

CU Summary of the One Big Beautiful Bill Act ^[1]

July 3, 2025 by [Riley Black](#) ^[2]

The House passed the *One Big Beautiful Bill Act* ([H.R. 1](#) ^[3]) on a 218-214 vote today, sending the package to President Trump for signature and enactment. The Colorado congressional delegation voted along party lines with Reps. Boebert, Crank, Evans and Hurd voting favorably and Reps. Crow, DeGette, Neguse and Pettersen voting against the measure. Reps. Thomas Massie (R-KY) and Brian Fitzpatrick (R-PA) were the only Republicans to vote against the bill. The House first advanced the package on a 215-214 vote on May 22; however, the Senate adopted a modified version of the legislation on a 50-51 vote on July 1, which kicked the measure back to the House for final approval. Lawmakers used budget reconciliation to advance the package, which allowed the Republican majority to pass the bill with a simple 50-vote majority in the Senate and bypass the usual 60-vote threshold required to enact federal legislation.

The legislation implements the President's domestic policy priorities and includes \$4.5 trillion in tax cuts and extensions along with \$350 billion for border and national security initiatives. The legislation offsets tax cuts and new spending through reductions to Medicaid and Supplemental Nutrition Assistance Program benefits; eliminates or scales back some federal student aid programs, including Grad PLUS loans; and rolls back tax breaks for clean energy projects, among other things. The legislation omits a provision floated in the Senate that would have sold hundreds of thousands of acres of public lands in the west, including in Colorado, a provision Colorado lawmakers, including Senators Bennet and Hickenlooper, fought to exclude.

President Saliman and Chancellors Christensen, Elliman, Schwartz and Sobanet sent letters to our Colorado [House](#) ^[4] and [Senate](#) ^[5] members to discuss CU's views on the legislation at key junctures in the legislative process.

Below is a summary of provisions included in the bill, comparing what was included in the original House-passed version of H.R. 1 and the Senate-passed version, which will become law. This list is not exhaustive of all policies contained in the sprawling more than 800-page package. The legislation impacts [higher education and student loans](#), [healthcare, including Medicaid](#), [taxes](#), and [other provisions](#) surrounding AI, NASA, NOAA, and agriculture programs.

Student Loans and Higher Education Provisions

House Passed

Senate Passed and Final Adopted Version

Student Title IV Eligibility – Update to Title IV eligibility for grants, loans, and work-study based on certain immigration status. Removes access from eligible noncitizens such as refugees, asylees, parolees, and conditional permanent residents while adding access to federal aid for certain Cuban immigration petitioners awaiting full visa status. The effective is July 1, 2025, for the 2025-2026 award year onward.

Not included

Amount of Need; Cost of Attendance; Median Cost of College – Defines the median cost of college, which is the basis for determining a student's amount of need beginning in the 26-27 award year. The median cost of college is determined on a program-by-program basis at the degree level across all institutions offering that program in the previous year by cost of attendance. The six digit CIP code is used to group programs for determining the median cost. Further clarifies that the amount of need equals the median cost of college at the program level minus calculated student aid index and other applicable aid beginning in the 26-27 award year and amends the cost of attendance definition to be based on program of study rather than credit hour workload.

Not included

Exemption of Certain Assets – Restores the exemption of farm and small business assets from student aid eligibility calculations. The effective date would be July 1, 2026 for the 2026-2027 award year onward.

Identical to House language

On June 28 a new exemption was added for commercial fishing and related expenses.

Termination of Authority to Make Subsidized Undergraduate Loans – Eliminates federal subsidized direct Stafford loans for undergraduates beginning July 1, 2026. This includes a three-year exception for students already receiving subsidized loans if they are enrolled as of June 30, 2026.

Not included

Termination of Authority to Make Federal Direct PLUS Loans to Any Student Borrower – Eliminates Graduate PLUS Loans beginning July 1, 2026

Identical to House language

House Passed

Senate Passed and Final Adopted Version

Restriction on Authority to Make Federal Direct PLUS Loans to Any Parent Borrower – Maintains Parent PLUS loans with new restrictions. Beginning July 1, 2026, requires that a parent may only take a Parent PLUS loan on behalf of a student that borrows the maximum annual limit of federal unsubsidized Stafford loan, and that the student still has remaining unmet need because this maximum annual Stafford loan amount is less than the cost of attendance of the program of study.

