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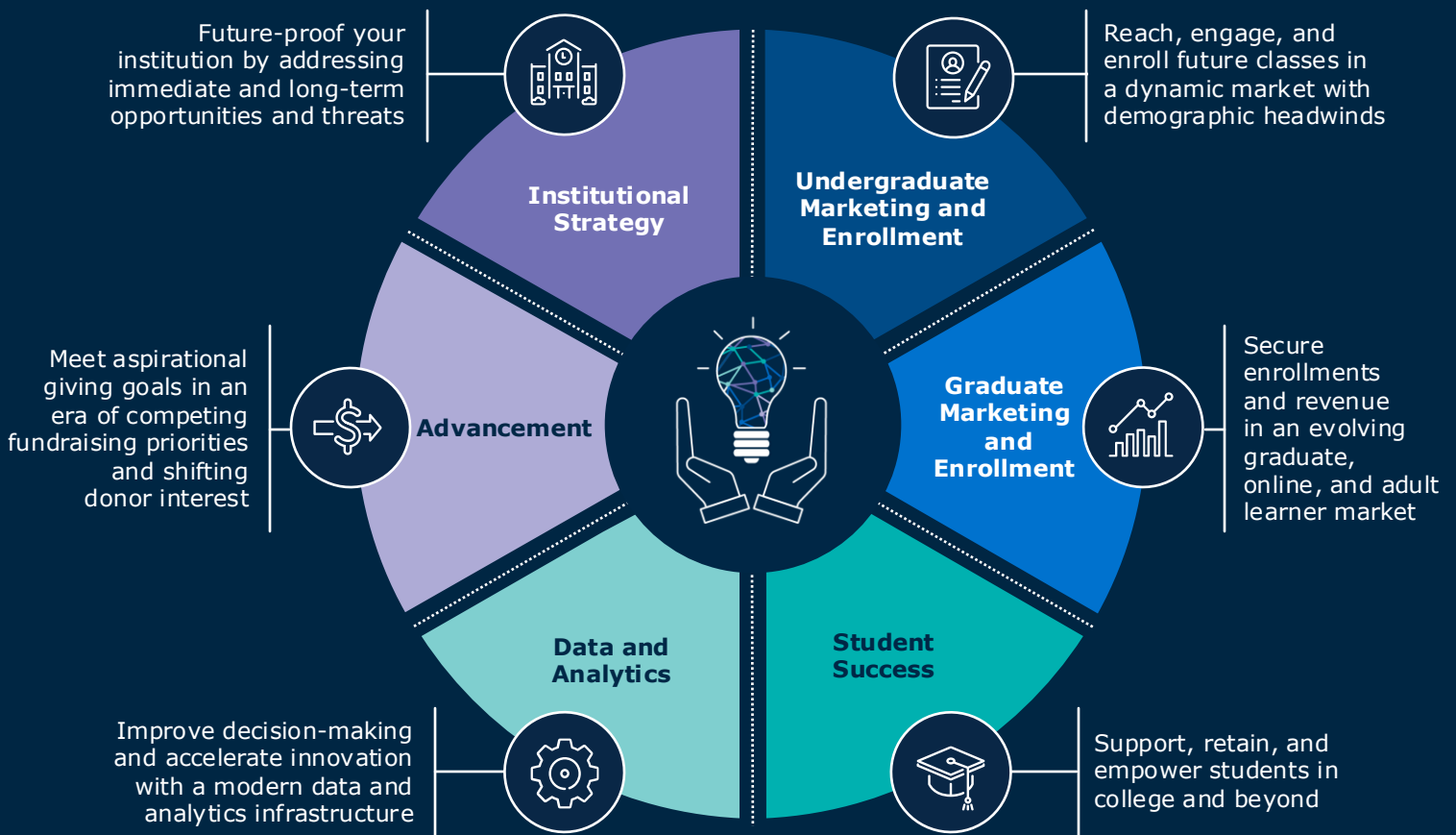
# **Federal Policy Primer and Discussion Guide: The Research Enterprise**

A Guide to Help Education Leaders Navigate the 2025  
Presidential Transition and Related Federal Changes

