

Fall 2025 Legal Updates

Presented By:

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Fall ICCCFO Conference October 3, 2025

Although the information contained herein is considered accurate, it is not, nor should it be construed to be legal advice. If you have an individual problem or incident that involves a topic covered in this document, please seek a legal opinion that is based upon the facts of your particular case.

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Introduction



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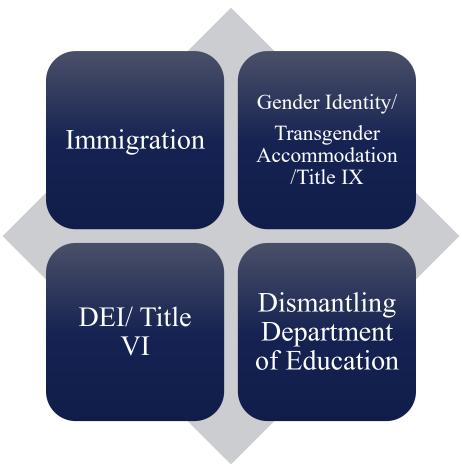
Agenda

- Executive Orders and Actions
- Federal Funding Cancellations
- Federal Laws Impacting Higher Education
- State Laws Impacting Higher Education





Major Areas of Federal Action Impacting Higher Education Institutions





What is an Executive Order?



Legally binding directive from the President to the executive branch of the federal government.



Provides direction as to policy and enforcement priorities for federal agencies.



Does not create new laws or regulations.



Legal Powers and Limits of Executive Orders

- Constitutional protections
- Statutory authorization
- Administrative Procedure Act
- Future presidents





Recent Executive Orders

Immigration

- Protecting the American People Against Invasion (EO 14159)
- Protecting the United States from Foreign Terrorists and Other National Security and Public Safety Threats (EO 14161)
- Ending Taxpayer Subsidization of Open Borders (EO 14215)
- Protecting American Communities from Criminal Aliens (EO 14287)

Title VI / DEI

- Ending Radical and Wasteful Government DEI Programs and Preferencing (EO 14151)
- Ending Illegal Discrimination and Restoring Merit-Based Opportunity (EO 14173)
- Ending Radical Indoctrination in K-12 Schooling (EO 14190)
- Reforming Accreditation To Strengthen Higher Education (EO 14279)
- Additional Measures to Combat Anti-Semitism (EO 14188)



Recent Executive Orders

Title IX / Gender Identity

- Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government (EO 14168)
- Ending Radical Indoctrination in K-12 Schooling (EO 14190)
- Keeping Men Out of Women's Sports (EO 14201)

Department of Education

• Improving Education Outcomes by Empowering Parents, States, and Communities (EO 14242)



Immigration

EOs and Other Federal Action

- EO 14161 increased vetting for all visa applicants, including F-1 and J-1 visas
 - May 28: Ordered pause in student visa appointments to prepare for expanded vetting
 - June 18: State Department ended pause and began increased social media vetting to identify "hostile attitudes towards the United States"
- EO 14215 and EO 14287 ensure that undocumented individuals are not obtaining taxpayer benefits or preferential treatment
- June 7: Suspended student visa issuance pursuant to travel ban
- August 27: Trump Administration announced a proposed rule that would limit the length of certain visa holders, including foreign students



Immigration DOJ Lawsuit

- September 2, 2025, DOJ filed a lawsuit against the State of Illinois and several higher ed institutions, challenging an Illinois laws that provide instate tuition and scholarships to undocumented students
- Rend Lake Community College is the only Community College listed in the Complaint
- Lawsuit alleges that the State cannot provide benefits to undocumented individuals that it does not provide to U.S. citizens
- DOJ has cited executive orders which seek to ensure that undocumented persons are not obtaining taxpayer benefits or preferential treatment



Title VI / DEI EO 14279

- Reforming Accreditation To Strengthen Higher Education
- Signed April 23, 2025
- Authorizes Secretary of Education to ensure education accreditation agencies require higher education institutions to "provide high quality, high value academic programs," targeting institutions that focus on degrees with modest earning potential
- Sides against accrediting agencies that prioritize DEI criteria over educational substance
- Introduces a series of student-centered accreditation principles designed to realign the accrediting process with academic quality