Not included

Annual and Aggregate Federal Direct PLUS Loan Limits for Parent Borrowers – Beginning July 1, 2026, limits annual Parent PLUS borrowing to the student's program cost of attendance minus the maximum unsubsidized Stafford limit. Limits aggregate Parent PLUS borrowing to \$50,000, without regard for the number of dependents.

Maintains Parent PLUS loans with new restrictions. Beginning July 1, 2026, all parents may borrow no more than \$20,000 per dependent student per year, subject to a new aggregate limit of \$65,000 per dependent student. Clarifies all parents (combined) of each individual student may borrow no more than \$20,000 for that dependent student per year, subject to a new aggregate limit of \$65,000.

Annual Limits for Undergraduate Unsubsidized Stafford Direct Loans – Beginning July 1, 2026, the maximum annual level of federal direct unsubsidized Stafford loans for undergraduates is capped at the median cost of college for their enrolled program of study, minus their Pell Grant for the academic year.

Not included

Annual Limits for Graduate and Professional Unsubsidized Stafford Direct Loans – Beginning July 1, 2026, caps the maximum annual Unsubsidized Stafford loan borrowing at the median cost of college for the enrolled program of study, minus their Pell Grant for the academic year.

Beginning July 1, 2026, caps the maximum annual Unsubsidized Stafford loan borrowing at \$20,500 for graduate students and \$50,000 for professional students per year.

House Passed

Senate Passed and Final Adopted Version

Aggregate Limits for Graduate and Professional Unsubsidized Stafford Direct Loans

Beginning July 1, 2026, separates undergraduate and graduate/professional aggregate loan limits and creates a new maximum aggregate graduate loan limit for direct unsubsidized Stafford loans of \$100,000 for graduate students and \$150,000 for professional students. Clarifies that a student who is both a graduate and a professional student at different points in their career may only borrow up to \$150,000 in total for graduate and professional school.

Includes a \$200,000 professional loan limit instead of the \$150,000 limit. Maintains House provisions of \$100,000 lifetime borrowing limits for masters programs. Also includes a \$200,000 combined graduate and professional loan limit instead of \$150,000

To define professional degree, references 34 CFR Sec. 668.2, which includes Pharmacy, Dentistry, Veterinary Medicine, Chiropractic, Optometry, Osteopathic Medicine, Podiatry Theology, and Law degrees.

Less than Full-Time Enrollment – For students enrolled less than full-time, ratably reduces the annual borrowing limit, rounded to the nearest percentage point. The Secretary would release this table annually.

Identical to House language

Lifetime Maximum Aggregate Amount for All Students – Sets a new lifetime maximum aggregate federal borrowing limit of \$200,000 for all students, beginning July 1, 2026. This new borrowing limit would not be affected by any amount of loan repayment, forgiveness, cancellation, or discharge. This new borrowing limit would not apply where the student is also borrowing Parent PLUS loans on behalf of their dependent student.

Sets lifetime maximum aggregate borrowing limit at \$257,500. Otherwise, same as House provision.

Institutionally Determined Limits – Allows institutions (at the discretion of their financial aid administrator) to set separate lower annual loan limits, as long as the limits are applied consistently by program of study.

Identical to House language

House Passed

Senate Passed and Final Adopted Version

Sec. 30021 Loan Repayment – Repeals income-contingent repayment (ICR plans), which include repayment plans established by the Biden administration: the Pay-As-You-Earn (PAYE) repayment plan and the Saving on a Valuable Education (SAVE) plan. Requires the Secretary to transfer borrowers enrolled in the plans subject to court injunction into the existing HEA statutorily authorized income-based repayment plan (IBR), or may choose HEA fixed repayment options or the new repayment assistance plan below.

Requires a minimum payment of \$10 per month. For borrowers making required on-time payments, unpaid interest would be waived, and the plan would provide a matching payment of up to \$50 toward principal. Borrowers currently in repayment may enroll in RAP. The maximum repayment term would be 360 qualifying payments (30 years).

