



Written Testimony of Ashley Harrington, Senior Policy Counsel of the Legal Defense Fund Before the U.S. House of Representatives Committee on Education and the Workforce Hearing on “Public Funds, Private Politics: Examining Bias in the Truman Scholarship Program”

Good morning. My name is Ashley Harrington. I serve as a Senior Policy Counsel for the NAACP Legal Defense and Educational Fund, Inc. (“LDF” or the “Legal Defense Fund”). Thank you for the opportunity to testify today. Founded by our nation’s first Black U.S. Supreme Court Justice Thurgood Marshall, LDF is America’s premier legal organization fighting for racial justice. This year we commemorate 85 years of using the power of law, narrative, research, and people to defend and advance the full dignity and citizenship of Black people in America.

Since the historic U.S. Supreme Court decision in *Brown v. Board of Education*,¹ which LDF litigated and won, we have continued to fight for the rights of Black students to receive high quality, equitable educational opportunities as guaranteed by the Fourteenth Amendment. Chief Justice Earl Warren, writing on behalf of a unanimous Court, stated that an equal public education was “perhaps the most important function of state and local governments” and “the very foundation of good citizenship.”¹ Good citizenship requires a quality educational experience that respects the intelligence, dignity, and humanity of *all* students. Our constitutional principle of equal protection under the law mandates that school districts, postsecondary institutions, states and the federal government provide equal educational opportunities for all students, including Black students and other students of color, LGBTQIA+ students, students with disabilities, immigrant students and other historically underserved populations. Furthermore, LDF relentlessly challenges laws and policies that seek to exclude historically marginalized communities’ histories, perspectives, and experiences from school initiatives and classroom instruction and materials.

Today’s hearing represents the latest action in the continuous effort of the current Administration and its congressional allies to infringe upon the First Amendment rights of individuals by attempting to punish those who disagree with the Administration’s ideologies. The recent calls for interference in the selection process for Truman Scholars represent just another attempt by the Administration to influence individuals from taking on viewpoints that it disfavors. This amounts to classic viewpoint discrimination.² The Truman Scholarship was created by Congress in 1975 to “award scholarships to persons who demonstrate outstanding potential for and who plan to pursue a career in public service.”³ Public service has no ideology, and public service certainly cannot be cabined only to those views and issues that the Administration favors. The

¹ 347 U.S. 483 (1954).

² For example, federal courts have ruled against the Administration’s attempts to restrict disfavored viewpoints in schools. *See e.g., American Federation of Teachers v. U.S. Department of Education*, No. CV SAG-25-628, 2025 WL 2374697 (D. Md. 2025) (holding that guidance issued by ED regarding diversity, equity, and inclusion practices in schools was textbook viewpoint discrimination, and indicating ED’s interpretations of law lack factual bases, conflict with regulations and caselaw, exceed ED’s authority, and are contrary to constitutional rights).

³ 20 U.S.C. 2005(a).

bipartisan Board of Trustees that oversees the Truman Scholarship and the numerous and diverse individuals involved in selecting scholars have recognized potential for impactful public service in thousands of talented individuals over the past half century. These scholars are selected without regard to partisan identity and pursue varied fields of study, ranging from law and policy to public health and education. Attempts to label broad categories of public service as inherently partisan are harmful. The pursuit of racial justice and equal opportunities for all should be a shared democratic value and not exclusive to a single political party.

It is with this value in mind that I turn to the urgent and deeply consequential challenges facing students, families, and institutions today. On July 4, 2025, President Trump signed the “One Big Beautiful Bill Act” (“OBBBA”) into law—enacting the largest-ever cuts to social safety net programs in U.S. history to fund tax cuts for the ultrawealthy. The OBBBA will extend, expand, or implement more than \$4.5 trillion in tax breaks while making more than \$1 trillion in cuts to the social safety net, including health care and nutrition programs. Regrettably, it also includes more than \$300 billion in cuts or changes to our higher education financing system. These changes will significantly harm millions of students across the country including many Black students and other students from lower incomes. This legislation makes higher education harder to access, more expensive to finance, and more precarious to complete—especially for the very populations Congress professes it wants to uplift.

Given the scale of these challenges, we cannot afford to devote time or attention to issues that do not meaningfully advance affordability or expand access to higher education. Rather than focusing on programs that affect only 50 – 60 students per year,⁴ I urge the committee to prioritize policies that will strengthen opportunity, affordability, and upward mobility for all.

I. The Current State of Postsecondary Education Financing

Over the past two decades, the higher education financing landscape has grown increasingly unstable for students and families. Following the Great Recession, many state legislatures significantly reduced funding for public colleges and universities.⁵ Institutions, in turn, raised tuition and cut student services to compensate for these losses.⁶ At the same time, families experienced sharp declines in wealth due to widespread foreclosures, job losses, and a volatile economy.⁷ As household balance sheets weakened and the cost of a degree rose, students were forced to borrow at unprecedented levels. More students than ever also enrolled in college in

⁴ *Bulletin of Information*, The Truman Scholarship Foundation, <https://www.truman.gov/apply/applying/bulletin-information> (last visited Dec. 1, 2025).