Department of Ed

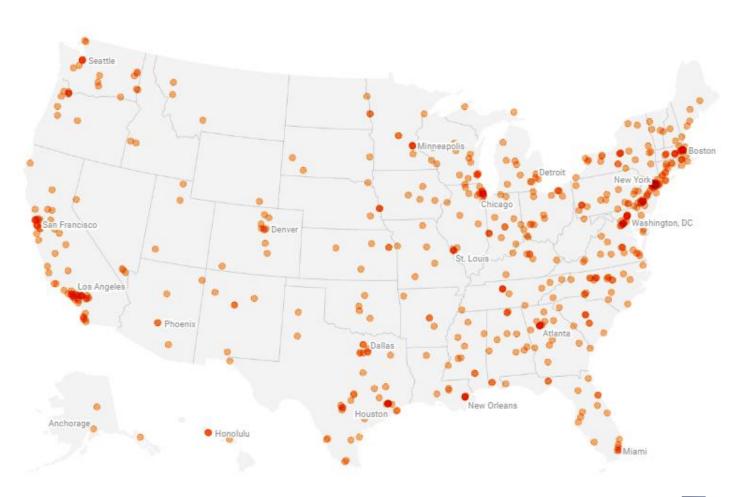
EO 14242

- Improving Education Outcomes by Empowering Parents, States, and Communities
- Signed March 20, 2025
- Directs the Secretary of Education to take "all necessary steps to facilitate the closure of the Department of Education," to the extent permitted by law
- Directs the Secretary to also ensure that DOE funds are compliant with Federal law and policy, including the requirement that "any program or activity receiving Federal assistance terminate illegal discrimination obscured under the label 'diversity, equity, and inclusion' or similar terms and programs promoting gender ideology"
- Currently unclear which agencies will take over various functions
 - E.g., civil rights to DOJ, student loans to Small Business Administration





Funding Threats





Funding Threats

- Department of Education sends letters to 60 Universities under investigation for antisemitic discrimination and harassment in violation of Title VI in March 2025
- Directed investigations carried out under EO 14188 (*Additional Measures to Combat Antisemitism*) at five universities:
 - Columbia University
 - Northwestern University
 - Portland State University
 - The University of California, Berkely
 - The University of Minnesota, Twin Cities



Funding Threats

- Additional threats to postsecondary funding followed:
 - University of Pennsylvania (Title IX)
 - Brown University (Title VI)
 - Princeton (Title VI)
 - Harvard (Title VI)
 - Cornell (Title VI)
 - Northwestern (Title VI)
 - UCLA (Title VI)
 - Duke University (Title VI)
 - George Mason university (Title VI)



Federal Funding Litigation

Massachusetts v. National Institutes of Health

- On Feb. 7, the National Institutes of Health announced it would cap indirect cost rates for all federal grants
- On February 10, a federal judge enjoined NIH from implementing caps in 22 states that joined the lawsuit
- On April 4, a federal judge permanently barred the NIH from capping funding for indirect research costs at a 15% rate. The judge ruled the effort was arbitrary and capricious, violated federal law, and the NIH failed to follow federal rulemaking procedures in doing it



Federal Funding Litigation

National Institutes of Health v. American Public Health Association

- In February 2025, the National Institutes of Health issued notices terminating existing grants to researchers based on race
- Researchers sued challenging the grant terminations under the Administrative Procedure Act
- District court ordered NIH to restore funding for 1,200 grants, some of which focused on heart disease, HIV/AIDS, Alzheimer's disease, alcohol and substance abuse and mental health issues
- On August 21, the Supreme Court voted 5-4 to overturn the lower court's order directing the Trump Administration to restore the canceled research grants in question
- This ruling was not a final decision on the legality of the grant terminations but will allow the Trump Administration to continue to withhold the funding as the litigation plays out



