

June 4, 2025

The Honorable John Thune  
Majority Leader  
United States Senate

The Honorable Chuck Schumer  
Minority Leader  
United States Senate

Dear Leader Thune and Leader Schumer,

On behalf of the **63** undersigned organizations representing a broad coalition of national and state advocates, institutions of higher education, students, service providers, labor unions, and researchers, **we urge you to reject all provisions of the House reconciliation bill, *H.R. 1*,<sup>1</sup> that will exacerbate the crisis of student basic needs insecurity in higher education**, make college less affordable, increase student debt, limit access, and create additional administrative burdens that prevent low-income students and families from getting resources that help them afford the rising cost of living.

We are deeply concerned by provisions in the House bill that will cut or eliminate Pell Grants for millions of students and significantly reduce access to the Supplemental Nutrition Assistance Program (SNAP) and Medicaid for those who already struggle to meet food, healthcare, and other costs. If implemented, these proposals will raise prices for students and families whose budgets can least afford it, increase rates of food insecurity, cause many to become uninsured, force students to drop out of their degree program in favor of low-wage work, and create extreme fiscal pressure on states that will likely result in tuition increases and cuts to public higher education and other vital state services. We strongly urge lawmakers to abandon these cuts to essential federal programs.

To build a productive and innovative workforce and a resilient middle class, policymakers must facilitate more affordable pathways to education and training, particularly for those who have historically struggled to access and complete higher education. Success in higher education depends on students' ability to cover the total cost of attending their programs. Addressing basic needs, including food, housing, healthcare, child care, and more, helps students focus on their academics while juggling family and work responsibilities, making it far more likely that they will complete a college degree or credential and secure a job that leads to their long-term economic security and financial independence.

Yet, millions of students – especially first-generation students, Pell Grant recipients, parenting students, veterans, foster youth, students with disabilities, and students from other historically marginalized communities – are unable to enroll in or finish their degree program because they don't have enough money, financial aid, and other resources to afford basic needs. The vast

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<sup>1</sup> See *H.R. 1 - One Big Beautiful Bill Act*

majority of students are already working while enrolled.<sup>2</sup> Yet, nationally representative federal data reveal that more than 4.3 million students in higher education experience food insecurity,<sup>3</sup> and over 1.4 million undergraduate students report experiencing homelessness.<sup>4</sup> Students also routinely cite both financial and physical and mental health challenges as reasons for stopping out of college.<sup>5</sup>

Unfortunately, current federal resources are already woefully inadequate at helping students stay enrolled. The maximum Pell Grant currently covers less than one quarter of the average cost of attending an in-state public four-year college, the lowest purchasing power in the program's history.<sup>6</sup> which forces low-income students to work long hours or take on tens of thousands of dollars in additional student debt to afford college. Meanwhile, due to harmful, bureaucratic, and outdated rules, students are frequently unable to access the public and tax benefits that are designed to support economic mobility, address hunger, provide access to health insurance, and deliver temporary financial support.

For example, according to the U.S. Government Accountability Office (GAO), two-thirds (67%) of students who are likely eligible for SNAP are not receiving benefits, including a large majority of those students who are food insecure—demonstrating the poor targeting of the program's restrictions. Meanwhile, a separate GAO study found that an estimated 13 percent of students in higher education rely on Medicaid for health insurance, and research shows that Medicaid access helps students progress toward graduation and achieve better financial well-being.<sup>7</sup> Yet many low-income students cannot access Medicaid or other healthcare coverage: students in states that have not expanded Medicaid are twice as likely to be uninsured as those in Medicaid expansion states.<sup>8</sup> Increasing postsecondary attainment requires connecting students with far *more* resources than they can currently access—not tightening programs even further.

