



Updates from Washington, DC

2025 Annual Conference
Tuesday, July 15, 2025
Seven Springs Mountain Resort





Cecil Kidd

Executive Director

Cecil Kidd serves as the Executive Director of the American Association of Career Schools (AACCS), the premier association representing beauty, barber, and wellness institutions across the country. Kidd has significant experience as a leader in the areas of association management, postsecondary education, and government relations.

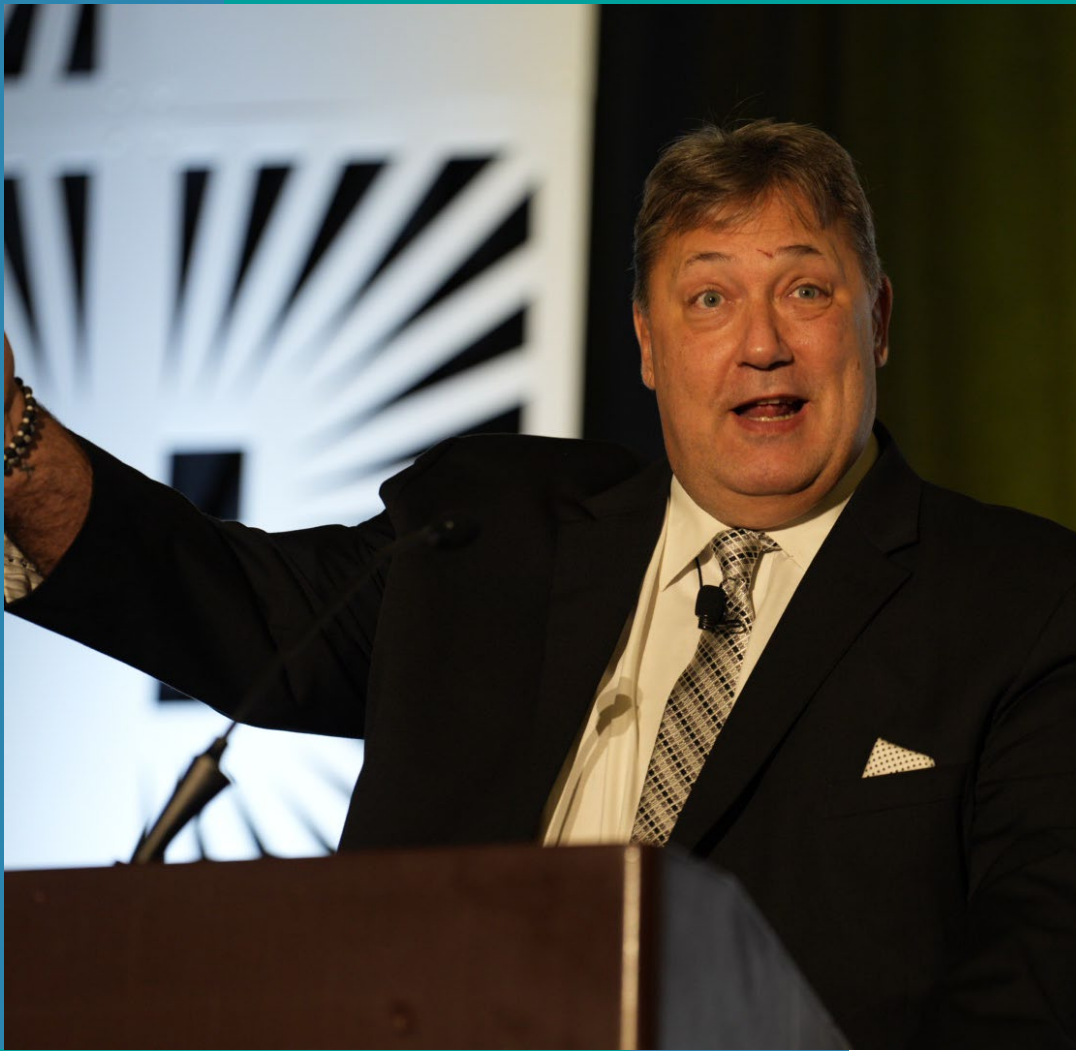
Cecil@myaacs.org

Jordon Wicker

**Senior Vice President
Regulatory & Legislative Affairs**

Jordan Wicker is CECU's Senior Vice President, Legislative and Regulatory Affairs. In this role, Jordan leads the association's strategic efforts in building relationships with Republican lawmakers on Capitol Hill, as well as assisting with various regulatory matters impacting CECU-member schools.

