

Federal Policy Developments Digest

July 29, 2025

Department of Education Announces Intention to Convene Two New Negotiated Rulemaking Committees (7.26.25)

The Department of Education plans to convene two new negotiated rulemaking committees, as <u>outlined</u> in the Federal Register. Negotiated rulemaking is a <u>process</u> that agencies use in which representatives from the agency and affected interest groups negotiate the terms of a proposed administrative rule. One new committee, the Reimagining and Improving Student Education (RISE), will <u>focus</u> on the federal student loan program and the other, the Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD), will focus on institutional and programmatic accountability, the Pell Grant, and other changes to Title IV programs. Their creation comes in response to the need to develop regulations for new provisions in the One Big Beautiful Bill Act.

Implications/next steps: NASFAA expressed concern that the committees do not include financial aid administrators in the constituency groups and has requested the agency include them. NASFAA has traditionally participated in negotiated rulemaking for federal student aid program regulations. As far as next steps, ED will host a virtual public hearing about these committees on 8.7.25. Once negotiators are confirmed, the RISE committee will meet once in September and once in November, and the AHEAD committee will meet once in December and once in January.

Trump Administration Seeks Supreme Court Ruling on NIH Cuts (7.24.25)

The Trump administration has <u>filed</u> an emergency application asking the Supreme Court to grant permission for the NIH to finalize the cancellation of millions of dollars in grants. In March, the administration <u>commenced</u> cutting NIH grants related to topics focused on health equity, racial inequity, vaccine hesitancy, and maternal health in minority communities. In response, 16 states along with academic associations and advocacy groups sued. In June, U.S. District Judge William J. Young declared some of the NIH cuts "void and illegal," <u>citing LGBTQ</u> and racial discrimination and citing that the administration's process failed to follow government rules and standards. The administration <u>argues</u> that the Supreme Court's decision in April that allowed teacher training program cuts to go forward is evidence that district judges should not be hearing these cases.

Implications/next steps: As of now, justices have not <u>called</u> for a response from the groups challenging the NIH cuts.

Trump Signs Executive Order Aimed at College Athletics (7.24.25)

The <u>executive order</u> (EO) is focused on regulating the rapidly shifting college athletics landscape. The key <u>takeaways</u> of the EO are as follows:

- Directs athletic departments to set benchmarks for scholarships and opportunities for nonrevenue sports based on the amount of revenue the athletic department makes
- Bans "pay-for-play" payments to athletes by schools, stating that they are "improper and should not be permitted by universities." There are exceptions for endorsement and sponsorship deals with third parties.
- Directs the Secretary of Labor and National Labor Relations Board to clarify student-athletes' employment status.

 Directs the Attorney General and Chairman of the Federal Trade Commission to find ways to bring power back to the NCAA, conferences, and other college sports governing bodies, and take power away from courts and state legislatures.

To enforce these provisions, the EO <u>directs</u> the Department of Education to use federal funding disbursement, Title IX enforcement, and interstate commerce laws to influence institutions. For context, this order <u>comes</u> after the SCORE Act, a bill intended to help regulate college sports and athletes' compensation, made it through two Republican-led House committees. While this is the furthest a college sports bill has ever gotten, its chances of passing the Senate are slim.

Implications/next steps: Noah Henderson, professor of sports management at Loyola University Chicago, sees the order as a signal "that the federal government, and now presidential politics, are increasingly willing to intervene in the future of college sports." While The Athletic states that there are no changes in the short-term from this EO, there is the possibility for changes over the long term, depending on enforcement, as the directive's threat of federal funding decisions is noteworthy. There is concern that this EO won't provide long-term solutions, as antitrust protections and pre-emption of state laws need to come from federal law. EO policies can be challenged in court and reversed by the next administration, so this EO could create more uncertainty for college sports. Additionally, please note that this EO largely aligns with many of the NCAA's and athletic conferences' recent priorities. The debate over college sports legislation can be likened to a labor dispute, where Republicans want to shield the NCAA and athletic conferences from litigation and laws that make it challenging for them to govern national competition, and Democrats want greater protection for workers (i.e., the athletes) and hesitate to provide antitrust protections.