Subject: Update on Federal Administration Impacts May 2025

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Dear leaders,

The federal administration continues to drive rapid and far-reaching changes that directly impact Michigan State University's operations, policies and, most importantly, our people. As federal agencies implement new directives, legal challenges unfold, and Congress debates policy and appropriations, many

We recognize the strain that uncertainty places on our entire community. This letter aims to address it by providing context to support your leadership and engagement within your colleges, units and teams — and by outlining how MSU is responding institutionally.

Our response and message remain consistent: MSU is working diligently through its designated response teams, Government Relations staff and national associations to track, understand and respond to evolving federal mandates. We are committed to transparency and will provide updates as information emerges or action is required.

What MSU is doing
National advocacy: MSU recently joined peers nationwide in signing a statement from the American Association of Colleges and Universities calling for constructive engagement on federal education policy - affirming our commitment to academic freedom, inclusive excellence and evidence-based governance.

Engaging policymakers: MSU leadership continues regular outreach to federal policymakers. President Guskiewicz has traveled to Washington, D.C., on two critical occasions in April to meet with several members of the Michigan delegation, highlighting the impact of recent federal developments and advocating for international students, student aid and research support. These visits, alongside ongoing work by the MSU Government Relations team, are part of the university's ongoing federal engagement to ensure MSU's interests are well represented in D.C.

Empowering advocates: Through our <u>Spartan Advocate</u> resource, we continue to encourage faculty, students and alumni to make their voices heard by contacting their elected officials. In under five minutes, members of the Spartan community can share how federally funded research and financial aid have impacted their lives — making advocacy accessible, personal and powerful. Nearly 1,500 emails have been sent to Congress from current and former financial aid recipients, underscoring strong grassroots support for protecting access and affordability to higher education.

We are also working with a wide range of key external stakeholders such as regional chambers of commerce to share the importance of MSU's work in other critical sectors like business and economic development.

Coordinated response: MSU Government Relations is leading a cross-campus collaborative effort with the Office of Financial Aid, University Communications and Marketing, the Office of the General Counsel and the Office of Research and Innovation, among many others, to coordinate university responses to recent federal developments and ensure timely, accurate guidance for the MSU community.

Federal transition resources: Visit the 2025 Federal Transition page for ongoing updates and access to official executive orders. Additionally, one-pagers outlining the impacts on the National Science Foundation, Department of Energy, National Institutes of Health and AmeriCorps are available on the site.

Recent federal changes: MSU impact

On May 19, leaders from the Office of the General Counsel, Government Relations, the Office of the Provost and the Office of Research and Innovation will provide an update on the current federal administration and funding environment during the "Federal Impacts on Research Webinar." You can register and submit questions in advance, and the meeting will be recorded. In the meantime, we are outlining below several funding updates and other federal changes impacting MSU.

AmeriCorps grant terminations

The Michigan State University College Advising Corps, or MSUCAC, was recently informed that all AmeriCorps grants in Michigan were terminated. This affects 30 employees - including four MSU FTEs and 26 on-call or temporary school advisors - and halts a program that has supported college access for 15 years. Awards to MSU are under a stop work order. Conversations are ongoing and will include MSU HR, Contract and Grant Administration and impacted school districts to manage this transition and explore possible supports. The state attorney general has joined a lawsuit challenging the funding

NSF: Indirect costs cap and reductions in force

A recent NSF federal directive limits indirect cost recovery to 15% for new grants to higher education institutions, reducing MSU's ability to cover administrative and facility costs. National higher education associations that MSU belongs to have filed a lawsuit to challenge this directive.

Additionally, last week, the NSF announced the elimination of 37 divisions and the termination of over 80 senior staff positions and 295 temporary positions. These reductions in force are expected to affect the university in several ways ranging from the potential elimination of research grant opportunities to the reduction in the agency's ability to implement its programs. Our Government Relations team, in coordination with national research-focused associations, peer institutions and stakeholder partners, will continue to monitor these developments and highlight their critical impact to congressional decision-makers.

Other impacted federal awards

MSU has received terminations from other federal agencies, some of which have been acknowledged in our previous emails. One new update since our last message pertains to the National Endowment for the Humanities, or NEH, which has terminated 10 MSU projects — and the NSF, which has terminated 19 MSU projects. Like with other funding cuts across the university, the terminations have significantly impacted our community.

Affirmative action executive order

MSU has taken steps to comply with Executive Order 14173, titled "Ending Illegal Discrimination and Restoring Merit-Based Opportunity," which was issued in January 2025. It rescinded the longstanding affirmative action requirements for federal contractors under EO 11246. In response, MSU updated relevant web pages, HR documentation and compliance materials to reflect the change in federal policy.

