What's Happening in Washington

Thursday
September 11, 2025



- Congressional Activity -

Reconciliation

Reconciliation is a budgetary mechanism for items that involve direct/mandatory spending or taxation.

A precursor to reconciliation is a budget resolution passed by both chambers.

Reconciliation is not subject to a Senate filibuster. Therefore, simple majorities in both the House and Senate can move a reconciliation bill to the president's desk.

The FY25 Reconciliation Package Becomes Law

On July 4th, President Donald Trump signed the "One Big Beautiful Bill Act" into law. Here are the main features of this legislation for higher education:

- Changes to the Pell Grant program and need analysis
  - Rejection of House-passed limitation on eligibility (no Pell for students enrolled less than half time; grant reductions for those taking less than 15 credits) - Key CC win
  - Shores up Pell funding to address shortfall this coming year; excludes family farms, small businesses, and fisheries from aid calculation
- Establishment of Workforce Pell Grants
  - Set to start July 1, 2026, tight timeline for implementation, Neg Reg announced for later this year (Dec. – Jan)
- Changes to the Federal Student Loans space
  - Institutions can cap loans based on enrollment intensity & by program
  - Neg reg announced for later this year (Sept.-Nov.)
- Rejection of risk-sharing model and establishment of a new accountability tool based on earnings metric (Neg Reg announced for Dec. – Jan.)
- Regulatory changes (Borrower Defense & School Discharge)

Please review ACCT's fact sheet for additional details on this law.

Reconciliation

Reconciliation is a budgetary mechanism for items that involve direct/mandatory spending or taxation.

A precursor to reconciliation is a budget resolution passed by both chambers.

Reconciliation is not subject to a Senate filibuster. Therefore, simple majorities in both the House and Senate can move a reconciliation bill to the president's desk.

Workforce Pell Grants

- Makes workforce programs that are between 8 and 15 weeks long (150 and 599 clock hours) eligible for the Pell Grant
- Programs must be in existence and operational at least one year prior to being eligible for Pell
- Determined by the Governor of a state, in consultation with the state board, to be aligned with requirements to be high-skill, high-wage, or in an in-demand sector or occupation
- Programs must lead to a portable, stackable, recognized credential and meet all hiring requirements for occupation or sector
- Has a verified completion rate of at least 70% within 150% of program time
- Has a verified job placement rate of at least 70%, measured 180 days after completion
- Tuition and fees for program cannot exceed the value-added earnings of completers who used federal financial aid and graduated three years prior
- ACCT is interested in understanding of the needs of community colleges as they navigate the implementation of Workforce Pell. Please fill out our survey.

Appropriations

Completing the annual appropriations process funds the government and its discretionary operations.

This process appropriates authorized spending and project requests that are processed by 12 appropriations subcommittees in the House and Senate.

Once the 12 subcommittees' bills are the same in both the House and Senate and passed by each chamber, each bill is then signed by the President to become law.

Failure to do this can lead to a **government shut down** or a **continuing resolution (CR)**, which uses the previous year's allocations to fund the current year.

Current Status

- President Trump's budget request, released earlier this year called or drastic cuts to many higher education programs
- Senate Labor, Health and Human Services, Education, and Related Agencies (LHHS) bill reported out of committee at the end of July
  - Bipartisan bill largely ignores the President's request and mostly level-funds programs to FY 24 levels
  - However, the Senate Appropriations Committee proposed to reduce the Strengthening Institutions Program (SIP) by almost 5 percent ($5 million) while increasing the Post Secondary Student Success Grant by $5 million (11 percent increase).
- House LHHS bill reported out of subcommittee last week. Bill includes similar funding levels to the President's request but different allocations
  - Department of Education has $12 billion cut (15%), Department of Labor has $4 billion cut (30%)
- Full committee markup took place this week.

Appropriations

Completing the annual appropriations process funds the government and its discretionary operations.

This process appropriates authorized spending and project requests that are processed by 12 appropriations subcommittees in the House and Senate.

Once the 12 subcommittees' bills are the same in both the House and Senate and passed by each chamber, each bill is then signed by the President to become law.

