ASSOCIATION OF PUBLIC & LAND-GRANT UNIVERSITIES

The State of Funding for U.S. Higher Education, Science, and Technology at a Time of Change

Deborah Altenburg
Vice President, Research Policy and Advocacy
Association of Public and Land-grant Universities

APLU by the Numbers

248 members

From **All 50 States** +Canada and Mexico

+ District of Columbia and six U.S. Territories

220 universities

25 systems

3 affiliates

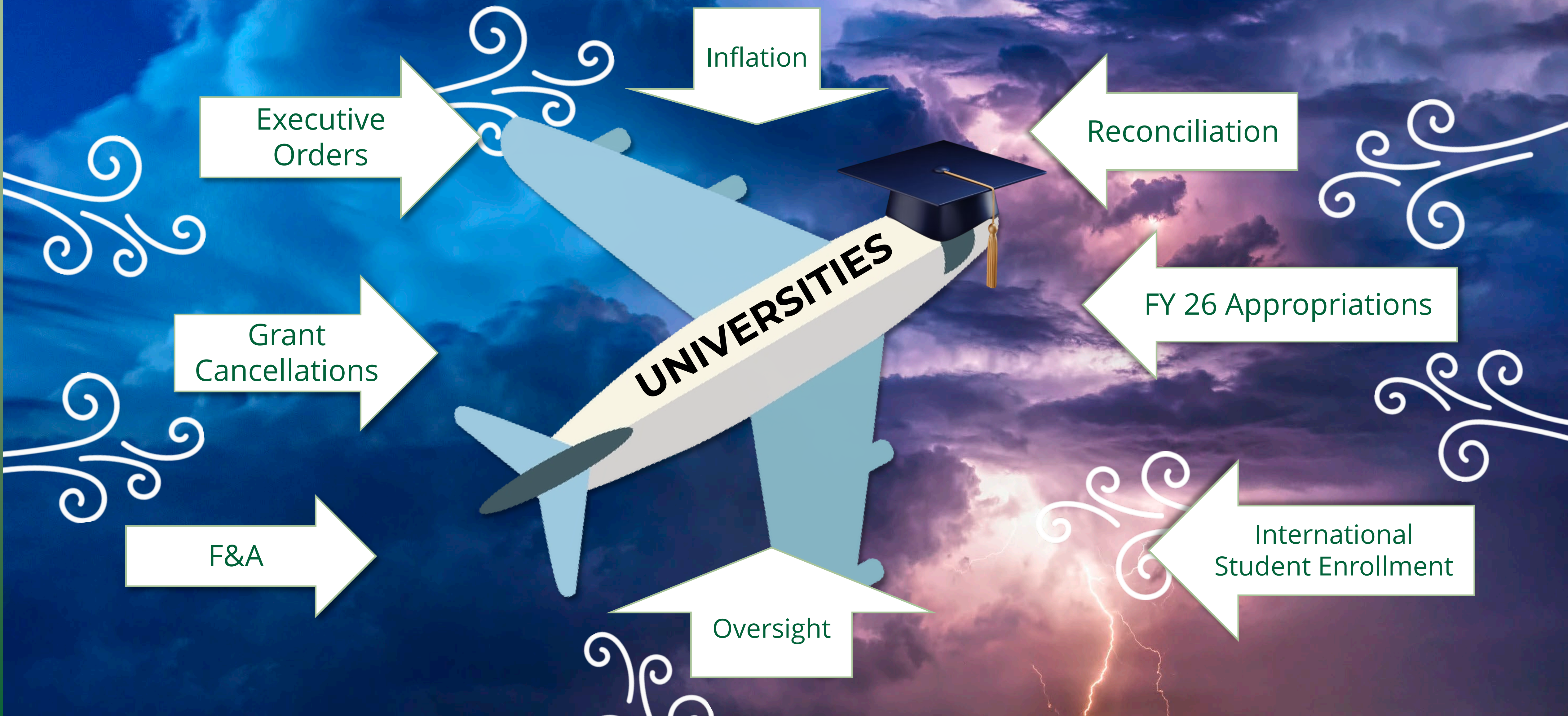
All **100+** U.S. land-grant institutions, including...

8 Canadian Members

5 Mexican Universities

23 Historically Black Colleges and Universities (HBCUs)

Pressures on Higher Education



2025 Looking Back:
What is Now Law?

End of Grad PLUS: New Annual Graduate Loan Caps

Comparing Annual Stafford Unsubsidized Loan Limits in Prior Law & OBBB

	Prior Law Stafford Limit before Grad PLUS (up to COA)	**New Limits Under OBBB** Stafford Limit (No Grad PLUS)
Master's Degree	**$20,500**	**$20,500**
Doctoral Degree *Professional* *(M.D., J.D., D.D.S., etc.)*	**$40,500***	**$50,000**
Doctoral Degree *Research Scholarship* *(Ph.D., etc.)*	**$20,500**	**$20,500**

Notes: APLU aggregated available program-level data for all programs across each degree level (Master's, Doctor's-Research/Scholarship, Doctor's-Professional Practice)
Source: NPSAS 2019-2020

End of Grad PLUS: New Aggregate Graduate Loan Caps

Comparing Aggregate Stafford Unsubsidized Loan Limits in Prior Law & OBBB

Prior Categories and Limits

Categories	**Borrowing Limits** Combined aggregate undergraduate and graduate Stafford Limits
Graduate *(e.g. M.A., Ph.D., etc.)*	**$138,500**
Professional – Non-Health *(e.g., JD, M.Div., etc.)*	**$138,500**
Professional – Health Professions *(M.D., D.D.S., etc.)*	**$224,000**

New Categories and Limits (OBBB)

Categories	**Borrowing Limits** New, separate limit for graduate loans only
Graduate *(e.g. M.A., Ph.D., etc.)*	**$100,000**
Professional (All) *(e.g., J.D., M.D.)*	**$200,000**

Notes: APLU aggregated available program-level data for all programs across each degree level (Master's, Doctor's-Research/Scholarship, Doctor's-Professional Practice)
Source: NPSAS 2019-2020

Department of Ed Negotiated Rulemaking: OBBB Implementation

Defining ‘Professional Programs’:

- **Pharmacy** (Pharm.D.),
- **Dentistry** (D.D.S. or D.M.D.),
- **Veterinary Medicine** (D.V.M.),
- **Chiropractic** (D.C. or D.C.M.),
- **Law** (L.L.B. or J.D.),
- **Medicine** (M.D.),
- **Osteopathic Medicine** (D.O.),
  Optometry (O.D.),
- **Podiatry** (D.P.M., D.P., or Pod.D.),
- **Theology** (M.Div., or M.H.L.)
- **Certain Clinical Psychology PhD Programs**