Federal Funding Litigation

American Federation of Teachers v. U.S. Department of Education

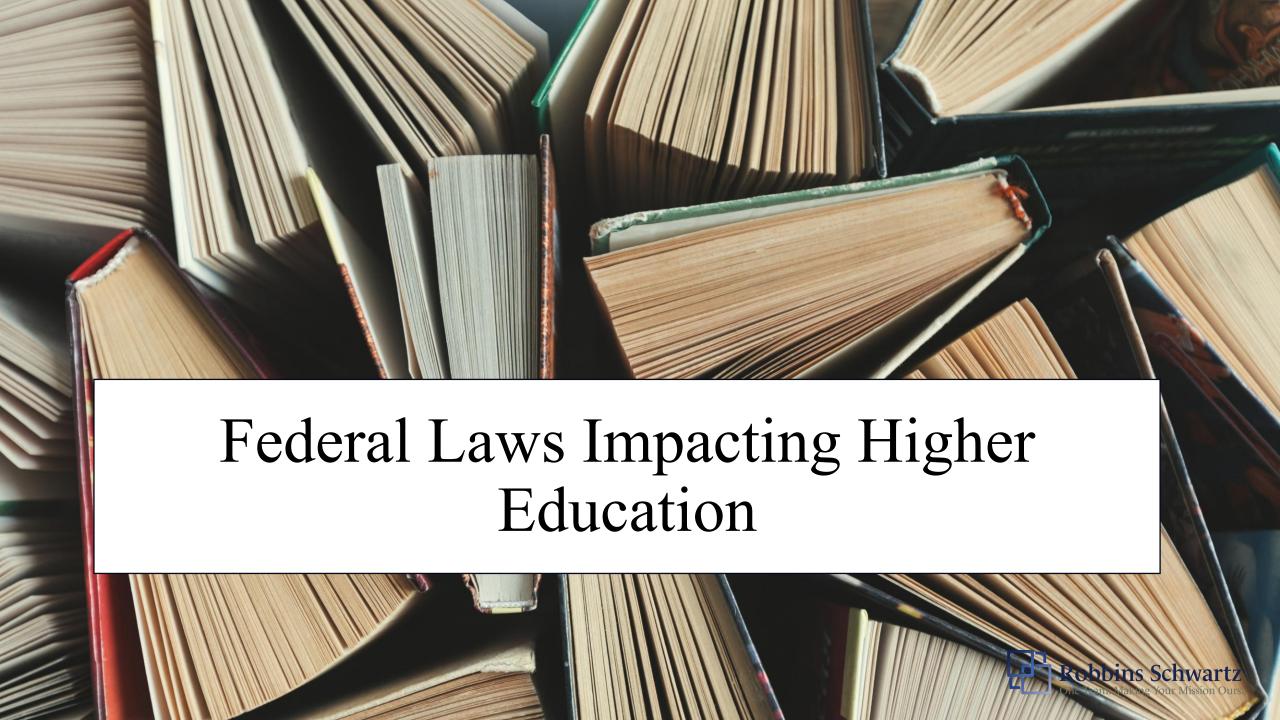
- Executive Order directs the Secretary of Education to coordinate with the Secretary of the Treasury to propose revisions to PSLF
- Directs that "public service" be defined to exclude employment with organizations that participate in "activities that have a substantial illegal purpose"
- On Feb 26, 2026, ED issued Stop Work Order directing all loan servicers to stop accepting and processing income-driven repayment applications
- AFT filed suit to compel agency action based on alleged mandatory, statutory, regulatory, and contractual duty to offer borrowers access to the income-driven repayment plans



EO 14332

- Improving Oversight of Federal Grantmaking
- Signed August 7, 2025
- Directs political appointees at each federal agency to designate a senior official to review every funding opportunity and grant before it is posted or disbursed
- Applies to new grants and renewal of existing grants
- Change to Uniform Guidance to allow the termination of funding at any time for convenience
- Uncertain of the impact on grants for colleges and universities but approval and disbursement likely to be slowed