Failure to do this can lead to a **government shut down** or a **continuing resolution (CR)**, which uses the previous year's allocations to fund the current year.

House LLHS Subcommittee Proposal

- **Eliminates funding for:**
  - Adult Basic Education (ABE)
  - Child Care Access Means Parents In School (CCAMPIS)
  - Supplemental Educational Opportunity Grant (SEOG)
  - Basic Needs Grant & Postsecondary Student Success Grant (PSSG)
- **Reduces funding for:**
  - Federal Work Study (FWS) by 37 percent
  - Strengthening Institutions program (SIP) by $5 million
- **Level funds:**
  - Maximum Pell award at $7,395,
  - Strengthening Community College Training Grant (SCCTG)
  - TRIO and Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)
  - Head Start & MSIs
- **Increases funding for:**
  - Career and Technical Education (CTE) state grants.
  - HBCUs, TCUs, and NASNTIs

Appropriations

Completing the annual appropriations process funds the government and its discretionary operations.

This process appropriates authorized spending and project requests that are processed by 12 appropriations subcommittees in the House and Senate.

Once the 12 subcommittees' bills are the same in both the House and Senate and passed by each chamber, each bill is then signed by the President to become law.

Failure to do this can lead to a **government shut down** or a **continuing resolution (CR)**, which uses the previous year's allocations to fund the current year.

Program	FY 2025	President Trump's FY 2026 Budget Request	Senate LHHS Appropriations Bill	House LHHS Appropriations Bill
Department of Education				
Maximum Pell	$7,395	$5,710 ($1,685 reduction: 22.8% decrease)	$7,395 (Level funding)	$7,395 (Level funding)
Federal Work Study (FWS)	$1,230,000,000	$250,000,000 ($980,000,000 decrease: 80% cut and reversal of cost-share split)	$1,230,000,000 (Level funding)	$778,869,000 ($451,131,000 reduction; 36.7% decrease)
Supplemental Education Opportunity Grant (SEOG)	$910,000,000	$0 (Eliminate funding)	$910,000,000 (Level funding)	$0 (Eliminate funding)
TRIO Programs	$1,191,000,000	$0 (Eliminate funding)	$1,191,000,000 (Level funding)	$1,191,000,000 (Level funding)
GEAR UP	$388,000	$0 (Eliminate funding)	$388,000 (Level funding)	$388,000 (Level funding)
Child Care Access Means Parents In School (CCAMPIS)	$75,000,000	$0 (Eliminate funding)	$75,000,000 (Level funding)	$0 (Eliminate funding)
Strengthening Institutions Program	$120,000,000	$0 (Eliminate funding)	$107,070,000 ($5,000,000 reduction; 5% decrease)	$107,070,000 ($5,000,000 reduction; 4.5% decrease)
Strengthening Tribally Controlled Colleges and Universities (TCCUs)	$51,807,000	$51,807,000 (Level funding)	$51,807,000 (Level funding)	$56,807,000 ($5,000,000 addition; 9.65% increase)
Strengthening Alaska Native and Native Hawaiian Institutions (ANNHIs)	$24,555,000	$24,555,000 (Level funding)	$24,555,000 (Level funding)	$24,555,000 (Level funding)
Strengthening Historically Black Colleges and Universities (HBCUs)	$1,1919,000	$1,1919,000 (Level funding)	$1,1919,000 (Level funding)	$406,966,000 ($6,000,000 addition; 1.5% increase)
Strengthening Predominantly Black Institutions (PBIs)	$22,412,000	$22,412,000 (Level funding)	$22,412,000 (Level funding)	$22,412,000 (Level funding)
Strengthening Asian American & Native American Pacific Islander Serving Institutions (AANAPISIs)	$18,682,000	$18,682,000 (Level funding)	$18,682,000 (Level funding)	$18,682,000 (Level funding)
Strengthening Native American Serving Non Tribal Institutions (NASNTIs)	$11,462,000	$11,462,000 (Level funding)	$11,462,000 (Level funding)	$12,462,000 ($1,000,000 addition; 8.7% increase)
Developing Hispanic Serving Institutions (HSIs)	$228,890,000	$228,890,000 (Level funding)	$228,890,000 (Level funding)	$228,890,000 (Level funding)

Appropriations

Completing the annual appropriations process funds the government and its discretionary operations.