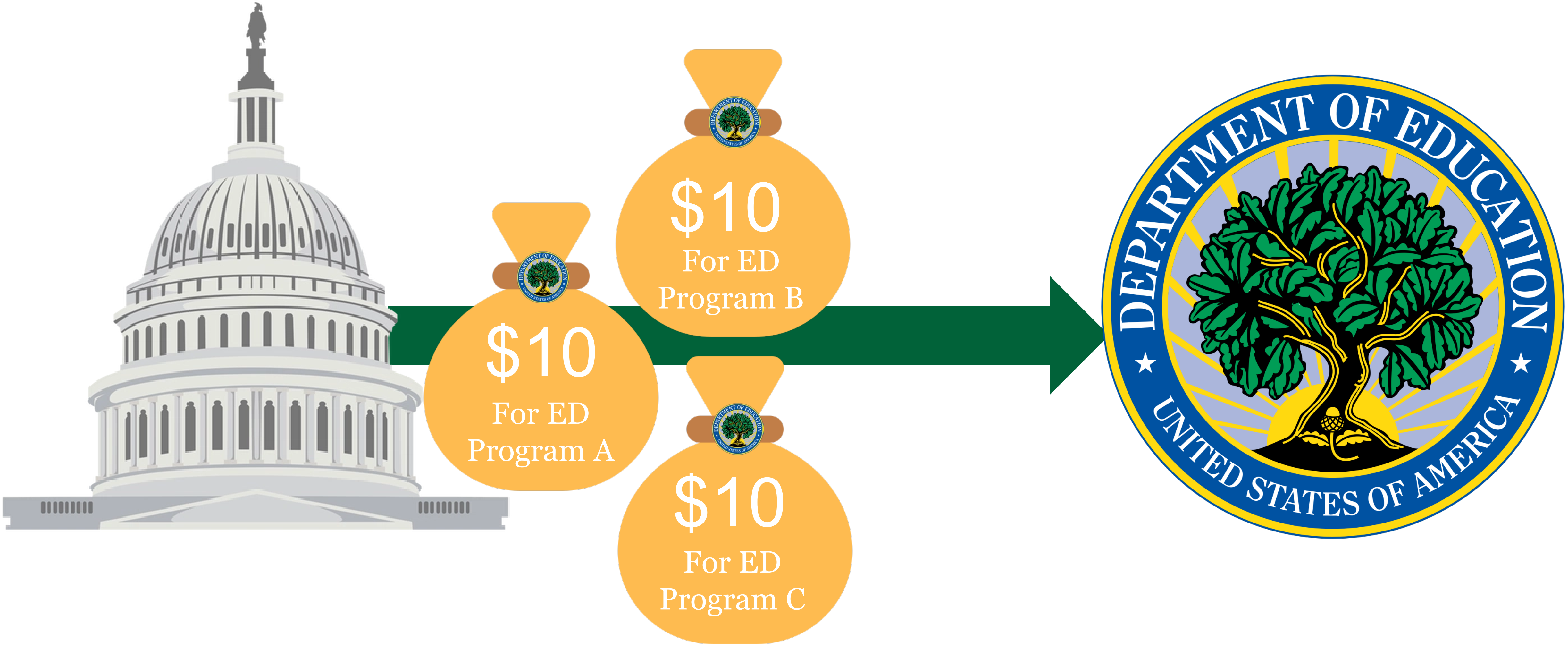
Photo Credits: Kansas State University Veterinary Medicine Students

Program-Level Accountability in OBBBA

One of several thresholds:

What is Congress Working On?

Historical Appropriations Process



Typical Reference to Binding Tables

HIGHER EDUCATION

For carrying out, to the extent not otherwise provided, titles II, III, IV, V, VI, VII, and VIII of the HEA, the Mutual Educational and Cultural Exchange Act of 1961, and section 117 of the Perkins Act,

•S 2587 RS

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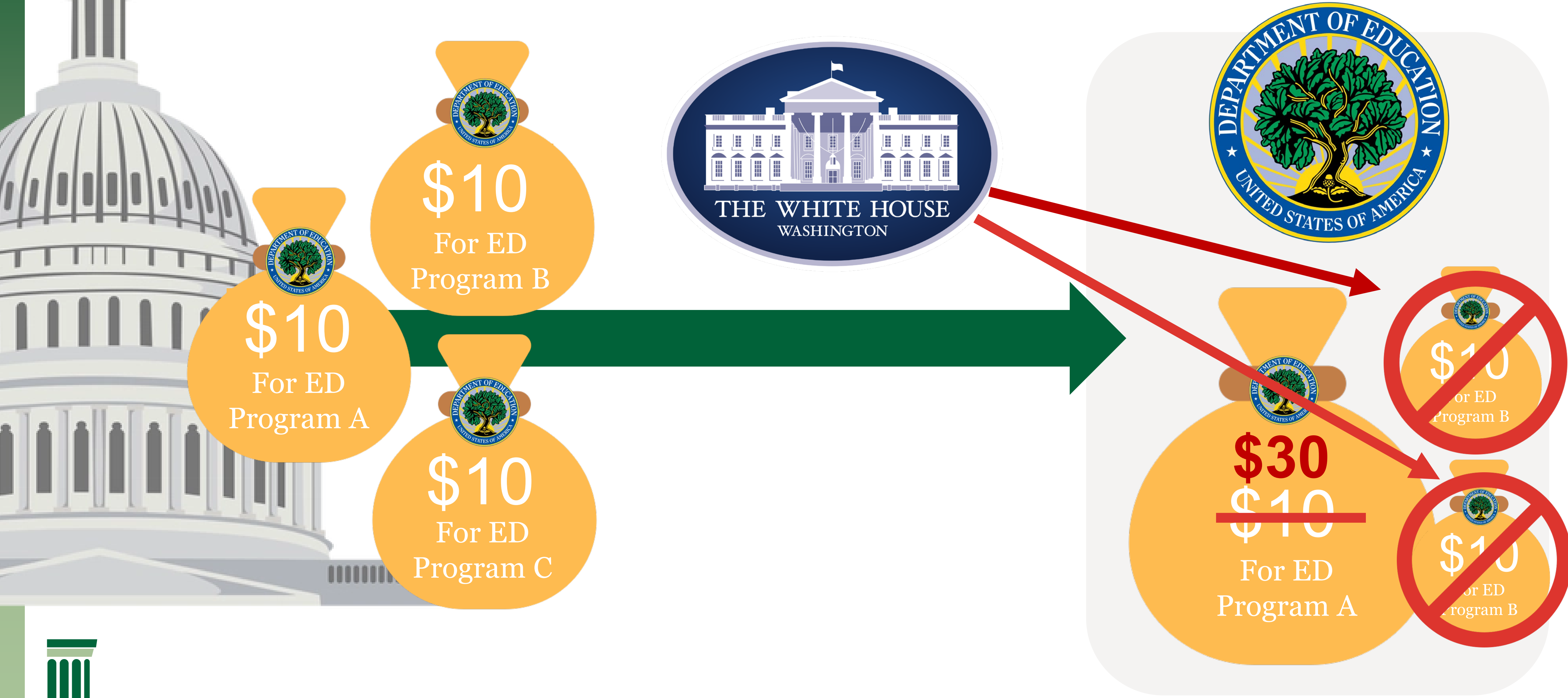
$3,267,926,000, which shall be for the purposes and in the amounts specified in the "Committee Recommendation" column for Higher Education in the "Amounts Recommended in the Bill for Fiscal Year 2026" table in the report accompanying this Act, of which the amounts made