Jordon.wicker@career.org



Tom Netting Co-Executive Director

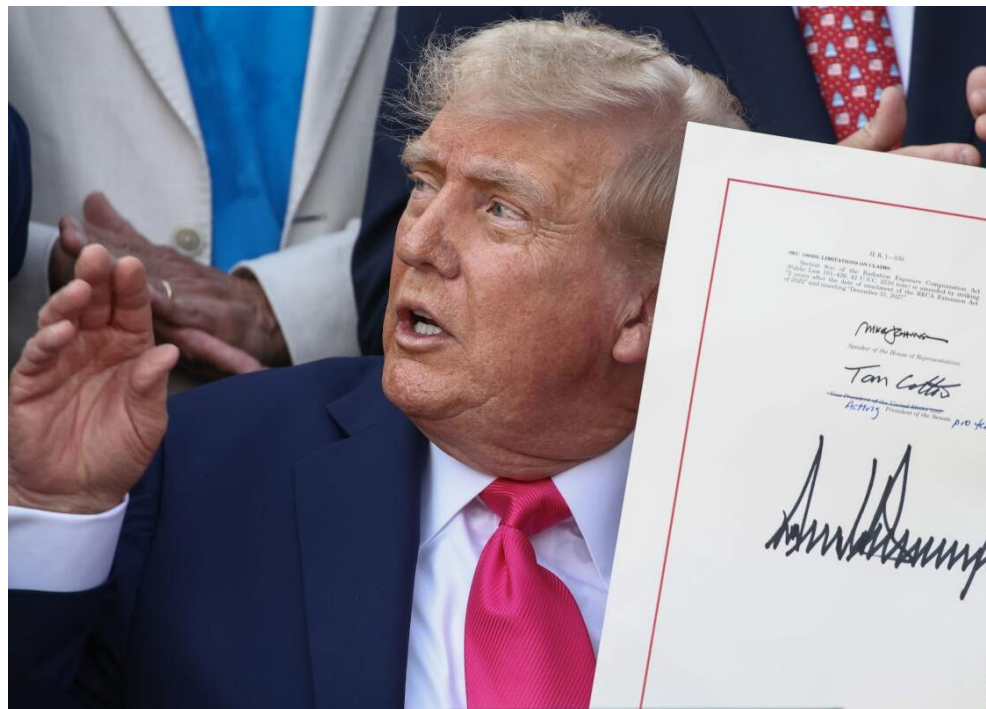
Having spent all of his professional career devoted to higher education policy oversight and implementation, Tom Netting has an extensive knowledge of the laws and regulations governing all aspects of higher education. His considerable background and experience have afforded him the opportunity to view the development and implementation of federal higher education and workforce development policy in their entirety – including issues related to higher education and workforce development, health care, veteran affairs policies and the procurement of federal appropriations.

Tom@tengovtstrategies.com



Budget Reconciliation





Key Portions of the Statutory Amendments to the HEA

STUDENT LOANS



- Student Eligibility
- Loan Limits
- Loan Repayment

New
Federal Workforce
Pell Grant Program

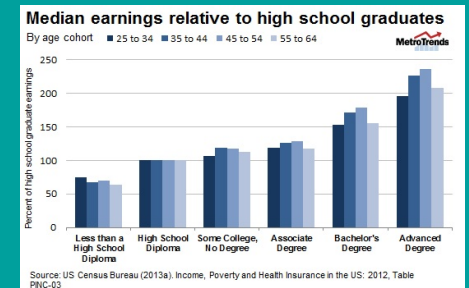
**FEDERAL
PELL
GRANT**

REGULATORY RELIEF



Ten-Year Delay In
Implementation of—
Borrower Defense to
Repayment
&
Closed School Discharge
Regulations

New
Low Earnings
Outcomes
Institutional
Accountability
Policy



Federal Student Loan Eligibility, Loan Limits, & Loan Repayment



Student Loan Eligibility

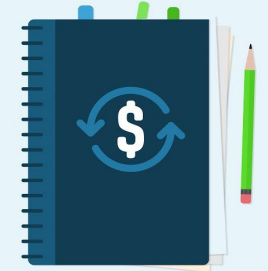
- Exemption of Certain Assets
Adds to the list of FAFSA exclusion to include:
Family Farms;
Small Business; and
Commercial Fishing Business.