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# Navigating a New Research Landscape

## Key Considerations for Leaders in Higher Education

**The Trump administration’s second term has ushered in turmoil for higher education research enterprises.** Key measures include the mass funding freeze (since rescinded), the National Institutes of Health’s (NIH) proposed cap on Facilities and Administrative (F&A) costs (currently paused via TRO), stricter vetting processes for visa applicants, and the expansion of interior immigration enforcement. The administration has also moved to limit legal immigration pathways and increase interior enforcement. These policy shifts, implemented through a series of executive orders and agency directives, represent a comprehensive effort to slow the distribution of and ultimately decrease federal funding of research and reshape the US immigration system—ultimately having profound effects on the research enterprise.

**For colleges and universities, these policy changes present substantial challenges.** Institutions, especially large research institutions, are reliant on F&A funds to support and maintain research-critical infrastructure. Likewise, stricter visa regulations and enhanced vetting processes may lead to decreased international staff and faculty employment and create complications for H1-B visa programs. Universities may face new compliance burdens and potential conflicts between federal mandates and institutional priorities, especially in the areas of research security and compliance. As a result, college and university leaders must navigate a complex landscape, balancing legal obligations with their commitment to fostering a strong research enterprise.

### This Primer Aims to Help Leaders in Higher Education Unpack the Following Topics:



#### What’s Changed In Research Funding

How recent orders and legislation affect the research enterprise generally and the Facilities and Administrative (F&A) costs specifically



#### What’s Changed for the Research Workforce

How changes to immigration and enforcement affect the research enterprise—noting that many international faculty and staff are the core of higher education research



#### What Hasn’t Changed ... Yet

Where policies associated with either Trump’s first administration or the campaign may go



*NOTE: This document is not to be construed as legal advice. The implications mentioned may vary between states and institutions. Information and analysis in this document are current as of the date of publication and are subject to change. Consult with legal counsel before taking responsive action.*

# What's Changed in Research Funding?

## Summary of Policy Changes

### **NIH Proposed Blanket Facilities and Administrative (F&A) Cost Reimbursement of 15%**

On February 7, 2025, the NIH issued a guidance document that announced a standard indirect cost rate of 15% across all NIH grants.<sup>1</sup>

The cap would apply to all new grant awards issued after February 7, 2025. For existing grants awarded to Institutions of Higher Education (IHEs), the 15% cap would apply to all expenses incurred from February 10, 2025, onward.<sup>2</sup>

### **NIH F&A Cap Temporarily Halted Nationwide by Federal Court**

On February 10, 2025, the District Court for Massachusetts issued a nationwide temporary restraining order (TRO) barring enforcement of the guidance. This initial TRO was set to expire on February 21, 2025.<sup>3</sup>

As of March 5, 2025, Judge Angel Kelly of the U.S. District Court for the District of Massachusetts elevated her extended TRO to a full preliminary injunction “until further order issued by this Court.” A preliminary injunction blocks NIH from “taking any steps to implement, apply, or enforce” their N&A cap for the time being.<sup>4</sup> It is currently unclear when further action by the courts may occur.

### **On January 27, 2025, OBM Implements Full Freeze to Government Contracts—halting grant payments, review panels, and communications**

This was issued by the Office of Management and Budget (OMB) in their M-25.3 memo.<sup>5</sup> This order was paused through TRO on January 28 and was rescinded on January 29.<sup>6</sup>

However, some agencies and departments continue to withhold funds particularly in areas related to diversity, equity, inclusion, foreign aid, immigration assistance, and clean energy projects.<sup>7</sup> **We consider these to be areas under acute funding threat from the administration.**

## Recommendations for Institutions

### ***Assign Direct Responsibility for Internally Monitoring Policy and Legal Developments***

Assign responsibility for tracking court decisions, policy announcements, and legislative actions related to the F&A cap specifically and the research enterprise generally.