AMOUNTS RECOMMENDED IN THE BILL FOR FISCAL YEAR 2026—Continued

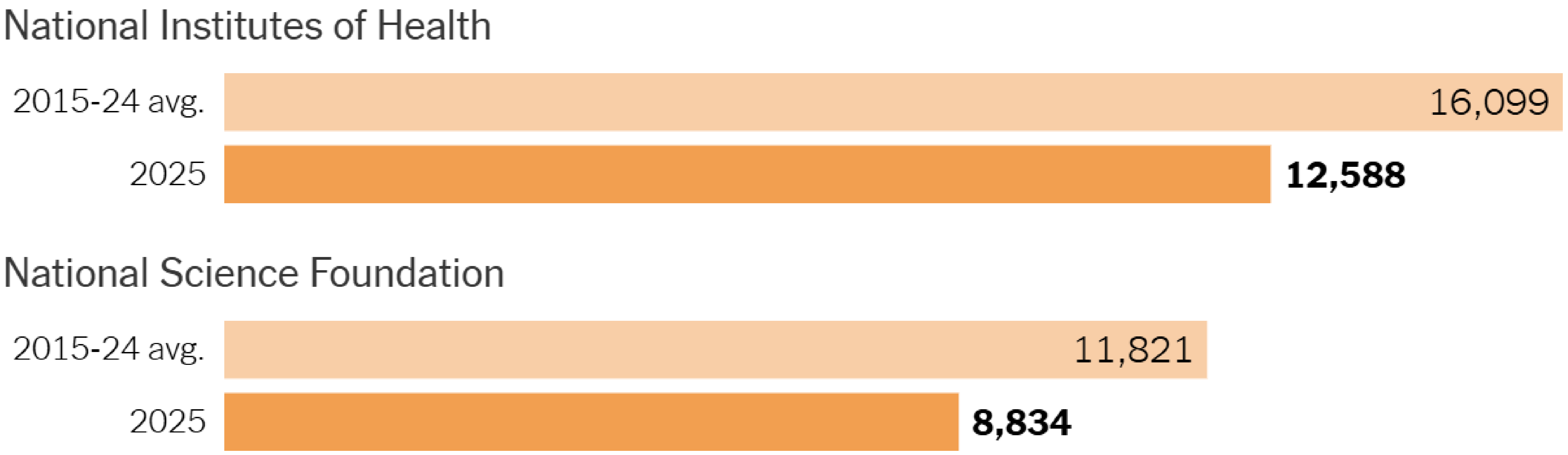
[In thousands of dollars]

Item	Committee recommendation
National Programs	12,421
Subtotal, Career Education	1,452,269
Adult Education:	
State Grants/Adult Basic and Literacy Education:	
State Grants, forward funded	715,455
National Leadership Activities	13,712
Subtotal, Adult Education	729,167
Total, Office of Career, Technical, and Adult Education	2,181,436
Current Year appropriations	(1,390,436)
(Forward Funded)	(1,390,436)
Advance appropriations	(791,000)
OFFICE OF FEDERAL STUDENT AID	
Student Financial Assistance	
Pell Grants—maximum grant (NA)	(6,335)
Pell Grants	22,475,352
Federal Supplemental Educational Opportunity Grants	910,000
Federal Work Study	1,230,000
Total, Student Financial Assistance	24,615,352
Student Aid Administration	
Salaries and Expenses	1,058,943
Servicing Activities	1,000,000
Total, Student Aid Administration	2,058,943
Total, Office of Federal Student Aid	26,674,295
OFFICE OF POSTSECONDARY EDUCATION	
Higher Education	
Aid for Institutional Development:	
Strengthening Institutions Program	107,070
Developing Hispanic-Serving Institutions	228,890
Promoting Postbaccalaureate Opportunities for Hispanic Americans	27,451
Strengthening Historically Black Colleges and Universities (HBCUs)	400,966
Strengthening Historically Black Graduate Institutions	101,286
Strengthening Predominantly Black Institutions	22,412
Strengthening Asian American and Native American Pacific Islander-Serving Institutions	18,682
Strengthening Alaska Native and Native Hawaiian-Serving Institutions	24,555
Strengthening Native American-Serving Nontribal Institutions	11,462
Strengthening Tribally Controlled Colleges and Universities	51,807
Strengthening HBCU Masters programs	20,037
Subtotal, Aid for Institutional Development	1,014,618
International Education and Foreign Language:	
Domestic Programs	70,353
Overseas Programs	10,311
Subtotal, International Education and Foreign Language	80,664
Transition and Postsecondary Programs for Students with Intellectual Disabilities	13,800
Minority Science and Engineering Improvement	16,370