⁵ Michael Mitchell et al. *Funding Down, Tuition Up: State Cuts to Higher Education Threaten Quality and Affordability at Public Colleges*, Ctr. on Budget & Pol’y Priorities (Aug. 15, 2016), <https://www.cbpp.org/sites/default/files/atoms/files/5-19-16sfp.pdf>.

⁶ *Id.*

⁷ *2013 Update: The Spillover Effects of Foreclosures*, Ctr. for Responsible Lending (Aug. 2013), <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/2013-crl-research-update-foreclosure-spillover-effects-final-aug-19-docx.pdf>.

pursuit of economic security during the downturn.⁸ Most state budgets never fully recovered, and losses were compounded during and after the pandemic. While losses are not projected to reach the levels of those post Great Recession, due to the influx of federal funding during the pandemic, billions of dollars allotted for higher education are still expected to be lost from state budgets in the coming years despite increases in state investment.⁹ Because of these fluctuations in state investment and the declining purchasing power of the Pell Grant, a majority of U.S. college students now rely on loans, and a substantial share of graduates carry debts into their early adult lives and beyond. These converging trends have produced today's staggering levels of student debt: more than \$1.6 trillion owed by 43 million Americans.

The nation's student loan repayment system is already in crisis and borrowers are struggling under the weight of this debt. According to the New York Federal Reserve, nearly one in four borrowers with a payment due became delinquent in early 2025—with the highest rates concentrated in Southern states with large Black populations.¹⁰ More than nine million borrowers are projected to experience severe credit score declines as delinquency reporting resumes.

A. Student Debt Burdens Black Borrowers Most

The burden of student debt is not evenly distributed — it falls disproportionately on Black borrowers, who are more likely to need to borrow, to borrow larger amounts, and to take longer to repay because of structural economic inequalities and fewer family wealth buffers for support.¹¹

From our nation's founding to the present day, government-sponsored and government-supported policies have pushed Black Americans to the margins of mainstream society. From slavery to Jim Crow to redlining, these policies established and continue to reinforce a dual system of access and opportunity—one that created and now perpetuates the persistent racial

⁸ *Higher Education Funding Takes a Hit During Recessions, But It Doesn't Have To*, Bipartisan Policy Center (Oct. 27, 2020), <https://bipartisanpolicy.org/article/higher-education-funding-takes-a-hit-during-recessions-but-it-doesnt-have-to/>

⁹ Robert Kelchen et al., *The Lingering Fiscal Effects of the COVID-19 Pandemic on Higher Education*, Fed. Res. Bank of Philadelphia Discussion Paper No. DP 21-01 (May 2021), <https://www.philadelphiafed.org/-/media/FRBP/Assets/Consumer-Finance/Discussion-Papers/dp21-01.pdf>; *New Report Finds that Despite the COVID-19 Pandemic, 2020 Economic Recession, and a Steep Enrollment Decline, State Funding to Public Colleges Surpassed Expectations and Increased 4.5% Above Inflation in Fiscal Year 2021*, SHEEO (June 14, 2022), <https://sheeo.org/new-report-finds-that-despite-the-covid-19-pandemic-2020-economic-recession-and-a-steep-enrollment-decline-state-funding-to-public-colleges-surpassed-expectations-and-increased-4-5-above-inflation>; Kelly Rosinger et al., *State Higher Education Funding During COVID-19: Lessons From Prior Recessions and Implications for Equity*, Sage Journals, (May 16, 2022), <https://journals.sagepub.com/doi/10.1177/23328584221091277>

¹⁰ *Change in Household Debt Balances Mixed; Student Loan Delinquencies Rise Sharply*, Fed. Res. Bank of N.Y. (May 13, 2025), <https://www.newyorkfed.org/newsevents/news/research/2025/20250513>.

¹¹ Fenaba R. Addo et al, *Young, Black, and (Still) in the Red: Parental Wealth, Race, and Student Loan Debt*, 8 *Race & Soc. Probs.* 64 (2016).

wealth gap.¹² Today, People who are able to attain a college degree typically make over \$40,000 in earnings more than those who hold a high school degree.¹³ Yet, due to the rising costs of college tuition, many students, particularly the majority of Black students, receive federal assistance via grants and loans to attend college.¹⁴ Seventy-two percent of Black students received a Pell Grant¹⁵ and student loan debt disproportionately impacts Black students.¹⁶ Black students take on more student loans across all income groups. Further, Black women hold the most student loan debt of any demographic.¹⁷ As a result, the impacts of indebtedness including anxiety, depression, insomnia.¹⁸ Moreover, even though Black students hold more debt on average than white students, Black students are less likely to earn comparable yearly salaries.