This process appropriates authorized spending and project requests that are processed by 12 appropriations subcommittees in the House and Senate.

Once the 12 subcommittees' bills are the same in both the House and Senate and passed by each chamber, each bill is then signed by the President to become law.

Failure to do this can lead to a **government shut down** or a **continuing resolution (CR)**, which uses the previous year's allocations to fund the current year.

Program	FY 2025	President Trump's FY 2026 Budget Request	Senate LHHS Appropriations Bill	House LHHS Appropriations Bill
Department of Education (cont'd)				
Postsecondary Student Success Grant (PSSG)	$45,000,000	$0 (Eliminate funding)	$50,000,000 ($5,000,000 addition; 11% increase)	$0 (Eliminate funding)
Basic Needs	$10,000,000	$0 (Eliminate funding)	$10,000,000 (Level funding)	$0 (Eliminate funding)
CTE State Grants	$1,439,848,000	$1,439,848,000 (Level funding but CTE grants would be reserved for secondary level schools)	$1,439,848,000 (Level funding)	$1,464,848,000 ($25,000,000 addition; 1.7% increase)
Adult Education State Grants	$715,455,000	$0 (Eliminate funding)	$715,455,000 (Level funding)	$0 (Eliminate funding)
Department of Labor				
Strengthening Community College Training Grants (SCCTG)	$65,000,000	SCCTG would be eliminated and exist as part of the broader Make America Skilled Again block grant	$65,000,000 (Level funding)	$65,000,000 (Level funding)
Apprenticeships	$285,000,000	Would be eliminated and exist as part of the broader Make America Skilled Again block grant	$285,000,000 (Level funding)	$285,000,000 (Level funding)
Department of Health and Human Services				
Head Start	$12,271,820,000	$12,271,820,000 (Level funding)	$12,356,820,000 ($85,000,000 addition; 0.7% increase)	$12,271,820,000 (Level funding)
Childcare and Development Block Grant (CCDBG)	$8,746,387,000	$8,746,387,000 (Level funding)	$8,831,387,000 ($85,000,000 addition; 0.97% increase)	$8,746,387,000 (Level funding)

Appropriations

Completing the annual appropriations process funds the government and its discretionary operations.

This process appropriates authorized spending and project requests that are processed by 12 appropriations subcommittees in the House and Senate.

Once the 12 subcommittees' bills are the same in both the House and Senate and passed by each chamber, each bill is then signed by the President to become law.

Failure to do this can lead to a **government shut down** or a **continuing resolution (CR)**, which uses the previous year's allocations to fund the current year.

Next Steps

- Deadline to act on Appropriations is September 30, 2025 (either passing bills, or a continuing resolution)
- Failure to act by Sept. 30 would result in a government shutdown
- The full House Appropriations committee marked up this bill on September 9th
- Appropriators are already discussing plans for legislation to avoid a government shut down
- ACCT's NOW Article on FY 2026 Appropriations
- Join ACCT's Action Campaign to urge your member of Congress to reject eliminations and cuts to critical programs.

Farm Bill

The farm bill is an omnibus, multiyear law that governs an array of agricultural and food programs. It provides an opportunity for policymakers to comprehensively and periodically address agricultural and food issues. The farm bill has typically been renewed about every five years since the 1930s.

The last reauthorization of the law was in 2018, with the Agriculture Improvement Act of 2018 (also known as the 2018 Farm Bill).