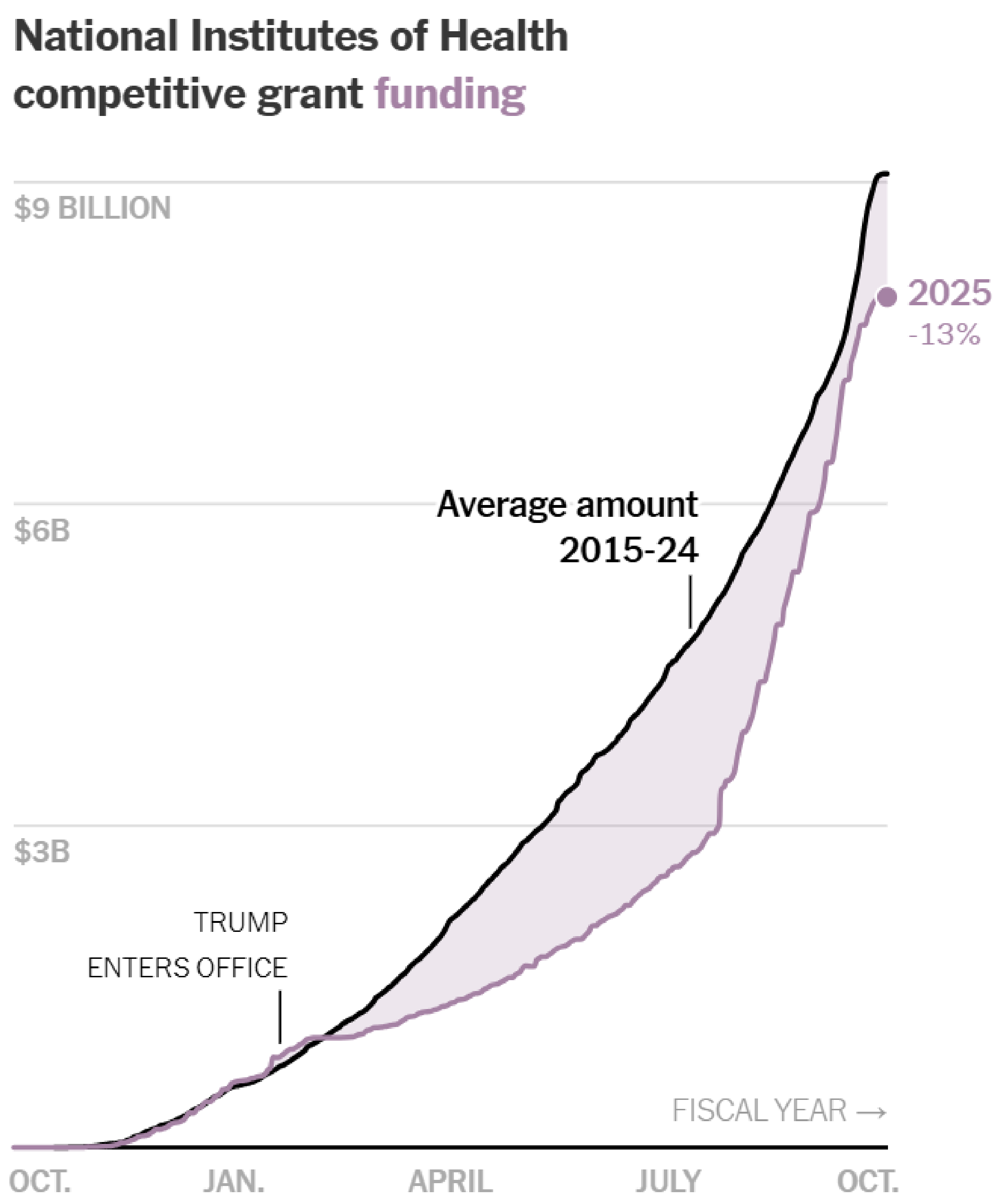
Implications of Continuing Resolution

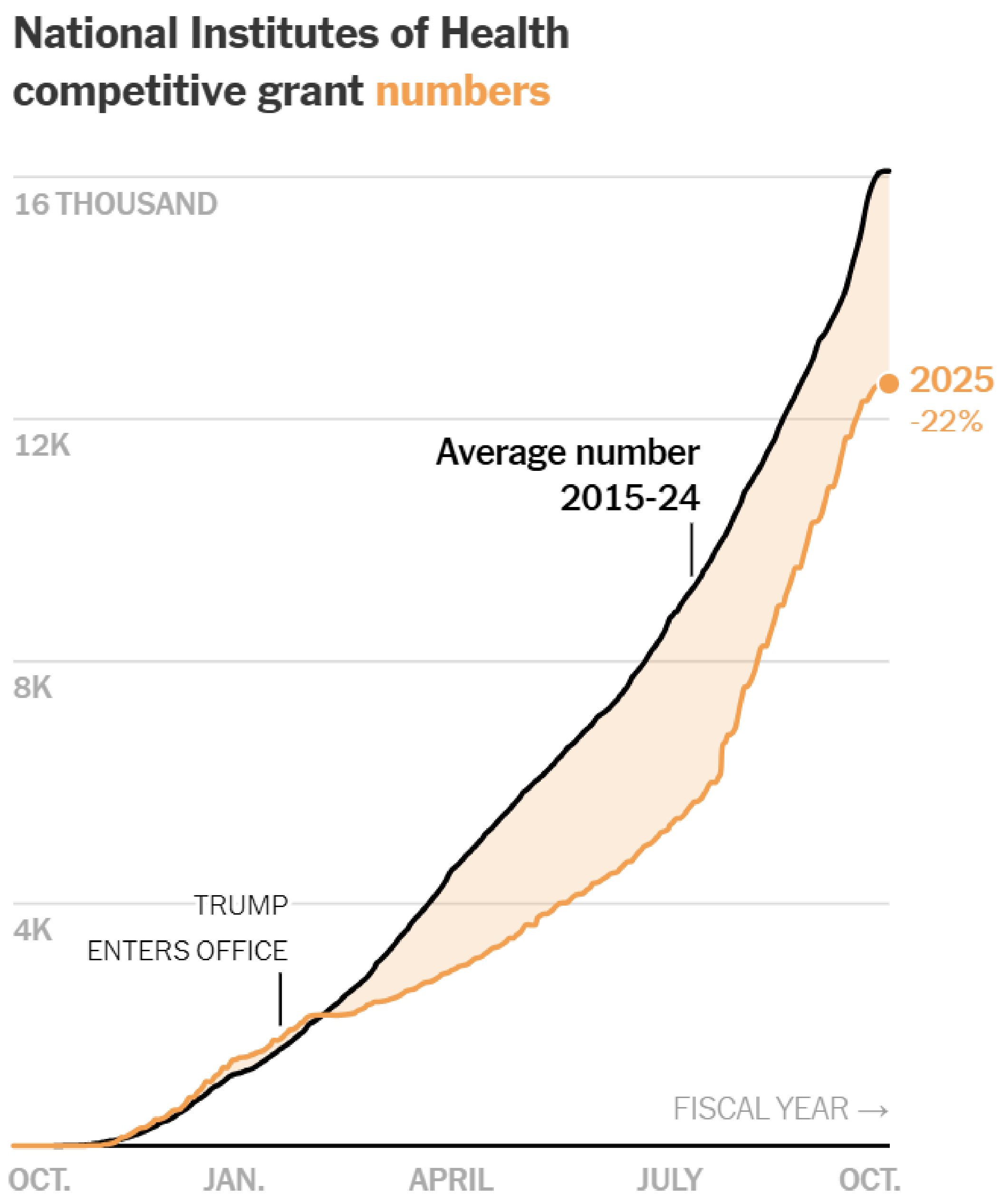


Both NIH and NSF Funded Fewer Competitive Awards



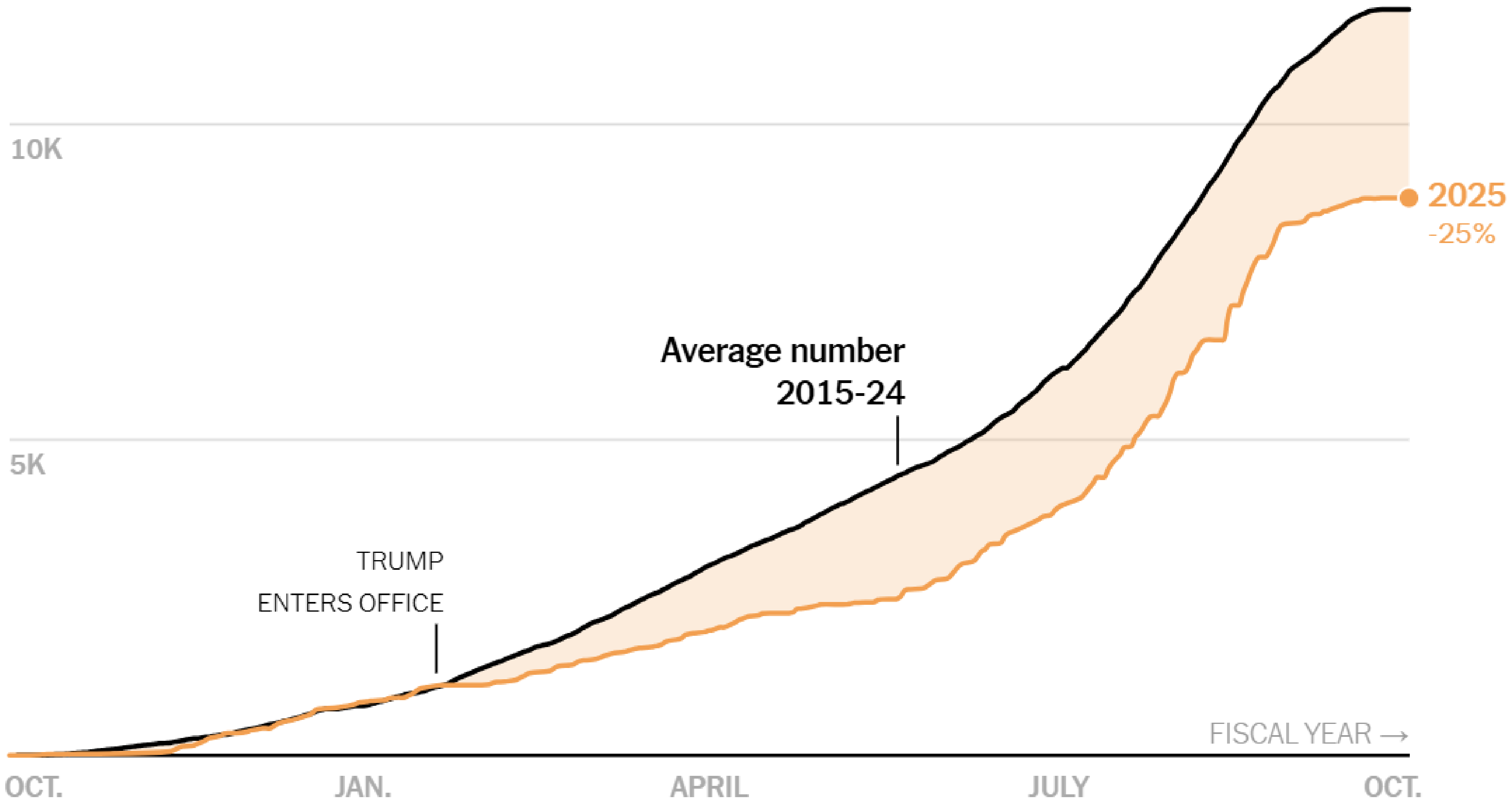
Source: The New York Times "The U.S. Is Funding Fewer Grants in Every Area of Science and Medicine" by Aatish Bhatia, Amy Fan, Jonah Smith and Irena Hwang. Published: Dec. 2, 2025





Source: The New York Times "The U.S. Is Funding Fewer Grants in Every Area of Science and Medicine" by Aatish Bhatia, Amy Fan, Jonah Smith and Irena Hwang. Published: Dec. 2, 2025