Student Loan Limits

- Eliminates GRAD PLUS Loans
- Establishes PLUS Loan Annual & Aggregate Loan Limits for Undergraduate, Graduate, and Professional Loans
- Establishes Lifetime Maximum Aggregate Loan Limits
- Establishes Strict Prorata Loan Limits for Less Than Half Time Student Borrowers
- Provides Institutions with the Authority to Limit Undergraduate Loan Limits

Your Guide to Student Loan Repayment Plans



Student Loan Repayment

- Transitions Loan Repayment Options for Borrowers
Phasing out three different income-based repayment plans down to a single NEW Repayment Assistance Plan by July 1, 2028; and
Providing one standard repayment plan
- Sunsets Economic Hardship and Unemployment Deferrals
- Provides Borrowers with TWO Opportunities to Rehabilitate Student Loans
- Provides \$1 Billion to Establish the New RAP and Address the Current Student Loan Repayment Crisis

Federal Pell Grants



Federal Workforce Pell Grants

- Establishes a New Federal Workforce Pell Grant Program
- An Eligible Program Must Meet Specific Eligibility Criteria
- Provides an Additional \$10.5 Billion to Implement the New Pell Program and Address Future Years' Potential Shortfalls



Federal Pell Grant Eligibility & Ineligibility

- Requires Foreign Income Exempt from Taxation and Foreign Income Tax Credits Inclusion in Student Eligibility Calculations
- Eliminates Eligibility for Students/Families with a Student Aid Index 2x Higher Than the Maximum Federal Pell Grant
- Eliminates Eligibility If a Student Receive Grant Aid from Non-Federal Sources, Including States, Institutions of Higher Education, or Private Sources, Equal To Or Exceeding Cost of Attendance

Low Earnings Outcomes Accountability For Certain Programs



Low-Earning Outcome Program Details

Low-earning outcome programs is—

An educational program at an institution is a low-earnings outcome program **if the program awards an undergraduate degree, graduate or professional degree, or graduate certificate**, for which the median earnings (as determined by the Secretary) of the programmatic cohort of students who received funds under this title for enrollment in such program, who completed such program during the academic year that is 4 years before the year of the determination, who are not enrolled in any institution of higher education, and who are working, are, for not less than 2 of the 3 years immediately preceding the date of the determination, less than the median earnings of a working adult for the corresponding year.

A working adult is—

A working adult who, for the corresponding year--

- (i) is aged 25 to 34;
- (ii) is not enrolled in an institution of higher education; and
- (iii)(I) in the case of a determination made for an educational program that awards a baccalaureate or lesser degree, has only a high school diploma or its recognized equivalent; or
- (II) in the case of a determination made for a graduate or professional program, has only a baccalaureate degree.

Low-Earning Outcome Program Details

Appeals process

An educational program shall not lose eligibility unless the institution has had the opportunity to appeal the programmatic median earnings of students working and not enrolled determinations through a process established by the Secretary. During such appeal, the Secretary may permit the educational program to continue to participate in the program under this part.

Notice to students

If an educational program of an institution of higher education subject to this subsection does not meet the cohort median earning requirements, as described in paragraph (2), for one year during the applicable covered period but has not yet failed to meet such requirements for 2 years during such covered period, the institution shall promptly inform each student enrolled in the educational program of the eligible program's low cohort median earnings and that the educational program is at risk of losing its eligibility for funds under this part.



Regulatory Guidance



New Interpretation and Clarification of 90/10 Rule



FEDERAL REGISTER

The Daily Journal of the United States Government



Ⓡ Rule

Classification of Revenue Under Title IV

A Rule by the [Education Department](#) on 07/07/2025



PUBLISHED DOCUMENT: 2025-12554 (90 FR 29734)



PDF



Document
Details



Document
Dates



Table of
Contents

DOCUMENT HEADINGS

Department of Education
34 CFR Part 668

AGENCY:

Office of the Secretary, Department of Education.

