

# Business Standard

## Harvard may regain federal grants if policies change: US education secy

*McMahon said the administration was "making progress in some of the discussions" with Harvard, despite ongoing legal fights*

Bloomberg |



Education Secretary Linda McMahon said federal funds have a role to play in academic research. Image: Bloomberg

---

**By Akayla Gardner**

Education Secretary Linda McMahon said that Harvard and other universities could get some of the federal funding cut by the Trump administration restored if they change their policies.

“It would be my goal that if colleges and universities are abiding by the laws of the United States and doing what we expect of them, that they can expect taxpayer-funded programs,” the secretary said at a Bloomberg News event on Tuesday. McMahon said the administration was “making progress in some of the discussions” with Harvard, despite ongoing legal fights.

The secretary said federal funds have a role to play in academic research.

**ALSO READ: [US resumes Harvard visa: 'Your dreams matter,' say consultants to Indians](#)**

“I think if we look at our research as for the public good, which I think is intended, then taxpayers are willing to see their tax dollars to support that kind of really good research. And so I’m sure that would continue at the university level,” she said. President Donald Trump has frozen more than \$2.6 billion in federal research funding to Harvard, the wealthiest and the oldest US university, and has moved to cancel its federal contracts. The administration has cast those actions as part of an effort to root out antisemitism on campus.

Harvard has taken its fight to court with two lawsuits against the administration, challenging both the loss of federal funding and a decision by the Department of Homeland Security to revoke its license to admit international students.

The administration asked the university to share its records about misconduct from international students on campus, but says the college has not offered enough information to satisfy their requests. A judge temporarily blocked the government from banning its foreign students and researchers from entering the US. Another hearing is set for June 16.

The secretary said consent decrees have been floated as a tool to resolve the administration’s concerns with universities, referencing a binding legal agreement that could put schools under observation by a court-ordered monitor.

**ALSO READ: [US resumes Harvard student visa processing after judge blocks Trump ban](#)**

Columbia University previously denied a Wall Street Journal report that said the school was discussing a consent decree proposal, saying it was based “entirely on hearsay and does not hold merit.”

Trump has routinely singled out Harvard since taking office, taking aim at its perceived left-leaning biases and its hiring and admissions practices. He has mused that its federal funding should be funneled to trade schools and calling for its tax-exempt status to be taken away.

The president has recently said the Massachusetts-based school was “starting to behave.”

A group of 18 colleges backed Harvard’s case against the government over federal research dollars, arguing that the terminations “inflict grievous harm” on universities. Harvard has rejected demands from the administration to implement “viewpoint diversity” on campus in its hiring and admissions practices.

Conservatives have long argued that elite campuses don’t foster environments where their perspectives are represented or welcome.

Columbia, which has lost about \$400 million in federal funds, notably did not sign onto the “friend of the court” argument.

It has also seen its accreditation status threatened as the administration notified the school’s accreditor that it had found Columbia to be in violation of Title XI.

The accreditation status of other universities could also come under scrutiny, according to the secretary. “We’re looking at accreditation in general for colleges and universities, because there has been some complaint about that,” McMahon said.

“It’s like a real monopoly in some areas,” she continued, noting that American Bar Association accredits most law schools.

**ALSO READ:** [Harvard talks to peer institutes as Trump blocks foreign student intake](#)

## Student loans

As part of Trump’s effort to close down the Education Department, which the GOP has long cast as an unnecessary agency, the president initially directed the Small Business Administration to take over management of the government’s massive portfolio of federal loans worth more than \$1 trillion.

McMahon suggested that a transition to SBA, the agency she previously led during Trump’s first term, was still under discussion. “All of that is still part of discussion. It’s not an assignment in any way,” McMahon said, noting that Treasury has recently resumed widely collecting student-loan payments after pandemic-era relief was lifted.

GOP senators are currently debating a megabill that contains several changes to the federal student loan system that would be implemented by the Education Department. The measures would restrict Pell Grants for low-income borrowers to those enrolled in at least 15 credit hours a semester, up from 12 credit hours. It also

phases out subsidized loans for undergraduate students and so-called Grad PLUS loans.

If passed, the bill would place caps on federal student aid based on the Education Department's calculation of the median cost of attendance nationally for a student's chosen program or field of study. McMahon said her agency would "definitely" make those figures public.

**ALSO READ: [Harvard gains support from top US universities in Trump funding battle](#)**

Changes in the bill would likely overtake a rulemaking process that McMahon initiated in April to revamp the government's income-driven repayment plans for student-loan borrowers. Trump has also directed the agency to eliminate eligibility for public-service loan forgiveness from employees of nonprofits that engage in "illegal discrimination" or violate immigration laws.

First Published: Jun 11 2025 | 8:19 AM IST

Page URL :[https://www.business-standard.com/world-news/harvard-may-regain-federal-grants-if-policies-change-us-education-secy-125061100136\\_1.html](https://www.business-standard.com/world-news/harvard-may-regain-federal-grants-if-policies-change-us-education-secy-125061100136_1.html)