



2pm - 3pm EST, April 9, 2025

Overview



- Education Leadership
- Department of Education
- Executive Orders
- Budget Resolution
- Reconciliation/Tax Cuts
- Other Items



Education Leadership

Senate HELP Committee

- Chair: Senator Bill Cassidy (R-LA)
- Ranking Member: Senator Bernie Sanders (D-VT)

House Education and the Workforce

- Chair: Rep. Tim Walberg (R-MI)
- Ranking Member: Rep. Bobby Scott (D-VA)

Department of Education

- Secretary: Linda McMahon
 - Confirmed March 3, 2025
- Undersecretary of Education: Nicholas Kent
 - Career Education Colleges and Universities



Department of Education

Department established in 1979

- Executive Order came out March 20, 2025
- The order directs the Secretary to "take all necessary steps to facilitate the closure of the Department of Education"
- FSA/Pell/OCR established by Congress
- Full abolishment would need to be voted by Congress
- Need to pass the House and also meet the 60 vote filibuster threshold in the Senate
- The goal is to diminish the footprint of the Department
- Shut down all functions of the agency that aren't written explicitly into statute or move certain functions to other agencies



Department of Education

The Executive Order Does NOT:

- Directs ED Secretary to develop a plan to close ED and submit to the President
- Specify where components of ED will be moved to (FSA to treasury, OCR to DOJ, Title I to DHHS)
- However, Administration can take other steps to make the agency a shell of itself, from cutting staff to stopping some programs
- <u>AACRAO Executive Director Statement</u> Regarding Executive Order On The U.S. Department of Education
- March 11, 2025 an estimated half of the Department of Education is relieved of their duties
- Senator Cassidy is expected to introduce legislation for the formal elimination of the Department
- House Education and Workforce will likely follow with a companion bill



Department of Education

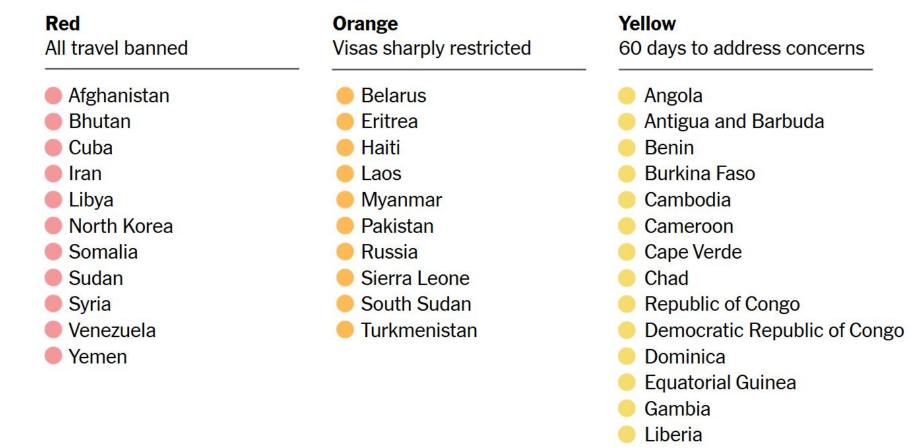
- <u>Dear Colleague</u> letter February 14, 2025
 - Guidance on DEI programs for institutions
 - o If an institution is receiving Title IV funds, they should abide by the DCL
- Department releases follow up <u>FAQ document</u> on February 28, 2025
- Education Council releases analysis of the Dear Colleague letter
 - The analysis states that the Administration is extending current law in ways that are overreaching and misleading



International Students/Programs

<u>International Enrollment Projected To</u> <u>Decline</u>

- The Trump administration has targeted international students, revoking visas, arresting green card holders, and cutting federal grants and funding.
- The administration is also considering a 43-country travel ban.



By The New York Times



Malawi

Mauritania

St. Lucia

VanuatuZimbabwe

St. Kitts and Nevis

São Tomé and Príncipe

Mali

International Students/Programs

International Enrollment Projected To Decline

- Considering changing duration of stay to 3 4 years
- If an individual is currently here, they are ok
- If leave to go to home country and try to come back, subject to visa process
- There is a large backlog at USCIS
- There were 1.1 million international students in the U.S during the 2023-24 academic year
- Represents nearly \$44 billion to the U.S economy and supports over 375,000 jobs



<u>Birthright Citizenship – In the courts</u>

Immigration/Visa Scrutiny

- The order directs the departments of State and Homeland Security to ensure that applicants "do not bear hostile attitudes" toward U.S. institutions
- Tightens vetting for all visa applicants, including F-1 and J-1.
- Aligns all policies and programs with an "America First" approach. Will likely impact State Department-funded international exchange and study abroad programs

