



Senate Finance and Appropriations Committee
Education Sub-Committee
January 20, 2026

Diverse, Historic, & Statewide Presence



Appalachian College of Pharmacy



Appalachian School of Law



Averett University



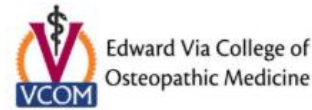
Bluefield University



Bridgewater College



Eastern Mennonite University



Edward Via College of Osteopathic Medicine



Emory & Henry University



Ferrum College



George Washington University Virginia Science and Technology Campus



Hampden-Sydney College

Hampden-Sydney College



Hampton University



Hollins University



Liberty University



Mary Baldwin University



Marymount University

Diverse, Historic, & Statewide Presence



Randolph College



Randolph-Macon College



Regent University



Roanoke College



Shenandoah University



Southern Virginia University



Sweet Briar College



University of Lynchburg



University of Richmond



Virginia Union University



Virginia Wesleyan University



Washington and Lee University

Virginia Private Colleges Overview

- ▶ Virginia Private Colleges represents 28 accredited, nonprofit private colleges and universities across the Commonwealth.
- ▶ Virginia Private Colleges generate nearly \$5 billion in statewide economic impact and employ 30,000 Virginians.
- ▶ Virginia Private Colleges educate well over 100,000 students each year.
- ▶ Virginia Private Colleges produce approximately one-third of all degrees awarded in Virginia, including almost 40% of nursing degrees.
- ▶ Virginia Private Colleges deliver that value while receiving only 3.7% of Virginia's General Fund spending on higher education.
- ▶ Virginia Private Colleges thanks the state for investing in approximately 22,000 Virginia students through the Virginia Tuition Assistance Grant (currently \$5,250). A recent study shows that for every \$1 invested in TAG, the state derives a \$2 return.
- ▶ Virginia Private Colleges partners with the state through SCHEV as the coordinating body for higher education.



Virginia Private Colleges Produce Essential Talent for Virginia's Workforce

- ▶ Virginia Private Colleges supports and partners with the state to advance workforce-aligned talent through participation in the Virginia Talent + Opportunity Partnership, or V-TOP.
- ▶ Virginia Private Colleges proudly collaborates with the Virginia Business Higher Education Council (Growth4Va) and the Chamber of Commerce Education and Workforce Industry Council in their work to advance and promote internships.
 - ▶ Each organization has endorsed the state Tuition Assistance Grant program, including further investment in the maximum award.
- ▶ Virginia Private Colleges produce results, in 2023-24...
 - ▶ Virginia private colleges produced 39,000+ degrees.
 - ▶ These graduates add \$161 million in annual productivity to the state economy.
 - ▶ Lifetime economic impact will exceed \$2.3 B.



Virginia Private Colleges are Accessible & Affordable Institutions

- ▶ Virginia Private Colleges serve high-need students, many first-generation and low to middle-income students and families and nearly half of our students are Pell-eligible (47%), which by percentage is more than public counterparts.
- ▶ **82% of students receive aid with an average award amount of \$25,000.**
- ▶ Virginia Tuition Assistance Grant further stabilizes costs for Virginia students and enables greater access to higher education in the state.
- ▶ **Promise Programs:** 9 Virginia private colleges offer institution-backed “promise” guarantees that eliminate or sharply reduce tuition (and sometimes full cost of attendance) for eligible students after federal, state, and institutional aid is applied.
- ▶ Last session, the General Assembly invested \$10 million to hold harmless the maximum TAG award at \$5,250.
- ▶ This year, SCHEV recommended slightly over \$20 million for the new biennial budget to move the maximum TAG award from \$5,250 to \$5,350.