New Grants Awarded by the National Science Foundation, 2015–25



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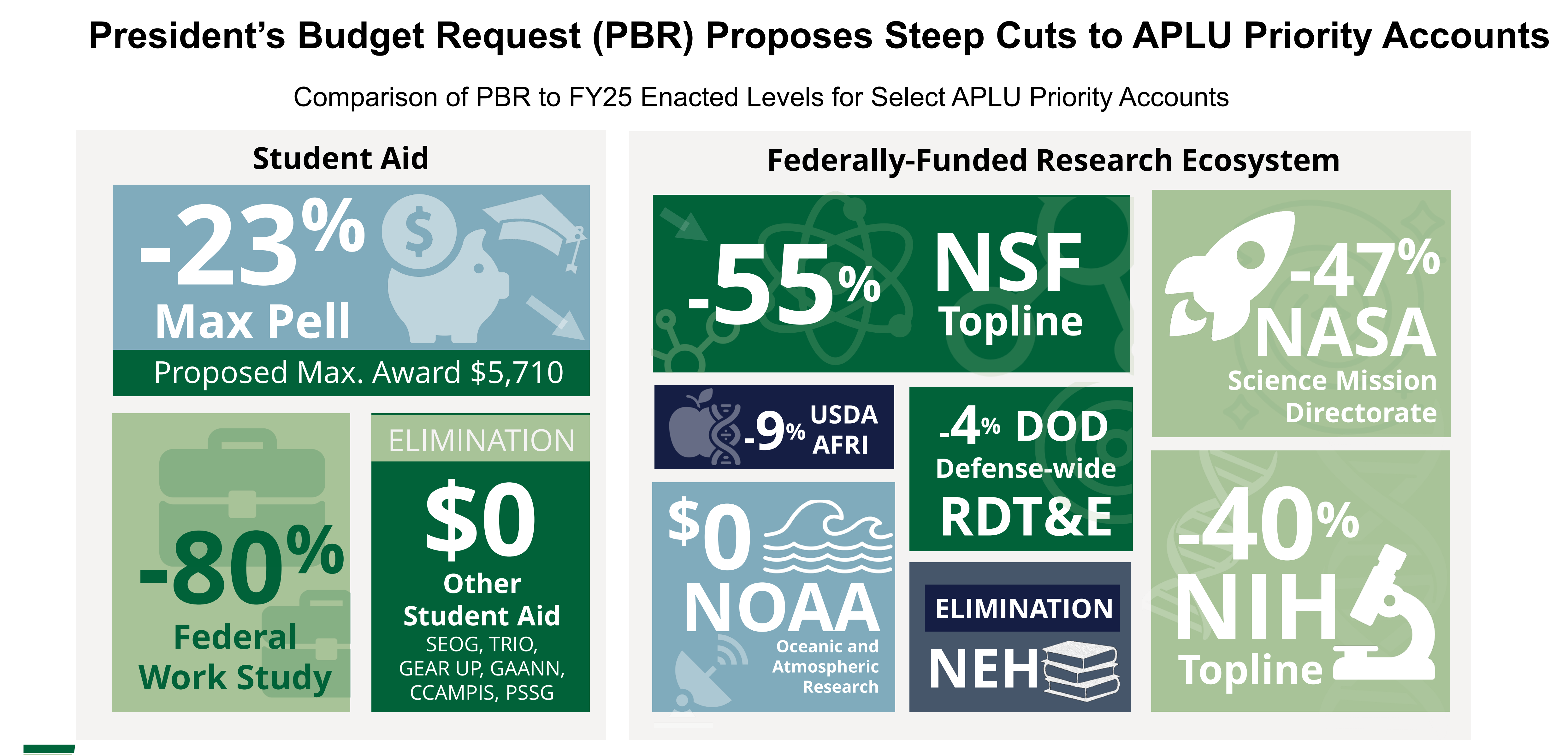
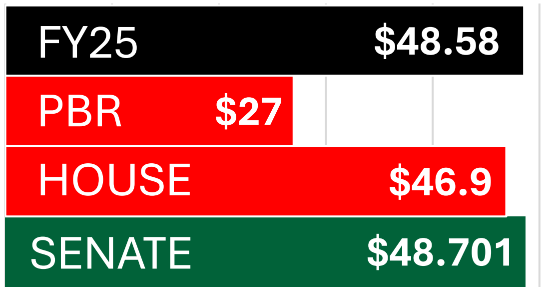


President's Budget Request (PBR) Proposes Steep Cuts to APLU Priority Accounts
Comparison of PBR to FY25 Enacted Levels for Select APLU Priority Accounts
Student Aid
-23% Max Pell
Proposed Max. Award $5,710
-80% Federal Work Study
ELIMINATION
$0 Other Student Aid
SEOG, TRIO, GEAR UP, GAANN, CCAMPIS, PSSG
Federally-Funded Research Ecosystem
-55% NSF Topline
-47% NASA Science Mission Directorate
-9% USDA AFRI
-4% DOD Defense-wide RDT&E
$0 NOAA Oceanic and Atmospheric Research
ELIMINATION NEH
-40% NIH Topline

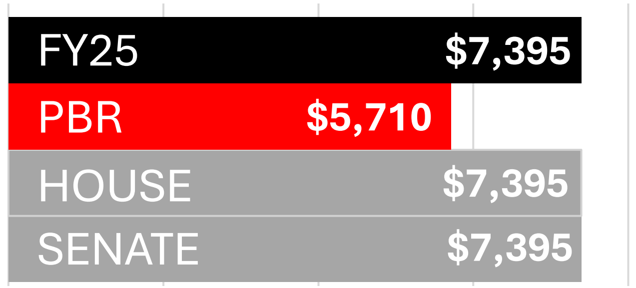
Performance of Select APLU Priority Accounts

NIH Topline



Dollars in Billions

Maximum Pell Grant

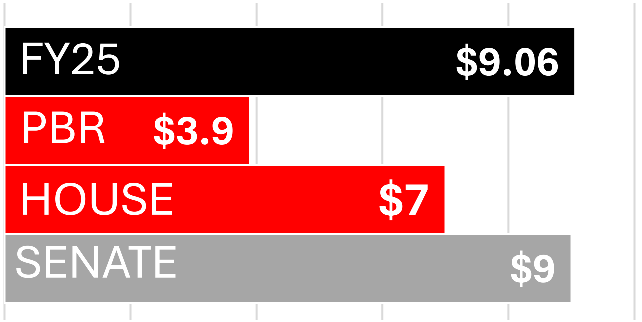


Maximum amount per recipient

Department of Defense Science and Technology

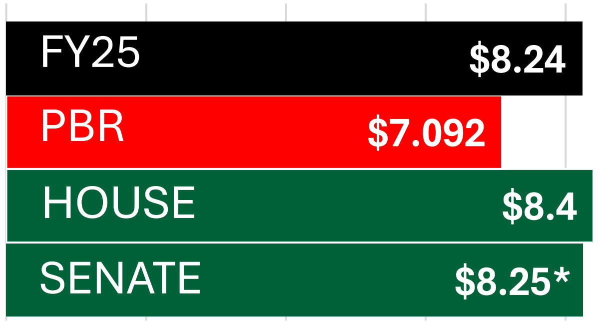
Dollars in Billions

NSF Topline



Dollars in Billions

Dept. of Energy Office of Science



Dollars in Billions

USDA NIFA AFRI

Dollars in Millions

*The department of Energy Office of Science Senate funding level of $8.25B (rounded) is the amount provided in FY26 Senate Commerce, Justice, Science Appropriations bill text, which has not yet been marked up. All other House/Senate levels are markup levels.

