University of Colorado
Boulder | Colorado Springs | Denver | Anschutz Medical Campus

May 27, 2025

Dear Senators Bennet and Hickenlooper,

On behalf of the University of Colorado (CU), we write to express our concerns with several provisions contained in the House-passed *One Big Beautiful Bill Act* (H.R. 1), which will harm our students and families. We hope to partner with you in the coming weeks as the Senate considers its own approach, including substantive changes, to budget reconciliation legislation.

CU is a premier public research university with four campuses: the University of Colorado Boulder, the University of Colorado Colorado Springs, the University of Colorado Denver and the University of Colorado Anschutz Medical Campus. With more than 66,000 students and 7,300 full-time instructional faculty members, CU is the largest institution of higher education in the state of Colorado. With an annual budget of $5.9 billion, CU generates an economic impact of $17.2 billion annually for the state. CU researchers attracted $1.6 billion in sponsored research funding and gifts in fiscal year 2022-23. CU has launched 293 startups. Academic prestige is marked by CU's five Nobel laureates, 10 MacArthur "genius" Fellows, 20 astronauts and 21 Rhodes Scholars.

Student Aid

At CU, we serve all Coloradans. We believe strongly in keeping college tuition in check, which is why we invested over $276 million in institutional aid for our students last year. We are concerned by provisions in H.R. 1 that will reduce federal aid to low and middle-income students in Colorado and impose onerous financial penalties on colleges and universities. These proposals include changing the definitions of full-time and half-time enrollment for Pell Grant eligibility from 12 to 15 credit hours and 6 to 8 credit hours, respectively, as well as eliminating Pell Grants for students enrolled less than half-time. The Congressional Budget Office (CBO) estimates more than half of Pell recipients will receive smaller grants and 10 percent will lose their grants altogether because of these changes. The changes also virtually eliminate Pell for summer courses because very few students enroll in 8 or more credit hours over the summer. These policies will disproportionately harm working students. They are also inconsistent with the 12-credit hour definition used to determine federal student loan eligibility and will create unnecessary confusion for students. There are more than 69,000 students in Colorado currently receiving Pell Grants, including more than 10,700 at CU.

We are likewise concerned by the changes to federal student loans and repayment plans proposed in the bill. These policies include abolishing subsidized loans for undergraduate students, terminating Grad PLUS, restricting Parent PLUS loans, and offering only two repayment plan options to borrowers, which will limit flexibility and increase the likelihood of default. There are currently over 50,000 undergraduate recipients of federal subsidized loans in Colorado, including more than 11,000 at CU. Eliminating the in-school interest subsidy on these loans will cost each student an average of $1,250 in additional interest upon graduation. That's an extra $62.5 million in student debt for current Colorado undergraduates. In addition, over 6,500 Colorado students rely on Grad PLUS loans to obtain advanced degrees, including nearly 2,300 at CU. Terminating this program could make these degrees cost prohibitive and therefore unobtainable for many students. Finally, the proposed $50,000 borrowing cap for Parent PLUS loans is lower than tuition and fees for incoming non-resident students in several CU programs and fails to account for families with multiple children enrolled in college simultaneously.

Other provisions of concern in the legislation include using the median cost of attendance rather than the real cost of attendance to calculate student need-based aid; limiting the maximum amount a student can borrow over their lifetime to $200,000, which would be particularly harmful to students who pursue professional degrees in law and medicine; and restricting medical and dental residencies from counting towards Public Service Loan Forgiveness. We are concerned the latter will discourage our best-in-the-world doctors and dentists from pursuing careers in rural areas or at non-profit entities in Colorado.

Finally, we strongly urge against inclusion of the proposal to implement a risk-sharing model for colleges and universities that participate in the federal Direct Loan program. Under this new program, institutions would pay an annual penalty to the U.S. Department of Education calculated based on a share of their students' unpaid loans. These funds would then be redistributed by the Department to other colleges and universities through a new, non-competitive grant program. Overall, the new risk-sharing program would decrease funding for students and institutions in Colorado, redirecting federal resources outside our state. Colorado colleges and universities stand to lose nearly $63 million per year, including more than $8 million at CU were this program to be implemented, according to the Association of Public and Land-grant Universities. Colorado is already 41st in state support for higher education. Redistributing essential federal resources away from our public colleges and universities will make postsecondary education more costly to Colorado students and more difficult to retain our top talent in the state.

Health Care

Academic medical centers, such as CU, serve as the safety net for physician providers for all Coloradans. CU Medicine, the Centennial State's largest physician practice run by CU Anschutz faculty, served nearly 222,000 patients in Colorado who are on Medicaid, totaling almost 1.2 million visits in fiscal year 2024. We urge Congress to adopt a thoughtful and measured approach to any changes to Medicaid and to consider the implications of restricting the program on all Coloradans' ability to receive quality healthcare. Reducing Medicaid participation will increase the burden on healthcare providers, such as CU Medicine, to provide uncompensated care, adding to the financial challenges already facing providers around the state.

Provisions in the legislation that would reduce funding or restrict state flexibility by capping state-directed payments and limiting provider taxes, could exacerbate existing financial distress and limit providers ability to adjust payments based on economic conditions, and the ability to meet community needs. Provider support from Medicaid is crucial to enable CU physicians to continue treating our state's most vulnerable patients. Additionally, provisions aimed at lowering the Federal

Medical Assistance Percentage (FMAP) for certain states specifically targets Colorado because it reduces federal support for providers due to current state laws. A reduction in the FMAP for Colorado, which has expanded Medicaid, would increase the costs of uncompensated care and could threaten medical coverage for thousands of Coloradans, many of whom reside in the rural parts or underserved parts of our state.

We appreciate the bill's provisions aimed at providing clarity to the Medicare physician fee schedule conversion factor and further delaying the Medicaid Disproportionate Share (DSH) cuts. Providing a modernized, consistent process for the physician fee schedule would give clarity to physicians throughout the state, which is currently lacking under the existing physician fee schedule. Additionally, further delaying the DSH cuts ensures that providers who treat a large number of Medicaid patients continue to receive financial support.

Tax

Many of the proposed changes to the tax code in H.R. 1 would impact CU. This includes taxing employer-provided transportation benefits and phasing out clean energy tax credits. We hope Congress will consider the significant public service value that public universities, like CU, provide to their communities and ensure the tax code accurately reflects this public benefit.

We are pleased the updated legislation omits a provision from the bill passed by House Ways and Means Committee, which would have made income from licensing of a tax-exempt organization's name and logo taxable. This would have had a serious impact on CU Athletic Department revenues at a time when we are also navigating the substantial costs of the House vs. NCAA settlement.

Artificial Intelligence (AI)

AI remains a vital tool for CU's ecosystem, whether it is used to support our scientists in conducting world-class research, enabling personalized medical care delivery, or training our students to become future leaders in the technology sector. We appreciate the legislation's additional support for AI modernization and development initiatives. However, it is important to ensure that AI development is conducted safely and ethically. Until comprehensive federal regulations are established, we believe there should be no prohibitions on state and local laws regulating AI, ensuring that AI is used safely and ethically without hindering the development and utilization of this technology.

As you and your Senate colleagues consider and amend this legislation, we respectfully urge you to remove any provisions that would make college more expensive for our students and make it more challenging for CU to fulfill our education, research, health care, and service missions. We would be happy to partner with you on ways to address our concerns and improve the outcomes of this legislation for Colorado students, families, and institutions.

Sincerely,

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