

Subject: Federal Transition Update

Date: Monday, March 10, 2025 at 9:00:10 PM Eastern Daylight Time

From: Gage, Douglas

To: DeanDirChair

Dear Leaders:

We write to provide an update on the federal administration transitions impacting Michigan State University and the higher education community. The uncertainty of these actions has been very unsettling to the campus community, and while we do not have all the answers, we want to share with you the information we do have.

Many aspects remain in flux through unclear directives and ongoing legal challenges, but several developments have emerged over the past two weeks. President Guskiewicz will discuss some of these topics at his Conversation with the campus on Tuesday, March 11, and an email to the full campus with similar details will follow shortly after. Until then, please share this information with your units.

USAID

One of the first executive orders in mid-January directed the United States Agency for International Development (USAID) to freeze nearly \$2 billion for already completed foreign aid work. Multiple court challenges have played out since then, including one as recent as March 5, where the [U.S. Supreme Court rejected an emergency appeal](#) from the administration and directed the District Court to clarify its prior order requiring the prompt release of the nearly \$2 billion.

While the courts continue to evaluate the issue, the university has received direct communication from the federal government terminating USAID-affiliated projects. In FY2024, MSU received approximately \$23 million in awards from USAID to support projects ranging from STEM education to food policy, production, and supply chains.

We are complying with the federal orders, and communicating directly with impacted faculty, staff, and graduate students. At the same time, we are collaborating with colleges on their review of each project to determine the financial viability of continuing some portion of the work or how to bring the project to an orderly close.

Michigan State University has a long history in international research and what is happening around us — and to our partners, faculty, students, and staff — is extremely difficult. Like many universities, the agricultural and educational related research performed by MSU scholars around the world has direct benefits for Michiganders and Americans, and the loss of funding will negatively impact progress in these important areas.

Dear Colleague Letter - Education

On February 14, the U.S. Department of Education Office for Civil Rights (OCR) issued a “Dear Colleague” letter outlining how the federal department will review race-based initiatives and programs within education institutions (K12 and higher education). At the end of February, additional guidance was provided via an [FAQ](#) that answered some of the questions regarding how recent court decisions will be reviewed by OCR.

Upon review of the FAQ, we continue to feel confident that Michigan State University is operating within all state and federal laws prohibiting race-based discrimination and preferences in educational and hiring settings. There are no immediate actions needed by any MAUs, outside of the guidance already provided by the Office of the General Counsel to review programs and marketing materials

for such compliance. If you need to review that guidance again, please visit [MSU Leadership Messages](#) on the Government Relations website.

Recent Legal Actions

On March 5, [a federal judge issued a nationwide block](#) against the administration's moves to slash reimbursement from the National Institutes of Health that cover grant recipients' research overhead costs.

The [order](#) issued by Judge Angel Kelley of the US District Court for the District of Massachusetts granted states and academic groups' motion for a nationwide preliminary injunction that enjoins the NIH from taking any steps to implement a [15% cap](#) on "indirect funds." As a co-leader to one of the lawsuits filed by 22 states, Michigan Attorney General Dana Nessel [released a statement](#) on the order as well.

Our Office of Government Relations continues to advocate and work directly with federal lawmakers on the potential impact of NIH reductions, and we greatly appreciate their effort and those working alongside them in these advocacy efforts. Just last week, VP Gage was on Capitol Hill meeting with congressional offices and advocating for the necessity of university research and its impact on our state, the economy and society at large.

Also on March 5, an [independent federal board ordered the U.S. Department of Agriculture](#) to temporarily reinstate nearly 6,000 employees who were fired on February 13. The Merit Systems Protection Board (MSPB) [issued a stay](#), ordering the USDA to return the fired workers to their jobs for 45 days while an investigation continues. The MSPB acts as an internal court to consider federal employees' complaints against the government.

This demonstrates another example of the fluid nature of executive orders and court impacts and the domino effect on some of our projects at MSU.

Ongoing Efforts

We end with reminders about the [new website](#), particularly the resources for researchers, to help track related information, and we encourage you to refer to the site for new updates. Please reach out as described on the [Federal Updates website](#), should you receive communications from your program officer or funding agency. We will assist you in responding to questions on institutional practices or providing certifications when appropriate.

Also, we want to share that the Office of the Provost will be collaborating with the Office of Research and Innovation, Institutional Diversity and Inclusion, and the Office of General Counsel to host a webinar on Tuesday, April 8 from 9-9:45 a.m. for faculty and academic staff. The purpose of the webinar is to provide insight into federal actions, related issues and the actions that university leadership is considering. This will be an opportunity to both receive updates and ask questions. Registration information and additional details will be shared soon.

University leadership is also closely watching a potential federal government shutdown or extension of current budget spending and the impacts financially and programmatically on the university.

In these challenging times, our commitment to education, research, and community engagement remains steadfast. Our roles as educators and researchers are more vital than ever. Our unwavering commitment to fostering an inclusive and supportive environment for all students, faculty and staff is crucial. The strength of our community is enhanced by our diversity, and together, we will continue to champion the values that define MSU.

Sincerely,

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