New Interpretation and Clarification of 90/10 Rule

Background

The Department believed “limiting these ineligible programs from distance education or from unapproved locations will also permit greater oversight of the reported revenues by the Department.” It found that “after weighing the potential benefits and risks, the Department has determined that the risk of abuse outweighs the potential benefits.” Therefore, the Department declined “to allow institutions to include revenue generated from these ineligible programs in their 90/10 calculations. We further note that these regulations only govern revenue generated from ineligible programs that an institution counts in its 90/10 calculation and does not exclude a proprietary institution's ability to offer these programs.”⁸⁷ FR 65450.

But the Department did not include amendments in the final rule to the actual regulatory text or the accompanying Appendix to incorporate the assertions contained within the preamble text cited above. The Department simply refers to “location” in 34 CFR 668.28(a)(3)(iii) but does not specify the modality of instruction. When calculating revenue for the purposes of eligible programs under the 90/10 Rule, the regulation makes no distinction between distance education and in-person instruction. As a result, if the Department intended to break new ground in the regulation by creating a new distinction for ineligible programs (despite there being no distinction for ineligible program under Section 487(a)(24) of the HEA), one would expect it to do so on clear terms. But the Department did not make any substantive changes to the 90/10 Rule explicitly relating to modality in the final rule itself; nor did it make any changes between its proposal in the Notice of Proposed Rulemaking and the final rule.

New Interpretation and Clarification of 90/10 Rule

The Preamble Cannot Be Used To Add Substantive Duties That the Regulations Do Not Contain

The Administrative Procedure Act (APA) enables agencies to publish interpretive rules outside the informal notice-and-comment rulemaking process. 5 U.S.C. 553(b)(A), (d)(2). Unlike legislative rules, “interpretive rules do not have the force and effect of law and are not accorded that weight in the adjudicatory process.” *Perez v. Mortg. Bankers Ass'n*, 575 U.S. 92, 97, 135 S. Ct. 1199, 1204 (2015) (internal citations omitted). Interpretive rules are “issued by an agency to advise the public of the agency’s construction of the statutes and rules which it administers.” *Shalala v. Guernsey Memorial Hospital*, 514 U.S. 87, 99 (1995). A legal interpretation articulated in the preamble to a final rule has not gone through notice and comment rulemaking and so cannot legally have a binding effect. See *Wilgar Land Co.*, 85 F.4th at 837 (holding that a preamble that responds to comments as part of a final rule is an interpretive rule); *Fertilizer Inst. v. EPA*, 935 F.2d 1303, 1308 (D.C. Cir. 1991) (concluding that the preamble was an interpretive, not legislative, rule). In other words, agencies “cannot use preambles to add substantive duties that the regulations themselves do not contain.” *Wilgar Land Co.*, 85 F.4th at 837. *Id.*“

The critical distinction between legislative and interpretative rules is that, whereas interpretive rules simply state what the administrative agency thinks the statute means, and only remind affected parties of existing duties, a legislative rule imposes new rights or duties.” *Iowa League of Cities v. EPA*, 711 F.3d 844, 873 (8th Cir. 2013) (cleaned up). In determining whether a rule is legislative or interpretive, courts consider whether the agency intended to speak with the force of law. See *Guedes v. Bureau of Alcohol, Tobacco, Firearms & Explosives*, 920 F.3d 1, 18 (D.C. Cir. 2019) (citing *Encino Motorcars, LLC v. Navarro*, 136 S. Ct. 2117, 2122, (2016)). In other words, if the agency used language that conveys that its pronouncements must be followed, the rule is legislative; by contrast, interpretive rules use permissive language that does not purport to bind private actions. *Id.*

New Interpretation and Clarification of 90/10 Rule

The Preamble Cannot Be Used To Add Substantive Duties That the Regulations Do Not Contain

Here, the Department's discussion in the preamble text uses language that purports to bind private action in calculating the revenue percentages under the 90/10 Rule. Indeed, the Department wrote, “we decline to allow institutions to include revenue generated from these ineligible programs in their 90/10 calculations.” The phrase “we decline to allow” is another way of saying “we prohibit.” Prohibitions are mandatory, not permissive. Therefore, the preamble most resembles a legislative rule because it claims to categorically prohibit certain types of private conduct, namely prohibiting institutions from including revenue generated from certain ineligible programs in their 90/10 calculations.

