Federal Policy Developments Digest

October 30, 2025

More Institutions Signal Opposition to Trump Administration's Compact but Hesitate to Reject Outright (10.30.25)

More higher education leaders who have not been directly approached about the Trump administration's Compact continue to speak out against it, though most of these comments do not amount to formal rejections, according *Inside Higher Ed*'s communications with several university spokespeople. These institutions have shared that they have not officially considered the Compact since they have not been directly asked to sign. A recent exception is the New College of Florida, which has publicly said that it is ready to sign the Compact, though it has not yet been formally invited to join. The public appears to side with institutions that have declined to join the Compact. A nationally representative October 2025 poll conducted by Quinnipiac University found that 62% of respondents believe that institutions should not align their policies with the Trump administration's political and ideological goals in return for preferential federal funding, while only 26% said they should. Additionally, 57% of respondents opposed increasing the federal government's role in how institutions operate, while just 25% supported increasing federal oversight.

Implications/next steps: The administration has not yet shared how interested institutions can join the Compact. White House officials are reportedly planning to update the Compact based on feedback they have received from institutions. Brendan Cantwell, a higher education professor at Michigan State University, shared that there is no reason for institutions not invited to "explicitly decline" at this point, given that doing so could antagonize the administration, donors, or state officials. He also noted that institutions are using the administration's ambiguous communications about the Compact to their advantage. By not proactively rejecting the Compact before being asked, institutional leaders may be signaling a desire to keep their options open.

Federal Judge Extends Ban on Federal Reductions in Force Amid Ongoing Shutdown (10.28.25)

Judge Susan Illston – who had previously issued a temporary restraining order to pause the mass layoffs of federal workers during the government shutdown – has now issued a preliminary injunction ordering the Trump administration to maintain that pause at most major government agencies. Judge Illston called the firings "likely unlawful." Unless this ruling is overturned by a higher court, the Trump administration is barred from issuing new reduction-in-force notices or enforcing those already issued.

Implications/next steps: The Trump administration will likely appeal Judge Illston's ruling to the 9th Circuit Court of Appeals. Earlier in the month, Office of Management and Budget Director Russ Vought had said he expected around 10,000 employees to be fired in relation to the shutdown, but those plans appear to have been scaled back. The administration has targeted its cuts at federal programs and agencies favored by Democrats.

Higher Education Associations Urge DHS to Exempt Institutions from $100,000 H-1B Fee (10.23.25)

The American Council on Education (ACE) and 31 co-signers sent a letter to the Department of Homeland Security (DHS) asking that US institutions be exempted from the H-1B fee, "as faculty, researchers, and staff hired under H-1Bs educate domestic students in areas of national need, such as health care, engineering, and education fields." The letter stated that since H-1B workers at higher ed institutions are performing work that is critical for the US economy and national security, institutions should be exempted, similar to the sector's current exemption from the H-1B lottery cap. The letter includes data from the College and University Professional Association for Human Resources (CUPA-HR) showing that 70% of faculty who hold H-1B visas are in tenure-track or tenured positions, with business, engineering, health professions, computer science, and physical sciences as their top fields. This letter comes in follow up to the additional guidance that US Citizenship and Immigration Services (USCIS) issued last week, clarifying that the $100K fee applies to new petitions filed for workers outside the US who do not currently hold a valid H-1B visa. ACE's letter also requests that DHS:

- Clarify whether the $100K fee will be refunded if a petition is denied or not awarded through the lottery.
- Explain how USCIS will ensure timely processing of H-1B petitions.
- Confirm that individuals transitioning from F-1 or J-1 status to H-1B status will not be subject to the $100K fee.
- Specify how and when exemptions or exceptions for particular industries will be determined.
- Define the metrics USCIS will use to determine whether "no American worker is available to fill the role," which is required for granting an exception.

Implications/next steps: Because this fee primarily targets new hires recruited from abroad, institutions attempting to expand globally or fill roles from abroad would be the most impacted. Members of the Association of American Universities (AAU) would in particular be affected, as almost half of the H-1B visas approved at colleges and universities in 2025 have been AAU members. The AAU stated in their joint lawsuit with the Chamber of Commerce that AAU members who cannot pay the fee "must forgo or significantly reduce their planned H-1B petitions—and thus lose access to specialized talent, which will have cascading effects across member institutions, including on cutting-edge research and course offerings." As of this writing, no immediate injunction to halt the fee's enforcement has been granted, though plaintiffs have requested one.