FAFSA

Removal of non-binary identity on FAFSA form



<u>Immigration/ICE on campuses</u>

- Rescinded protections for "sensitive areas," like churches, hospitals, and schools where immigration enforcement actions were previously prohibited
- If there's a court order/subpoena to search in a location, then a university administrator would have to open the door to ICE agent's
- ICE can't enter private areas, like dorms or other non-public buildings, without a "judicial warrant"
- But an "administrative warrant", more typically used for ICE searches, doesn't hold the same "legal force"
- This directive could impact institutions that enroll undocumented students, operate legal aid clinics, or offer in-state tuition to undocumented individuals
- <u>Joint AACRAO/NACUA Webinar</u> on Wednesday, April 16, 2025 at 2:00 pm EST



Title IX

- Return to guidance from 1st Trump administration 2020
- Restroom based on biological sex
- Only recognizes two genders male/female
 - Does not recognize 'gender identity'
- Affords greater due process for individuals accused of sexual assault, such as allowing them to cross-examine their accuser
- The regulations limit Title IX's jurisdiction to incidents that take place on campus and more narrowly defines sexual harassment



DEI Programs

- Instructs the Department to provide guidance for institutions on how to comply with the 2023 "SFFA v. Harvard" Supreme Court ruling
- Designates all institutions that receive federal financial aid as subcontractors and says that as such, they "shall not consider race, color, sex, sexual preference, religion, or national origin" in their programs or hiring decisions.
- Commissions the department to conduct an investigation of up to nine colleges with endowments worth more than \$1 billion to scrutinize compliance.
- Since EO, an estimated 70 campuses have received notification about investigations on campus policies



<u>Transgender</u>

- Bans transgender women from participating in women's sports
- Only recognizes two biological sexes, male and female

Antisemitism

- Directs OCR to reconsider closed investigations on ethnic and religious discrimination, encourages the DOJ to take action, and allow immigration officers to deport international student "sympathizers" who support anti-Semitic groups
- Senate HELP recently held hearing on this issue
- House Education and Workforce is expected to have a hearing in April



Continuing Resolution

- Current levels of funding until October 1
- Question has come up of approved budgets vs man-power
- Many agencies have seen tremendous cuts in workforce
 - 1) Will they be able to distribute and manage programs?
 - 2) Will they be able to carry out agency missions?
- What will happen to unused funds
 - 1) Spend the funds
 - 2) Return the funds to Treasury
 - 3) Request for reallocation



Budget/Reconciliation/Tax Package

- Goal is to pass it by Memorial Day
- Endowment Tax Expansion from current 1.4% to 14 % for institutions with more that 500 students and \$500,000 endowment
- Tax Scholarship and Fellowship Income
- Repeal borrower defense to repayment discharge regulations
- Repeal closed school discharge regulations
- Eliminate Nonprofit Status for Hospitals
- Eliminate the Home Mortgage Interest Deduction
- President has requested that it also address the debt ceiling. House version addresses it,
 Senate not.



Budget/Reconciliation/Tax Package

- Budget Resolutions for FY 2025-26
 - Starts the process to move forward
 - Can't move forward with reconciliation without each chamber passing a budget resolution
- President would like it to include an increase in the Debt Ceiling
- Senate and House have different approaches
- House would increase tax cuts, debt ceiling, along with border and defense. One large bill
- Likely cost \$5 trillion dollars and would look to cut \$3 trillion in discretionary funds
- Likely will need to cut some safety programs Medicaid
- Senate focuses on border and defense. Look to cut several billion
- Idea is to "unlock" the process now and figure out details later on in conference
- Unorthodox approach. Will be very difficult process



College Cost Reduction Act (CCRA)

College Cost Reduction Act (CCRA)

- Scored by CBO at a cost saving of \$180 billion over ten years
- Bypasses 60 vote filibuster Senate requirement. Only majority. Reconciliation.

Some aspects of the CCRA that AACRAO considers positive for students and institutions are:

- Includes reverse transfer
- Doubles max Pell Grant for juniors and seniors who are on track to graduate on-time and are enrolled in bachelor's degree programs with a high ROI
- Repeals gainful employment and financial value transparency regulations
- Prevents interest from capitalizing on student loans
- Simplifies student loan repayment process to one loan
- Would require students to only pay back what they would have owed on a 10-year standard repayment plan.



