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# Trump's First 100 Days: Implications for the Higher Education Industry

May 1, 2025



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# Session CPE Requirements

- You need to attend 50 minutes to receive the full 1 CPE credit.
- There will be 4 polling questions throughout the presentation. You must respond to a minimum of 3 to receive the full 1 CPE credit.

**\*\*Both requirements must be met to receive CPE credit\*\***



# Learning Objectives

## 01

Recognize the key policy changes implemented by the Trump administration affecting higher education within the first 100 days and their intended and unintended consequences.

## 02

Identify the financial implications for universities and colleges, including changes in federal funding, grants, and student financial aid.

## 03

Discuss the major regulatory adjustments introduced and how they have altered the operational landscape for higher education institutions.



# Agenda

Overview

Immediate actions

Potential long-term impact

Conclusion



# Overview

## Significant policy changes

- Marked by substantial shifts in education policy
- Executive actions influencing the Higher Education sector

## Profound impact on higher education

- Early decisions shaped the administration's approach
- Long-term impacts



# Polling Question

How optimistic are you on the current economic conditions and the impact to your organization?

- 5 = Very confident
- 4 = Confident
- 3 = Neutral
- 2 = Somewhat confident
- 1 = Not at all confident

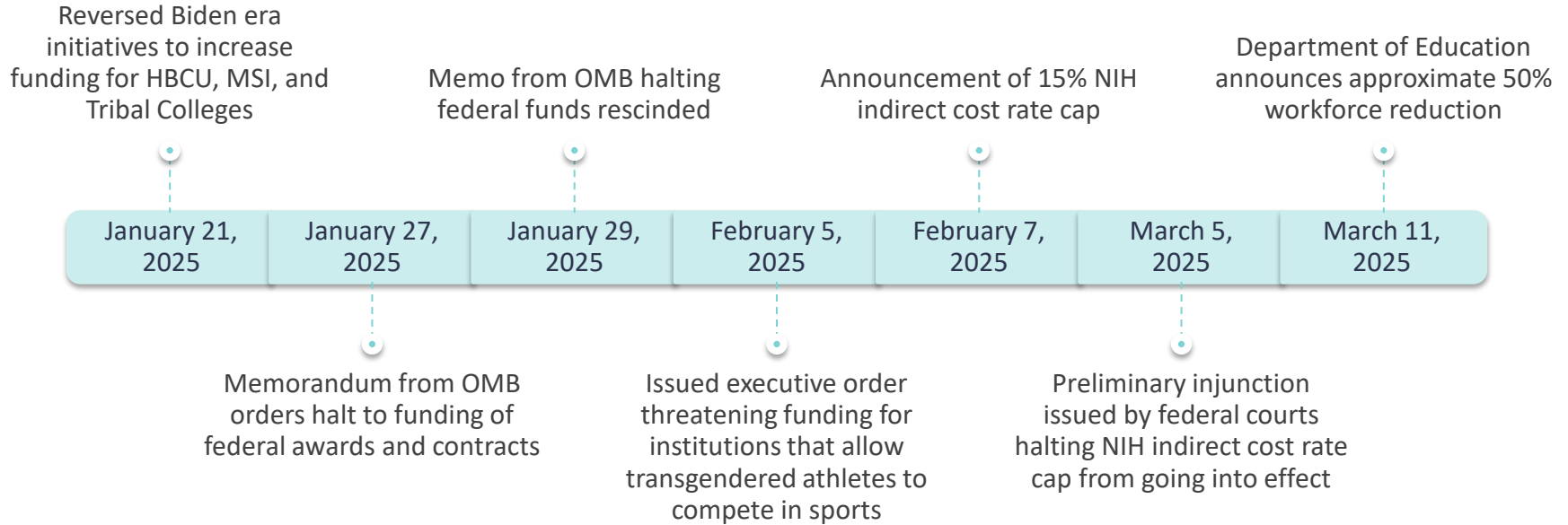




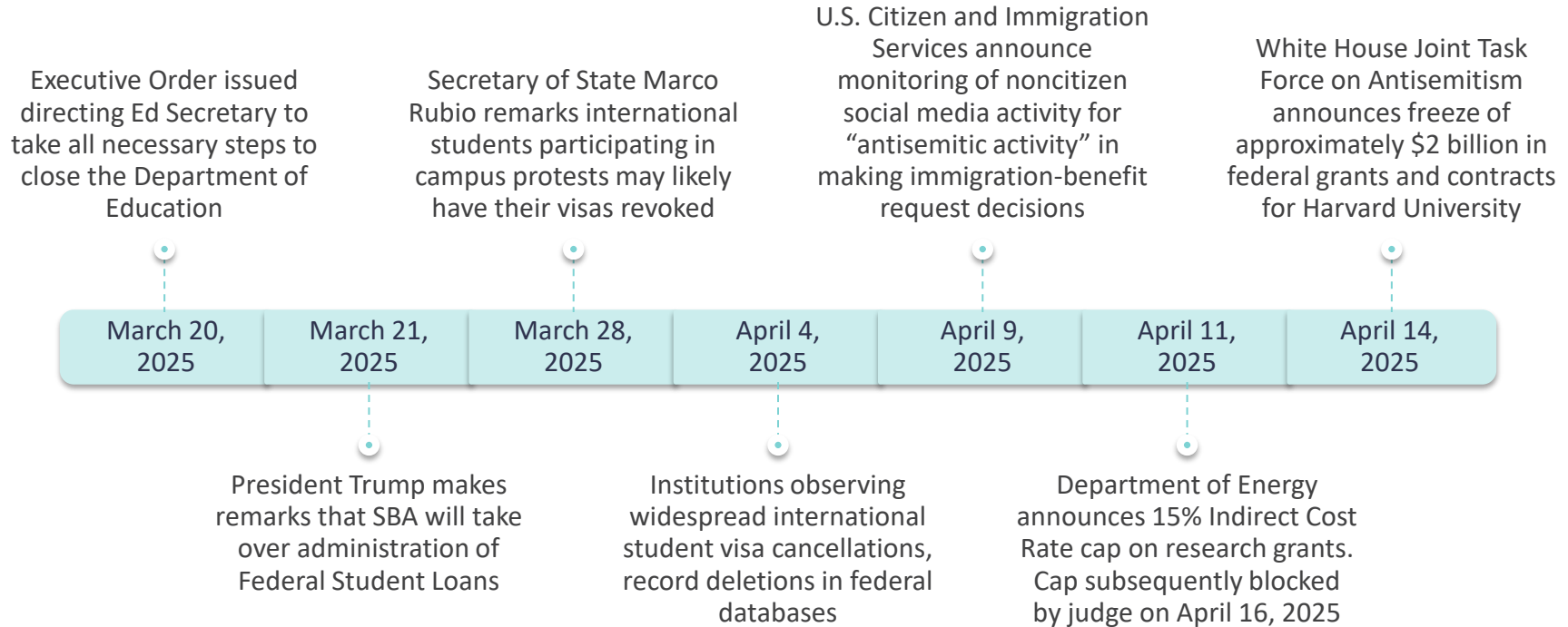
# Immediate Actions and Impacts



# Summary of Key Actions to Date



# Summary of Key Actions to Date (Continued)



# Reduced Reporting Requirements for CTE Programs



## Reduction in reporting requirements

Action taken for career and technical education (CTE) programs

Reversal of changes made by the Biden Administration to Perkins V rules



## Impact on educators and administrators

Seen as overly burdensome by many educators and administrators



