development Board will have responsibility for identifying eligible programs.



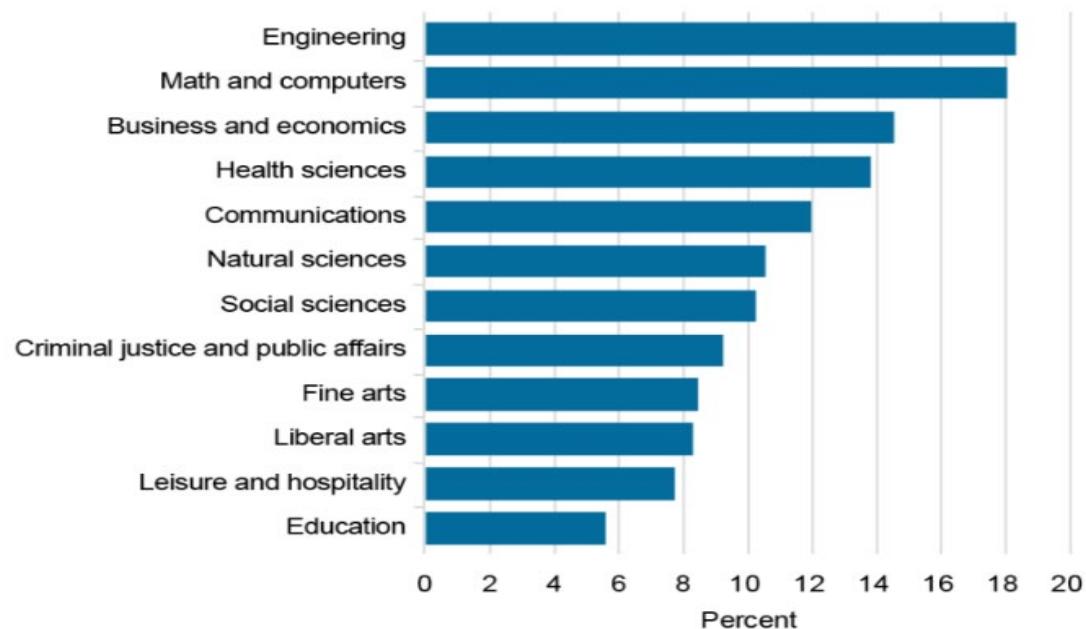
Regulations will be coming out soon.



VSAC has been administering a more expansive non-degree program for over 40 years.

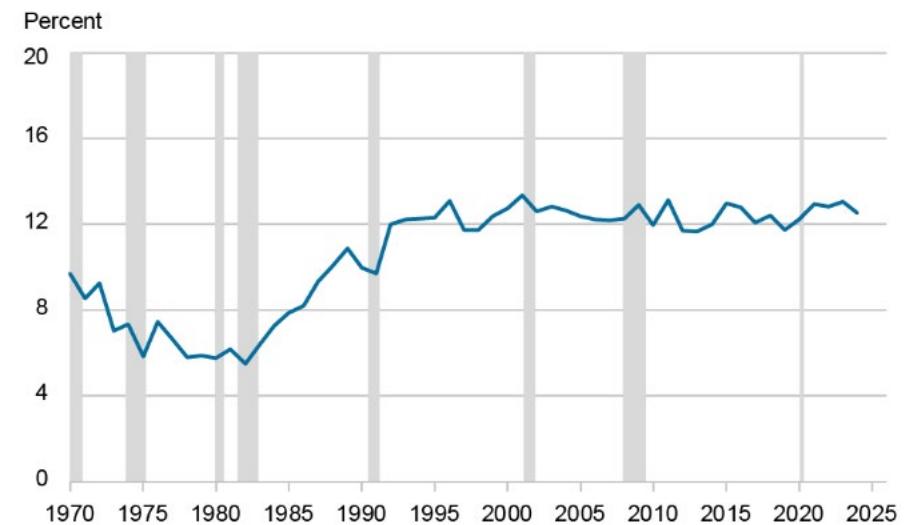
Return on College Remains Strong, But

Median Return to College Differs by Major



Sources: U.S. Census Bureau, 2023 American Community Survey (IPUMS); the College Board; U.S. Department of Education, National Center for Education Statistics.