F&A Reform

Indirect Costs Litigation

Agency	Status	Future Action
National Institutes of Health	The district court enjoined and vacated the policy. The defendant appealed to the First Circuit.	Oral argument completed in First Circuit on November 5
Department of Energy	The district court vacated the policy, citing violations of grant-making regulations and deeming it arbitrary, capricious, and impermissibly retroactive. The defendant appealed to the First Circuit.	Court granted a stay of the briefing schedule due to the government shutdown. A new schedule has not yet been determined.
National Science Foundation	First Circuit dismissed the case at the government's request September 30.	No further action needed. Plaintiffs prevailed
Department of Defense	The district court vacated the Rate Cap Policy and declared it invalid, contrary to law, and arbitrary and capricious.	Government has appealed the decision.

Three Months on the Way to FAIR

When the National Institutes of Health announced its intention to cap the indirect costs of research, an ad hoc group of organizations joined forces to develop a more transparent model.

HIGHER EDUCATION

'FAIR' Model Aims to Preserve Federal Research Funding

UNC-Chapel Hill's vice chancellor of research explains a new proposal to counter the Trump administration's reimbursement cuts.

by Erin Gretzinger August 14, 2025

Science

HOME > SCIENCE > VOL. 389, NO. 6764 > IMPROVE THE STEWARDSHIP OF FEDERAL RESEARCH FUNDS

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EDITORIAL

Improve the stewardship of federal research funds

JENNIFER LODGE AND RICHARD STANTON Authors Info & Affiliations

SCIENCE • 4 Sep 2025 • Vol 389, Issue 6764 • p. 959 • DOI: 10.1126/science.aeb8307

6,283

Federal spending for scientific research in the United States is at a pivotal point of change. The funding system is now under close scrutiny by the Trump administration and Congress for the return it provides to taxpayers. Support from different federal agencies has already been diminished, and more change is coming. It is up to the re-

Financial Accountability In Research (FAIR) Model

*FAIR is a **new approach** to supporting research and ensuring American leadership in science and innovation.*

Features of the FAIR Model

- Enhances **transparency and accountability**, adopting elements of the private foundation funding model and industry charging structures that make costs more visible and explicit through new trackable costing categories.
- Provides **greater visibility on the drivers of research costs**, including regulatory expenses, so researchers, institutions, government, and taxpayers can more clearly understand what contributes to the safe and ethical conduct of science.
- **Aligns reimbursement with actual project needs**, replacing the current F&A model that is applied across all research types at an institution with tailored support that reflects the specific type and cost of each research project.

Support Implementation of the FAIR Model

We ask lawmakers to:

- **Block federal action to cap or otherwise change existing negotiated F&A rates** until OMB and federal agencies have worked with the stakeholder community to develop a clear plan for implementation of a new system based on the FAIR model.
- Ensure at least a **two-year transition period** for agencies and institutions to make the necessary changes to accommodate a new model.
- **Preserve the existing F&A reimbursements system** until the new model is fully implemented and operational across federal research funding agencies.

Efforts to cut essential costs of research undermine our national leadership i[n] science and the innovations it yields.

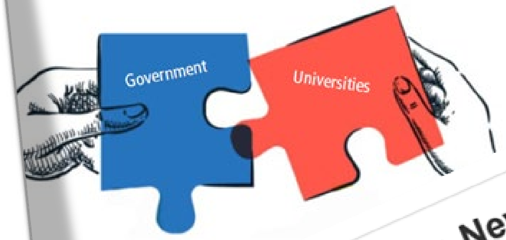
POLITICO

Why the ivory tower wants a deal with Trump

The schools won a reprieve in court, but they're still offering the president a compromise.

The Financial Accountability in Research (FAIR) Model:

A New Approach to the Government-Researcher Partnership for American Leadership in Research and Innovation



By Kelvin K. Droegemeier, Penny Gordon-Larsen, Jenn...

July 14, 2025

University Leaders Propose New Research Funding Model

Some lawmakers and the Trump administration have criticized the government's long-standing model for reimbursing universities for indirect research costs.

By Kathryn Palmer

FAIR Model Principles

A **completely new approach** to indirect costs recovery developed **by the research community** in **collaboration** with government leaders

- **Eliminates** F&A and the associated rate proposal preparation
- Accommodates **all types and sizes** of institutions
- Increases **accountability and transparency** via explicit costing of key elements
- Addresses confusion about institutional use of **reimbursed funds by tracking costs in specific and allowable categories**
- Aligns project costs with the **type of work** being performed
- Explicitly accounts for **geographic cost differentials**
- Funds government-mandated **regulatory compliance**
- Funding structure similar to that allowed by **private foundations**

Expanded Option – Example Project Budget

Research Performance Costs (RPC)	
Senior Key Personnel (e.g. PIs)	$$
Other Personnel (e.g. grad students)	$$
Equipment	$$
Travel	$$
Etc…	$$
Essential Research Performance Support (ERPS)	
Regulatory Costs	$$
Award Perf Monitoring/Reporting	$$
Research Facilities (% of budget)	%
Research Information Services	$$
General Research Operations (GRO) (% of budget)	**15%**

Formerly referred to as "Direct Costs" – the project-specific costs to actually perform the research

Items moved from the former "Indirect Cost" category to the new "Direct Cost" category – the project-specific costs needed to support the research

Remaining items in former "Indirect Costs" category – cannot easily be assigned to a given project

Expanded Option

Essential Research Performance Support (ERPS)	
Regulatory Costs	$$
Award Perf Monitoring/Reporting	$$
Research Facilities (% of total budget)	%
Research Information Services	$$

- Regulatory Costs: Costs required for the safe and responsible conduct of modern federally funded research, including animal and human subjects, radiation safety, biosafety, and clinical trial monitoring
- Award Monitoring, Oversight, and Reporting (AMOR): Project-specific associated with the financial and non-financial management
- Research Information Services (RIS): Expenses related to scientific journal subscriptions, database access, and institutional repositories (physical and digital) directly supporting research activities
- Essential Research Performance Facilities (ERPF): Project-specific associated with the performance space for the specific funded project, including maintenance, utilities, operations, building depreciation, and leases directly attributable to research spaces used. Done as a % of total budget

Expanded Option

General Research Operations (GRO) (% of budget)	**15%**

- **Project-Specific Human Resources** (e.g., salary and benefits), procurement (e.g., materials and supplies delivered to laboratories; basic life and fire safety.
- **GRO is defined as 15% of the total award budget** to support these necessary research operations that cannot easily be assigned to a particular project.
- This percentage was determined by examining the amount of these costs in existing F&A proposals from institutions of various types and sizes and validated by feedback from the community.