College Cost Reduction Act (CCRA)

Some aspects of the CCRA that AACRAO considers negative for students and institutions are:

- Eliminates the Federal Supplemental Educational Opportunity (FSEO) Grant program
- Eliminates PLUS loans for graduates students/parents
- Changes overall need analysis formula with worrisome impacts for low-income students
- Makes institutions responsible for loans that former students don't pay off
- Repeals 90/10 rule that prohibits institutions from receiving 90% of their revenue from Title IV funding
- Establishes loan caps \$73k for undergraduate; \$100k for graduate and \$150k for professional
- Includes risk-sharing proposal. Under proposed formula 86% of institutions would be required to make an annual payment to the Department of Education
- Creates post-secondary student data system



Other Items

- NIH indirect cost cap to 15%
 - ACE, APLU, AAU and R1s lawsuit
 - Large concern about the long-term impact
 - Focus on Master and PhD research
- Department has re-opened applications for Income Driven Repayment (IDR) and Pay-as-You-Earn (PAYE) options
 - Public Service Loan Forgiveness (PSLF) under review
- Moody Report switched outlook in higher education from stable to poor
- AACRAO updated <u>guidance on Closed and Merged Schools</u> released
 - Since 2016 there have been 127 school closings



Get Engaged

Send a letter to your members of Congress in support of the U.S. Department of Education





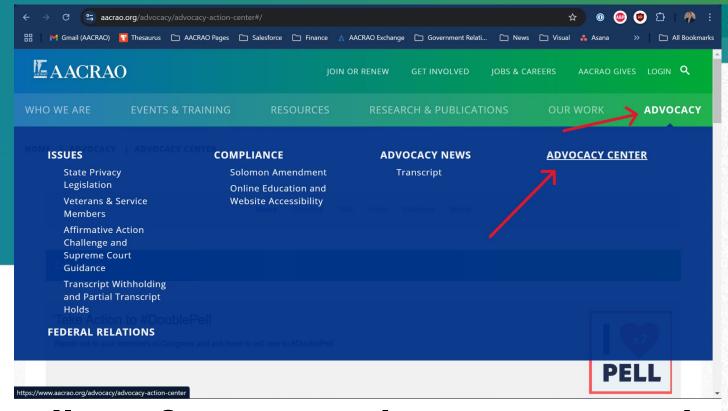
Apply to AACRAO's Congressional Hill Day July 14 - 15 Washington, DC



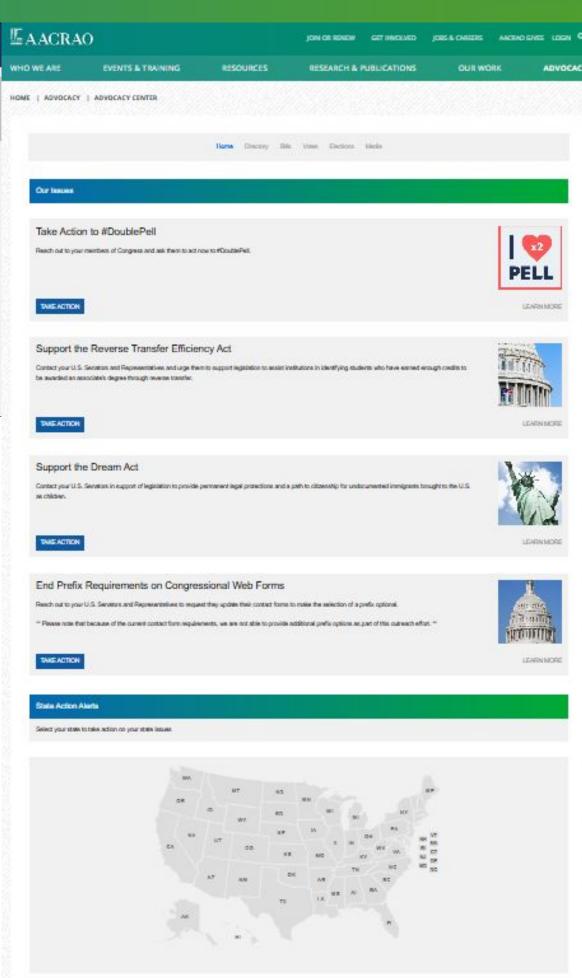




AACRAO's Advocacy Center



- The AACRAO Advocacy Center allows for S&R's to become engaged at the state level.
- S&R's simply need to identify which bills will impact you at the state level and AACRAO can facilitate the ability to track this legislation.
- The system allows you to send communication to your state representatives.
- AACRAO encourages S&R's to create a Government Relations position on Board/Liaison.
- Contact AACRAO's Government Relations Department for more information and/or a presentation.



Contact Us



William Gil
Senior Director, Govt. Relations
AACRAO
gilw@aacrao.org



Assistant Director, Public Policy AACRAO bilfinger@aacrao.org