### ***Catalog Existing and In-Development Federal Research Grants and Contracts, Then Categorize by the Grant's Institutional Importance and Negotiated F&A Rate Percentage***

Centrally compile (either in the CRO or provost's office) detailed information about existing or in-development research grants and contracts that would be affected by changes in federal policy, particularly grants and contracts with significant public health implications or that support vulnerable populations.

For the F&A cap's impact, calculate the potential financial impact of a 15% cap on your institution, as the total dollar difference between current rates and a blanket 15% rate. Then, map out specific effects to research programs centers and institutes, infrastructure, and personnel.

Categorizing the data by both the grant's institutional importance (i.e., “mission critical-ness”) and its established F&A rate allows institutions to have a more nuanced understanding of the impact on their institution's overall research enterprise.

### ***Identify Which Institutional Funding Streams or Research Grants/Contracts Align to the Areas of Acute Funding Threat, outlined below***

The administration is likely to specifically target programs or research aligned to the following areas:

- Diversity, Equity, and Inclusion;
- Foreign aid, support, or collaboration;
- Immigration research and assistance; and
- Clean energy projects.

### ***Regularly Communicate with Stakeholders Close to the Research Enterprise and Define Criteria for When To Communicate Noncritical Stakeholders***

Provide regular updates to institutional leadership, faculty researchers, and other internal stakeholders about the status of the proposed cap, related federal policy changes, and potential implications for the research enterprise.

Define clear criteria for when stakeholders who are not immediately critical to the research enterprise—such as students, alumni, or the general public—need to be notified on federal policy impacts to your research enterprise.

# What's Changed in Research Funding? (cont.)

## Summary of Policy Changes

### Day One Executive Orders Outline Specific Funding Streams to Keep in Mind for Potential Future Action Affecting Higher Education

Certain executive orders issued on Trump's first day in office outline specific research funding streams that the administration has in its focus. The order numbers are as follows: 14159, 14169, 14162, 14154, 14151, and 14168. Collectively, they charge the administration to identify "programs that are inconsistent with its policy goals."<sup>8</sup>

#### Specifically mentioned funding streams to watch:

- Federal funding to nongovernmental organizations supporting or providing services, either directly or indirectly, to "removable or illegal aliens" (EO 14159). **This may affect the research enterprise workforce.**
- Financial commitments made under the United Nations Framework Convention on Climate Change and the U.S. International Climate Finance Plan (EO 14162). **This may affect any research related to climate resilience, sustainability, or green/alternate energy sources.**
- Funds appropriated through the Inflation Reduction Act of 2022 and the Infrastructure Investment and Jobs Act (EO 14154; the freeze applies only to funds supporting programs, projects, or activities that may be implicated by the policy established in the EO14154). **While this likely focuses on institution-wide clean/green energy investment, it may also directly affect related research endeavors or facility/equipment/space planned upgrades or investments.**
- Funding for "diversity, equity, inclusion, and accessibility mandates, policies, programs, preferences, and activities in the federal government" (EO 14151) and funding used to "promote gender ideology" (EO 14168). **Due to its wide scope, consider how this applies across research policies, programs, and grants.**

## Recommendations for Institutions

### *Begin Contingency Planning with a Negotiation Mentality*

If the injunction is lifted and the 15% cap is implemented, or any change to the current F&A process—which we believe is likely, institutions should be prepared with effective strategic responses—which requires moving past defensive immobility. We encourage every institution to proactively identify a cap or percent range that their institution could bear and begin peer-to-peer comparisons and conversations through your professional associations.

- **Plan for Different Scenarios of Budget Reallocation:** Develop scenarios for internal reallocation of resources to sustain critical research infrastructure and programs.
- **Identify Alternative Funding Sources:** Identify potential alternative sources of funding, including industry partnerships, private grants, and philanthropic support.
- **Map Potential Structural Adjustments:** Consider how to restructure research administration to operate more efficiently while maintaining essential compliance and support functions.
- **Conduct Cost Categorization Review:** Evaluate whether some costs currently classified as indirect might be appropriately reclassified as direct costs under existing grant regulations, though this approach has significant limitations.

## Strategic Question

How can we proactively assign roles, responsibilities, and systems of action around potential federal changes, so that we are prepared to act should affecting change occur?