As discussed above, legislative rules must go through notice-and-comment rulemaking and cannot be included in the preamble text to a final rule. Yet here, the Department did not include any changes to the regulatory text to incorporate the preamble text quoted herein. Of note, the Department's regulations include eight separate categories of types of revenue that are excluded from revenue calculation for the purpose of calculating the 90/10 Rule. 34 CFR 668.28(a)(6)(i)-(viii). The Department could have added additional categories of excluded revenue to 34 CFR 668.28(a)(6), but it declined to do so. Thus, because the Department did not make the changes to the actual regulatory text, the preamble text cited above is non-binding and does not have the force of law.

New Interpretation and Clarification of 90/10 Rule

The 90/10 Rule May Include Revenue Generated From Ineligible Programs

As discussed above, the Department believes the preamble was procedurally deficient under the APA; however, even if the Department had properly created a distinction for these ineligible programs under the 90/10 regulations, it is clear that such a regulation would have been unlawful. See *Loper Bright Enters v. Raimondo*, 603 U.S. 369, 400 (2024) (holding that if a federal agency's interpretation of a federal statute is not the best reading of the law, then it is not permissible). Section 487(a)(24) of the HEA provides that to be eligible for Title IV programs, proprietary institutions of higher education must “derive not less than ten percent of such institution's revenues from sources other than federal funds that are disbursed or delivered to or on behalf of a student to be used to attend such institution . . .” In making these calculations, Section 487(d)(1) provides very prescriptive rules regarding what revenue is to be included in the institution's calculation of “federal funds” (the ‘90’ side) and what other sources of funds may be counted (the ‘10’ side).

As it pertains to the inclusion of revenue from ineligible programs, section 487(d)(1)(B)(iii) provides that institutions consider as revenue only those funds generated by the institution from:

(iii) funds paid by a student, or on behalf of a student by a party other than the institution, for an education or training program that is not eligible for funds under this title, if the program—

- (I) is approved or licensed by the appropriate State agency;
- (II) is accredited by an accrediting agency recognized by the Secretary; or
- (III) provides an industry-recognized credential or certification.

New Interpretation and Clarification of 90/10 Rule

The 90/10 Rule May Include Revenue Generated From Ineligible Programs

When interpreting the statute, the text should be construed as a whole, as statutory enactments contain interrelated parts that may provide context when construing one of its parts. See Scalia & Garner, *Reading Law* 167 (2012); *United Savings Ass’n v. Timbers of Inwood Forest Assocs.*, 484 U.S. 365, 371 (1988) (a statutory “provision that may seem ambiguous in isolation is often clarified by the remainder of the statutory scheme—because the same terminology is used elsewhere in a context that makes its meaning clear, or because only one of the permissible meanings produces a substantive effect that is compatible with the rest of the law” (internal citation omitted)); *Merit Mgmt. Grp., LP v. FTI Consulting, Inc.*, 583 U.S. 366, 378 (2018) (considering “[t]he language of [the statutory provision at issue], the specific context in which that language is used, and the broader statutory structure”); *Johnson v. United States*, 559 U.S. 133, 139 (2010) (“Ultimately, context determines meaning.”)

Congress's careful construction of subsection (iii) is authoritative. Unlike the interpretation in the preamble, nothing contained within the clause directs the Secretary to consider the modality of educational delivery, such as distance education. Here, when considering the broader statutory enactment throughout the HEA, it is clear that Congress knows how to create distinct rules for distance education programs when it wishes to do so. See *Whitfield v. United States*, 543 U.S. 209, 216 (2005) (“Congress has included an express overt-act requirement in at least 22 other current conspiracy statutes, clearly demonstrating that it knows how to impose such a requirement when it wishes to do so”). Within the text of the HEA, Congress has used the phrase “distance education” 44 times, oftentimes creating distinct rules for such programs under the HEA. Here, the Department presumes that, if Congress had wanted to create a distinction for revenue from distance education programs for the purposes of the 90/10 Rule, it would have said so. It did not, so neither may the Department.

New Interpretation and Clarification of 90/10 Rule

The 90/10 Rule May Include Revenue Generated From Ineligible Programs

In the same way, and unlike the language of the preamble, subsection (iii) does not authorize the Secretary to engage in a process of “weighing the potential benefits and risks” of including or excluding certain types of revenue. There is no indication in the statute that Congress intended to delegate that sort of legislative judgment to the Secretary. Instead, Congress wrote a granular formula for calculating revenue directly into the statute, leaving little-to-no room for regulatory interpretation, and certainly no room for a policy exercise of “weighing the potential benefits and risks.”