The Return to College Remains Significant



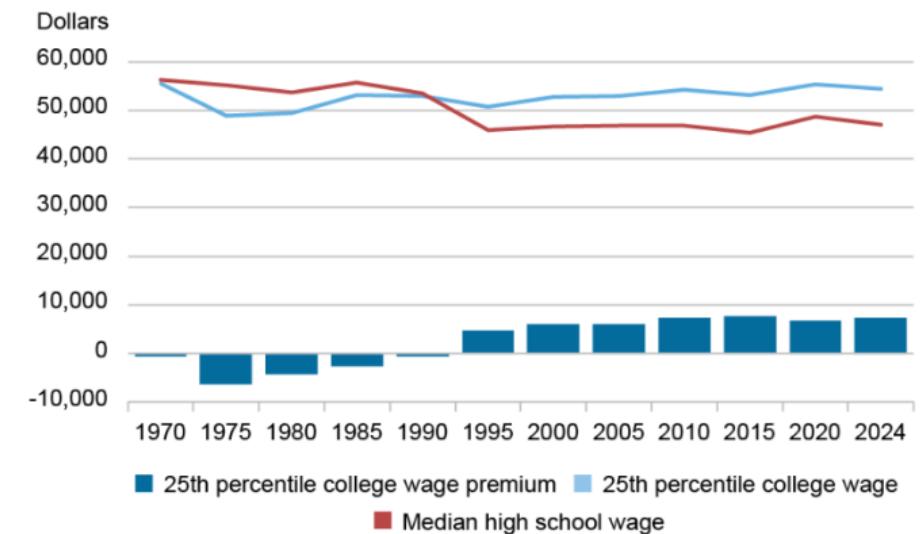
Sources: U.S. Census Bureau and Bureau of Labor Statistics, Current Population Survey March Supplement (IPUMS); the College Board; U.S. Department of Education, National Center for Education Statistics.

Note: Shaded areas indicate periods designated as recessions by the National Bureau of Economic Research.

Return on College Remains Strong, But

- 25% of graduates receive little to no benefit
- Increasing time to degree from four to six years reduces return
- Majors matter
- Cost of institution can reduce return

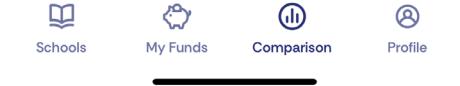
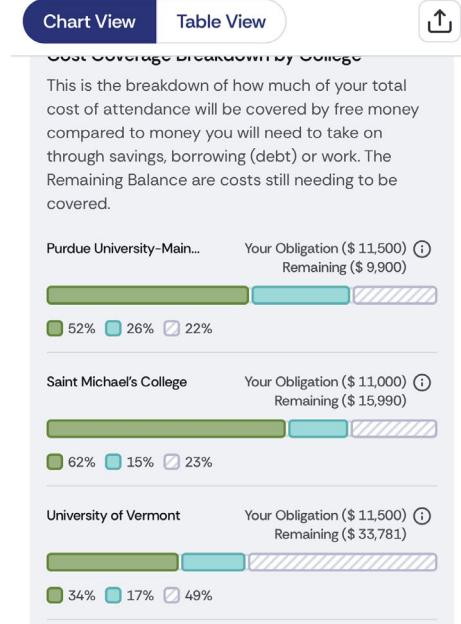
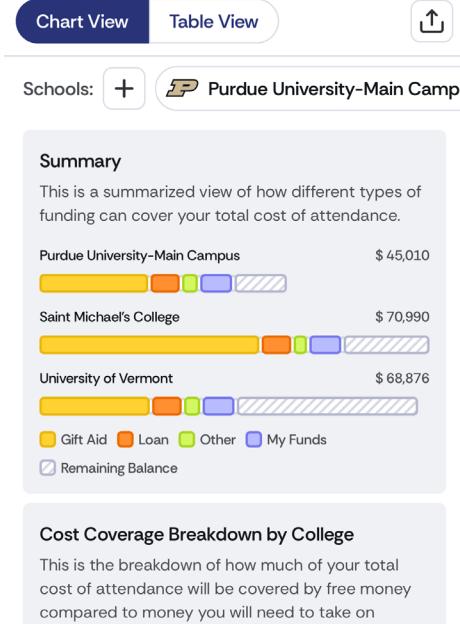
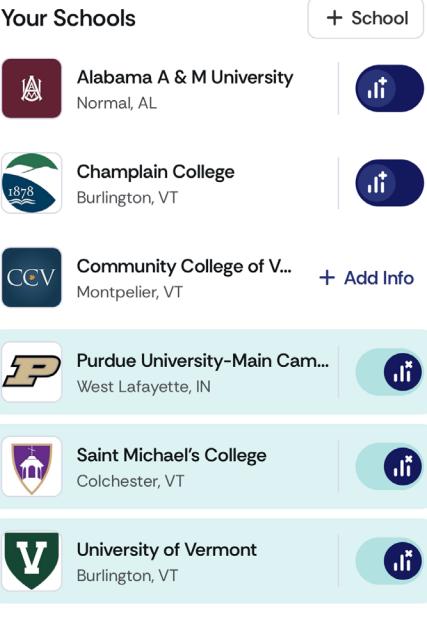
A Quarter of College Graduates See Little Benefit