Public Service Loan Forgiveness – Establishes that an eligible “public service job” does not include a medical or dental internship or residency program, if the student did not borrow a PLUS loan or unsubsidized Stafford graduate loan as of June 30, 2025.

Repeals some existing plans (SAVE, PAYE, ICR, graduated, extended, alternative).

Beginning July 1, 2028, borrowers with loans before July 1, 2026 may switch to the RAP below, or transition to the existing HEA statutorily authorized IBR plan. Under IBR, pre-2014 borrowers pay 15 percent of discretionary income (income above 150 percent of the Federal Poverty Line) with forgiveness after 25 years; post-2014 borrowers pay 10 percent of discretionary income with forgiveness after 20 years. Borrowers currently in repayment may enroll in RAP. The maximum repayment term would be 360 qualifying payments (30 years).

Calculates income and dependents separately for married borrowers filing separate tax returns. Establishes procedures for sharing income data from IRS to ED for loan repayment purposes, with the option to opt out of data sharing.

Does not change definition of eligible public service job to exclude medical or dental internship or residency. Newly allows on-time payments under the new Repayment Assistance Plan to count toward Public Service Loan Forgiveness

House Passed

Senate Passed and Final Adopted Version

Foreign Income and Federal Pell Grant Eligibility –

Includes a parent and/or spouse's foreign income within the adjusted gross income (AGI) calculation for Pell Grant eligibility calculations. Sunsets current law requirement that a student aid administrator make an individual determination whether foreign income can be included in a student's AGI if it makes a student to lose Pell eligibility.

Identical to House language

Definition of Full Time Enrollment for Federal Pell Grant Eligibility –

Defines "full-time" for Pell Grant eligibility as 30 semester hours (up from 24 in current law) or 45 quarter hours (up from 36 in current law) per academic year of enrollment. Ratably reduces Pell Grants below this new higher definition of "full-time."

Not included

Federal Pell Grant Ineligibility Due to a High

Student Aid Index – Makes students ineligible for a Pell Grant if their Student Aid Index (formerly known as Expected Family Contribution) is twice the maximum Pell Grant or higher. (E.g., if this were in law today, in academic year 2025- 26, in which the maximum Pell Grant is \$7,395, if the FAFSA calculation of a student's income and assets yields a Student Aid Index of \$14,790 or higher, the student would be ineligible for Pell Grants).

Identical to House language

No Federal Pell Grant Eligibility for Students

Enrolled Less than Half Time – Beginning July 1, 2026, eliminates Pell Grants for students enrolled less than halftime, under the new definition. Thus, if a student is enrolled less than 15 semester hours per year (for example 7.5 hours one semester plus 7.5 hours the next semester), they would be ineligible for Pell, unless they meet the different eligibility requirements for the new Workforce Pell Grant program.

Not included

House Passed

Senate Passed and Final Adopted Version

Workforce Pell Grants – Establishes a Workforce Pell Grant Program beginning July 1, 2026, for low-income students in a short-term workforce program between 150 and 600 clock hours of instruction, offered in a program between eight and 15 weeks. The Workforce Pell Grant would count toward a student's lifetime eligibility limit of 12 semesters.

Eligible programs must meet requirements to be high-skill, high-wage, or in-demand; lead to a stackable and portable credential; and prepare students for a postsecondary degree. To meet the eligibility requirements, the program must have already been offered for at least one year; have a completion rate in a given award year of at least 70 percent within 150 percent of normal time; have a job placement rate in a given award year of at least 70 percent within 180 days of completion; and have median value-added earnings greater than the median total price in a given award year

Pell Shortfall – Provides \$10.5 billion in total mandatory funding to help mitigate the expected shortfall in the Pell Grant reserve. (Specifies providing \$3.181 billion in FY26, \$4.822 billion in FY27, and \$2.507 billion in FY28).

Not included

Same as House language with the additional provision that adds an exclusion that the following programs are ineligible for Workforce Pell Grants: study abroad; and noncredit, remedial, or English language instruction courses the institution deems necessary to prepare for an undergraduate degree or certificate or use existing knowledge, training, or skills.