Finally, subsection (iii) does not speak of “unapproved locations,” that are mentioned in the preamble. To the contrary, it creates a disjunctive three-part test for including revenue from ineligible programs. So long as funds are “paid by a student, or on behalf of a student by a party other than the institution” such revenue may be included if any of the following criteria are met: (1) the program is approved or licensed by the appropriate State agency; (2) the program is accredited by an accrediting agency recognized by the Secretary; or (3) the program provides an industry-recognized credential or certification. 20 U.S.C. 1094(d)(1)(b)(iii).

As shown above, none of the subclauses under subsection (iii) deal with the location of instruction, physical or otherwise. As such, location is not relevant for the purposes of calculating revenue within this context under the 90/10 Rule.

New Interpretation and Clarification of 90/10 Rule

The 90/10 Rule May Include Revenue Generated From Ineligible Programs

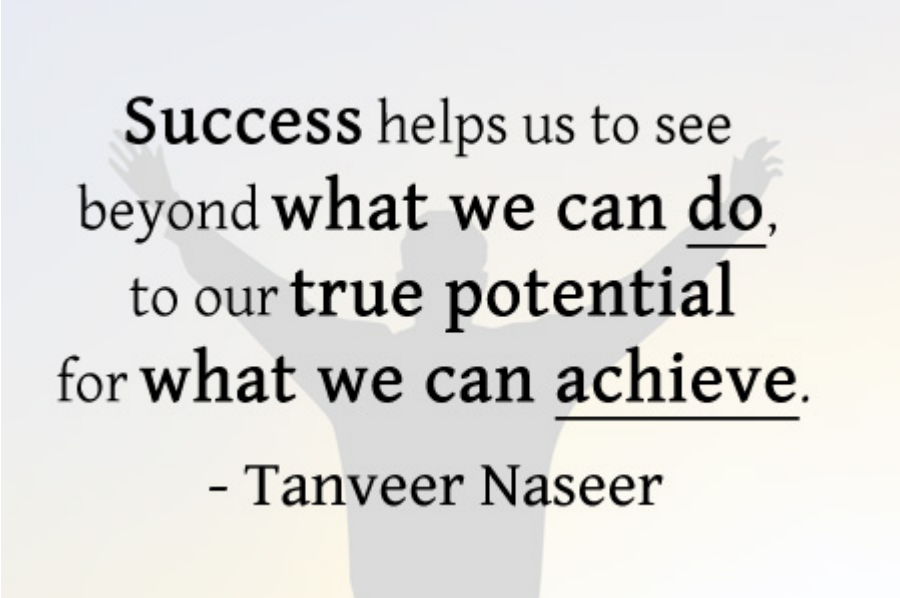
Finally, the Department notes that regulatory changes made in the ARP only concerned the shifting of certain types of federal revenue received by institutions from the `10' side to the `90' side of the 90/10 Rule. The ARP did not make any specific amendments to the 90/10 Rule to reduce the overall amount of revenue. Although the Department was not limited in its rulemaking to making regulatory amendments to exclusively implement the ARP, Congress also could have made changes to exclude other types of revenue from the 90/10 Rule if it wanted to within the ARP. Congress chose not to do so, which provides some evidence that Congress was satisfied with the statutory and regulatory balance that had already been struck relating to the inclusion of revenue for certain types of ineligible programs. This provides further evidence that the interpretive rule within the preamble conflicts with the carefully crafted statutory design.

Interpretive rules do not have effective dates and, as such, institutions may revise their revenue calculations under 34 CFR 668.28 for fiscal years that have already concluded. See *Guedes v. Bureau of Alcohol, Tobacco, Firearms & Explosives*, 920 F.3d 1, 20 (D.C. Cir. 2019).

New Interpretation and Clarification of 90/10 Rule

Conclusion

The Department's interpretation announced herein supersedes the interpretive rule that was published in the preamble to the 2022 final rule. This interpretation represents the Department's current interpretation and may be consulted by the Department when enforcing the 90/10 Rule. But this interpretation is not binding on regulated entities or the Department.