The cuts to higher education and public benefit programs in the reconciliation bill passed by the House of Representatives will exacerbate the crisis of student basic needs insecurity, severely curtail access to higher education, and undermine our workforce and economy. Specifically, we urge lawmakers to reject the following proposals within the Education & Workforce, Energy & Commerce, Ways & Means, and Agriculture Committee titles:

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<sup>2</sup> McKibben, B., Wu, J., and Abelson, S. (2023, August). *New Federal Data Confirm that College Students Face Significant—and Unacceptable—Basic Needs Insecurity*. The Hope Center for Student Basic Needs at Temple University.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid.

<sup>5</sup> The Hope Center for Student Basic Needs. (2025, February). *2023-2024 Student Basic Needs Survey Report*. 57% of respondents who had previously stopped out of college and subsequently re-enrolled reported they did so because of mental health and/or emotional stress, while 23% cited a health reason.

<sup>6</sup> The College Board (2024). *Trends in College Pricing and Student aid 2024*.

<sup>7</sup> Anand, P. and Gicheva, D. (2024, September 30). *The Effects of Access to Medicaid on the Employment and Academic Progress of College Students*, American Journal of Health Economics, Volume 10, Number 4

<sup>8</sup> U.S. Government Accountability Office. (2025, April 17). *Higher Education: Students' Health Coverage Rates Have Improved, but Barriers to Coverage Remain for Some*.

## Proposals that Reduce Access to Federal Financial Aid and Increase Higher Education Costs

- *Increasing the number of credits required to meet the definition of “full-time” enrollment for Pell Grant eligibility*, which would suddenly cut Pell Grants by nearly \$1,500 for up to 3 million students (44 percent of recipients).<sup>9</sup> The Congressional Budget Office (CBO) estimates that 4 in 5 Pell Grant recipients would not be able to enroll at the higher credit level.<sup>10</sup>
- *Eliminating Pell Grants for less than-half-time students*, which would eliminate awards entirely for an additional 1.4 million students (20 percent of recipients) going to school part-time while they balance family and work.<sup>11</sup> Taking one or two courses as night or weekend classes would become impossible for many, and CBO estimates that two-thirds of students would not be able to enroll in additional coursework.<sup>12</sup>
- *Eliminating subsidized loans for low- and middle-income students*, which would increase student loan debt by tens of thousands of dollars for over 4 million students by starting interest accrual from the day the student takes out a loan.<sup>13</sup> Many students are already reluctant to take out loans to cover their living costs, and imposing interest will lead to more students choosing to drop out or not enroll in higher education at all.
- *Excluding refugee and displaced students from financial aid*, ripping away long-standing assistance from victims of human trafficking, survivors of domestic violence, and students displaced by war, armed conflict, and disease who have resettled legally in the United States and are seeking economic stability for themselves and their families.<sup>14</sup>
- *Creating new annual “caps” on loan assistance for students attending programs above the median cost of attendance*, which would reduce federal aid eligibility for students in half of all programs nationwide. This proposal would establish a vast and complex system of annual individualized loan limits that would impose immense burdens on students who would no longer know how much aid they are eligible for each year. This proposal will also add substantial workloads to already overburdened financial aid offices and require major changes to Federal Student Aid systems.

## Proposals that Reduce Student Access to Public Benefits and Supports

- *Expanding SNAP work requirements for millions of adults and narrowing the definition of “dependent child,”* which would threaten access to SNAP benefits to over 11 million people

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<sup>9</sup> Partridge, S. (2025, May 13). *Congressional Republicans’ Proposed Budget Reconciliation Bill Imperils 4.4 Million Pell Grant Recipients*. Center for American Progress.

<sup>10</sup> Congressional Budget Office. (2025, May 15). *Cost Estimate: Reconciliation Recommendations of the House Committee on Education and Workforce*.

<sup>11</sup> Supra, see note 9.

<sup>12</sup> Supra, see note 10.

<sup>13</sup> Zampini, M. & Bruecker, E. (2025, May 7) *House Republican Proposal to Eliminate Subsidized Student Loans Would Spike College Costs for Low-Income Students*. The Institute for College Access & Success.