The current Black student debt crisis is both a consequence of 400 years of discrimination, oppression, and segregation and a driver of ongoing inequity. Put simply, Black students and other students of color pursue postsecondary education within a social and economic system shaped by racist ideologies and infused with hidden, often unconscious biases that sustain racial disparities in wealth, income, and achievement. As a result, students of color, on average, have less familial financial support and fewer resources to navigate this complex system.¹⁹

B. Recent Efforts to Address the Student Debt Crisis and College Affordability

¹² Baradaran, Mehrsa. 2017. *The Color of Money: Black Banks and the Racial Wealth Gap*. Boston, MA: Belknap Press; Hannah-Jones, Nikole. December 9, 2014. “School Segregation, the Continuing Tragedy of Ferguson.” *ProPublica*. Available at <https://www.propublica.org/article/ferguson-school-segregation>; Kozol, Jonathan. 2005. *The Shame of the Nation: The Restoration of Apartheid Schooling in America*. New York: Crown Publishers; Massey, Douglas and Denton, Nancy. 1993. *American Apartheid: Segregation and the Making of the Underclass*. Boston, MA: Harvard University Press; Rothstein, Richard. 2017. *The Color of Law: A Forgotten History of How Our Government Segregated America*. New York: Liveright Publishing Corporation.

¹³ The Value and Benefit of Public Universities, Ass’n of Pub. Land-Grant Univ., <https://www.aplu.org/our-work/4-policy-and-advocacy/publicvalues/> (last accessed Feb. 2, 2025).

¹⁴ Kathryn Palmer. *Americans See College’s Value but Question Its Price*, Inside Higher Educ. (Aug. 9, 2023), <https://www.insidehighered.com/news/business/2023/08/09/americans-see-value-college-question-its-price>.

¹⁵ Nat’l Ctr. for Educ. Stat., Instit. of Educ. Sci., U.S. Dep’t of Educ., Indicator 22: Financial Aid (last updated Feb. 2019)., https://nces.ed.gov/programs/raceindicators/indicator_rec.asp

¹⁶ Ji Hye “Jane” Kim et al., *Race and Ethnicity in Higher Education: 2024 Status Report*, Am. Council on Educ., (2024).

¹⁷ Marisa Wright, *How Student Loan Forgiveness Can Help Close the Racial Wealth Gap and Advance Economic Justice*, Legal Def. Fund (Apr. 17, 2023), <https://www.naacpldf.org/student-loans-racial-wealth-gap/>.

¹⁸ *Id.*

¹⁹ Center for Responsible Lending, the National Association for the Advancement of Colored People, UnidosUS, the National Urban League, and the Leadership Conference on Civil and Human Rights. 2019. *Quicksand: Borrowers of Color & the Student Debt Crisis*. Durham, NC: The Center for Responsible Lending. Available at <https://www.responsiblelending.org/research-publication/quicksand-borrowers-color-student-debt-crisis>.

Growing recognition of both the student debt crisis and the broader college affordability crisis has prompted numerous federal efforts to help borrowers manage their debt and to advance proposals for free or debt-free college. In recent years, student loan payments were paused for over three years due to the pandemic and its aftermath, insulating millions of borrowers from some of the worst economic effects of the pandemic and providing a much-needed financial cushion to many who had already been struggling prior to the onset of COVID-19. Additionally, hundreds of thousands of borrowers have secured relief through Public Service Loan Forgiveness, Borrower Defense to Repayment, income-driven repayment programs, and other targeted initiatives.²⁰ However, more comprehensive attempts to reduce the burden of debt for current and future borrowers have faced immediate legal and political challenges. The SAVE Plan—projected to substantially lower monthly payments and create more accessible pathways to forgiveness—was quickly challenged and ultimately enjoined.²¹ Even before this, the Biden Administration’s broader effort to cancel debt for low- and middle-income borrowers was similarly blocked.²² These initiatives would have been transformative for millions of borrowers, with ripple effects benefiting families, communities, and the national economy.²³

Yet, instead of building on these promising approaches, Congress has moved in the opposite direction by passing the OBBBA. The bill reverses much of the progress made in recent years and threatens to exacerbate the crisis for millions of students and borrowers. While there is broad agreement that our higher education system urgently needs reform, the OBBBA does not provide that solution; rather, it will create new challenges and deepen existing inequities.