While this new order eliminates the federal requirement to set affirmative action placement goals based on race, sex, color, ethnicity and national origin, MSU will

continue work related to equal employment opportunity and the elimination of bias in hiring and employment. Please note that affirmative action requirements will continue for protected veterans and individuals with disabilities. And MSU will continue to cast a wide, inclusive net in recruitment to build diverse applicant pools and ensure hiring processes are equitable and consistent with our values and applicable law.

Civil rights and inclusion

MSU's Office for Civil Rights and Title IX Education and Compliance and the Office for Institutional Diversity and Inclusion continue to remind our community that MSU's Anti-Discrimination Policy, remains firmly in place. Discrimination or harassment based on gender identity, gender expression and many other identities is prohibited under both state law and university policy. We encourage leaders to reassure units that MSU remains a welcoming and inclusive environment for all.

International student support

The Office for International Students and Scholars, or OISS, has worked quickly to address recent terminations of SEVIS records for international students affected by federal immigration actions. As of April 26, the Trump administration has restored all impacted records. OISS continues to offer individualized support and guidance, and university leadership remains actively engaged in ensuring our international Spartans feel safe and valued. For more information, please see these messages from the director of OISS and the FAQs regarding nonimmigrant statuses.

Executive orders and ongoing federal developments

Over the past month, the Trump administration has signed several executive orders and implemented policy changes impacting higher education, particularly concerning accreditation standards, student debt collection and federal funding for colleges and universities. These developments have significant implications for Michigan State University.

- Accreditation reforms: On April 23, President Trump signed an executive order aimed at overhauling the higher education accreditation system.
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 funding to National Public Radio and the Public Broadcasting Service by June 30. The executive order could affect the university in several ways:
 MSU operates WKAR, a public radio and television station affiliated with NPR and PBS. The loss of federal funding may lead to reductions for WKAR
 in services or programming associated with MSU, affecting both the university community and the broader Lansing area. WKAR General Manager
 Shawn Turner continues to strongly advocate for the value of public media, including by meeting with policymakers in Washington, D.C.
- Gain-of-function research: On May 5, President Trump signed an executive order aimed at pausing domestic gain-of-function research to allow for review and revision of the 2024 "United States Government Policy for Oversight of Dual Use Research of Concern and Pathogens with Enhanced Pandemic Potential"

Federal budget considerations

We continue to monitor several developments at the federal level:

The White House recently released information on its preliminary FY26 "Skinny Budget Request," which contains top-line funding recommendations for discretionary spending and major administration priorities. While Congress ultimately has authority over funding levels decision-making, this first step in the annual federal budget process is concerning, especially regarding proposed cuts to research and education. Congress has started the process of reviewing the budget request as part of its annual appropriations negotiations, which are expected to take up most of the rest of the year. More information about the proposed budget is available through the Association of American Universities and the Association of Public and Land-Grant Universities.

We also continue to monitor the <u>Student Success and Taxpayer Savings Plan</u>, a budget reconciliation bill approved by the House Committee on Education and Workforce as part of the larger budget reconciliation process. (The reconciliation process is complicated and requires specific spending and policy rules to bypass the Senate filibuster and can eventually be passed with a simple majority.) As the American Council on Education said, this bill "imposes significant cuts to federal aid programs, limits access to affordable repayment options and introduces a risk-sharing scheme that would disproportionately penalize institutions serving low-income and underrepresented students." More information is available through the <u>American Council on Education</u>.

In the near term, we anticipate consideration of additional reconciliation bills from other congressional committees focused on health, agriculture and tax policy, with direct policy implications for higher education and campus operations. Our Government Relations team, in coordination with higher education and research-focused associations, peer institutions and stakeholder partners, will continue to monitor these developments and help lead our advocacy efforts.

Additional resources

- Explore MSU's <u>Research for You</u> website, which highlights how Spartan research makes a difference in people's daily lives and offers tools to advocate for continued federal investment in science and innovation. We encourage all members of our leadership community to use this resource and help elevate our research impact narrative.
- Review this Overview of President Trump's Executive Orders (Association of Public and Land-Grant Universities).
- Scan the 2025 Administration Transition Information and Resources (Council on Governmental Relations).

Online Trackers

- Social Science Space tracker of federal actions and reactions affecting education and science
- Grant Watch tracker following NIH and NSF grant terminations
- Lists of recent legal challenges against the administration via <u>Lawfare</u> or the <u>Free Law Project</u>
- · American Association for the Advancement of Science's FY26 research and development appropriations dashboard
- Reconciliation tracker by the Committee for a Responsible Federal Budget
- · Broad federal R&D visualizer by the American Physical Society with data on NSF, DOE, DOD, NASA and NIST

Closing

These are complex times, and we recognize the emotional and operational burden placed on so many in our community. Through strong collaboration and continued vigilance, we will navigate these challenges together. Thank you for your leadership and partnership in this work.

Warm regards,

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