

Federal Policy Developments Digest

May 28, 2025

Trump Administration Pauses New Student Visa Interviews As It Weighs Social Media Vetting Requirements (5.27.25)

The administration has [ordered](#) US embassies and consular sections to pause scheduling new interviews for student visa applications, in preparation for all student visa applicants having to undergo social media vetting. The pause will [last](#) “until further guidance is issued,” which should be in the next few days. Early social media screening targeted returning students who reportedly participated in pro-Palestinian protests.

Implications/next steps: If this social media screening plan is executed, it could slow down student visa processing, impacting institutions that rely on international student enrollment. The new cable did not identify specified [guidelines](#) for future social media vetting, but it alludes to executive orders focused on terrorism and antisemitism. [NAFSA](#) has stated that this action is “another misguided and deeply troubling attack against international students” and is urging the administration to reverse this course.

Trump Administration Continues Retaliatory Attacks Against Harvard (5.23.25, 5.27.25)

International student enrollment: A judge [issued](#) a temporary restraining order to block the Trump administration from preventing Harvard from enrolling international students. This order pauses the DHS from revoking Harvard’s access to the Student and Exchange Visitor Program, a database that manages international students. [DHS](#) had announced on May 22 that Harvard had lost access to this database, with Secretary Noem noting that this revocation should “serve as a warning to all universities and academic institutions across the country.” International students make up a quarter of Harvard’s student body.

Government contracts: The Trump administration is planning to cancel all of the remaining federal government’s contracts with Harvard, worth approximately \$100M, according to a [letter](#) sent to federal agencies on 5/27. Agencies are also instructed to “seek alternative vendors” for future services instead of Harvard.

Implications/next steps: These attacks showcase that the Trump administration is continuing to attack Harvard for not meeting their demands, as well as use Harvard as a case example to intimidate other institutions. The next hearing in the international student enrollment case will occur this week on May 29. Trump suggested last week that he is [considering measures](#) against more institutions.

Reconciliation Bill – Which Includes Massive Impacts for Higher Education – Clears House and Heads To Senate (5.22.25)

The reconciliation bill [cleared](#) the House last week. [Major provisions](#) in this bill that would impact higher education include:

- 1) Endowment tax: The bill introduces a graduated rate structure dependent on endowment assets per student. Half of endowment spending went towards student aid in FY2024; thus, this tax creates concern about institutions’ ability to recruit lower-income students.
- 2) Financial aid: Major changes include the following:
 - a. Elimination of federal subsidized undergraduate loans and Direct Plus graduate loans beginning July 1, 2026

- b. Changes to credits required for Pell eligibility (30 credits for full-time students; 7.5 credits for part-time students) – these changes may result in 700K students losing Pell eligibility, and over half of students seeing Pell grant reduced
 - c. Lifetime student loan limit of \$200K for a borrower across all federal loan types
 - d. Capping Parent Plus Loans and requiring students to take out all unsubsidized loans before using Parent Plus Loans
 - e. Consolidation of several student loan repayment programs into two options
- 3) Institutional risk sharing: Institutions would be required to make a payment to the federal government based on the unpaid student loan balances of former students. This plan would likely impact under-resourced and minority-serving institutions the most.
- 4) [Proposed cuts](#) to Medicaid and Supplemental Nutrition Assistance programs:
 - a. First, these cuts would directly impact students: almost 1 in 6 students depend on Medicaid, and 1 in 4 students face food insecurity and could benefit from SNAP. Without these programs, students could face more financial strain, potentially leading to worse academic and health outcomes.
 - b. Second, public higher education institutions may be at risk of receiving less state funding. States rely on federal funding to maintain Medicaid and SNAP programs. If funding for these programs is cut, states will then either 1) shrink the number of constituents served via these programs or 2) pull funding from other areas of the budget. Historically, public higher education has been on the chopping block when state lawmakers need to move funds from one sector to another. [ACE](#) notes that cuts could lead to increased tuition, reduced services and programs, and decreases in state financial aid.
 - c. Third, [teaching hospitals and health systems](#) – particularly in rural and underserved areas – would face increased financial pressure due to Medicaid cuts.

Implications/next steps: This bill has now moved to the Senate, which is looking at a July 4th deadline. The Senate is [expected](#) to add changes to the bill, although Senators have [shared little](#) about the higher ed provisions in the bill. One potential change that has been noted is that the Senate generally backs a measure to judge programs by students' employment rates and income levels post-graduation, rather than risk-sharing. Note that since this bill is part of the reconciliation process, it can pass via a simple majority instead of needing 60 votes in the Senate.