II. OBBBA’S Harmful Changes to Higher Education Financing and Repayment will Hurt Black Students and Others

OBBBA reduces federal loan access at the precise moment when Black families and other financially vulnerable communities most need it. The OBBBA fundamentally restructures federal student lending by eliminating Graduate PLUS for new borrowers, imposing strict caps on Parent PLUS loans, authorizing institutions to limit undergraduate borrowing by program or

²⁰ Maria Carrasco, *ED Approves Additional Student Loan Debt Forgiveness for Over 150,000 Borrowers*, NASFAA (Jan. 14, 2025), <https://www.nasfaa.org/news-item/35399/ED-Approves-Additional-Student-Loan-Debt-Forgiveness-for-Over-150-000-Borrowers>

²¹ *Missouri v. Biden*, No. 23-cv-00168 (8th Cir. Feb. 18, 2025); Nate Raymond, *U.S. Appeals Court Blocks Biden-Era Student Debt Relief Plan*, Reuters (Feb. 18, 2025), <https://www.reuters.com/legal/us-appeals-court-blocks-biden-era-student-debt-relief-plan-2025-02-18/>.

²² *Biden v. Nebraska*, 143 S. Ct. 2355 (2023); Jarrett Skorup, *Federal Court Strikes Down Biden’s Student Loan Forgiveness Plan*, Mackinac Center for Public Policy (Feb. 18, 2025), <https://www.mackinac.org/pressroom/2025/federal-appellate-court-strikes-down-bidens-student-loan-forgiveness-plan>.

²³ Scott Fullwiler et al., *The Macroeconomic Effects of Student Debt Cancellation* (Levy Econ. Inst. of Bard Coll. 2024), https://www.levyinstitute.org/wp-content/uploads/2024/02/rpr_2_6.pdf. (last visited November 29, 2025). Melanie Hanson, *Average Cost of a Master’s Degree*, Education Data Initiative (Nov. 23, 2024), <https://educationdata.org/average-cost-of-a-masters-degree>

field of study, and instituting new repayment plans that ensure many borrowers will pay higher amounts for a longer period. These changes do nothing to reduce the cost of college; they simply restrict who can afford to attend.

A. Changes for Parent PLUS Borrowers

Beginning July 1, 2026, the OBBBA places new, stringent limits on parents' abilities to borrow in support of their children's education. Parent borrowers will be capped at \$20,000 per year and \$65,000 lifetime per child regardless of the child's unmet need and the respective schools' costs of education.

In addition to loan caps, the OBBBA eliminates affordable repayment options and loan forgiveness programs, including Public Service Loan Forgiveness (PSLF), for parent borrowers who take out loans after July 1, 2026, or who fail to consolidate by that date. This effectively removes the only meaningful long-term relief options for these borrowers.

B. Changes for Graduate and Professional School Borrowers

The OBBBA also makes sweeping changes to federal borrowing for graduate and professional students. By eliminating the Graduate PLUS program and imposing new federal loan caps, the Act will force many Black students and other low-wealth students to rely on high-cost private loans—or abandon graduate education altogether. Previously, Graduate PLUS allowed students to borrow up to the full cost of attendance. That flexibility, which helped millions of borrowers pursue graduate education, has now been eliminated. Under the new limits, new graduate students may borrow only: \$20,500/year, \$100,000 lifetime for Master's Degrees and \$50,000/year, \$200,000 lifetime for professional degrees. Total federal borrowing (undergraduate + graduate) is also capped at \$257,000 per student.

The cost of a Master's degree can vary across institutions and program of study, ranging from \$44,640 to \$71,140.²⁴ Degree costs for students include not just tuition and fees but the cost of covering basic needs and other costs that can arise related to the degree but that are often not captured in the "sticker price." These costs will necessarily differ across localities and from borrower to borrower based on their individual situations and backgrounds.

C. Changes to Student Loan Repayment

Currently, federal student loan borrowers have access to at least eight repayment plans, each designed to help manage repayment and avoid default. Under the OBBBA, future borrowers will be limited to just two restrictive plans: a new tiered standard plan with fixed monthly payments for a term of 10-25 years depending on the loan balance and the Repayment Assistance Plan (RAP), an income-driven repayment (IDR) plan requiring monthly payments of 1% - 10% of a

²⁴ Melanie Hanson, *Average Cost of a Master's Degree*, Education Data Initiative (Nov. 23, 2024), <https://educationdata.org/average-cost-of-a-masters-degree>

borrower's gross income for up to 30 years before being eligible for forgiveness. The OBBBA eliminates the Saving on a Valuable Education (SAVE), Pay as You Earn (PAYE), Income Contingent Repayment (ICR), and Income-Based Repayment plans (IBR) for new borrowers (after July 1, 2026) and phases out these affordable plans (except for IBR) for current borrowers.