Expanded Option

Research Performance Costs (RPC)	
Senior Key Personnel (e.g. PIs)	$$
Other Personnel (e.g. grad students)	$$
Equipment	$$
Travel	$$
Etc…	$$
Essential Research Performance Support (ERPS)	
Regulatory Costs	$$
Award Perf Monitoring/Reporting	$$
Research Facilities (% of total budget)	%
Research Information Services	$$
General Research Operations (GRO) (% of budget)	**15%**

Base Option

Research Performance Costs (RPC)	
Senior Key Personnel (e.g. PIs)	$$
Other Personnel (e.g. grad students)	$$
Equipment	$$
Travel	$$
Etc…	$$
Essential Research Performance Support (ERPS)	
Regulatory Costs	$$
Award Perf Monitoring/Reporting	$$
General Research Operations (GRO) (% of budget)	**15%**

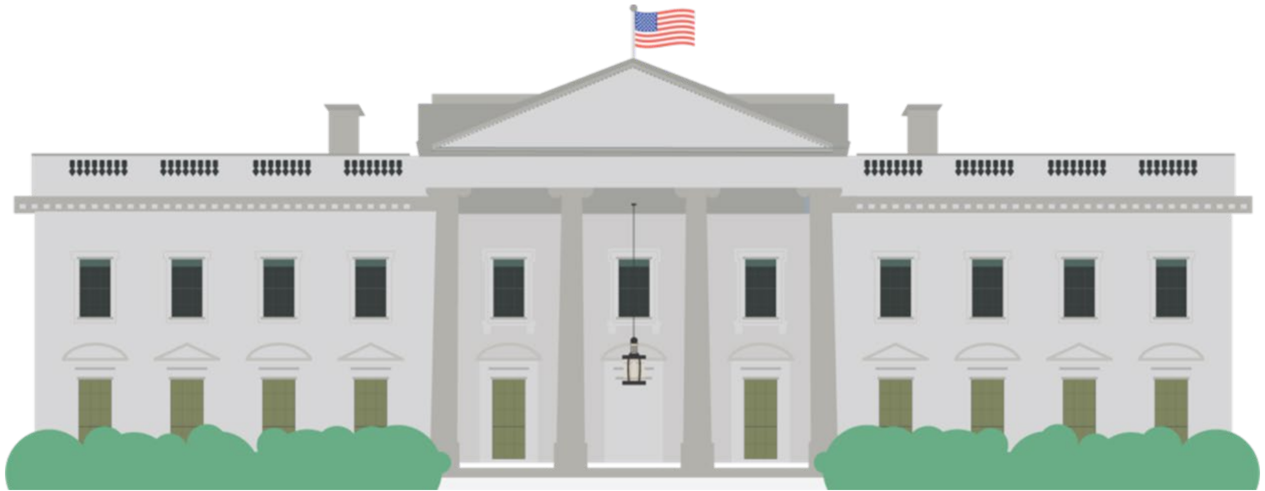
10% of total Budget

FAIR Legislative Action

- S.2296, National Defense Authorization Act for Fiscal Year 2026
- S.2354, Senate FY 2026 Commerce, Justice, Science (CJS) Appropriations Act
- House FY 2026 Commerce, Justice, Science (CJS) Appropriations
- Senate FY 2026 Defense Appropriations Act
- H.R.4016, House FY 2026 Department of Defense Appropriations Act
- H.R.4553, House FY 2026 Energy and Water Appropriations Act
- S. 2587, Senate FY26 Labor, HHS, Education Appropriations Act
- House FY26 Labor, HHS, Education Appropriations Act
- Senate FY 26 Financial Services and General Government Appropriations Act

OMB Actions…Coming Soon

- **Individual institutional F&A rate negotiations would be eliminated.**
- There would be **new definitions of direct costs** and **indirect costs**, with several previously considered indirect costs **shifting** to direct costs.
- **A new F&A cap of 15% of direct costs** would be implemented across all federal agencies.
- **Changes to reimbursement rates would be prospective**, not affecting existing grants for their current duration.
- **A minimum 30-day comment period** would allow associations and individual universities to provide specific feedback on the proposal's impact and suggest changes.



What is coming in 2026?

Compact for Academic Excellence in Higher Education

"Universities shall share all known information about foreign students..."

"...deploy their endowments to the public good."

Equality in admissions

"...eliminating unnecessary administrative staff..."

a grade must not be infl
deflated, for any non-aca

"...promptly and fully disclose all funding from any foreign institutions and individuals..."

"..no more than 15 percent of a university's undergraduate student population shall be participants in the Student Visa Exchange Program.."

Any university with an endowment exceeding $2 million per undergraduate student will not charge tuition for admitted students pursuing hard science programs

s commit to defining and otherwise interpreting
male," "woman," and "man" according to
ve function and

life-altering debt

"...abstain from actions or speech relating to societal and political events..."

"...eliminate academic programs that fail to serve students"

screen out students who demonstrate hostility to the United States

EO on Federal Grantmaking

EO 14332 – "Improving Oversight of Federal Grantmaking" | Issued August 7, 2025

- **Agency grantmaking and grant oversight processes**
  - Political appointees must approve FOAs and awards
  - Includes pause on new FOAs
- **Considerations for discretionary awards**
  - "Discretionary awards must, where applicable, demonstrably advance the President's policy priorities"
  - Review awards on an annual basis to ensure "consistency with agency priorities and substantial progress"
  - Preference for lower IDC reimbursement rates
- **Revisions to the Uniform Guidance**
  - Require all discretionary grants to include termination for convenience clauses

EO on Gold Standard Science

EO 14303 – "Restoring Gold Standard Science" | Issued May 23, 2025

"For the purposes of this order, Gold Standard Science means science conducted in a manner that is:

i. reproducible;
ii. transparent;
iii. communicative of error and uncertainty;
iv. collaborative and interdisciplinary;
v. skeptical of its findings and assumptions;
vi. structured for falsifiability of hypotheses;
vii. subject to unbiased peer review;
viii. accepting of negative results as positive outcomes; and
ix. without conflicts of interest."

On the Horizon: Artificial Intelligence

AI Regulatory Moratorium Efforts

Other Congressional Efforts

Executive Actions

Questions?

Deborah Altenburg

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