Judge Issues Preliminary Injunction To Prevent Dismantling of ED and Reinstate Staff (5.22.25)

A federal judge has [temporarily blocked](#) the ED from implementing an [executive order](#) to shut down the agency. This temporary injunction includes reinstating 2,000+ ED employees who were fired in March and reopening regional offices, with District Judge Myong Joun [ruling](#) that there have been no indications that workforce reductions have increased efficiency or that the agency is working with Congress. Additionally, Joun ruled that the ED cannot transfer management of federal student loans and special education management and oversight out of the ED. This preliminary injunction requires the ED to submit a weekly report outlining steps being taken to ensure compliance until the ED is "restored to the status quo prior to January 20, 2025."

Implications/next steps: This case is the [consolidation](#) of two cases brought in March in response to the administration's moves to shutter the ED. Higher education and public school advocates praised the ruling, but the ruling is a stumbling block for the Trump administration's goal of reducing the size of federal government. The ED is challenging the ruling on an emergency basis, stating that Joun "dramatically overstepped his authority based on a complaint from biased plaintiffs." However, there have been reports of "[systemic failings](#)" and strained staff since the reductions in workforce in March.

Accrediting Bodies Suspend Diversity Requirements (5.9.25, 5.12.25, 5.20.25)

On May 9, the ABA Section of Legal Education and Admissions – the accrediting body for US law schools – voted to [continue to suspend](#) its diversity requirement, known as [Standard 206](#), which called for law schools to hold a "commitment to having a student body that is diverse with respect to gender, race, and ethnicity" as well as "having faculty and staff that are diverse with respect to gender, race, and ethnicity."

On May 12, the Accreditation Council for Graduate Medical Education (ACGME) – the accrediting body for medical residency programs – [suspended](#) enforcement of diversity and related specialty/subspecialty-

specific requirements, given concerns voiced from constituents about their ability to comply given recent “state and federal laws.”

On May 20, the Western Association of Schools and Colleges’ Senior College and University Commission (WSCUC) announced that it has [launched a review](#) of its 2023 Standards of Accreditation and associated policies. It will “stay” requirements in the Standards that reference DEI, meaning that it will [temporarily pause](#) these provisions. WSCUC mainly accredits public and private institutions in California, Hawaii, and the Pacific.

Implications/next steps: These announcements come after several executive orders targeting DEI, specifically the [April 23 executive order](#) that targeted higher education accreditors and called out the ABA and the ACGME. The Trump administration argues that there is a “[monopoly on accreditors](#),” and rethinking accreditation is likely going to be a top priority for the ED.

ICE Targets International Students with Optional Practical Training Visas (5.16.25)

International students with Optional Practical Training visas (OPTs) are allowed to work in fields relevant to their studies and allowed 90 days of unemployment every 12 months. The [Trump administration](#) recently sent [letters](#) to international students with OPTs stating that students who have not reported employment status in the past 90 days of receiving their OPT visa must report their employment status within 15 days of receiving the notice, or risk SEVIS termination and “initiation of immigration proceedings to remove” the student from the US. As of 5/16, *Inside Higher Ed* confirms at least 35 students were targeted, and the number is expected to grow. It is unknown as of now if SEVIS terminations would result in subsequent visa terminations. Note that this letter is the exact same as a 2020 letter sent to students during the first Trump administration.

Implications/next steps: This letter is another indicator that the Trump administration will continue to target international students. [NAFSA](#) has urged college officials to check and monitor the SEVIS database for notices of OPT students’ compliance and remind students to keep employment info updated. Please note that Joseph Edlow, Trump’s nominee to lead US Citizenship and Immigration Services, has [threatened to end](#) the OPT program.

Department of Defense Planning to Cap Indirect Cost Reimbursement Rates for Institutions at 15% (5.14.25)

Secretary of Defense Pete Hegseth [announced](#) in a [memo](#) that the DOD plans to cap indirect research cost rates at 15%, which would make it the fourth federal agency to attempt to enact such a plan. Hegseth directed the DOD to develop a policy for the implementation of new awards, using the new cap, within 21 days. His memo claims that the cap would save \$900M in funds while also claiming that the purpose is not just to save money but also to repurpose funds. Hegseth also noted that they would revisit the terms of existing grants to institutions, developing a plan within 30 days.

Implications/next steps: Institutions and their associations have already sued the NIH, DOE, and NSF over these caps. Federal judges have blocked indirect cost caps from being implemented at the NIH and DOE, and the NSF agreed to pause the cap until June 13th so it can proceed to summary judgment without a full trial. Thus, precedent indicates that institutions and their associations will file a lawsuit against the DOD.