Success helps us to see
beyond **what we can do**,
to our **true potential**
for **what we can achieve**.
- Tanveer Naseer

Financial Value Transparency and Gainful Employment

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND®

Log In

KNOWLEDGE CENTER ▾ TRAINING ▾ FINANCIAL AID DELIVERY ▾ TITLE IV PROGRAM ELIGIBILITY ▾ PARTNER CONNECT SERVICES ▾

What's New Library Topics

Q Search Knowledge Center

Search

[Knowledge Center Home](#) > [Library](#) > [Electronic Announcements](#) > Reminder of FVT GE Required Reporting for the 2025 Cycle

(GE-25-03) Reminder of FVT GE Required Reporting for the 2025 Cycle



Print

POSTED DATE: July 09, 2025

AUTHOR: Federal Student Aid

ELECTRONIC ANNOUNCEMENT ID: GE-25-03

SUBJECT: Reminder of FVT GE Required Reporting for the 2025 Cycle

We would like to remind schools that Financial Value Transparency and Gainful Employment (FVT/GE) data reporting for the 2025 cycle began on July 1, 2025, and runs through **Oct. 1, 2025**. The most recently completed award year for the 2025 reporting period is the 2024–25 award year, which ended

Tags

Electronic Announcements

All Title IV Federal Student Aid...

Gainful Employment

Required Reporting

NSLDS

Financial Value Transparency and Gainful Employment

Reminder

We would like to remind schools that Financial Value Transparency and Gainful Employment (FVT/GE) data reporting for the 2025 cycle began on July 1, 2025, and runs through **Oct. 1, 2025**. The most recently completed award year for the 2025 reporting period is the 2024–25 award year, which ended on June 30, 2025.

Regulations published Oct. 10, 2023, in [the Federal Register \(88 FR 70004\)](#) establish the requirements for institutions to report student and program information annually to the National Student Loan Data System (NSLDS®). Reporting methods include batch processing, online submittal, or the spreadsheet submittal process through NSLDS.

Institutions can use the reports referenced in Electronic Announcement [GE-24-04](#) to support their FVT/GE reporting and to identify the programs and students for which the U.S. Department of Education (the Department) expects reporting to be completed. Additional resources include the [NSLDS FVT/GE User Guide](#) and the [NSLDS FVT/GE Supplemental Training Resource](#), both available under “Resources” on the [Financial Value Transparency and Gainful Employment](#) Information page on the Knowledge Center website.

Financial Value Transparency and Gainful Employment

Completers List Evaluation

The deadline for the 2024 cycle for reporting and the evaluation of the Completers List was extended to Sept. 30, 2025, as provided in Electronic Announcement [GE-25-02](#). The draft Completers List for the 2025 cycle will be generated shortly following the extended 2024 deadline. Institutions will have at least 60 days to make any corrections to their data in NSLDS following receipt of the list.

Note: The submission of required data and the evaluation of Completers Lists are two distinct processes and are performed separately. **Institutions do not need the final version of the Completers Lists to complete the required reporting by the deadline.** In the attachment to this announcement, we provide a summary of the years and students covered by the review of Completers Lists and submission of required reporting for the 2025 cycle.

For more information about FVT/GE reporting and the Completers List Report, refer to the [NSLDS FVT/GE User Guide](#).

New Interpretation and Clarification of 90/10 Rule



The screenshot shows the official website of the U.S. Department of Education. At the top, there is a dark teal header with the department's seal on the left, the text "U.S. Department of Education" in the center, and links for "Español", "Data", "Research", and "Contact Us" on the right. A search bar is also present. Below the header is a navigation bar with dropdown menus for "Higher Ed", "Adult Programs", "Birth to Grade 12 Education", "Teaching & Admin", "Grants & Programs", and "Laws & Policy". The main content area is white and features a breadcrumb trail: "HOME / ABOUT US / NEWSROOM / PRESS RELEASES". Below this, the text "PRESS RELEASE" is displayed. The title of the press release, "U.S. Department of Education Ends Taxpayer Subsidization of Postsecondary Education for Illegal Aliens", is written in a large, teal font. The date "JULY 10, 2025" is shown below the title. The body of the press release begins with the text: "The U.S. Department of Education today announced it will end taxpayer subsidization of illegal aliens in career, technical, and adult education programs. In an interpretive rule issued today, the Department rescinded a Dear Colleague letter from the Clinton Administration that enabled non-qualified illegal aliens to access federal public benefits".