One Big Beautiful Bill

- The Big Beautiful is a U.S. federal statute passed by the 119th Congress and signed into law by President Trump on July 4, 2025
- Starting with the 2028-2029 award year, every institution participating in the Direct Student Loan Programs must remit annual payments to the DOE based on the portion of federal student loans that go unpaid or remain delinquent
 - These are known as "risk sharing payments"
 - Institutions that fail to make requirement can be barred from offering Direct Loans
 - The Policy aims to hold Colleges accountable for student outcomes, specifically ensuring college graduates can repay their federal student loans





Federal Legislation: The Stop Campus Hazing Act

- Congress recently enacted the Stop Campus Hazing Act (the "Act") by amending the Jeanne Clery Campus Safety Act (the "Clery Act")
- The Act imposes new requirements on institutions receiving federal student aid, including community colleges
- Beginning January 1, 2025, institutions must collect and report hazing incidents in their Clery Act Annual Security Reports (ASRs). The first ASR with hazing statistics with 2025 data must be published on October 1, 2026



Federal Legislation: The Stop Campus Hazing Act

- Institutions must implement a hazing prevention policy by June 23, 2025. Going forward, ASRs must include a policy statement that includes information about:
 - The institution's definition of hazing
 - How to report hazing incidents and the process by which hazing is investigated
 - Applicable laws related to hazing
 - Research-informed campus prevention programs designed to reach students, staff, and faculty
- Starting July 1, 2025, institutions must track hazing incidents that result in findings of responsibility against a student organization and report the information in a Campus Hazing Transparency Report (CHTR)
 - The CHTR must be updated at least twice annually with the first report published by December 23, 2025, on the institution's website



Practical Tips to Remain In Compliance



- Review institutional policies to assess how resources are being allocated
- Dedicating substantial resources to DEI initiatives may lead to non-compliance with certain directives, and risk loss of federal funding
- Closely monitor the academic programs in which students receive financial aid. If a program has limited income potential, institution may bear responsibility for the resulting student debt
- Consult Attorney General's memorandum which outlines best practices to help entities comply with these laws

https://www.justice.gov/ag/media/1409486/dl





P.A. 104-0160: Prevailing Wage

Effective date: July 1, 2025

- Updates the definition of "public works"
- Amends 820 ILCS 130/2 and 820 ILCS 130/11

"Public works" also includes all federal construction projects administered or controlled by a public body if the prevailing rate of wages is equal to or greater than the prevailing wage determination by the United States Secretary of Labor for the same locality for the same type of construction used to classify the federal construction project.

See 820 ILCS 130/2



P.A. 104-0015: Public University Direct Admission Program Act Effective date: June 30, 2025





How the program works:

By March 1 each year, participating universities must send their GPA-based admission standards to the Illinois Student Assistance Commission (ISAC).

ISAC uses student data provided by high schools and community colleges to determine which students meet the criteria for each institution.

Students who opt into the program receive a message from ISAC notifying them of their direct admission offers from public universities and community colleges.

Participating universities and community colleges cannot charge an application fee to a student receiving a direct admission offer.

Creates the Public University
Direct Admission Program Act and
amends the Illinois School Code.



P.A. 104-0402: Student Transfer Achievement Reforms Effective date: August 15, 2025

- Mandatory Articulation Agreements. The amended STAR Act not only encourages, but *requires* universities to enter into formal, written articulation agreements with community colleges, if requested, to create a clear pathway for transferring students
- Optional Agreement Provisions. The amendments include some options for provisions to be included in articulation agreements:
 - Agreements may include "2+2 programs" or "3+1 programs"
 - Agreements may include an option for students to indicate a transfer destination of choice on their application





P.A. 104-0402: Student Transfer Achievement Reforms Effective date: August 15, 2025

- **Required Agreement Provisions**. The amendments include various requirements for provisions to be included in articulation agreements:
 - Lists of transfer eligibility criteria and any available scholarships or financial assistance
 - A standardized transfer-credit framework, and a clearly defined transfer pathway to be granted junior or senior status as appropriate
 - Other degree requirements such as standardized test scores or clinical hours
 - A policy on reverse transfer of credit, for students who transfer before earning a degree, and credit earned for experiential learning, as applicable
 - Academic and non-academic opportunities for support specific to students participating in the agreement, if applicable
 - Data-sharing requirements and limitations
 - The marketing process and responsibilities for programs covered by the agreement
 - A policy and appeal process for resolving disputes over transfer credit acceptance



