

CICV IMPACT REPORT: ONE BIG BEAUTIFUL BILL

SECTOR SUMMARY

The Council of Independent Colleges in Virginia (“CICV”) prepared this report to estimate the potential financial impact of the recently passed Reconciliation Act–H.R. 1 or more commonly known “One Big Beautiful Bill” (“OB BB”), on CICV member institutions. Prepared in collaboration with Carolyn Mata, Ph.D. (CM Education Insights and Solutions), the report’s expert analysis draws on institutional data and applies OB BB provisions to campus-specific enrollment, financial aid, and revenue patterns. The data highlight areas of greatest risk and opportunity for Virginia’s nonprofit private institutions of higher education and their students. Lastly, the report summarizes the key program changes contained in the legislation. Findings reflect 12 participating campuses and are not to be considered audited projections.

Dollar Impact of Program Changes

Category	Amount (USD)	Details
Direct Financial Impact		
Pell Grant Loss	(\$28,422,910)	Approximately 6% loss of Pell.
Workforce Pell Grant Gain	\$0	No institutions reported Workforce Pell.
Accountability Program Closures	(\$40,966,293)	51 programs risk losing access to TIV loans.
Compliance Cost	(\$5,658,721)	Ongoing costs may be lower after phase-in.
Medicaid Cost to Students	\$304,949	Increased revenue to institutions for health insurance.
Tax Change Impact		
Expiring Energy Credits	(\$1,000,000)	One institution reported planned use.
Excise Tax on Salaries	(\$420,000)	Based on currently reported information.
Increased Donations/Small Donors	\$854,069	Assumes small increase in donation revenue from small donors.
Student Loan Access Impact		
Parent PLUS Loan Loss	(\$3,448,267)	This amount will be unavailable to parents based on current borrowing over new limit.
Grad PLUS Loan Loss	(\$207,982,396)	This amount will be unavailable to students. This amount will be unavailable to students.

Potential Enrollment Decline Impact

Category	Tuition Revenue Loss	Number of FTE Loss
5% Decline in Undergraduate Enrollment	(\$59,934,269)	(4,019)
10% Decline in Undergraduate Enrollment	(\$119,868,538)	(8,038)
15% Decline in Undergraduate Enrollment	(\$179,802,806)	(12,057)
5% Decline in Graduate Enrollment	(\$101,560,738)	(2,253)
10% Decline in Graduate Enrollment	(\$203,121,476)	(4,507)
15% Decline in Graduate Enrollment	(\$304,682,214)	(6,760)

Notes and Sources

All data used in this analysis is sourced from IPEDS, OB3 survey conducted by CICV, NSLDS, Urban Institute, College Scorecard, and AEI. These estimates are not meant to be aggregated for a single impact value. Many of the changes interact (loan availability and enrollment, for example), aggregating would lead to double-counting.

Explanation of Program Changes

Pell Grant Changes

Starting July 1, 2026, students with an SAI of \$14,790+ or those receiving full-ride aid lose Pell eligibility, reducing access for many low-income and scholarship athletes.

Graduate PLUS Loan Changes

Effective July 1, 2026, the Grad PLUS program is eliminated. Graduate loans are capped at \$20,500 annually and \$100,000 lifetime; professional loans at \$50,000 annually and \$200,000 lifetime. A new aggregate limit of \$257,500 applies to all federal loans (excluding Parent PLUS). Students enrolled before June 30, 2026, have a three-year exemption. Loan limits also shrink for part-time students based on an upcoming ED schedule.

Parent PLUS Loan Changes

From July 1, 2026, Parent PLUS loans are capped at \$20,000 annually and \$65,000 lifetime per dependent student. This replaces the current option of borrowing up to full cost of attendance. Families relying on larger amounts may face significant unmet need, increasing reliance on private loans or institutional aid.

Undergraduate Loan Changes

The OBBB introduces a new aggregate lifetime loan cap of \$257,500 across all federal loans (excluding Parent PLUS) starting July 1, 2026. While few undergraduates will approach this cap, it may affect long-term borrowers who continue to graduate or professional study. Additionally, there is a proportional reduction in annual loan limits for part-time students, beginning in 2026–27. The Department of Education will publish the reduction schedule institutions must apply.

Endowment Excise Tax Changes

The bill expands the endowment tax to institutions with 3,000+ tuition-paying FTE students. The tax applies to net investment income, with rates based on student-adjusted endowment: 1.4% at \$500k–\$749k per FTE, 4% at \$750k–\$1.99M, and 8% above \$2M.

Program Accountability

The OBBB expands accountability by linking Title IV eligibility to program-level earnings outcomes. Programs failing benchmarks risk losing federal aid, which could lead to closures or teach-outs. States' median wage data will serve as the main benchmark, meaning geography influences outcomes as much as institutional factors. Institutions must monitor program-level data carefully to anticipate risks, particularly for programs with weak employment outcomes.

Compliance Costs

The law imposes new compliance demands, including additional NSLDS reporting, expanded financial aid counseling, and greater coordination with outside lenders. These measures are designed to improve borrower protections but will require new staff time, training, and system upgrades. Estimating impacts involves calculating additional staff hours multiplied by average compensation.

Tax & Benefit Changes

The OBBB introduces an excise tax on compensation above \$1 million, applied retroactively to some employees since 2016. It eliminates the green building deduction after July 4, 2026, and phases out clean energy credits after 2027. It also introduces a \$1,000/\$2,000 charitable giving deduction, encouraging small-dollar donors.

Medicaid Impacts

The OBBB adds stricter verification requirements for Medicaid eligibility, which may cause some students to lose or delay access to coverage. For students, this could mean higher health care costs or reliance on campus health services.