## Support for for-profit and trade schools

The President's administration favorable stance towards these institutions

# Proposed Changes for Endowment Excise Tax

- “Endowment Tax Fairness Act”
  - Increase from 1.4% to 21%
- “Endowment Accountability Act”
  - Increase tax rate to 10%
  - Reduce per student endowment threshold from \$500,000 to \$200,000
- Latest action referred to House Ways and Means Committee
- Would require bipartisan senate support to overcome senate filibuster or simple majority via budget reconciliation process



# Polling Question

I would like CLA to contact me regarding questions and consulting for the Endowment Excise Tax:

- Yes
- Not at this time



# Reversal of Executive Orders



## **Reversal of the previous administration executive orders**

Targeted support for  
Hispanic/Tribal/Minority serving  
institutions



## **Current administration campaign's stance**

Consistent with previous  
campaign promises



## **Impact on diversity, equity, and inclusion**

Potential impact for students on  
visa

# Rescinded Biden-Era Executive Orders

- EO 13985 *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*
- EO 14021 *Guaranteeing an Educational Environment Free From Discrimination on the Basis of Sex, Including Orientation or Gender Identity*
- EO 14031 *Advancing Equity, Justice, and Opportunity for Asian Americans, Native Hawaiians, and Pacific Islanders*
- EO 14045 *White House Initiative on Advancing Educational Equity, Excellence, and Economic Opportunity for Hispanics*
- *Additional related EOs:*
  - 14049, 14050, 14089, 14091, and 14124
  - 9 of 78 rescinded Executive Orders pertained to DEI efforts in Education



# Legal Argument of 'Impoundment'

- Impoundment definition
  - Withholding previously obligated federal funds
  - Threatens financial stability of higher education institutions
  - Recission-require Congressional approval
- Traditional appropriation
  - Power held by Congress
  - Legal argument Impoundment Control Act vs. Article II of the Constitution
    - Congress vs. Executive
  - Impoundment shifts power to the Executive Branch
- Financial incentives and disincentives