# Current and Likely Impacts on Research Workforce

## Summary of Policy Changes

### **Enhanced Screening and Vetting for Visa Applicants Likely Means Longer Application Timelines and Additional Scrutiny Processes for Applicants**—such as USCIS’s Requests for Evidence

President Trump’s early executive orders included a directive to restore the screening and vetting practices that were in place on January 19, 2021.<sup>10</sup> Enhanced screening practices will likely involve social media screening and an increase in requests for evidence. This applies to all visa programs and can be implemented immediately.

### **Likelihood of Travel Bans for Individuals from Countries Deemed to Be “High Risk”**

Many expected to see the reintroduction of travel bans on Trump’s first day in office. That did not occur. Instead, cabinet members have been given 60 days to compile a list of countries with “deficient” screening, vetting, and information-sharing practices.<sup>11</sup> This directive sets up the conditions for future travel bans that will likely be upheld in court. Some have raised concerns that future bans may include certain groups from China and India,<sup>12</sup> but those fears are currently no more than speculation.

### **Potential Risk of Deportation for Political Speech**

President Trump signed an executive order<sup>13</sup> threatening deportation of those involved in anti-Israel protests and speech on college campuses. The EO explicitly calls for institutions to increase their monitoring and reporting of “alien students and staff relevant to those grounds.”

Staff and faculty are often involved in campus movements and speech. This order deepens the threatening environment for international faculty and staff who look to your institution for employment. As such, they may either look for an institution with a clear outline of their limits to “monitoring and reporting” faculty and staff to the federal government or cease looking for US employment altogether.

## Recommendations for Institutions

### ***Proactively prepare applicants, especially postdoctoral applicants, for new processes and timelines***

Students must be admitted to a program before applying for a visa, creating a possible enrollment risk for schools—as they are allocating a limited number of admissions without a guarantee that their international students can obtain a visa.

Proactively equip international students, post-docs, and faculty with the information necessary to navigate the visa process by creating or updating a clear, public-facing timeline on your websites. Doing this will minimize the risk of unnecessary visa denials.

See [Stanford’s website here](#) for one example.

### ***Gauge the impact of possible travel bans through tabletop scenario planning***

Institutions with a significant number of students and faculty from countries affected by previous travel bans<sup>15</sup> and those likely to be deemed “high risk” should consider modeling the effect of future bans on enrollment, staffing, research, and collaborative programs.

### ***Take steps to build and maintain trust with staff and student activists***

By shifting the institution’s approach to activism from crisis management to proactive engagement, student affairs leaders can help students drive change while minimizing the risk of undesired consequences and disruption.

#### **EAB Resource:**

[Build and Maintain Trust with Student Activists](#)

## Strategic Question

How can we sustain a compelling and differentiated value proposition for international post-docs and faculty who may be deterred by a less welcoming, more chaotic national climate?

# What Hasn't Changed ... Yet

## Summary of Potential Policy Changes

### **The Administration's "America First Investment Policy"<sup>16</sup> Calls Out Higher Education Investment and Partnership—Though No Specific Action Has Been Taken Yet**

The memorandum instructs the federal government to "use all necessary legal instruments" to restrict investments (mostly to China) across critical sectors, including technology and AI.

The review will also consider restrictions on investment types—including private equity, venture capital, corporate expansions, and public securities—funded by pension funds, university endowments, and other limited-partner investors, to prevent U.S. financial resources from supporting China's Military-Civil Fusion strategy.

This directly threatens institutions who rely on Chinese/internationally made products to support their research (e.g., chips) and those who partner with international research on critical sectors (as defined by the Administration).

### **Direct Changes to H1-B Visas and "OPT"**

There has been much recent debate over the future of the H1-B program.<sup>17</sup> Some members of the administration want to end the program entirely in favor of protecting jobs for Americans. Others are in favor of the program and see it as vital for securing top talent in high-demand fields. President Trump's first administration attempted to dramatically raise wage requirements for the program, but that effort was struck down by the courts. While next steps are unclear, this issue is likely to resurface over the coming months, and changes could have huge implications to higher education enrollment, research programs, and staffing.