Virginia Private Colleges Face Strong DC Headwinds

- ▶ Since the end of the last General Assembly Session, Virginia Private Colleges have experienced increased utilization of TAG and significant federal policy changes (including House Bill 1 and the Reconciliation Act / “One Big Beautiful Bill”), intensifying pressure on affordability.
- ▶ Changes to Pell eligibility: Starting July 1, 2026, students with an SAI of \$14,790+ or those receiving full-ride aid lose Pell eligibility, reducing access for many low-income and scholarship athletes.
- ▶ Changes to federal loan programs—Grad PLUS (eliminated July 1, 2026), Parent PLUS and student loans caps, result in a total estimated impact to Virginia students of approximately about \$238 M.
- ▶ 5% enrollment decline equals roughly 4,000 fewer students and about \$60 million in lost tuition revenue.
- ▶ 5% graduate enrollment decline equals about \$101 million in lost revenue
- ▶ None of this summary includes the changes in policy by Executive Order, Office of Civil Rights policy at ED and False Claims Act enforcement by DOJ

Explanation of Program Changes

Pell Grant Changes

Starting July 1, 2026, students with an SAI of \$14,790+ or those receiving full-ride aid lose Pell eligibility, reducing access for many low-income and scholarship athletes.

Graduate PLUS Loan Changes

Effective July 1, 2026, the Grad PLUS program is eliminated. Graduate loans are capped at \$20,500 annually and \$100,000 lifetime; professional loans at \$50,000 annually and \$200,000 lifetime. A new aggregate limit of \$257,500 applies to all federal loans (excluding Parent PLUS). Students enrolled before June 30, 2026, have a three-year exemption. Loan limits also shrink for part-time students based on an upcoming ED schedule.

Parent PLUS Loan Changes

From July 1, 2026, Parent PLUS loans are capped at \$20,000 annually and \$65,000 lifetime per dependent student. This replaces the current option of borrowing up to full cost of attendance. Families relying on larger amounts may face significant unmet need, increasing reliance on private loans or institutional aid.

Undergraduate Loan Changes

The OBBB introduces a new aggregate lifetime loan cap of \$257,500 across all federal loans (excluding Parent PLUS) starting July 1, 2026. While few undergraduates will approach this cap, it may affect long-term borrowers who continue to graduate or professional study. Additionally, there is a proportional reduction in annual loan limits for part-time students, beginning in 2026-27. The Department of Education will publish the reduction schedule institutions must apply.

Dollar Impact of Program Changes

Category	Amount (USD)	Details
Direct Financial Impact		
Pell Grant Loss	(\$28,422,910)	Approximately 6% loss of Pell.
Workforce Pell Grant Gain	\$0	No institutions reported Workforce Pell.
Accountability Program Closures	(\$40,966,293)	51 programs risk losing access to TIV loans.
Compliance Cost	(\$5,658,721)	Ongoing costs may be lower after phase-in.
Medicaid Cost to Students	\$304,949	Increased revenue to institutions for health insurance.
Tax Change Impact		
Expiring Energy Credits	(\$1,000,000)	One institution reported planned use.
Excise Tax on Salaries	(\$420,000)	Based on currently reported information.
Increased Donations/Small Donors	\$854,069	Assumes small increase in donation revenue from small donors.
Student Loan Access Impact		
Parent PLUS Loan Loss	(\$3,448,267)	This amount will be unavailable to parents based on current borrowing over new limit.
Grad PLUS Loan Loss	(\$207,982,396)	This amount will be unavailable to students. This amount will be unavailable to students.

Potential Enrollment Decline Impact

Category	Tuition Revenue Loss	Number of FTE Loss
5% Decline in Undergraduate Enrollment	(\$59,934,269)	(4,019)
10% Decline in Undergraduate Enrollment	(\$119,868,538)	(8,038)
15% Decline in Undergraduate Enrollment	(\$179,802,806)	(12,057)
5% Decline in Graduate Enrollment	(\$101,560,738)	(2,253)
10% Decline in Graduate Enrollment	(\$203,121,476)	(4,507)
15% Decline in Graduate Enrollment	(\$304,682,214)	(6,760)