Unlike the current IDR plans which base payments on the borrower's discretionary income, the OBBBA changes include no income protection to ensure low-income families can cover their basic needs before having to make student loan payments. Borrowers will be expected to make a monthly payment of at least \$10 even if they are unemployed, underemployed or experiencing severe financial hardship.²⁵ Currently, some low-income borrowers (at or below 100% and 225% of the federal poverty line depending on the plan) are eligible for \$0 payments. Most borrowers will face higher monthly payments, longer repayment periods, and increased risk of delinquency and default—impacts that will fall disproportionately on borrowers with low or volatile incomes, including Black borrowers.²⁶ For example, according to analysis by the Institute for College Access and Success (TICAS), a family of four with two dependent children and an adjusted gross income of \$81,000 would be required to make monthly payments of \$440 under RAP but only \$36 under SAVE.²⁷ A single Black borrower with a Bachelor's degree and an adjusted gross income of \$45,000 would have a monthly payment of \$150 under RAP but only \$41 under SAVE.²⁸

The OBBBA also restricts key deferment and forbearance options, leaving fewer safeguards for borrowers facing financial hardship.²⁹ Current IDR plans also have terms of 20 or 25 years before forgiveness eligibility, not 30 (as under RAP), which means families will have to endure the burden of student debt for 5 or 10 additional years while making the required higher payments. And, as noted previously, Parent PLUS borrowers, who often experience economic challenges,³⁰ are excluded from RAP entirely unless they consolidate before a narrow deadline.

²⁵ Borrowers will still be able to request a forbearance, but the maximum allowance period is shorter under OBBBA. Borrowers in forbearance don't have to make payments but their loans continue to accrue interest.

²⁶ Victoria Jackson, The Educ. Tr., *Raising the Cost of Borrowing, Reducing Access: How the "One Big Beautiful Bill" Reshapes Financial Aid and Repayment* The Educ. Tr. (Nov. 2024), <https://edtrust.org/rti/raising-the-cost-of-borrowing-reducing-access-how-the-one-big-beautiful-bill-reshapes-financial-aid-and-repayment/>

²⁷ Michele Zampini, *How the Reconciliation Law Changes the Federal Student Loan Repayment System*, TICAS (July 24, 2025), <https://ticas.org/affordability-2/reconciliation-2025-student-loans/>

²⁸ *Id.*

²⁹ Victoria Jackson, The Educ. Tr., *Raising the Cost of Borrowing, Reducing Access: How the "One Big Beautiful Bill" Reshapes Financial Aid and Repayment* The Educ. Tr. (Nov. 2024), <https://edtrust.org/rti/raising-the-cost-of-borrowing-reducing-access-how-the-one-big-beautiful-bill-reshapes-financial-aid-and-repayment/>

³⁰ Nat'l Consumer L. Ctr., *Leaving Them Out to Dry: Proposals to Streamline Student Loan Repayment Eliminate Affordable Repayment Pathways for Parent Borrowers* (Apr. 2025), https://www.nclc.org/wp-content/uploads/2025/04/202503_Issue-Brief_Leaving-Them-Out-to-Dry-Proposals-to-Streamline-Student-Loan-Repayment-Eliminate-Affordable-Repayment-Pathways-for-Parent-Borrowers.pdf;

After 2028, they will have no access to income-driven repayment and therefore no pathway to IDR or PSLF forgiveness.

III. The OBBBA Will Harm Students and Families, Especially Black Students

The OBBBA will exacerbate existing inequities in higher education and the broader economy, particularly for Black borrowers who already face disproportionate barriers to college access, affordable repayment, and long-term financial stability.³¹

Black borrowers are more likely than other borrowers to struggle with repayment because of limited repayment options, higher monthly payments, and longer repayment terms. The OBBBA's restrictions will intensify these challenges, increasing the likelihood of default and negative credit events that impede access to housing, employment, and wealth-building. These harms compound the effects of structural discrimination, predatory lending, and historical exclusion from affordable credit.³²

Black families—who have less household wealth, lower average incomes, and a greater need for flexible repayment—will be uniquely harmed. Students and graduates in Black communities already carry higher debt-to-wealth ratios, and they continue to earn less than their white peers due to systemic discrimination. For example, in 2018 the median annual income for Black women and men with bachelor's degrees was \$47,600 and \$42,100, compared to \$50,000 for white women and \$62,000 for white men.³³ Even under current income-driven repayment (IDR) plans, 72% of Black borrowers surveyed in 2021 reported difficulty affording basic needs such as food, rent, and savings.³⁴ The OBBBA will deepen these inequities.

<https://www.brookings.edu/articles/capping-the-wrong-problem-why-parent-plus-loan-limits-may-miss-the-mark/#:~:text=Yet%20this%20profitability%20masks%20concerning,two%20years%20of%20entering%20repayment>

³¹ The Educ. Tr., *Jim Crow Debt: How Black Borrowers Experience Student Loans* (Oct. 2021), https://edtrust.org/wp-content/uploads/2014/09/Jim-Crow-Debt_How-Black-Borrowers-Experience-Student-Loans_October-2021.pdf. (last visited November 29, 2025); The Educ. Tr., *Income-Driven Repayment Plans Fail Black Borrowers* (Nov. 2022), <https://edtrust.org/wp-content/uploads/2014/09/Income-Driven-Repayment-Plans-Fail-Black-Borrowers-Novemeber-2022.pdf>. (last visited November 29, 2025).