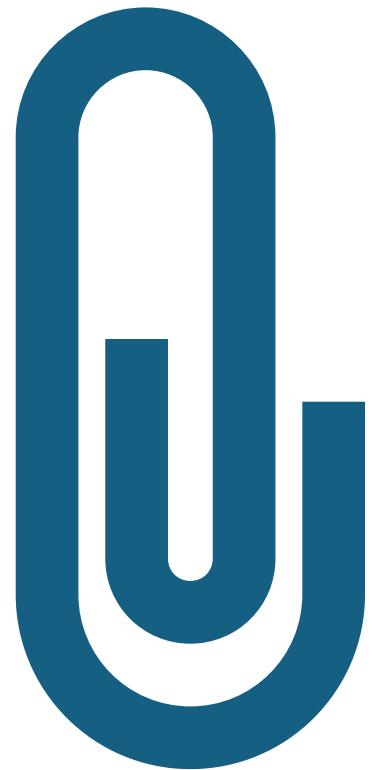




Award Advisor

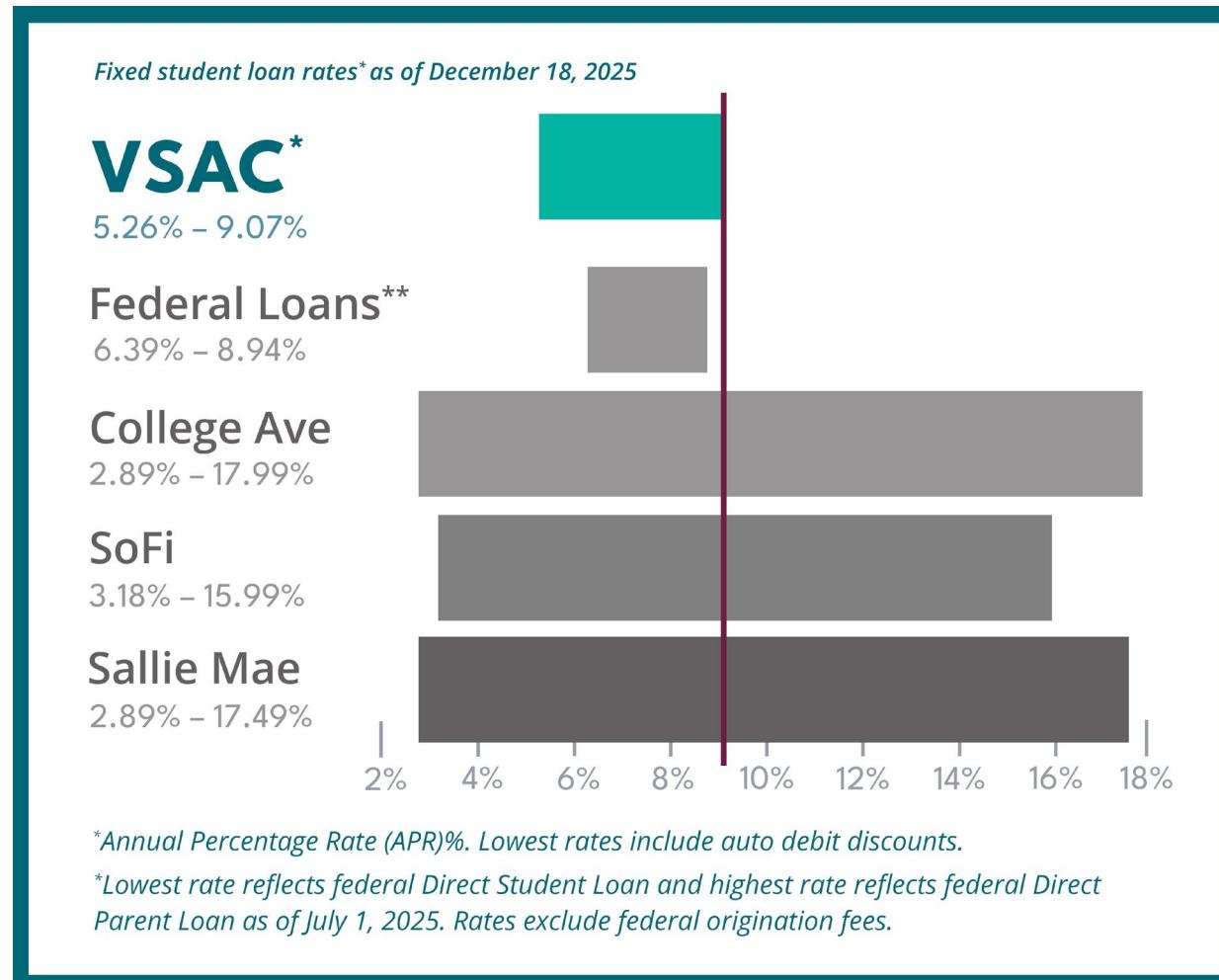
Transparency Made Simple





Appendix

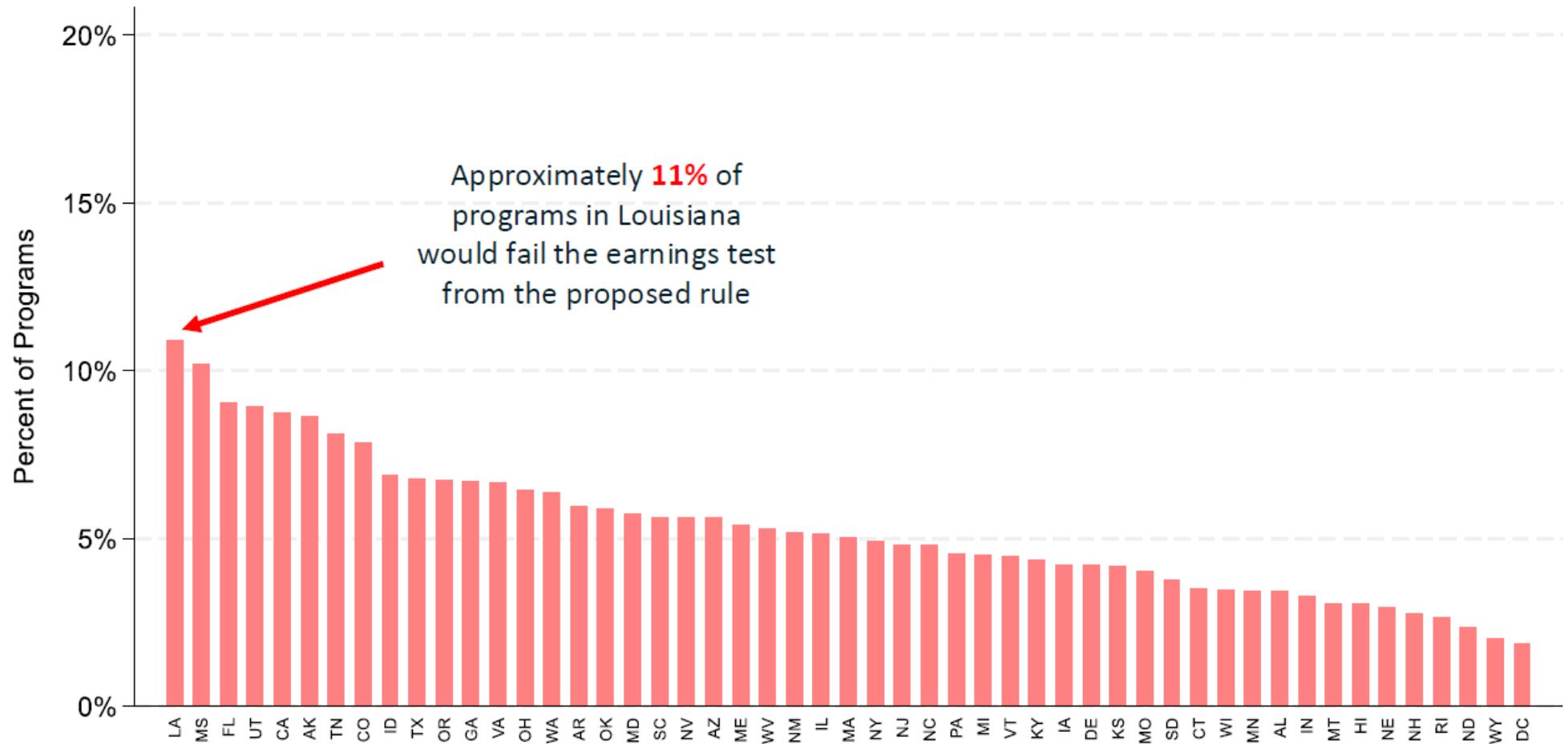
