

The background of the slide features a vertical image on the left side showing a portion of the Morgan State University building, specifically a clock tower with a dome. To the right of the building, there is a blurred image of the American flag. The top of the slide has a blue gradient header.

MORGAN STATE UNIVERSITY

**UPDATES ON  
CONGRESSIONAL  
AND  
ADMINISTRATION ACTIONS  
RELATED TO HBCUs AND THE  
POLICIES AFFECTING THEM**

May 2, 2025



## UPDATES ON CONGRESSIONAL AND ADMINISTRATION ACTIONS RELATED TO HBCUs AND THE POLICIES AFFECTING THEM

### I. Administration Updates

- *New Secretary of Education.* Linda McMahon has been confirmed as U.S. Secretary of Education under President Trump. She was previously Administrator of the SBA during Trump's first term and is a co-founder of World Wrestling Entertainment, Inc. At DoEd, [her mandate](#) includes overseeing efforts to downsize and potentially dismantle the Department, aligning with the administration's stated goal of reducing the federal role in education. McMahon has indicated that while some DoEd programs will be maintained, others may be [transferred to different agencies](#).
- *HBCU Executive Order.* On April 23, 2025, President Donald Trump signed an [executive order](#) promoting the White House Initiative to Promote Excellence and Innovation at Historically Black Colleges and Universities (HBCUs). The initiative aims to enhance HBCUs' capacity to provide high-quality education, focusing on private-sector partnerships, institutional development, and workforce preparation in high-growth industries. The order rehouses the initiative from the Department of Education to the Office of the President. The executive order also establishes a President's Board of Advisors on HBCUs and mandates an annual report to the president on the federal government's impact on these institutions. Additionally, it encourages states to meet federal matching requirements for 1890 Land Grant HBCUs. The order does not include new federal funding commitments.
- *Expected Skinny Budget.* The Administration is expected to release its FY 2026 "skinny budget" this week, potentially [proposing cuts of 35–40%](#) to nondefense discretionary spending. Such reductions would significantly impact federal higher education programs vital to HBCUs, including Pell Grants, Federal Work-Study, TRIO, Title III Strengthening HBCUs, and research funding. As budget request documents are a suggested proposal from the administration, this is likely to trigger a major policy battle in Congress throughout the annual appropriations process.
- *NSF Grant Terminations.* The National Science Foundation (NSF) has recently terminated over [400 active grants](#)-totaling \$233 million-due to references to diversity, equity, and inclusion (DEI) or misinformation, following new executive orders and a shift in agency priorities. Many of these canceled grants were in STEM learning and equity research, areas where research-intensive HBCUs are highly active. NSF has also issued [updated guidance](#) indicating that projects with a primary focus on DEI or misinformation/disinformation will no longer be funded, and that indirect cost recovery on affected grants may be impacted as a result of these terminations

- *DEI Executive Orders.* The executive orders “Ending Radical and Wasteful Government DEI Programs and Preferencing” and “Ending Illegal Discrimination and Restoring Merit-Based Opportunity” have already resulted in the immediate shutdown of HBCU-focused DEI initiatives and funding streams. Federally funded events such as the HBCUs and Registered Apprenticeship Mini-Conference were [canceled](#), halting workforce development and partnership opportunities for HBCU leaders and students. On some campuses, the elimination of DEI offices has led to the [closure](#) of mentorship programs, cultural centers, and workforce recruitment activities that are critical for student retention, professional development, and post-graduation job placement.
- *Indirect Cost Rates.* The Trump administration has proposed significant reductions in the indirect cost rates for federally funded research grants, aiming to decrease overhead spending and redirect funds toward direct research activities. Specifically, the National Institutes of Health (NIH) announced a policy capping indirect cost reimbursements at [15% for all new and existing grants](#), a substantial decrease from the previous average of approximately 39%. Similarly, the Department of Energy (DOE) proposed a [flat 15% indirect cost rate](#), down from higher negotiated rates at many institutions. However, numerous institutions filed lawsuits against both of these caps and federal judges placed [temporary restraining orders](#) on their implementation.
- *National Scholars Program.* Following public outcry, the U.S. Department of Agriculture [reinstated](#) the 1890 National Scholars Program, which supports students at historically Black land-grant universities pursuing degrees in agriculture and related fields. The program had been briefly suspended as part of a broader pause on DEI-related initiatives but was restored after strong advocacy from the HBCU community and lawmakers.

## II. Congress Updates

- *Congressional HBCU Overview.* While there has been a [notable surge](#) in congressional scrutiny of higher education institutions, particularly regarding issues such as free speech, endowment management, and curriculum content, HBCUs have so far been spared from direct, targeted legislative action. Though broader federal policies and funding decisions inevitably impact HBCUs, Congress has yet to single them out in the same manner as some predominantly white institutions facing investigations or policy reforms related to alleged ideological bias or mismanagement.
- *Higher Ed Legislation.* Legislation introduced to date on restricting higher education in various ways: 1) the DETERRENT Act ([H.R. 1048](#)), which would dramatically lower the threshold for reporting foreign gifts and contracts and increase compliance burdens. This could affect international research partnerships and study abroad programs. 2) the

Graduate Opportunity and Affordable Loans Act ([S. 308](#)), which would cap graduate student loans and restrict access to PLUS loans. 3) The Endowment Tax Fairness Act ([H.R. 446](#)) would raise taxes on large university endowments. 4) The Ensuring Distance Education Act ([H.R. 1174](#)) would reverse recent distance education flexibility.

- *Tax on Endowments.* Ways and Means Committee members are seriously considering increasing the endowment tax on colleges and universities with [large endowments](#), a move that has drawn attention to elite institutions but could also have wide ranging impacts across higher education. Proposals include raising the tax rate from [1.4% to as high as 21%](#) on endowment earnings likely on schools that have at least \$500,000 in endowment funds per student, with the stated intent of using the revenue for deficit reduction and/or incentivizing greater financial support for students.
- *Arts at HBCUs.* Rep. Alma Adams (D-NC), founder and co-chair of the Bipartisan HBCU Caucus, introduced the [HBCU Arts Act](#), which supports arts and cultural programs at HBCUs. [The bill provides](#) student aid, wraparound services like mentorship and career advising, support for African American art preservation, and creates paid apprenticeships and fellowships in partnership with nonprofit arts organizations. The bill was introduced earlier in April.
- *New CBC Scholarship.* The [Congressional Black Caucus Foundation](#) (CBCF) launched a new [Innovation Leader Scholarship](#) for underrepresented students pursuing engineering or computer science degrees at ABET-accredited HBCUs, as well as continuing the HBCU National Racial Equity Initiative for Social Justice (NREI) Scholarship for undergraduates engaged in social justice, activism, and community service.