Next Steps

- Last reauthorized in 2018 through the Agriculture Improvement Act of 2018
- Partisan disagreements have stifled a new reauthorization. Required two one-year extensions
- Agriculture Committee provisions in the Reconciliation bill this summer (changes to SNAP to pay for the bill) have created additional tension in negotiations and left less “pay-fors” to fund a new Farm Bill
- Current Farm Bill extension ends September 30, 2025
- Republican leads of the Agriculture Committees in both chambers have been working on a “skinny farm bill” before the deadline, however, it will likely need another extension
- Democrat Senators on the Ag Committee have this week huddled to try to get a unified position for any possible farm bill negotiations

Administration Grants and Funding Updates

Departments of Education and Labor Move Forward with Transition

- As part of the effort to transition functions from the Department of Education (ED) to the Department of Labor (DOL), ED's Office of Career, Technical, and Adult Education (OCTAE) sent a memo to state directors for Adult Education and Career and Technical Education (CTE) **announcing the shift to a new grants management system for grant award processing and a new payment system for funding access and drawdowns.**
- OCTAE explained that these new platforms currently support many federal agencies, which are used by both grant recipients and federal staff.
- Meanwhile, CTE policy experts are concerned that this change can cause disruption in funding availability for states this month.
- In the midst of this change, financial reporting platforms for Perkins V grants and Adult Education and Family Literacy Act (AEFLA) grants will remain the same.

Executive Orders

Executive orders are presidential documents that govern how the executive branch internally operates and is administered. Recently, executive orders have been leveraged to carry out policies and programs.

While executive orders have the force of law, they are subject to judicial review to determine whether the executive order is overstepping into Congress' power of legislating and if it is constitutional.

Running List and Primer Available Here

Executive Order: Improving Oversight of Federal Grantmaking

- On August 7, 2025, President Donald Trump signed the executive order titled *Improving Oversight of Federal Grantmaking*.
- This order:
  - Lists instructions for creating a process for reviewing new funding opportunity announcements and reviewing discretionary grants to ensure that they are consistent with agency priorities and national interest.
  - The review funding opportunity announcements and related forms are written in plain language to minimize "the need for legal or technical expertise in drafting an application."
  - Features interagency coordination to prevent redundancy.
  - Implements a pause on announcing new funding opportunities without prior approval from the senior appointee who is responsible for creating the process to review such new funding opportunities.

Executive Orders

Executive orders are presidential documents that govern how the executive branch internally operates and is administered. Recently, executive orders have been leveraged to carry out policies and programs.

While executive orders have the force of law, they are subject to judicial review to determine whether the executive order is overstepping into Congress' power of legislating and if it is constitutional.

Running List and Primer Available Here

Executive Order: Improving Oversight of Federal Grantmaking (Cont.)

- When reviewing and considering the funding opportunity, senior appointees must include the following when assessing grant proposals:
  - Award must advance the President's priorities
  - Award cannot be used to promote, subsidize, or facilitate:
    - Racial preferences
    - The notion that biological sex is a chosen characteristic
    - Illegal immigration
    - Initiatives that compromise public safety
    - Anti-American values
- Priority in recipient selection:
  - Institutions with lower indirect cost rates
  - Broad range of recipients instead of select repeat awardees
  - Commitment to complying with administration policies, procedures, and guidance respecting Gold Standard Science.

ED's Supplemental Grant Priorities

- Secretary McMahon has released five supplemental grant priorities. These will shape the Discretionary Grant Programs run by ED.
- Her focus will lie on:
  - evidence-based literacy
  - expanding education choice
  - returning education to the states
  - advancing artificial intelligence (AI) in education
  - prioritizing patriotic education

While the main target of these priorities is the K-12 space, institutions of higher education could be potential recipients of grants focused on "**concurrent enrollment programs, career preparation, postsecondary distance education, skills-based education, and apprenticeships.**"

Termination of Funding for Minority Serving Institutions

- The Department of Education announced that it will end discretionary funding for Minority Serving Institutions (MSIs), with the justification that these grants are racially and ethnically discriminatory.
- Funding for new 2025 awards and non-competing continuations will end for:
  - Strengthening Alaska Native and Native Hawaiian-Serving Institutions
  - Strengthening Predominantly Black Institutions
  - Strengthening Asian American- and Native American Pacific Islander-Serving Institutions
  - Strengthening Native American-Serving Nontribal Institutions
  - Developing Hispanic-Serving Institutions
- The Department said that it will "reprogram" these funds to "support other priorities" that the administration deems as not discriminatory.
  - ED announced the funds will be reprogrammed to HBCUs, TCUs, and some K-12 civics programs
- Mandatory funds that cannot be reprogrammed will be dispersed as stated by statute.