Provides \$10.5 billion in mandatory funding in FY26 to help mitigate the expected shortfall in the Pell Grant reserve.

Federal Pell Grant Exclusion Relating to Other Grant Aid –

Beginning July 1, 2026, makes a student ineligible for a Pell Grant if they receive grants totaling the student's cost of attendance or higher from non-federal grants, institutional aid, state aid, or private grants. Does not count any period the student is ineligible against their lifetime 12 semesters of Pell eligibility.

House Passed

Senate Passed and Final Adopted Version

Ineligibility Based on Low Earning Outcomes

– Makes undergraduate programs ineligible for federal student loans if the median earnings of the program completers (not those who exit or withdraw without a degree,) is less than the median earnings of a working adult aged 25-34 with only a high school degree or GED who is not enrolled in higher education. The program completers must fail this test in two of three years to be ineligible. Median earnings are calculated using Census data for the state where the institution is located, or if a majority of students reside out of the state, national Census data.

Not included

Makes graduate and professional programs ineligible for federal student loans:

- For all graduate and professional programs, the completers must fail this test in two of three years to be ineligible.
- For graduate and professional students, the comparison median earnings level of a working adult aged 25-34 with only a bachelor's degree not enrolled in higher education is calculated as the lowest of either: 1.) a working adult in the state; 2.) a working adult in the same field of study in the state (based on the two-digit CIP code), and 3.) a working adult in the same field of study in the entire U.S. (based on the two-digit CIP code).

The test is conducted four years after program completion, for all degree levels.

House Passed

Senate Passed and Final Adopted Version

Risk Sharing Agreements with Institutions –

Retains the same risk-sharing provisions as in the College Cost Reduction Act (CCRA). To calculate an institution's risk sharing payment, the bill determines a "reimbursement percentage" for completers and non-completers by program. For completers, the percentage factors in earnings over 150 percent of the federal poverty line for undergraduates (over 300 percent for graduate students) and the median total price charged to students in the cohort. For non-completers, the reimbursement percentage is the percentage of students who did not complete their program within 150 percent of program length. The reimbursement percentage is multiplied by the non-repayment balance for each cohort, which includes outstanding loan balance plus interest and principal waived to get the reimbursement payment per program. The sum of these program-level reimbursement payments totals the institution's risk sharing payment.

Not included

Health Provisions

House Passed

Provider Taxes (Fee) – Freezes Provider taxes (fees) at their current rates for Medicaid expansion states.

Senate Passed and Final Adopted Version

Reduces the amount states are allowed to claim in provider taxes (fees) from 6% to 3.5% over 10 years. Clarifies the changes to the "hold harmless" threshold and the moratorium on future provider taxes to clarify that these policies apply to taxes levied by both the state and a unit of local government in said state. Increases implementation funding available to CMS to carry out this policy from \$6 million to \$20 million for fiscal year 2026

House Passed

Senate Passed and Final Adopted Version

State Directed Payments (SDP) – Cap SDPs at 100% of the Medicare rate for ACA expansion states and 110% for non-expansion states. Provides to “grandfather” states with existing SDP arrangements.

Similar to House language on capping SDPs to Medicare rate for ACA expansion states.

However, revises the types of SDPs eligible for grandfathering to include payment arrangements “for which a completed preprint was submitted to the Secretary prior to the date of enactment of this Act. “Grandfather” payments would be reduced by 10 percentage points per year, beginning Jan. 1, 2028, until they are equal to 100% of the Medicare rate (or 110%, depending on the state).

Rural Health Transformation Program –

Provides \$50 billion intended to help offset the impact of the provider tax restrictions on rural health care providers. Under the proposal, the CMS would be responsible for distributing funds to states, with 50% of funding allocated equally among states that submit completed applications. The remaining funds would be distributed to states at the CMS’ discretion, based on factors such as the percentage of the state’s population that resides in a rural census tract, the proportion of rural health facilities in the state relative to the number of rural health facilities nationwide, the “situation of hospitals in the state,” and “any other factors that the Administrator determines appropriate.”