## Recommendations for Institutions

*Proactively plan for increased enforcement and federal changes in the security and compliance space*

Because changes to research security and compliance could happen moderately quickly and, if enforced, could have negative effects on your enterprise's function and perception, institutions should proactively consider how they would align, change, or reenvision their approaches to research security and compliance.

*Proactively discuss and identify solutions to staffing, should H1-B programs drastically change at the federal level*

The H1-B visa program is a high-stakes issue for higher education's research enterprise. With so many competing ideas on the table, there is still room for influential voices to provide common-sense solutions. Now is the time to convene internally with cabinets and other influential stakeholders (e.g., Boards) to identify a "best plan forward" grounded in your institution's context. State legislatures and national representatives may also be worth collaborating with, as research universities are often massive local employers.

A "wait and see" approach will place institutions on the back foot, so leaders should engage in proactive conversation about a model that could serve all invested parties.

### **Strategic Question: How can we affect productive change through uncertainty?**

All three of these issues have fates that are uncertain, and there is considerable room for good ideas to prevail. Which issues matter most to our institution, and which solutions would we advocate for in each case?

## Discussion Questions and EAB Resources

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As you review this policy primer and consider the implications of recent changes that affect the research enterprise, use the following discussion questions to inform your institution's next steps. We suggest engaging your cabinet, with the following specific stakeholders top of mind: Vice President for Research, Chief Financial or Business Officer, Chief Advancement Officer, Chief Human Relations Officer, and your General Counsel.

### **Four Strategic Questions Every Team Should Be Discussing Right Now**

- What policies, guidelines, and values will we adhere to when navigating issues related to our research enterprise, specifically around funding and workforce, throughout the Trump administration?
- How can we sustain a compelling and differentiated value proposition for international staff and faculty who may be deterred by a less welcoming national climate?
- With so much uncertainty around what the administration will or won't do to restrict funds, what level of financial risk are we willing to tolerate when weighing differences between federal priorities and institutional values?
- All three of the issues mentioned on the "What Hasn't Changed ... Yet" page (impact of the America First Investment Policy, changes to research security and compliance, and changes to H1-B visas and "OPT") have fates that are uncertain, and there is considerable room for good ideas to prevail. Which issues matter most to our institution, and which solutions would we advocate for in each case?

### **EAB Resources to Support Next Steps**

- **Schedule an EAB-Facilitated Scenario Planning Workshop:** To learn more about EAB's scenario planning workshop, contact your Strategic Leader or email [policy@hello.eab.com](mailto:policy@hello.eab.com).
- **Learn How to Effectively Communicate and Educate Around F&A Funding:** CROs and their teams can improve their approach by combining broad, general F&A messaging with targeted messages that align with stakeholders' priorities and interests. See [EAB's F&A Communication Toolkit](#) and our [Research Communication Roadmap webpage](#) for more information.
- **Consider Industry Partnerships and Other Alternative Funding Sources when Contingency Planning:** See EAB's work on [Growing Collaboration with Industry Partnerships here](#) and consider how to leverage partnership through university research and advancement.
- **Build and Maintain Trust with Campus Activists:** Use EAB's [resource center](#) to shift from a reactive to proactive approach when working with student activists on campus.

*Please note—while this resource was originally built with student activists in mind, many faculty and staff also use their position to support issues and students. Consider how the same information can apply to them as well.*

### **EAB's Federal Policy Navigation Services**

To help education leaders make informed strategic decisions amid a rapidly shifting policy landscape, EAB's Federal Policy Navigation Services offers a unique suite of resources and support. This includes **policy primers, an implementation probability index, scenario planning exercises, workshops, and peer position pulse checks.**

To **learn more** about EAB's Federal Policy Navigation Services please contact your EAB Strategic Leader or Account Manager, or email [policy@hello.eab.com](mailto:policy@hello.eab.com).



# Endnotes

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## *What's Changed in Research Funding?*

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## *Current and Likely Impacts on Research Workforce*

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## *What Hasn't Changed ... Yet*

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