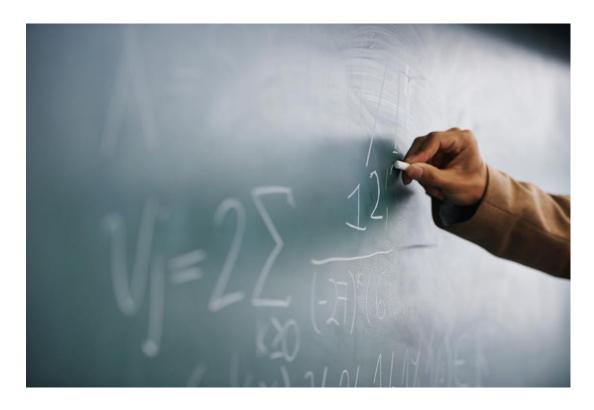
P.A. 104-0402: Student Transfer Achievement Reforms Effective date: August 15, 2025

- State Facilitation of Agreement. If a state university and a community college cannot agree on an articulation agreement within 180 days of a request, either party may contact IBHE or ICCB, which will jointly assist with facilitation of an agreement between the parties
- Publicly Published Transfer Processes. Both community colleges and state universities must publish their process and timeline for reviewing transfer credit requests online. Updates to the process must be reflected online within 30 days



P.A. 104-0012: Dual Credit Amendments Effective date: June 30, 2025

- Amends the Dual Credit Quality Act.
- Adds minimum academic credentials for dual credit instructors:
 - A master's degree in the discipline to be taught, OR
 - A master's degree in any other discipline and a minimum of, but not more than, 18 graduate hours in the discipline to be taught
- Adds that the required evaluation of the instructor by the college must be completed within the same school year as the course is taught
- Requires the college and school district to "work together to provide seamless communication about the student's eligibility for disability services and dual credit course progress"





P.A. 104-0012: Dual Credit Amendments

Effective date: June 30, 2025

- Requires designating a liaison and starting negotiations on a partnership agreement with a school district no later than 60 calendar days after the initial written request to the college
- Deletes the default to a model partnership agreement after 180 days
- Before entering into an agreement to offer dual credit coursework with an institution other than the local community college, a school district must:
 - Negotiate first with the designated liaison of the local community college
 - Mutually agree that a partnership with the local community college is not feasible
- Colleges must file any dual credit agreement with ICCB within 30 days after execution or amendment



P.A. 104-0012: Dual Credit Amendments

Effective date: June 30, 2025

- Adds an appeal process related to colleges disapproving course requests, instructors, or course documentation or withdrawing approvals
 - A college has 30 calendar days from an initial course request to notify the school district of any disapproval or withdrawal of approval
 - A school district then has 14 days to appeal to the ICCB Executive Director, who will issue a decision within 45 days. That decision will become final unless the college or the school district further appeals to ICCB within 30 days





P.A. 104-0012: Dual Credit Amendments

Effective date: June 30, 2025

- If the Executive Director's decision is appealed to ICCB, its decision is final and binding
 - If ICCB finds in favor of the college, the school district may not approach an alternative postsecondary institution with the same proposal
 - If ICCB finds in favor of the school district, the college may still decline to offer the course or approve the instructor or documentation, in which case the school may approach an alternative postsecondary institution



P.A. 104-0303: Mental Health Professionals

- Amends the Mental Health Early Action on Campus Act
- Establishes the composition for an institution's expert panel: at least 2 administrators, 2 faculty members and 1 mental health professional.
- Establishes an institutional minimum for mental health professionals, in addition to an "attempt to meet a benchmark ratio" of 1 per 1250 students:
 - At least 3 licensed mental health professionals or, if fewer than 3750 students, at least the number required by the benchmark ratio.
 - Part-time on-campus capacity or full-time on- or off-campus capacity



P.A. 104-0201: No AI Instructors

- Amends the Public Community College Act
- No college course may use AI, in lieu of a faculty member, as the sole source of instruction for students
- Does not prohibit a faculty member from using AI to augment instruction



Reminder: P.A. 103-0804: Predictive Analytics Effective date: January 1, 2026



Beginning in 2026, this amendment to the IHRA will require employers to provide notice if they are using AI—including generative AI—with respect to recruitment, hiring, promotion, renewal of employment, selection for training or apprenticeship, discharge, discipline, tenure, or other terms, privileges, or conditions of employment.



