

White Paper: Systematic Reform of American Education

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Introduction

Since January 2025, the Trump administration has engaged in an unprecedentedly ambitious campaign to reform higher education. This campaign has elicited some cooperation from higher education in the form of case resolution agreements with a handful of universities.¹ Yet America's institutions of higher education (IHEs) largely have rejected the Trump administration's reform campaign. For example, several elite IHEs declined to sign the Compact for Academic Excellence in Higher Education in exchange for enhanced access to federal funding.² Even those universities that have signed case resolution agreements cannot be regarded as reliable reformers: there is every indication that they will fail to comply with their agreements, if they believe they can do so safely.

America's education establishment appears determined to double down on racial discrimination, illiberalism, and rejection of civic responsibility. They do so, apparently, under the misapprehension that the Trump administration's current initiatives delimit the scope of possible reforms to higher education. That judgment is false. The Trump administration's proposals are only a selection of possible reforms for academia. Let's consider some other reforms not yet on the table.

Some of these proposals might deserve attention in their own right, others not, but all are actively supported by some in the broader movement to reform the university. We ourselves have endorsed some of these policies. But in this white paper, we neither endorse nor reject this catalogue of possible education reform policies. We list these proposed policies to bring broader attention and greater clarity to the discussion about the scope of higher education reform.

Systematic Reform Options

1. Remove Tax-Exempt Status from Universities that Practice Race and Sex Discrimination.

Universities depend on their tax-exempt status to continue business as usual. The Supreme Court ruled in *Bob Jones University v. United States* (1983) that the federal government could revoke the tax-exempt status of private educational institutions that maintain racially discriminatory policies. American universities are born-again Jim Crow institutions, and it would be entirely just to remove from them the tax-exempt status that is a privilege of true educational institutions. Federal policymakers could act to remove the tax-exempt status from every IHE that practices race and sex discrimination, as defined in EO 14151 [Ending Radical and Wasteful Government DEI Programs and Preferencing], Executive Order 14168 [Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government], EO 14173 [Ending Illegal Discrimination and Restoring Merit-Based Opportunity], EO 14188 [Additional Measures to Combat Anti-Semitism], and Executive Order 14201 [Keeping Men Out of Women's Sports].³ Federal policymakers could also broaden the removal of tax-exempt status to include professional academic organizations that engage in race and sex discrimination. State policymakers, in tandem, also could remove tax-free status from IHEs and professional academic organizations that practice race and sex discrimination.

2. Tax University Endowments at the Same Level as Corporate Income Taxes.

Universities depend on low taxes on their endowments to continue business as usual. Existing federal taxes on university endowments are set at this level: “Endowments between \$500,000 and \$750,000 in assets per student will be taxed at the current rate of 1.4 percent. Endowments between \$750,001 and \$2 million per student will be taxed at a rate of four percent, while endowments above \$2 million per student will be taxed at a rate of eight percent.”⁴ IHE endowments can be taxed at much higher levels. Federal corporate income taxes are currently 21 percent; federal policymakers could tax university endowments at the same rate as corporations. State policymakers also could tax university endowments at the same rate as their state corporate income tax.

3. Reassign Student Loan Debts to Universities.

Several generations of Americans have assumed crippling debt to attend college. IHEs bear considerable responsibility for this state of affairs: their desire for federal money, in the form of student loans and grants, has led them to entice millions of students to attend college, knowing the students are not prepared for college and not likely to receive sufficient benefit to their lifetime earnings to justify the debts they assume. Federal policymakers could reassign responsibility for repaying all existing student loan debt to IHEs. These debts could be reassigned either to the individual universities that students attended when they contracted the debts, or portions of the national student debt pool could be assigned to universities in proportion to the size of their endowments.⁵

4. Reduce Higher Education Loans and Grants.

The federal government provides a substantial share of university income through federal student loans and grants, without providing any checks to ensure that students are academically qualified for college. Federal policymakers could reform Title IV regulations governing the disbursement of student aid to limit eligibility to students who possess family incomes below 150 percent of the poverty level; maintain a 2.5 grade point average; and have received federal loans and/or grants for no more than four previous years. They also could permit students to discharge their debts into bankruptcy and require institutions of higher education to accept responsibility for 50 percent of loans (including accrued interest) defaulted on by students at their institution.⁶

5. Remove Federal Research Funding from Universities.

Universities receive large proportions of their income from federal research grants. This income often funds the academic bureaucracies devoted to race and sex discrimination. There is no actual need for federal research to be done within universities—and there is a strong case to be made that federal research funding distracts professors in the sciences from their core teaching mission. Federal policymakers could redirect government research funding to research executed within federal agencies (“intramural research”), independent research foundations, and private industry. Federal policymakers could provide subsidies to facilitate the transfer of scientists and their research from university employment to these alternative research institutions.

6. Eliminate Indirect Cost Reimbursement Rates for Universities.

The federal government pays indirect costs on federal research grants at rates 4-5 times higher (50 percent to 90 percent of direct costs) than those paid by peer countries' national research programs. We have recommended elsewhere that policymakers should pass legislation to prohibit federal science agencies from remunerating indirect cost rates at more than 10 percent of direct costs.⁷ Federal policymakers could stipulate further that federal science agencies may only remunerate indirect cost rates at universities at zero percent of direct costs. This measure would provide a further incentive for scientists to transfer from university employment to alternative research institutions.