# Federal Grants and Contracts Freeze



- OMB memo on January 27, 2025
  - Freezing funds for federal awards programs
  - Affected previously approved programs
- OMB memo rescinded on January 29, 2025
  - Halted enforcement of OMB memo
- Administration's response
  - Intense scrutiny of existing awards
  - Pursuing alternative methods like Impoundment
  - Rescinding federal contracts

# Comparison – NSF Active Awards

## *January-March 2024*

- \$884,556,800 awarded to-date
- 1,817 unique awards
- Median award term
  - 3 years

## *January-March 2025*

- \$408,580,694 awarded to-date
- 1,185 unique awards
- Median award term
  - 3 years

Source: [Advanced Search - NSF Award Search](#)



# NIH Indirect Cost Rate Cap

- President's cap on indirect cost rate
  - Imposed a 15% cap on February 7, 2025
  - Aimed at NIH grants
- Questions and impact
  - Limits financial flexibility of institutions
  - Hinders support for research infrastructure
  - Reduced acceptance of graduate students in larger research programs
- Legal actions
  - Preliminary injunction issued by federal courts on March 5, 2025
  - Temporarily halts the cap from going into effect
  - Further court battles to decide the fate of the proposed changes



# DOE Indirect Cost Rate Cap

- President's cap on indirect cost rate
  - Imposed a 15% cap on April 11, 2025
  - Aimed at DOE research grants
- Questions and impact
  - Limits financial flexibility of institutions
  - Hinders support for research infrastructure
  - Reduced acceptance of graduate students in larger research programs
- Legal actions
  - Preliminary injunction issued by federal courts on April 16, 2025
  - Temporarily halts the cap from going into effect
  - Further court battles to decide the fate of the proposed changes



# Revocation of Grants

## Cornell University

- \$1 billion in frozen federal awards
- Response to campus academic policy and campuswide protests

## Columbia University

- \$250 million in research grant cuts
- Alleged violation of federal discrimination law related to protests

## Economic incentives and disincentives

- Similar to tariff disputes
- Incentives and disincentives to encourage compliance in unrelated areas



# Revocation of Grants (Continued)

## Harvard University

- 4/14 Joint Task Force on Antisemitism announces freeze of over \$2 billion in federal awards
- 4/16 DHS announces further freezes and potential removal of ability to enroll foreign students
- Discussions to revoke tax-exempt status

## Risk assessment

- Weighing adherence to mission vs. losing federal dollars
- Institutions adapting to new regulatory environment

# Department of Education Workforce Reductions



- Significant workforce reduction
  - 50% reduction in workforce
  - Mix of probationary and experienced employees
- Effect on Student Financial Assistance (SFA)
  - Potential delays in authoritative guidance
- Higher education institutions
  - Administration and guidance affected
- Future implications
  - Potential further reductions
  - Anticipated shutdown of agency

# Department of Education Workforce Reductions

- March 20, 2025, Executive Order directing Ed Secretary to “take all necessary steps” to close the Department of Education
  - Federal Student Loans to be administered by SBA
  - Actions would require congressional approval or litigation in court
  - Remaining services to remain uninterrupted
- Pell Grants, Title I, and other services to be redistributed to other agencies
  - Executive Order outlines ultimately these functions should be delivered by the States



# International Students

- Typically pay more tuition net of scholarships
- Immigration law concerns
  - Revocation of visas
    - Protest Participation
    - Activities allegedly against the administration's foreign policy
- Looking forward
  - Risk/benefit analysis by future international students



# International Students

Secretary of State  
Marco Rubio

“We are not going to be importing activists into the United States. They’re here to study. They’re here to go to class. They’re not here to lead activist movements that are disruptive and undermine our Universities.” (*Remarks to the Press, March 28, 2025*)

Department of  
Homeland Security  
Kristi Noem

“... and if Harvard cannot verify it is in full compliance with its reporting requirements, the University will lose the privilege of enrolling foreign students.” (*Press release April 16, 2025*)

President Trump

“... and for ensuring that such reports about aliens lead, as appropriate and consistent with applicable law, to investigations and, if warranted, actions to remove such aliens.” (*Executive Order 14188 Additional Measures to Combat Antisemitism Sec. 3(e)*)



# Federal Student Loan Collections

- April 21, 2025, Secretary of Education announces loan collections to resume on May 5, 2025
  - 42.7 million borrowers owe over \$1.6 trillion
  - More than 5 million borrowers currently in default
- Consideration for borrowers
  - Workforce reduction at FSA
  - Changes to Public Service Loan Forgiveness (PSLF)
  - Changes from Biden-era income driven repayment plan
  - Affordability/alternatives



# Higher Education – Big Picture

## Administration's outlook

- Scrutiny of selected programs
- Focus on perceived 'woke' and DEI initiatives

## Complicated relationship with federal government

- Higher education as a cultural center point

## DEI

- Perceived justification for punitive cuts

# Polling Question

Which two departments have indirect cost rate caps of 15% proposed for research grants?

