

March 2025

I am pleased to present AGB's *Top Public Policy Issues Facing Governing Boards 2025–2026*. These are challenging, unprecedented times for higher education. In the weeks and months ahead, it is vitally important that governing boards understand the major state and federal issues that are being proposed and enacted by Congress, the Trump Administration, state legislative bodies and governors, and state education agencies.

AGB's biennial analysis of the major public policy issues facing colleges and universities, their governing boards, and executive leaders was especially challenging to assemble this time, if for no other reason than the almost daily actions, edicts, and executive orders issued by the new administration in Washington. Some of these policy changes affect government grants and contracts, others agency regulations, and several more raise serious concerns as to whether the federal agencies that serve and support our colleges and universities will retain the capacity and effectiveness to continue to do so.

Similarly, colleges and universities and their boards confront recurring issues in their states each year or biennium as their governors and state legislatures debate and pass budget bills and other education-related legislation. Many state governments recently have been no less disruptive than the federal government when it comes to considering or enacting legislation affecting our constituent colleges and universities that goes well beyond the normal give-and-take of the annual (or semiannual) budgeting process. Institutional autonomy, academic freedom, and the ability of governing boards to determine policies consistent with their missions—unimpeded and independently—are the bedrock of our higher education system; yet too often recent actions have intruded on the prerogatives of higher education governing boards.

These cascading events in the state and federal policy-making arenas, and in the courts, have led to a 2025-26 public policy report that may be considered, in many respects, a snapshot in time.

Nevertheless, this report provides valuable information, insight, and analysis of these policy challenges through six lenses: Accountability and Regulation; Judicial Outcomes; Political Intrusion; Federal and State Funding; Federal Tax Legislation; and Intercollegiate Athletics. It is, in part, recent history of how we got to where we are and part prognostication of where the debates and decisions on these issues might take us in the near future. AGB will do its best to periodically update this report over the next 18 months, in order to provide


further insight and analysis of developments concerning these ongoing policy challenges.

I know our member boards will find *Top Public Policy Issues* a valuable resource for their discussions regarding how some, many, or all of these issues might affect their institutions.

I wish to thank our advisory group of 11 public policy experts from as many higher education organizations who provided invaluable knowledge and insight at the beginning of this project in December 2024.

I also want to thank Christopher Connell, who not only facilitated the December advisory group meeting but also served as the report's chief writer, and AGB senior fellow and consultant Rich Novak. Those AGB staff and contractors who contributed to its editorial development and production are David Bass, Colin Biddle, Megann Clarke, Melanie Darrow, Cheryl Fields, Doug Goldenberg-Hart, Chris Jacobs, Mary Papazian, and Cristin Toutsis Grigos.

Sincerely,

A handwritten signature in black ink, appearing to read "Ross A. Mugler". The signature is fluid and cursive, with a large initial "R" and "M".

Ross A. Mugler
Chair, AGB Board of Directors
Acting President and CEO