Federal Policy Digest

January 16, 2026

Senate Advances Bill to Largely Maintain Scientific Research Funding (1.12.26)

The Senate voted to advance fiscal year 2026 budget bills that rejects the Trump administration's proposed cuts to federal research funding. According to the American Association for the Advancement of Science, budget bills released by Senate committees would provide $188.3B in total scientific research funding—21.3% more than the amount requested by the Trump administration. If implemented, the White House's proposed cuts would represent the largest reduction in federal science spending since World War II, and several agencies would face substantial reductions. For example, the National Science Foundation requested $3.9B, less than half of its 2025 funding; the Senate proposal would allocate $8.8B. The National Institutes of Health requested $27.9B, a 40% cut from 2025 levels; the Senate proposal would provide $48.7B. The Senate's proposed research funding levels would still be 3.6% lower than fiscal 2025 spending; however, the Senate's proposed $44.9B for basic research is 2.4% higher than fiscal 2025 levels.

Implications/next steps: While the White House submits an annual budget request, Congress retains the power of the purse, and Congress must pass a budget by January 30 to avoid another government shutdown. This bipartisan support for research funding contrasts sharply with partisan divisions seen last fall. Even so, analysts note that the fiscal 2026 budget cannot fully reverse damage to the research ecosystem resulting from cuts in 2025. Universities in particular must search for other sources of revenue and new research partnerships – which will likely mean focusing more on applied rather than basic research. In addition, the administration's changes to how grants are funded will continue to affect research output.

ED Negotiated Rulemaking Committee Reaches Consensus on Earnings Accountability Framework (1.9.26)

The AHEAD (Accountability in Higher Education and Access through Demand-driven Workforce Pell) Committee reached consensus language establishing a new earnings accountability framework for all postsecondary programs (including undergraduate certificates) that participate in federal student loan programs. The committee's agreed-upon proposal would implement the earnings premium metric – known colloquially as "Do No Harm" – and align existing gainful employment (GE) and financial value transparency (FVT) with the earnings premium metric.

- Earnings Premium Metric: The proposal's earnings premium metric focuses on whether students are financially better off for having completed a program. For undergraduate programs, the median earnings of graduates must exceed the median earnings of working adults ages 25-34 who are high school graduates. For graduate programs, median earnings must exceed those of working adults ages 25-34 who hold a bachelor's degree. Each year, the ED will compare the earnings of program completers four years post-graduation with the appropriate earnings benchmark, which can be found here via the Institute for College Access and Success.

- Program Failure: The proposal states that programs that fail to pass the earnings benchmark for two out of three consecutive years will lose access to federal student loans (excluding Pell). Most federally-aided students (around 95%) are in programs expected to pass the earnings benchmark, based on preliminary ED data. If a program fails the earnings benchmark for a single year, the institution can "teach out" the program using federal student loan funds, but the program must not enroll new students. This ensures currently enrolled students can finish their program. The proposal also outlines the circumstances under which institutions could lose access to Pell. (Whether or not to include the loss of Pell as a consequence for program failure was a point of contention during negotiated rulemaking.) The final agreed-upon regulatory text states that if most students at an institution are enrolled in failing programs, or a majority of federal aid is being allocated to failing programs, then the institution is deemed "not administratively capable," and Pell grants will be pulled.

- FVT/GE: The proposal aligns FVT and GE regulations with the OBBBA's earnings premium metric, which includes eliminating the debt-to-earnings rates. The FVT framework would be renamed the Student Tuition and Transparency System (STATS); the framework largely remains the same under the proposal, with some modifications to the metrics and reporting requirements.

- Disclosures: The proposal includes requiring disclosures of student-, program-, and institutional-level data in an effort to increase transparency. For example, institutions must warn current and prospective students if a program could become ineligible for loans due to failing to pass the earnings test. The ED must also establish a "Program Information Website" with information about institutions and their programs.

Implications/next steps: The earnings accountability framework is set to take effect on July 1, 2026. ED will soon publish a proposed rule for public comment, and the language in that proposed rule must match the language agreed upon during negotiated rulemaking. The ED will then review the public comments before issuing a final rule. Once in effect, the ED will calculate the earnings test and inform institutions of their programs' results in early 2027, using data for completers in the 2021 award year. The ED will then conduct a second earnings test calculation in early 2028, based on data for completers in the 2022 award year. If a program fails the earnings test in 2027 and 2028, it will be designated as a "low-earning outcome program" and may lose access to federal student loans beginning July 1, 2028. The ED published more information about its proposed earnings accountability timelines here.

Eligible Four-Year Institutions Required to Submit IPEDS ACTS Survey Component by March 18 (12.18.25)

The Admissions and Consumer Transparency Supplement (ACTS) to IPEDS opened on December 18, 2025, and will close to keyholders (institutional leaders overseeing the data collection) on March 18, 2026. This survey supplement follows Trump's memorandum, Ensuring Transparency in Higher Education Admissions, and Secretary Linda McMahon subsequent directive issued in August 2025. ACTS requires four-year institutions to submit disaggregated data on applications, admissions, enrollment, and aid by race-sex pairings, GPA quintiles, test-score quintiles, family income ranges, Pell-grant eligibility, parental education, application round, and more. The 2025-26 collection will also require historical data going back to 2020-21 or 2019-20.

Implications/next steps: The Institute for Higher Education Policy (IHEP) and 34 other organizations sent a letter to the Department of Education outlining concerns with the agency's approach to ACTS. IHEP cited several issues: the accelerated rollout with minimal field engagement, which could lead to inconsistent data; the massive institutional burden necessary to complete ACTS, with ED itself acknowledging that ACTS collection will take 2.5 times longer than the rest of IPEDS collection combined, with less ED support; and concerns that using the data to determine if institutions are using race-based preferences would not be a responsible or accurate use of the data. Bryan Cook, director of higher education policy at the Urban Institute, noted that while institutions have more time than under a typical IPEDS reporting window, ACTS is an entirely new data collection, and historically, "new collections are piloted or provisionally collected for at least a year before full implementation," which did not happen with ACTS. Although the administration appears intent on rapidly scrutinizing elite institutions' admissions practices, the rushed and uneven rollout may raise legal questions about the reliability of the data.