CCAMPIS Discontinuation

- National partners have reported that several postsecondary institutions have received notices of discontinuation in funding for the Child Care Access Means Parents in School (CCAMPIS) program.
- The overall justification is that the Trump administration has deemed that these recipients are implementing diversity, equity, and inclusion (DEI) or anti-bias programming and/or curriculum.
- ACCT is tracking this development and asks that you reach out to publicpolicy@acct.org if your institution has seen a discontinuation of CCAMPIS grants mid-cycle.

TRIO Grants Discontinued

- According to national partners, about 35 TRIO grants have been discontinued or cancelled by the Department of Education.
- This includes Upward Bound, Upward Bound Math-Science, and TRIO Training Grants.
- In addition, for the new cycle, some awardees were informed by the Department that their grants were not considered for the 2025-2026 cycle because of concerns with DEI.
- Meanwhile, for this fiscal year, TRIO programming was appropriated $1.2 billion, and for the next fiscal year, both the House and the Senate Appropriations Committee agreed to level fund TRIO, while President Trump has requested to eliminate this funding.
- ACCT is monitoring the situation and will provide updates once more information is released.

Administration Regulatory Updates

Regulations

Through the process of rulemaking, federal agencies form regulations also known as rules to carryout or interpret laws.

The authority agencies have to make detailed rules and guidance to implement a particular law is explicitly stated in the legislative text passed by Congress.

The rulemaking process involves opportunities for public comment periods where the public can provide feedback on any proposed regulations.

Negotiated Rulemaking on H.R. 1

- The Office of Post Secondary Education announced two negotiated rulemaking sessions to implement the higher education provisions on H.R. 1 "One Big Beautiful Bill."
- The Department created the:
  - **Reimagining and Improving Student Education (RISE) Committee** to address federal student loan-related changes
  - **Accountability in Higher Education and Access through Demand-driven Workforce Pell (AHEAD) Committee** to address Workforce Pell, institutional and programmatic accountability, and other issues.
- In the submitted comments, ACCT asked the Department to:
  - Add a community college representative as a negotiator
  - Align data collection and submission requirements with systems and methods institutions already use
  - Provide institutions with technical assistance and support when it comes to accountability metrics and compliance
  - Offer clarity regarding institutions' flexibility to lower borrowing limits at the programmatic level.

Regulations

Through the process of rulemaking, federal agencies form regulations also known as rules to carryout or interpret laws.

The authority agencies have to make detailed rules and guidance to implement a particular law is explicitly stated in the legislative text passed by Congress.

The rulemaking process involves opportunities for public comment periods where the public can provide feedback on any proposed regulations.

Department of Education Publishes New Proposed Rules Around the Public Service Loan Forgiveness (PSLF) Program

- On March 7, 2025, President Donald Trump signed the executive order titled *Restoring Public Service Loan Forgiveness*, directing the ED Secretary to ensure that organizations engaging in activities deemed illegal, such as "aiding or abetting discrimination or violations of immigration laws," are excluded from eligibility in the Public Service Loan Forgiveness (PSLF) program.
- On July 2nd, the Department concluded its negotiated rulemaking session, where all but one negotiator agreed to the 15 changes to the regulatory language.
- On August 18, the Department of Education announced a Notice of Proposed Rulemaking (NPRM) to implement this order.
- The public comment period will be open, and anyone can submit comments by September 17, 2025.

Verification Process Could Block Aid

- The Department of Education's Federal Student Aid (FSA) office announced that it would check the identities of an additional 300,000 applicants with the deadline of September 13.
- The scale and the tight timeline of this verification process have student aid officers in higher education institutions worried that legitimate applicants would see delays or blocks in accessing aid.
- It has been reported that there is a lack of clarity on what happens when a student does not finalize the verification process by the deadline. Institutions are waiting for additional guidance.