³² Fenaba R. Addo et al, *Young, Black, and (Still) in the Red: Parental Wealth, Race, and Student Loan Debt*, 8 *Race & Soc. Probs.* 64 (2016).

³³ Ariane Hegewisch & Adiam Tesfaselassie, *The Gender Wage Gap: 2018 – Earnings Differences by Gender, Race, and Ethnicity*, IWPR Fact Sheet No. C484 I (Sept. 2019), Institute for Women's Policy Research, <https://iwpr.org/wp-content/uploads/2020/08/C484.pdf>.

³⁴ The Educ. Tr., *Jim Crow Debt: How Black Borrowers Experience Student Loans* (Oct. 2021), https://edtrust.org/wp-content/uploads/2014/09/Jim-Crow-Debt_How-Black-Borrowers-Experience-Student-Loans_October-2021.pdf. (last visited November 29, 2025);

A. Cuts to Parent PLUS Loans Will Devastate Black Families

Parent PLUS loans—while imperfect—remain a critical lifeline for families who cannot cover remaining college costs after federal, state, and institutional aid is exhausted. Due to rising tuition, state disinvestment, and structural inequality, Black and low-income families now rely on Parent PLUS loans at disproportionately high rates.³⁵

The OBBBA implements Parent PLUS borrowing caps without increasing federal grant aid and support, ensuring that many families will face an impossible choice: turn to expensive private loans to close the gap or forgo higher education altogether. In addition to limiting federal aid, OBBBA also ensures low-income parent borrowers, who already have the highest delinquency and default rates of federal borrowers, have fewer repayment options and virtually no access to loan forgiveness through programs like IDR and PSLF. IDR and PSLF are crucial lifelines for Black borrowers who are more likely to be in repayment for the 20+ years required for IDR forgiveness and are also disproportionately employed in public service roles. Stripping access to these relief pathways will lead to more defaults and worsening disparities. The consequences will include reduced college enrollment among Black students, increased reliance on risky private debt and greater long-term financial harm for families historically excluded from wealth and credit.

B. Graduate Borrowing Caps Reinstate Barriers to Professions Historically Closed to Black Americans

The elimination of Graduate PLUS loans and the imposition of new caps far below the cost of most graduate and professional programs will slam the door on high-cost fields that already suffer from stark racial underrepresentation, including medicine, law, dentistry, STEM graduate programs, and education and public service leadership roles.³⁶

³⁵ Peter Granville, *Parent PLUS Borrowers: The Hidden Casualties of the Student Debt Crisis* (The Century Found., May 31, 2022), <https://tcf.org/content/report/parent-plus-borrowers-the-hidden-casualties-of-the-student-debt-crisis/>; Nat'l Consumer L. Ctr., *Leaving Them Out to Dry: Proposals to Streamline Student Loan Repayment Eliminate Affordable Repayment Pathways for Parent Borrowers* (Apr. 2025), https://www.nclc.org/wp-content/uploads/2025/04/202503_Issue-Brief_Leaving-Them-Out-to-Dry-Proposals-to-Streamline-Student-Loan-Repayment-Eliminate-Affordable-Repayment-Pathways-for-Parent-Borrowers.pdf.

³⁶ Harvard Pilgrim Health Care Inst., *New Federal Loan Caps Could Disrupt the Medical Field*, *Population Medicine* (Nov. 26, 2025), <https://www.populationmedicine.org/news-media/new-federal-loan-caps-could-disrupt-medical-field-study-finds>; Edward Conroy, *How Will New Student-Loan Caps Impact Graduate Students?*, *Forbes* (Nov. 10, 2025), <https://www.forbes.com/sites/edwardconroy/2025/11/10/how-will-new--student-loan-caps-impact-graduate-students/>

According to the PEER Center, 26% of graduate borrowers borrow more than the new caps will allow and 38% of professional students exceed the cap.³⁷ Because Black students disproportionately rely on loans to finance graduate education, the impact will be even more severe. In fact, for the 2019-2020 class, almost half (47.7%) of Black professional degree holders borrowed more than the OBBBA limit.³⁸ When these caps are implemented, many prospective students, especially Black students and other students of color will be forced to abandon graduate education entirely, eroding pathways into high-impact professions that shape civic life, economic mobility, healthcare, and justice.

While proponents argue these caps will prevent over-borrowing and force schools to examine their pricing, there is no clear evidence that Graduate PLUS loans led to the rise in graduate school costs nor is it clear that schools will quickly adjust their costs in this manner.³⁹ These caps do nothing to address the root issues of affordability and access; rather, they shift a larger burden onto students and families who are already struggling. More effective and equitable policies to address affordability without harming students include investing in grant aid and student support as well as ensuring institutional accountability and transparency for their pricing.