<sup>14</sup> Presidents’ Alliance on Higher Education and Immigration. (2025, May 13). *Proposed Financial Aid Eligibility Changes in Reconciliation Bill Would Restrict Access to Federal Financial Aid*

nationwide.<sup>15</sup> This proposal, which primarily affects the so-called “able-bodied adults without dependents” (ABAWD) rules, will create misalignment between the SNAP student rules and the ABAWD rules, severely restrict access to benefits for part-time students and parenting students in higher education, and needlessly complicate the program for the over 3 million students enrolled more than half-time who are currently eligible for SNAP.<sup>16</sup>

- *Limiting the frequency of updates to the Thrifty Food Plan (TFP), which would lock in SNAP benefit amounts at outdated levels at a time of rising grocery and food prices, amounting to an effective cut in benefits over time and reduced purchasing power for families to put food on the table. The previous update to the TFP kept 2.9 million Americans out of poverty.*<sup>17</sup>
- *Instituting new work requirements under Medicaid, ending enhanced Affordable Care Act tax credits, increasing eligibility checks to twice annually, and eliminating incentives for states to expand Medicaid, which would result in 8.6 million or more people losing health insurance nationwide by 2034,<sup>18</sup> and endangering healthcare coverage for the estimated 3.5 million students who currently access Medicaid,<sup>19</sup> particularly students who are enrolled part-time in higher education, while creating complex new verification requirements for those who are enrolled at least half-time.*
- *Preventing individuals, and members of families with individuals, without a social security number from qualifying for tax credits including the American Opportunity Tax Credit (up to \$2,500), Lifetime Learning Credit (up to \$2,000), and Child Tax Credit (up to \$2,000), which could eliminate thousands of dollars in tax relief for millions of students from mixed-status families.*
- *Creating a new certification program for the Earned Income Tax Credit, which would create additional red tape for low-income tax filers, including the majority of college students who work full- or part-time.*

### **Proposals that Reduce State Fiscal Support for Higher Education**

- *Radically altering the funding model for SNAP by imposing a substantial “cost-sharing” burden on states of at least \$4.7 billion annually, a large portion of which is likely to come from public higher education and result in rising tuition and other costs to students.*<sup>20</sup> The

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<sup>15</sup> Bergh, K., Nchako, C., & Nunez, L. (2025, 13 May). *Expanded Work Requirements in House Republican Bill Would Take Away Food Assistance from Millions: State and Congressional District Estimates*. The Center on Budget and Policy Priorities.

<sup>16</sup> U.S. Government Accountability Office. (2024, July 24). *Supplemental Nutrition Assistance Program: Estimated Eligibility and Receipt among Food Insecure College Students*.

<sup>17</sup> Wheaton, L. (2025, April 21). *Updated SNAP Benefits Decreased Poverty in Every State*. The Urban Institute.

<sup>18</sup> Jared Ortaliza, J., et al. (2025, 13 May). *How Will the 2025 Budget Reconciliation Affect the ACA, Medicaid, and the Uninsured Rate?*. KFF.

<sup>19</sup> Granville, P. (2025, March 26). *Beyond Health: Medicaid Cuts Could Put College Dreams on Life Support*. The Century Foundation.

<sup>20</sup> Bergh, K. & Rosenbaum, D. (2025, May 13). *House Agriculture Committee Proposal Would Worsen Hunger, Hit State Budgets Hard*. The Center on Budget and Policy Priorities.; Delaney, J. & Doyle, W. (2011) *State Spending on Higher Education: Testing the Balance Wheel Over Time*, 36 J. of Educ. Fin. 4, 343-368 (2011) ; Webber, D. (2017) *State divestment and tuition at public institutions*, 60 Econ. of Educ. Rev. 1.

proposal requires states to pay a minimum of 5 percent, and up to 25 percent, of SNAP benefit costs starting in 2028, with even higher penalties for small, unintentional paperwork mistakes.