The Illinois Department of Human Rights (IDHR) is charged with adopting necessary rules on the circumstances and conditions that require notice, as well as the time period and means for providing notice.



Reminder: P.A. 103-0804: Predictive Analytics

- For purposes of the IHRA, "artificial intelligence" is defined as a machine-based system that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments
- "Generative artificial intelligence" is defined as an automated computing system that, when prompted with human prompts, descriptions, or queries, can produce outputs that simulate human-produced content, including, but not limited to, the following:
 - 1. textual outputs, such as short answers, essays, poetry, or longer compositions or answers;
 - 2. image outputs, such as fine art, photographs, conceptual art, diagrams, and other images;
 - 3. multimedia outputs, such as audio or video in the form of compositions, songs, or short-form or long-form audio or video; and
 - 4. other content that would be otherwise produced by human means.



Reminder: P.A. 103-0804: Predictive Analytics

- This amendment also prohibits an employer from using AI that has the effect of subjecting employees to discrimination on the basis of protected classes under IHRA or to use zip codes as a proxy for protected classes under the IHRA
- Proxy discrimination occurs when a facially neutral trait is used as a stand-in for a prohibited trait



P.A. 104-0193: Part-Time Organ Donor Leave Effective date: January 1, 2026

- Amends the Employee Blood and Organ Donation Leave Act
- Adds part-time employees to the paid leave requirements of the Act
- Part-time employees may use the same amount of leave as full-time employees
 - Up to one hour every 56 days for blood donation
 - Up to 10 days in any 12-month period for organ donation
- Part-time employees using leave for organ donation will receive their daily average pay based on the previous 2 months of employment



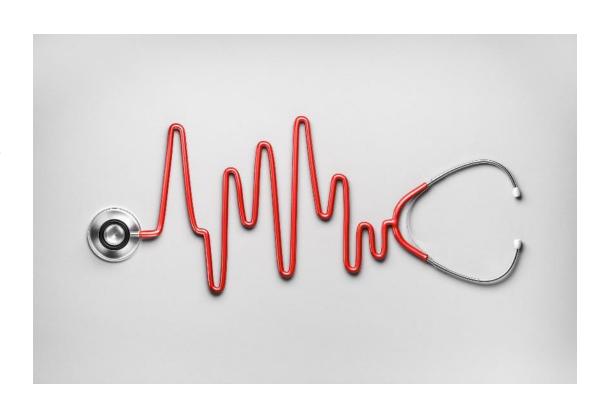
P.A. 104-0259: NICU Leave Effective date: January 1, 2026

- Creates the Neonatal Intensive Care Leave Act
- Requires employers with 16+ employees to provide unpaid leave to an employee while their child is a NICU patient
 - Up to 10 days for employers with 16-50 employees
 - Up to 20 days for employers with 51+ employees



P.A. 104-0259: NICU Leave Effective date: January 1, 2026

- Children include biological, adopted, or foster children, stepchildren, legal wards, or children of a person standing in loco parentis
- NICU leave is in addition to FMLA leave, if the employee is eligible for both
 - An employer must not <u>require</u> the employee to use any paid leave instead of NICU leave
 - Employees <u>may</u> substitute other paid or unpaid leave for NICU leave





P.A. 104-0259: NICU Leave

- The employee is entitled to be restored to their position or a substantially equivalent one, with no loss of benefits
- Health insurance benefits must be maintained during NICU leave as if the employee had not taken leave
- An employer may require reasonable verification of the child's length of stay in the NICU, but not any information protected by HIPAA
- Employers must not engage in discrimination or retaliation against employees exercising rights under the Act or opposing perceived violations