Student Loan Rates



Fail Rate, by State

Program-Weighted

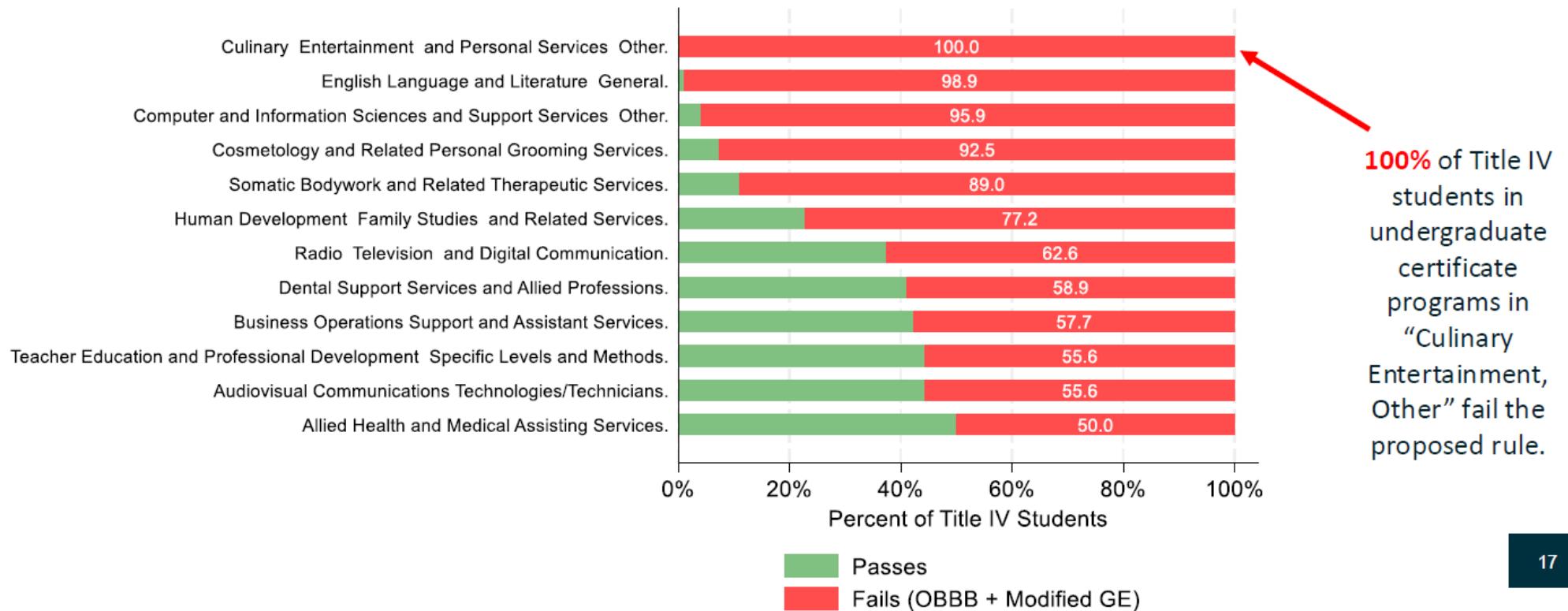
Figure 8. Fail Rates by State, OBBB Test + Modified GE Regs



Most Common Undergraduate Certificate Programs That Fail

Student-Weighted

Figure 10. Pass/Fail Rates by CIP4, OBBB Test + Modified GE Regs





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Thank you!