- *Reducing the federal share of SNAP administrative costs*, which would amount to a \$27 billion increase in state obligations through 2034 and severely threaten funding to public goods like higher education, including community colleges and state financial aid programs.<sup>21</sup>
- *Requiring new state cost-sharing provisions in Medicaid, cutting matching rates for certain states, and eliminating incentives for states to expand Medicaid*, which in addition to threatening insurance coverage for millions, would require states to spend billions of dollars annually to maintain enrollment levels, which will crowd out funding for higher education and other supports and force states to find the equivalent of half or more of their higher education budgets to cover the Medicaid shortfall.<sup>22</sup>

**In total, the reconciliation proposals would be devastating for students in higher education and would create extreme, unsustainable pressures on both institutions and the state governments that fund public colleges and financial aid.** It would also lead to millions of students opting out of any higher education altogether, causing untold damage to the economy and curtailing opportunity for millions of low and middle-income families.

As the budget reconciliation process continues, we call on the Senate to reject these provisions and instead put forward new tax and spending reforms that expand aid to students while addressing the high costs of living they routinely face. Doing so will support educational attainment, reduce needless red tape, and enhance our workforce and economy. We look forward to working with you on these critical efforts.

Sincerely,

The Hope Center for Student Basic Needs  
AFT, AFL-CIO  
American Association of University Women (AAUW)  
Associated Students of UC San Diego  
BLU Educational Foundation  
California Association of Food Banks  
California Competes: Higher Education for a Strong Economy  
California State Student Association  
Campus Compact  
Center for American Progress

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<sup>21</sup> Plata-Nino, G. (2025, May 16). *House Republicans Advance Deep Cuts to SNAP, Shifting Costs to States While Hunger and Economic Pressures Mount*. Food Research and Action Center; Bergh & Rosenbaum, (2025).

<sup>22</sup> Williams, E., Burns, A., & Rudowitz, R. (2025, March 24). *Putting \$880 Billion in Potential Federal Medicaid Cuts in Context of State Budgets and Coverage*. KFF; Welton, C., Martin, D., & Roberson, E. (2025, April 25). *Cuts to Health & Nutrition Programs Will Harm Millions of Americans and, Once Again, Imperil State Higher Education Affordability for a Generation of Students*. The Institute for College Access and Success.

Center for Healthy Communities  
Center for Higher Education Policy and Practice at SNHU  
Community Action Partnership of Orange County  
Community Food Bank of San Benito County  
Council for Adult and Experiential Learning (CAEL)  
Disability Rights California  
EdTrust  
End Child Poverty California  
Food Research & Action Center (FRAC)  
Food Share Ventura County  
FoodShare SC, University of South Carolina  
Fostering Academic Achievement Nationwide (FAAN)  
Hildreth Institute  
Hill Country Adventure Therapy  
Hunger Free Colorado  
MA Hunger Free Campus Coalition  
Maryland Hunger Solutions  
Massachusetts Law Reform Institute  
Michelson Center for Public Policy  
NASPA-Student Affairs Administrators in Higher Education  
National Association for College Admission Counseling  
National Association of State Student Grant & Aid Programs (NASSGAP)  
National College Attainment Network (NCAN)  
New America, Higher Education Policy Program  
Nourish California  
One Family  
Presidents' Alliance on Higher Education and Immigration  
Public Advocates, Inc.  
Resilient Students Network  
Robin Hood  
San Francisco-Marin Food Bank  
SCC Chaser's Pantry  
SchoolHouse Connection  
Second Harvest Food Bank of Orange County  
Southern California College Attainment Network  
Student Basic Needs Coalition  
Student Debt Crisis Center  
Swipe Out Hunger  
The Campaign for College Opportunity  
The Institute for College Access and Success  
Today's Students Coalition  
Tri-C/UTA Food Pantry  
UC Graduate and Professional Council  
UCLA Undergraduate Students Association  
UCSB Graduate Student Association  
United Way of King County  
University of California Student Association (UCSA)  
University of Washington Graduate & Professional Student Senate

Utahns Against Hunger  
Washington Student Association  
Washington's Postsecondary Basic Needs Coalition  
Young Invincibles  
Youth Law Center