- Department of Energy, Department of Defense
- National Institute of Health, National Science Foundation
- Department of Energy, National Institute of Health
- Department of Education, Department of Homeland Security
- Department of the Interior, Department of Agriculture





## Potential Long-Term Impacts



# Financial Instability

## Financial instability in higher education

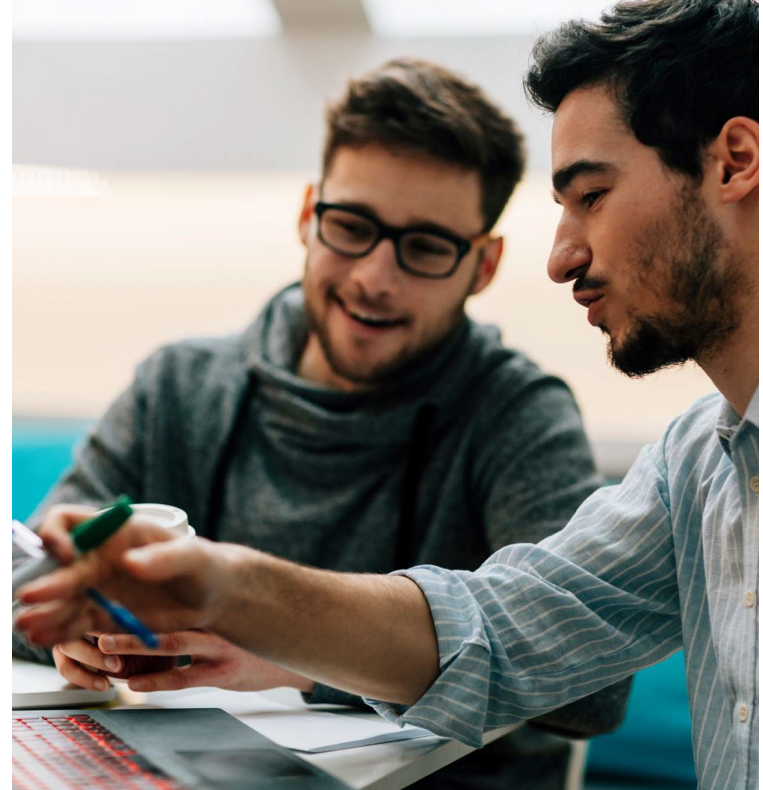
- Freeze and potential cuts to federal grants
- Long-lasting effects on research planning and execution

## Deterrence of talent

- Uncertainty affecting career choices
- Talented researchers and students deterred from academia

# Research and Innovation

- Cap on indirect costs
  - Limits on overhead expenses for research projects
  - Potentially reduces available resources for research
- Reduction in research grants
  - Decreases in financial support for scientific studies
  - May lead to fewer research opportunities
- Stifling innovation
  - Slows progress of scientific discoveries
  - Hinders development of new technologies
- Discontinuation of critical research
  - Loss of funding may halt important projects
  - Negative impact on scientific advancements



# Diversity and Inclusion



- Reversal of supportive executive orders
  - Compliance vs. mission
- Impact on educational environments
  - Balancing federal compliance and fostering educational environment

# Administrative Burden

- Potential increase administrative burden on Higher Education institutions
  - Less support and guidance from the federal government
  - Challenges in complying with federal regulations
- Access to necessary resources
  - Potential difficulties in obtaining required resources
  - Potential significant changes to education programs



# Polling Question

Did you find the information in this CLA webinar helpful to you and your organization or business?

- ☐ Yes
- ☐ No



# Policy Precedents

## Legal arguments and policy precedents

- Set by the current administration
- Influence future approaches to higher education funding

## Impact on institutions

- Need to adapt to new landscape
- Federal support becoming more conditional
- Political influence on funding and regulation



# Inquiry Received

Conduct an assessment that includes:

Consider  
external  
help

A comprehensive  
assessment of  
written policies  
and procedures  
currently in place

Compare those  
policies to the  
underlying facts  
and situation that  
are referenced in  
the inquiry

Memorialize that  
the actions taken  
by the client were  
consistent with  
policies and  
procedures in  
place

Conclude as to  
whether or not  
the written  
policies and  
procedures were  
followed.

Third party  
analysis



# Inquiry Received



# Conclusion



- Summary of actions
  - Reduction in reporting requirements for CTE programs
  - Financial instability in higher education
  - Potential hindrance to research and innovation
  - Complying with anti-discrimination laws
  - Potential lack of resources
- CLA's role
  - Providing updates and guidance
  - Consulting to help navigate changes

# *Thank you!*

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