The Trump Administration Reinterprets the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA)

- The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) states that undocumented immigrants are ineligible to receive public benefits that take the form of direct payments or cash assistance.
- Since the Clinton administration, programs like Career and Technical Education (CTE) and Adult Basic Education (ABE) have not been regarded as "public benefits" as that they don't offer direct payments to their participants
  - Those of undocumented status were thus eligible recipients.
- The Trump administration's new interpretation of PRWORA would make undocumented immigrants ineligible recipients of such federal programs and services.
- This order was delayed until September 3rd in 20 states and the District of Columbia, which filed a lawsuit against the Departments of Justice, Health and Human Services, Education, and Labor.
- Meanwhile, the Departments of Education and Health and Human Services announced that they have agreed to stay the potential enforcement of PRWORA through September 10, 2025.
- **As of now, it is unclear how this case will proceed in the court system.**
- ACCT, alongside other national partners, sent a letter to Secretary McMahon asking for clarification and additional guidance on this new interpretation.

- Court Proceedings -

Department of Justice Opts Not to Defend Hispanic Serving Institutions Program

- The Department of Justice (DOJ) has opted out of defending the Hispanic Serving Institution (HSI) program, alleging that this program is unconstitutional.
- The Students for Fair Admissions and the state of Tennessee, legally challenged the program earlier this summer, claiming that the HSI program is discriminatory and ought to be modified so that all institutions can apply for HSI funds, not only those that have at least 25 percent of Hispanic students enrolled.
- While the Trump administration has decided not to defend the HSI program, the Hispanic Association of Colleges and Universities (HACU) has requested to intervene in this case as a defendant; a request that a U.S. District Court judge has not yet ruled on, and which has not seen opposition from the Department of Education.
- In their latest action, HACU started circulating a letter for HSIs to co-sign. This letter is asking Congress to support Hispanic-serving institutions in light of these recent developments.
- ACCT is staying in touch with our partners at HACU and closely monitoring the developments in this case, and we will share additional information with our members as we learn more.

Vacate

A ruling that vacates requires that an order or previous judgment be set aside, voided, nullified, annulled, or overturned.

Department of Education's Dear Colleague Letter on DEI Vacated

- On February 14th, the Department of Education's Office of Civil Rights issued a Dear Colleague Letter indicating that all institutions of education must eliminate their DEI programming by February 28, 2025 or face the possibility of losing federal funding.
- Subsequently, on March 1st, the Department released a FAQ with additional guidance on how to report discrimination and subsequent steps for institutions found to be out of compliance with the directives of the Letter.
- The American Federation of Teachers sued the Department, stating that its Dear Colleague Letter issued by the Office of Civil Rights is unlawful.
- On August 14th, a U.S. District Court judge ruled that the Department of Education acted unlawfully when issuing the Dear Colleague Letter and the FAQ.
- Thus, this ruling vacated the Department's Dear Colleague Letter and FAQ.
- The Trump administration will most likely appeal this ruling.

- Resources and Reminders -

LAW Live Extended into December

Thank you all for your attendance, engagement, and participation!

Given all your support, the ACCT Government Relations Team has decided to extend its monthly LAW Live Webinars into December!

Thank you again!

Advocacy Resources

To stay up to date on the most recent updates in the federal government and learn about new grant competition sign up for our weekly Latest Action in Washington (LAW) Updates.

For the latest publications on community college research, a deep dive on federal activities, and short pieces on community college trends, visit ACCT Now.

For prior webinars on demand and other additional resources, please visit ACCT Connect.

For information on our call to actions (action campaigns), on how to contact your legislators, and to view legislation ACCT is supporting, please visit ACCT's Action Center.

Interested in having your board or college leadership team receive a live, virtual federal policy update? Contact the Public Policy team at publicpolicy@acct.org



2025 ACCT Leadership Congress

Join us at the Marriott, New Orleans **October 22nd – 25th** for ACCT's Leadership Congress

Registration is open!

- Questions? -