P.A. 104-0259: NICU Leave

- Illinois Department of Labor will adopt rules and enforce the Act
- IDOL may impose civil penalties and supervise payment of unpaid wages and damages to an employee
- Employees may file a complaint with IDOL or a lawsuit within 60 days after the last alleged violation
- Penalties for violating the Act are up to \$5,000



P.A. 104-0076: Paid Breaks for Nursing Mothers Effective date: January 1, 2026



Amends the Nursing Mothers in the Workplace Act.

Continues to require "reasonable break time" for each time an employee needs to express breast milk for a nursing infant child.

Requires the break time to be paid at the employee's regular rate of compensation.

Prohibits employers from requiring the employee to use paid leave or otherwise reducing their compensation during the break time.



P.A. 104-0078: Military Funeral Honors Leave Effective date: August 1, 2025



- Renames and amends the Family Military Leave Act
- Creates a new <u>paid</u> leave requirement for employers with 51+ employees
- Eligible employees may take up to 8 hours per month (40 hours per calendar year) to participate in an honor guard detail at a veteran's funeral
 - The funeral honors detail involves at least two members of the U.S. Armed Forces and performs a ceremony that includes folding the U.S. flag and playing "Taps"



P.A. 104-0078: Military Funeral Honors Leave

Effective date: August 1, 2025

- The employee must have been employed for at least 12 months and for at least 1250 hours of service in the 12-month period immediately before starting the leave
- The employee must be trained to participate in a funeral honors detail and be either:
 - A retired or active member of the U.S. Armed Forces or National Guard, or
 - An authorized provider that supports the rendering of military funeral honors
- The employee must give the employer reasonable notice, as practicable



P.A. 104-0078: Military Funeral Honors Leave Effective date: August 1, 2025

- Employees may take this leave in lieu of other leave and without having exhausted other leave
- The employer must pay the employee's regular rate of pay
- An employer may request confirmation from a veterans service organization or any official notice that can be used as proof
- As with family military leave, the employee is entitled to be restored to their position with equal pay and benefits



P.A. 104-0171: VESSA Amendment Effective date: January 1, 2026

- VESSA includes unpaid leave and protections related to employees when they or a family or household member is a victim of domestic violence, sexual violence, gender violence or any other "crime of violence"
- Amendment adds protections related to personal use of employer-provided electronic devices
- Employers must not discriminate or retaliate against employees based on their use (or attempted use) of employer-issued equipment to record crimes under VESSA that were committed against the employee or a family or household member



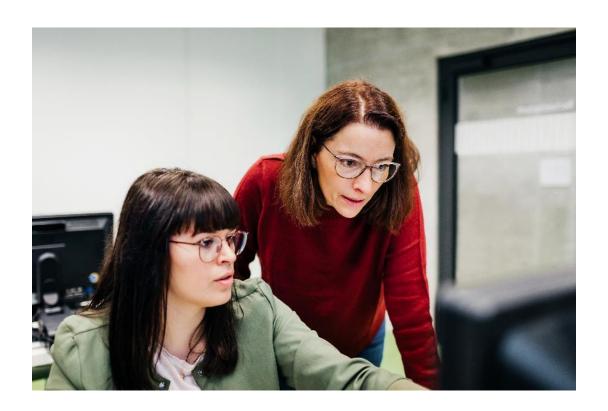
P.A. 104-0171: VESSA Amendment

- Employers must not deprive employees of employer-issued equipment solely because they used or attempted to use it to record crimes under VESSA
- Employers must grant the employee access to any relevant photos, recordings, digital documents, or communications
- These requirements do not relieve an employee of obligations to comply with reasonable employment policies or to perform the essential functions of employment



P.A. 104-0316: Student Teacher Pay Effective date: August 15, 2025

- Amends the Illinois School Code
- Colleges are now prohibited from requiring student teaching to be unpaid
- School districts still <u>may</u> provide a salary and determine the amount to pay







Question & Answer



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