

## **Federal Government Update - 7.10.26** <sup>[1]</sup>

July 10, 2026 by [Riley Black](#) <sup>[2]</sup>

Dear Colleagues,

Please find a federal government update from our teams.

### ***ED Issues Student Tuition and Transparency System and Earnings Accountability Final Rule***

The U.S. Department of Education (ED) issued a [final rule](#) <sup>[3]</sup> on July 1 that establishes a new postsecondary education accountability framework. The framework requires graduates with bachelor's and master's degrees to earn more than their peers with a high school diploma or bachelor's degree, respectively. Programs that fail the earning test two out of three consecutive years will lose access to federal student loans. Programs that fail the earnings test three consecutive years forfeit eligibility for Title IV federal student aid, including Pell Grants.

The final rule deviates from the proposed rule in two ways. It delays implementation for programs that prepare students for employment in fields with tipped income. It also exempts programs from automatic loss of Title IV eligibility if the program is "not yet determined to be a low-earning outcome and the institution and Department agree to amend the institution's program participation agreement to prevent students from borrowing Direct Loans for the program for at least five years," [according](#) <sup>[4]</sup> to ED. Most of the rule is effective July 1, 2027.

### ***ED Issues New Guidance on Professional Loan Limits***

The U.S. Department of Education (ED) [issued](#) <sup>[5]</sup> guidance on June 29 updating postsecondary institutions on the implementation of a federal court [order](#) <sup>[6]</sup> that temporarily blocks key portions of its new rule limiting federal student loan eligibility for certain graduate and professional degree programs. In response to the court's preliminary injunction, ED has restored dozens of healthcare and other professional degree programs, such as Physical Therapy, Physician Assistant, Occupational Therapy and graduate nursing programs to the list of programs eligible for higher federal loan limits while the litigation proceeds.

The guidance follows a [lawsuit](#) <sup>[7]</sup> brought by 26 states including Colorado and the District of Columbia, which alleges that ED unlawfully narrowed the definition of "professional degree" programs and would reduce access to graduate education in high-demand fields.

### ***ED Releases Proposed Rule to Rescind International Education and Fulbright-Hays Regulations***

The U.S. Department of Education (ED) [released](#) <sup>[8]</sup> a notice of proposed rulemaking on July 1 to rescind current regulations for Title VI International Education and Fulbright Hays programs. ED previously moved the management of these programs to the U.S. Department of State through an interagency agreement in November 2025. According to ED, the proposed

rule will provide the flexibility needed to align the programs “with current and evolving priorities and needs, such as workforce readiness, national competitiveness, and returning education to the States.” The proposed rule is open for public comment until July 31.

The Federal Relations and General Counsel teams are actively monitoring developments at the federal level. We are working closely with the President and Chancellors, as well as the Colorado congressional delegation to champion CU priorities. We are committed to keeping you informed. Please visit the CU System Federal [Updates](#) [9] and Actions page for up-to-date communications and federal memos.

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[2] <https://www.cu.edu/blog/government-relations/author/167081>

[3] <https://www.federalregister.gov/documents/2026/07/01/2026-13286/accountability-in-higher-education-and-access-through-demand--driven-workforce-pell-student-tuition>

[4] [https://www.ed.gov/about/news/press-release/us-department-of-education-issues-final-rule-hold-all-colleges-and-universities-accountable-low-earning-programs?utm\\_source=sfmc&utm\\_medium=email&utm\\_campaign=grr&utm\\_content=grralert&utm\\_s](https://www.ed.gov/about/news/press-release/us-department-of-education-issues-final-rule-hold-all-colleges-and-universities-accountable-low-earning-programs?utm_source=sfmc&utm_medium=email&utm_campaign=grr&utm_content=grralert&utm_s)

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[5] [https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2026-06-29/update-list-professional-degree-programs-due-court-order?utm\\_source=sfmc&utm\\_medium=email&utm\\_campaign=grr&utm\\_content=grralert&utm\\_s](https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2026-06-29/update-list-professional-degree-programs-due-court-order?utm_source=sfmc&utm_medium=email&utm_campaign=grr&utm_content=grralert&utm_s)

[22fa-4935-8120-4b97a30441df&utm\\_source=sfmc&utm\\_medium=email&utm\\_campaign=grr&utm\\_content=grralert&utm\\_s](https://fsapartners.ed.gov/knowledge-center/library/electronic-announcements/2026-06-29/update-list-professional-degree-programs-due-court-order?utm_source=sfmc&utm_medium=email&utm_campaign=grr&utm_content=grralert&utm_s)

[6] [https://ecf.dcd.uscourts.gov/cgi-bin/show\\_public\\_doc?2026cv1780-46](https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2026cv1780-46)

[7] <https://coag.gov/app/uploads/2026/05/state-of-maryland-et-al-v-united-states-of-education-linda-mcmahon-court-filing-2026.pdf>

[8] <https://www.federalregister.gov/documents/2026/07/01/2026-13248/international-education-programs-and-fulbright-hays-program-recission-of-regulations>

[9] <https://www.cu.edu/office-government-relations/federal-relations/federal-updates-and-actions>

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