Federal Policy Developments Digest

September 25, 2025

White House Proposes $100,000 Fee for H-1B Nonimmigrant Visa Program (9.19.25)

On Sept. 19, the Trump administration issued a proclamation restricting entry of H-1B workers unless their petition is accompanied or supplemented by a $100,000 payment. The order took effect on Sept. 21 and is set to expire after 12 months unless extended. The Trump administration claims that the H-1B program has "led to a disadvantageous labor market for American citizens." On Sept. 20, officials clarified that the charge applies to new visa applications only, not to renewals and current H-1B holders. The H-1B program is capped at 85,000 new visas a year, but institutions and some other organizations are not subject to the cap; however, the proclamation's text does not carve out cap-exempt employers.

Implications/next steps: Institutions use H-1B to hire international faculty, researchers, and specialized staff. Brendan Cantwell, a professor of higher, adult and lifelong education at Michigan State University, noted that many institutions will not be able to afford the $100,000 fee, meaning that they will not be able to fill vital roles on campus. As visa application fees are governed mainly by 8 U.S.C. § 1356(m) (part of the Immigration and Nationality Act) and the statute does not explicitly authorize fees as penalties, deterrents, or revenue-generating tools, legal challenges related to this proclamation are likely forthcoming.

Harvard Placed on Heightened Cash Monitoring (9.19.25)

The Education Department recently placed Harvard University on Heightened Cash Monitoring (HCM). Under HCM, Harvard must first disburse Title IV aid using institutional funds and then seek reimbursement. The department simultaneously required an irrevocable $36M letter of credit (approximately 30% of Harvard's prior-year Title IV volume) or other acceptable financial protection. The release cites three "discretionary triggering events" that led to the HCM designation: an HHS Title VI determination, Harvard's noncompliance with ED's Office for Civil Rights records requests, and concern over Harvard taking steps to issue over $1B in bonds.

Implications/next steps: Deploying HCM against a well-resourced, highly-rated institution is unusual, as HCM is typically used for financially distressed colleges struggling with compliance or at risk of closure. The department cited Harvard's sale of bonds in the last year, which amounts to about 15% of Harvard's annual revenue; however, a *Chronicle* analysis noted that at least 225 private, nonprofit institutions have recently issued debt in a single year that also amounted to at least 15% of total revenues. Additionally, this case signals that the administration may be expanding the scope of HCM's use: beyond serving purely as a financial safeguard, it appears to be leveraged as a compliance enforcement mechanism (particularly around civil rights-related compliance).

Education Department Shifts MSI Discretionary Dollars Toward HBCUs and Tribal Colleges (9.15.25)

On Sept. 10, the Education Department announced it would end discretionary funding for seven Minority-Serving Institution (MSI) grants it labeled "racially discriminatory," affecting roughly $350M in FY25 grants, while about $132 million in mandatory MSI funds would still be disbursed. Then, on Sept. 15, the Education Department unveiled a one-time $495M increase for HBCUs and Tribally Controlled Colleges and Universities (TCCUs) for FY25, stating the move repurposes funds from programs the department claims are "not in best interest of students and families." The department pegged FY25 totals at over $1.34B for HBCUs and over $108M for TCCUs. *The New York Times* framed the action as a reallocation from MSIs to HBCUs and TCCUs.

Implications/next steps: Marybeth Gasman, executive director of the Rutgers Center for Minority Serving Institutions, noted that the administration seems to be pitting institutions against each other through redirecting the funding. The legality of the move is murky; Amanda Fuchs Miller, former deputy assistant secretary for higher education programs under the Biden administration, stated that the intention of reprogramming funds was never to end programs authorized and funded by Congress. Courts will likely fight over the Education Department's reprogramming authority and constitutional claims.