U.S. Department of Education

[Español](#) [Data](#) [Research](#) [Contact Us](#) Search

[Higher Ed](#) [Adult Programs](#) [Birth to Grade 12 Education](#) [Teaching & Admin](#) [Grants & Programs](#) [Laws & Policy](#)

[HOME](#) / [ABOUT US](#) / [NEWSROOM](#) / [PRESS RELEASES](#)

PRESS RELEASE

U.S. Department of Education Ends Taxpayer Subsidization of Postsecondary Education for Illegal Aliens

JULY 10, 2025

The U.S. Department of Education today announced it will end taxpayer subsidization of illegal aliens in career, technical, and adult education programs. In an interpretive rule issued today, the Department rescinded a Dear Colleague letter from the Clinton Administration that enabled non-qualified illegal aliens to access federal public benefits

New Interpretation and Clarification of 90/10 Rule

FederalStudentAid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

PROUD SPONSOR of
the AMERICAN MIND®

[Log In](#)

[KNOWLEDGE CENTER](#) ▾

[TRAINING](#) ▾

[FINANCIAL AID DELIVERY](#) ▾

[TITLE IV PROGRAM ELIGIBILITY](#) ▾

[PARTNER CONNECT SERVICES](#) ▾

[What's New](#)

[Library](#)

[Topics](#)

[Search Knowledge Center](#)

[Search](#)

[Knowledge Center Home](#) > [Library](#) > [Federal Registers](#) > Income Driven Repayment Plan Request for the William D. Ford Federal Direct Loans and Federal Family Education Loan Programs

Income Driven Repayment Plan Request for the William D. Ford Federal Direct Loans and Federal Family Education Loan Programs

[Print](#)

PUBLICATION DATE: July 07, 2025

POSTED DATE: July 07, 2025

SUBJECT: Income Driven Repayment Plan Request for the William D. Ford Federal Direct Loans and Federal Family Education Loan Programs

FR TYPE: Correction

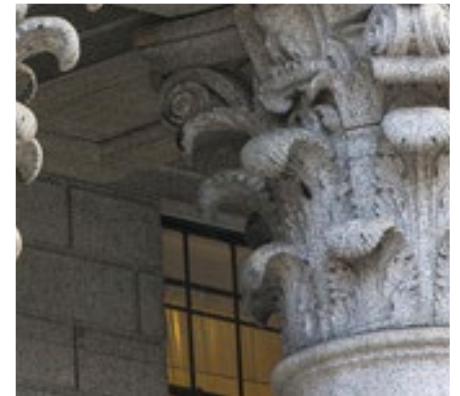
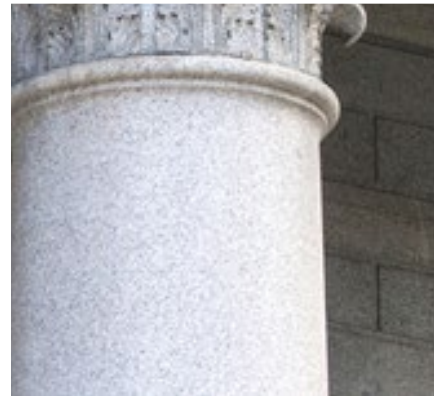
Tags

[Federal Registers](#)

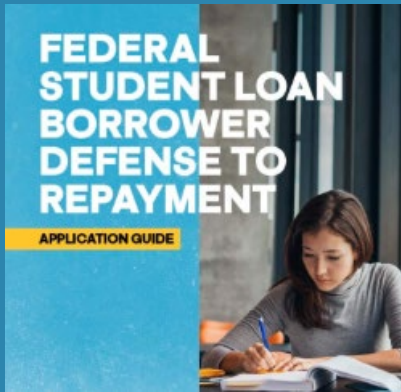
[Laws and Regulations](#)



Litigation Status



Key Portions of the Statutory Amendments to the HEA



Career Colleges and
Schools of Texas

Career Education
Colleges & Universities

American Association of
Career Schools

DuVall's School of Beauty

Ogle Schools

Tricoci University of
Beauty Culture



Cortiva Institute School of
Beauty, Health, Wellness

Coalition of Career Schools

Career Education
Colleges & Universities

American Massage Therapy
Association

Multiple States
Attorney General



A Look Ahead



Panel Discussion & Q&A