Notes and Sources

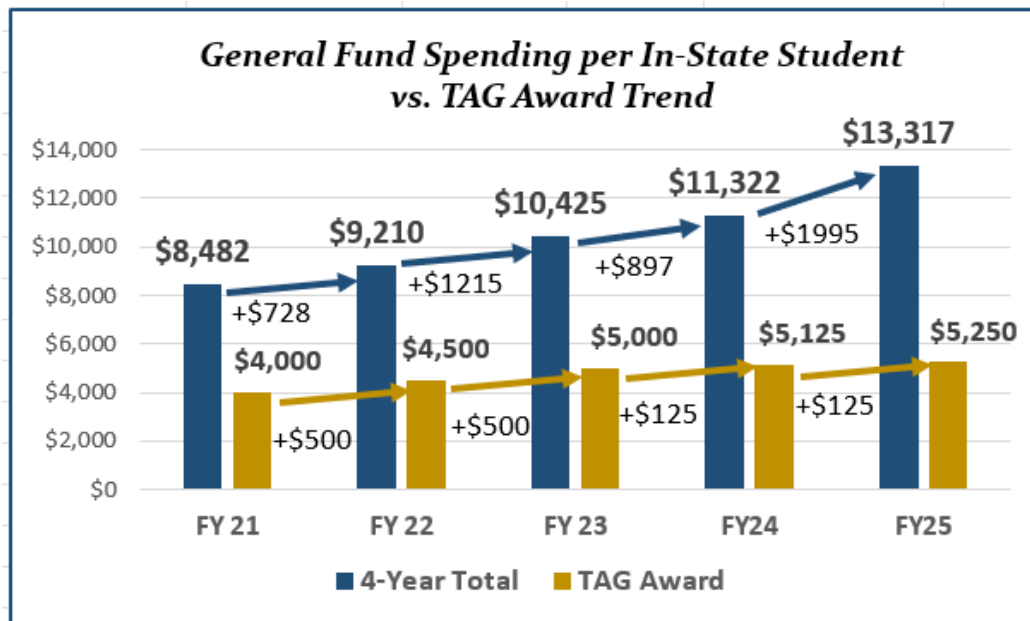
All data used in this analysis is sourced from IPEDS, OB3 survey conducted by CICV, NSLDS, Urban Institute, College Scorecard, and AEI. These estimates are not meant to be aggregated for a single impact value. Many of the changes interact (loan availability and enrollment, for example), aggregating would lead to double-counting.

General Assembly 2026 Priorities

TAG Remains #1 Priority

Award is \$5,250 for FY26 with base appropriation of \$112M. Requested Amendment, based on SCHEV recommendation, moves the award to \$5,300 (\$8.7M) and \$5,350 (\$11.5M) over the biennium.

TAG's purchasing power has eroded. TAG's best comparison is General Fund spending per In-State Student, a figure which has increased a dramatic 57% in the last four years. The TAG award has increased by just 31% in the same time period, as shown in the table below.



More Policy Priorities & Budget Initiatives

► **Preservation & Maintenance Program - Del. Willett, Sen. Boysko**

Virginia's private nonprofit colleges—including 2 HBCUs—carry deferred maintenance needs (often in historic facilities) but lack consistent access to affordable capital; proposal creates a competitive, dollar-for-dollar matching *Preservation & Maintenance Program* grounded in Virginia's constitutional authority to partner with nonprofits and administered by SCHEV with DHR to leverage state dollars, spur private investment, prevent costly failures, and strengthen the Commonwealth's talent pipeline—modeled on 6 similar programs

► **Affinity License Plate Parity - Del. McQuinn, Del. Sewell, and Sen. Bagby**

Grant DMV clear statutory authority to also establish an MOU-based data-matching program for nonprofit private colleges, ensuring parity with publics while maintaining strong safeguards.

► **DHRM Internship Coordinator - Del. Sullivan, Sen. Aird**

Support the creation of a single coordinating position at DHRM to help link agencies with students seeking internships. Initiative pairs well with InternshipVA (VEDP) and VTOP (SCHEV).

Comments & Questions

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