C. OBBBA Undermines Equal Opportunity in Higher Education for All

The impacts of the OBBBA will not be limited to individual families. Georgetown University's Center on Education & the Workforce projects that by 2031, 79% of jobs on the bachelor's pathway will be "good jobs," workers without postsecondary education will experience declining access to good jobs, and our economy will require more—not fewer—educated workers.⁴⁰ At the same time, a recent national survey finds 6 in 10 Americans struggling with basic costs, with the steepest burdens on Black and Hispanic households.⁴¹

At this moment of rising need and economic transformation, OBBBA moves federal policy in the opposite direction—restricting opportunity rather than expanding it. Restricting access to education during a period of rising need and rapid economic transformation undermines workforce readiness, national competitiveness, and long-term economic growth.

³⁷ Jordan Matsudaira et al., *Impact of New Graduate and Parent Loan Limits*, PEER Center, School of Public Affairs, American University (Oct. 21, 2025), <https://www.american.edu/spa/peer/impact-of-new-graduate-and-parent-loan-limits.cfm>.

³⁸ *Debt: Professional and Other Doctoral Degree Recipients, Race and Ethnicity in Higher Education Project*, American Council on Education, <https://www.equityinhighered.org/indicators/how-students-finance-graduate-education/debt-professional-and-other-doctoral-degree-recipients/> (last visited Dec. 1, 2025).

³⁹ *What's the Impact of Ending Grad PLUS Loans?* THE FEED, Georgetown University, (Oct. 17, 2025), <https://feed.georgetown.edu/access-affordability/whats-the-impact-of-ending-grad-plus-loans/> (last visited Dec.1, 2025)

⁴⁰ Jeff Strohl, et al., *The Future of Good Jobs Projections through 2031*, Geo. U. Ctr. on Ed. and the Workforce (2024), https://cew.georgetown.edu/wp-content/uploads/cew-the_future_of_good_jobs-fr.pdf.

⁴¹ *The American Affordability Tracker*, Urban Institute, <https://www.urban.org/data-tools/american-affordability-tracker> (last visited Dec. 1, 2025).

IV. OBBBA and the Effort to Dismantle the Department of Education will Harm Black and Other Marginalized Communities

The OBBBA must also be understood in the broader context of ongoing efforts to dismantle, defund, or significantly weaken the U.S. Department of Education (ED). Proposals to abolish, fragment, or reassign ED’s core responsibilities would destabilize the nation’s educational infrastructure, resulting in diminished protections against discrimination, reduced financial support for public schools, fewer resources for millions of students, and increased complexity in our already complicated higher education financing system. Advocates who call for exclusive state control over education overlook the indispensable role the federal government plays in enforcing civil rights protections, issuing guidance and technical assistance, administering and targeting federal grants, collecting and reporting critical data, and analyzing and issuing education regulations. Without federal oversight—and without the incentives attached to federal education funding—there is no assurance states will comply with foundational education and civil rights laws, including the Elementary and Secondary Education Act, the Higher Education Act, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990. ED’s work is essential to ensuring that all students, particularly Black students and other historically marginalized groups, have equitable access to educational opportunity.

For decades, appeals to “states’ rights” have been used to shield discriminatory practices and maintain segregated, inequitable public schools. Eliminating ED would heighten these risks and further endanger Black students and others for whom the federal government has often served as the last line of defense against exclusion and unequal treatment. Without federal oversight, students are more likely to be denied access to high-quality learning environments, diverse classrooms, supportive school climates, and rigorous academic instruction.

Rather than advancing policies that safeguard constitutional protections and expand opportunity, the current Administration has pursued legislative and executive actions that threaten to further limit access to a quality education. Weakening or dismantling ED would also disrupt the delivery of federal student aid—Pell Grants, work-study, and the entire federal loan portfolio—all of which are central to college access for Black students and students from low-income backgrounds. Eliminating ED would create chaos in the financial aid system, including delays in aid disbursement, breakdowns in loan servicing, loss of borrower protections, and new barriers to attending and completing college.⁴²

The recent government shutdown offered a preview of what dismantling ED would mean for students and institutions: delayed processing of institutional grants, administrative backlogs, and

⁴² Elizabeth L. Hillman, *How Gutting the U.S. Department of Education Would Hurt Students and Their Families*, The Century Found. (Aug. 13, 2025), <https://tcf.org/content/commentary/how-gutting-the-u-s-department-of-education-would-hurt-students-and-their-families/#HigherEd>. (last visited November 29, 2025).

operational failures. If ED were abolished, these harms would become permanent—and would fall hardest on those with the fewest financial resources and the greatest need for federal support.

