

IN-DEPTH DEPARTMENTAL BRIEF

OBBBA for Trustees & Cabinet

Strategic guidance for the board & executive leadership

The strategic picture

OBBBA converts federal policy into direct financial, enrollment, and reputational exposure at the institutional level. Boards and cabinets need a clear-eyed view of where the institution is exposed and a coordinated readiness plan across offices. This brief frames the strategic stakes and the leadership actions required.

Why act now

DATE	WHAT HAPPENS
Jan 1, 2026	Revised endowment excise tax applies (tax years beginning after 12/31/2025)
Jul 1, 2026	Loan caps, Grad PLUS elimination, RAP & Standard repayment, Pell changes, Workforce Pell, and the earnings-accountability framework take effect
~Jul 1, 2027	First program earnings-accountability results published
Jul 1, 2028	Existing borrowers must transition off legacy income-driven plans (auto-enroll in RAP); earliest accountability penalties

WHERE THE EXPOSURE IS

- **Outcomes accountability with teeth.** Programs whose graduates fail earnings benchmarks in two of three years lose federal loan eligibility. If failing programs represent 50%+ of the institution's federal aid, the entire institution faces eligibility risk and heightened oversight.
- **Enrollment and net-revenue pressure.** The loss of Grad PLUS and the new borrowing caps constrain how students finance graduate and professional programs — a potential enrollment and revenue risk for tuition-dependent programs.
- **Endowment excise tax.** A tiered tax (1.4% / 4% / 8% by student-adjusted endowment) now applies to large private institutions with at least 3,000 tuition-paying students and high per-student endowments; religious and foreign-student exemptions were removed. Most institutions are unaffected — but applicability should be formally confirmed.
- **Strategic opportunity.** Workforce Pell and rising demand for high-wage programs create room for targeted investment and new enrollment channels.

Why it matters to the board and cabinet

These provisions touch the institution's finances, enrollment strategy, program portfolio, and compliance posture at once. The board's role is to ensure leadership understands the institution's specific exposure, has a resourced readiness plan, and can defend its program-level data — and to weigh the strategic opportunities the law also creates.



Action plan

Immediate (0–3 months)

- Commission an institutional impact assessment: programs at earnings-accountability risk, graduate/professional financing exposure, and endowment-tax applicability.
- Charter a cross-functional readiness effort (Financial Aid, Registrar, IR, Career Services, Finance) with a reporting cadence to the board.

Near-term

- Direct investment in outcomes and placement for programs near the earnings threshold; evaluate a Workforce Pell and high-wage program strategy.
- Ensure the data governance needed to defend program-level metrics if the institution is flagged.

Ongoing

- Monitor final Department of Education regulations and revisit the plan as details are confirmed; keep the board informed.

BOTTOM LINE:

OBBBA rewards institutions that know their program-level outcomes, govern their data well, and act early. The greatest risk is discovering exposure after a program has already been flagged.

How CampusWorks & Dynamic Campus can help

We conduct the institutional impact assessment, facilitate cross-functional readiness, model financing and enrollment exposure, confirm endowment-tax applicability, and build the data governance that lets you defend your program-level metrics — giving the board a clear, actionable picture.