Committee on Education and Workforce Unveils Its Student Success and Taxpayer Savings Plan

The legislation saves nearly $350 billion to help advance President Trump's agenda to provide tax relief for American families and small businesses, rein in wasteful spending, and reduce the federal budget deficit. In particular, **the Committee's Student Success and Taxpayer Savings Plan** will focus on reforming postsecondary education so that taxpayers, students, and schools are better served via three main initiatives: **strengthening accountability for students and taxpayers, streamlining student loan options, and simplifying student loan repayment**.

- **Strengthening accountability for students and taxpayers.** It is time to ensure accountability for the hundreds of billions of taxpayer funds that flow to postsecondary education. Colleges should have a stake in their students' success and be responsible for reimbursing taxpayers for a portion of their losses if students don't see financial value from enrolling in an institution and can't repay.
    - Students, families, and the federal government pay tens, sometimes hundreds, of thousands of dollars in tuition while many degrees offer students no additional value but leave graduates with debt. Too many are left worse off than if they never enrolled in the first place.
    - The bill requires colleges to have skin in the game by paying a portion of their students' unpaid loans based on how much of a return on investment the degree provided. Institutions that continue to saddle their students with debt eventually face increasing penalties and risk loss of access to federal student aid.
    - The plan reins in executive overreach by preventing any future attempts at loan "forgiveness" and repeal a range of burdensome and costly Biden-era regulations.
    - Additionally, Pell Grant reforms ensure Pell goes towards families and students in need while promoting completion. The bill permits students to use Pell Grant dollars for shorter-term, high-quality programs that will lead to good careers. The bill also closes loopholes that allowed wealthy families with foreign income or large amounts of assets to still receive Pell Grants. The bill reinvests budgetary savings back into Pell to keep the program sustainable.

- **Streamlining student loan options.** These reforms increase simplicity and affordability so students don't borrow excessive debt they can never repay. It is time to reform the loan program so that students, institutions, and taxpayers can all benefit.
  - For undergraduate students, the plan has a maximum cap of $50,000. For graduate students, the plan sunsets the harmful GradPLUS loans that allowed for uncapped lending for programs that had little to no return on investment. For the loans remaining for graduate students, the plan now implements maximum aggregate student loan caps of $100,000 for graduate students and $150,000 for professional students.
  - The plan also puts a total cap of $50,000 on the predatory Parent PLUS loans and requires students to borrow the maximum amount they can before their parent takes out a loan on their behalf.
- **Republicans are simplifying student loan repayment.** The student loan repayment process has become bloated and too complex. The plan simplifies the loan repayment system to help troubled borrowers repay loans without saddling taxpayers with the burden of paying back the loans of wealthy borrowers.
  - The plan repeals President Biden's improperly named "SAVE" repayment plan that would have cost taxpayers $220 billion because it enabled little to no actual repayment of loans.
  - The plan then streamlines the litany of other repayment plans into two plans: a fixed repayment plan (like a house mortgage) and an income-driven repayment (IDR) plan to help lower-income borrowers in need.
  - The new IDR plan scales payments up with income, includes a minimum monthly payment, and prevents balances from always ballooning. This ensures that all borrowers, even those struggling, can make payments.
  - Current borrowers in limbo will be given clarity and placed into one of the existing statutory income-based repayment plans. They then have the option to switch into the new plan if they choose.