V. Recommendations

At this critical juncture, Congress must act with clarity and resolve to safeguard the nation’s commitment to equal opportunity.⁴³ Restoring affordability requires more than repairing loan programs; it requires addressing the long-neglected Pell Grant shortfall and increasing the purchasing power of the Pell grant, ensuring that students are not forced into debt simply to access a basic public good. It requires sustained investment in Historically Black Colleges and Universities (HBCUs) that have long advanced mobility despite systemic inequities. Congress should also invest in Minority Serving Institutions (MSIs), especially Predominantly Black Institutions (PBIs); without these investments from the federal government, many of these institutions will struggle to maintain the level of resources that they have for students leading to worse outcomes for those campuses. Because of who these institutions enroll, the consequences of these federal cuts will fall disproportionately on students of color. Congress must also strengthen federal oversight to shield students and taxpayers from predatory institutions. These improvements can only be implemented with a fully funded and resourced Department of Education. Together, these actions are essential to safeguarding educational opportunity, protecting students and taxpayers, and ensuring that the nation’s higher education system remains a viable engine of economic mobility for all.

To help fulfill the promise of equal opportunity, Congress should (in no specific order):

1. **Address the Pell Grant shortfall** and increase award amounts to reduce loan dependence.
2. **Invest in HBCUs and Minority-Serving Institutions, especially Predominantly Black Institutions**, which deliver strong outcomes despite chronic underfunding.
3. **Ensure that potential graduate and professional students as well as dependent students and families have access to sufficient federal aid** (including increased grant aid) to pursue their education.
4. **Ensure there are robust income-driven repayment options** to prevent delinquency, protect vulnerable borrowers, and safeguard the nation’s credit and workforce.
5. **Strengthen protections against predatory institutions**, borrower defense and closed school standards.
6. **Protect the Department of Education and ensure it is fully resourced** to administer aid, enforce civil rights, and oversee institutions.

⁴³ Janai Nelson, *Written Testimony Before House Committee on Education & the Workforce on “The State of Education in America,”* NAACP Legal Defense & Educational Fund (Feb. 3, 2025), <https://www.naacpldf.org/wp-content/uploads/02032025-Final-Testimony-Janai-Nelson-LDF-House-Committee-Education-and-the-Workforce-Hearing.pdf>.

Conclusion

For more than 85 years, LDF has fought to ensure America lives up to its constitutional promise of equal protection and equal opportunity. Higher education remains one of the most powerful engines of mobility and democratic participation—yet it has never been accessible to all.

As we confront these unprecedented challenges, it is vital that this Committee remain focused on creating pathways for all to meaningfully participate in our economy and multiracial democracy. As noted at the outset, attempts to police ideological expression—whether by pressuring independent selection processes like the Truman Scholarship or by narrowing the definition of public service to only those viewpoints favored by the Administration—distract from the urgent work before us. At a moment when the OBBBA imposes historic cuts that will make higher education less accessible and more financially daunting for millions of students, we cannot allow manufactured controversies or efforts at viewpoint discrimination to derail our attention. Upholding the value that public service belongs to all—across races, regions, and political perspectives—requires that Congress concentrate its efforts on reversing the harm these policies inflict and advancing solutions that genuinely expand affordability, strengthen opportunity, and support the next generation of public servants.

We are now more than 10 years overdue for a comprehensive reauthorization of the Higher Education Act—an undertaking that demands deliberate analysis, robust stakeholder engagement, and bipartisan collaboration. This work cannot be effectively accomplished through the budget reconciliation process, a constrained and inherently partisan legislative mechanism limited by strict spending and savings rules. By design, reconciliation produces a narrow and blunt statutory framework, not the thoughtful, durable policy architecture needed to expand college access, strengthen student success, or responsibly manage the nation's \$1.6 trillion federal student loan portfolio. The One Big Beautiful Bill Act threatens to further widen existing inequities. By restricting access to federal loans, eliminating essential repayment protections, and reducing pathways to graduate and professional education, the legislation will deepen racial disparities, weaken economic mobility, and erode the infrastructure of opportunity that is essential to a healthy, multiracial democracy. When viewed in conjunction with efforts to dismantle the Department of Education, the bill's components become even more concerning. Attempting a massive overhaul of the federal higher education system with drastically reduced staff and limited resources invites chaos and confusion to a system relied on by tens of millions of people every day. Undermining the Department's capacity also jeopardizes the enforcement of core civil rights protections and the federal oversight that has long served as a safeguard for Black students and others who face systemic barriers.

We urge Congress to reverse these harmful provisions and recommit to policies that expand, rather than restrict, educational opportunity. We stand ready to work with this Committee to craft solutions that honor our nation's highest ideals and ensure that every student—regardless of race, wealth, or background—has a fair and meaningful opportunity to learn, succeed, and contribute.