Not included

Physician Fee Schedule – Amends current law by replacing the split physician fee schedule conversion factor set to take effect on January 1, 2026, with a new single conversion factor based on a percentage of medical inflation, or the Medicare Economic Index (MEI).

Includes a temporary, one-year Medicare Physician Fee Schedule increase of 2.5 percent for calendar year 2026

FMAP Increase and Immigrants – Reduces by ten percent the Federal Medical Assistance Percentage (FMAP) for Medicaid Expansion States who use their Medicaid infrastructure to provide health care coverage for illegal immigrants under Medicaid or another state-based program.

Not included

House Passed

Senate Passed and Final Adopted Version

Expansion of FMAP for Emergency Medicaid

– Establishes that states cannot receive any more than their traditional FMAP for federal matching funds received for emergency medical care furnished to immigrants.

Not included

Effective Oct. 1, 2026, states will see their FMAP cut to the traditional rate for emergency services renders to non-citizens that would otherwise be eligible for Medicaid under ACA expansion (and would therefore qualify for a 90% matching rate).

Provides the CMS Administrator with \$1 million for FY 2026 to carry out this provision.

Immigrant Medicaid Eligibility – Beginning Oct. 1, 2026, restricts the definition of “qualified” immigrant to include lawful permanent residents (LPRs), certain Cuban immigrants, citizens of the Freely Associated States (COFA migrants) lawfully residing in the U.S., and lawfully residing children and pregnant adults in states that cover them.

Not included

Excludes refugees, asylees, and victims of human trafficking from receiving federal Medicaid funding.

Medicaid Work Requirements –

Requires states to establish community engagement requirements for able-bodied adults without dependents for Medicaid access. An individual can meet this by participating 80 hours a month in a recognized job; community service programs; work programs; education programs; or a combination of any of the above for 80 hours a month.

Those exempted from the work requirements include: individuals under 19 or above the age of 64; foster youth and former foster youth under the age of 26; members of federally recognized tribes; individuals who are considered medically frail; individuals who already meet work requirements for the Temporary Assistance for Needy Families (TANF) program or Supplemental Nutrition Assistance Program (SNAP); individuals who are a parent or caregiver of a dependent child or an individual with a disability; and individuals who are incarcerated or recently released from incarceration within the past 90 days.

Identical to House language

States must verify compliance with these requirements within a month before enrollment and a month before recertification. States are required to provide regular and advanced outreach to Medicaid participants.

Medicaid Eligibility – Beginning Dec. 31, 2026, states must redetermine Medicaid eligibility for ACA expansion adults every six months (as opposed to annually).

Similar to House language with additional provisions, the HHS Secretary must publish guidance related to implementing this requirement, and the CMS Administrator is provided with \$75 million for FY 2026 to carry out this requirement.

House Passed

Senate Passed and Final Adopted Version

Medicaid Cost-Sharing – Beginning Oct. 1, 2028, states will be required to implement cost-sharing for Medicaid expansion enrollees with incomes greater than 100% of the federal poverty level

Cost-sharing requirements are not to exceed \$35 per service and there are exceptions for certain types of care (e.g., primary care).

Maintains the cap on out-of-pocket expenses equal to 5% of family income.

Similar to House language with an added subsection allowing cost-sharing for non-emergency medical transport under certain conditions.

Tax Provisions

House Passed

Senate Passed and Final Adopted Version

Deduction of Domestic Research and Experimental Expenditures – This provision under IRC Section 174 would suspend the capitalization for domestic research and development expenses during the year incurred for start-ups and small businesses, from tax years 2025 to 2029. This change allows businesses to claim R&D tax credits to be claimed in the year they were incurred.

Similar to House provision but allows for permanent expensing. Added clarification language on foreign and domestic research expenditures.

Extension of Increased Standard Deduction & Temporary Enhancement and Reinstatement of Partial Deduction for Charitable Contributions of Individuals Who Do Not Elect to Itemize – Makes the standard deduction for individuals and couples permanent, while also temporarily increasing the standard deduction for individuals and couples for three years. Also creates a temporary (three years) deduction for non-itemizing taxpayers up to \$150 for individuals and \$300 for couples.

Floor on Deduction of Charitable Contributions made by Individuals who Elect to Itemize – Implements a 0.5% percent floor on charitable contributions for taxpayers who elect to itemize for taxable years after December 31, 2025. Allows a deduction for corporate charitable contributions only to the extent that the aggregate of corporate charitable contributions exceeds one percent of a taxpayer's taxable income (the "one-percent floor") and does not exceed 10 percent of the taxpayer's taxable income (the "10-percent limit"). This limitation would apply for taxable years beginning after December 31, 2025.

Exclusion for Certain Employer Payments of Student Loans Under Educational Assistance Programs Made Permanent & Adjusted for Inflation

– Makes annual tax-free student loan repayments by employers permanent. This tax incentive was previously set to expire in 2026. It also indexes the employer-provided educational assistance for inflation, increasing the current \$5,250 limit over time.

Identical to House language

Unrelated Business Taxable Income Increased by Amount of Certain Fringe Benefit Expenses for Which Deduction is Disallowed (UBIT)

– Removes the UBIT exemption that nonprofits receive regarding transportation and parking benefits provided to their employees. Church organizations are excluded.

Not included

Exclusion of Research Income Limited to Publicly Available Research (UBIT)

– Removes the exemption of income from non-public research, retaining the exemption only for fundamental research (where the results are freely available to the public). Currently, both fundamental and non-public research income are exempted from UBIT calculations of taxable income.

Not included

Expanding Application of Tax on Excess Compensation within Tax-Exempt Organizations

– Implements an expanded excise tax on executive compensation above \$1 million annually paid to all current and former employees of applicable tax-exempt organizations. As written, the provision does not apply to most public universities. The provision may apply to universities which are tax exempt through section 115 (1) of the Internal Revenue Code.

Similar to House language but defines covered employees as those who were employed after December 31, 2016, with the tax applicable beginning December 31, 2025

House Passed	Senate Passed and Final Adopted Version
Not included	Third-Party Litigation Funding Reform – Implements a 31.8% tax on proceeds from third-party litigation funding agreements. This would negatively impact university tech transfer offices defending patents from infringement in court by making it less desirable for a third-party litigator to provide support, especially for smaller claims.
Recission of IRA clean energy tax credits – Restricts or phases out many of the clean energy incentives enacted as part of the Inflation Reduction Act, including acquisition of clean energy vehicles, clean energy investment credits and advanced manufacturing tax credits.	Terminates or phases out many of the clean energy incentives enacted as part of the Inflation Reduction Act, similar to the House provisions but with emphasis on different energy types and phase-out dates. Also proposes to eliminate energy-efficient commercial building deductions.

Science Provisions

House Passed	Senate Passed and Final Adopted Version
Not included	NASA – Includes \$9.995 billion in supplemental funds for NASA for Mars missions, Artemis missions, and the Moon to Mars program. This includes \$700 million for a Mars Telecommunications Orbiter, \$2.6 billion to fund the Gateway lunar space station, \$20 million for a fourth Orion multi-purpose crew vehicle, \$1.25 billion for the International Space Station operations over five years, \$1 billion for NASA Center Improvements, \$325 million for the U.S. Deorbit Vehicle and \$85 million for a Space Vehicle Educational Installation.
Spectrum Auctions – Restores the Federal Communications Commission's authority to auction 600 megahertz of through 2034.	Similar to House language, but authorizes auctioning 800 megahertz of spectrum.
Not included	NOAA - Rescinds an estimated \$193 million over 10 years in <i>Inflation Reduction Act</i> funding to NOAA for climate change and environmental projects.

Other Provisions

House Passed	Senate Passed and Final Adopted Version
SNAP-ED – Eliminates the SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-ED).	No change from House provision. SNAP-ED funding will sunset with FY2025, however, program authorization is not eliminated.

House Passed

Senate Passed and Final Adopted Version

Artificial Intelligence (AI) – Includes a provision banning state or local governments from enacting regulations on AI for 10 years.

Not included

Provides \$500 million AI infrastructure modernization.

Federal Transition Updates [6], federal update [7]

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