7. Remove Medical Teaching Schools and their Revenues from Universities.

Many universities receive substantial funding from medical teaching schools, which frequently also function as hospitals. Federal policymakers could pass legislation stipulating that federal funds be directed only to independent medical teaching schools, with no administrative or fiscal ties to universities. Federal policymakers also could ensure that independent medical schools are subject to the same laws as universities to prevent race and sex discrimination.

8. Remove Sports Revenues from Universities.

Many universities receive large amounts of their funding from their sports teams. Federal policymakers could pass legislation imposing a surtax of 100 percent on all university sports revenue. Universities also retain large amounts of popular affection and donations because they are linked to their sports teams. Federal policymakers also could pass legislation to facilitate the separation of sports teams from universities.

9. Mandate External Program Review and Program Discontinuation.

Academia has become infested with pseudo-disciplines devoted to the pursuit of power, almost universally for progressive ends, rather than to the search for truth.⁸ These pseudo-disciplines frequently are denominated as "studies"—e.g., Ethnic Studies, Gender Studies, Disability Studies. IHEs cannot be reformed so long as they employ these substantial bodies of activists masquerading as professors. Federal and state policymakers could mandate external program review at all universities that receive federal and state monies, establish boards of review to determine which disciplines and departments are irretrievably politicized, and mandate program discontinuance for all politicized disciplines and departments.⁹

10. Require Law and Order in Universities.

America's universities have been subject to mob pressure and a constant leftward ratchet since the University of California capitulated to the Berkeley Free Speech Movement in 1964. Edward Strong, then Chancellor of Berkeley, wrote about what needed to be done to restore order at the university:

(1) go forward with disciplinary proceedings before the Faculty Committee on Student Conduct against certain students and organizations for violations subsequent to September 30, 1964; (2) stabilize campus authority to obtain consistent and firm practice in enforcement of rules. ... (4) Make clear that there will be no yielding to the tactics of threats, pressures, and defiances employed as a means of forcing changes of University policies and rules.¹⁰

Federal and state policymakers could condition federal and state moneys upon university presidents and boards explicitly acknowledging the Strong Principles, enacting them into their by-laws, enforcing them without exception, and firing all university personnel who neglect to enforce them. In other words, federal and state policymakers could require universities to eliminate explicitly, in theory and practice, the so-called right of “protest,” and to make clear that membership in a school depends upon orderly dedication to study.

11. Eliminate Accreditation Bureaucracies’ Programmatic Review Power.

Accreditors have the power to coerce institutions of higher education because the scope of accreditation standards includes every aspect of how institutions operate. Above all, they have abused the federal government’s delegation of power to accredit student success, curricula, faculty, student support services, recruiting and admissions standards, and program objectives. Each of these can be, and has been, used to impose politicized policies, and supportive bureaucracies, upon institutions of higher education. Federal policymakers could dissolve the tie between accreditation and federal student aid, thereby eliminating the accreditors’ financial chokehold on institutions of higher education. They can do so simply by amending federal law so that accrediting organizations only assess *the public and transparent reporting* of student success, curricula, faculty, student support services, facilities, recruiting and admissions standards, and program objectives, rather than institutions’ success at meeting those objectives.¹¹

12. Mandate Program Review at Education Schools and Remove Their Power Over K-12 Teaching.

Radical activists long ago seized control of education schools and began to insert ever more radical ideology and pedagogy into teacher training. The radicalized education schools both propagandize would-be teachers and screen out would-be teachers who refuse to assent to radical dogma. The radical activists also use education licensure requirements to force teachers and education administrators to receive degrees from education schools—which ensures our schools’ education administrators and teachers are committed to radical ideology. We have recommended elsewhere that states take measures to depoliticize education schools,¹² reassert their power to review education licensure,¹³ and create simplified education licensure pathways that allow aspiring teachers to avoid attending education schools or becoming undergraduate education majors.¹⁴ Federal and state policymakers also could mandate external program review at all education schools that receive federal and state monies, establish boards of review to determine which disciplines and departments are irretrievably politicized, and mandate program discontinuance for all politicized disciplines and departments.

13. Remove Accreditation and Licensing Power from Politicized Academic and Professional Associations.

Radical activists seek to transform all accreditation and licensure into political activism to advance “social justice.” They work not least by taking over the professions—particularly by using state requirements for licensure and professional development to insert political litmus tests. We have recommended elsewhere that state policymakers depoliticize licensure and professional development requirements.¹⁵ Federal and state policymakers also could mandate external review of all professional associations that possess a role in federal or state accreditation, licensure, and professional development, establish boards of review to determine which professional associations are irretrievably politicized, and mandate discontinuance of delegation of accreditation, licensure, and professional development for all politicized academic and professional associations.

14. Apply Disparate Impact Theory to College Bureaucracies and Faculty.

The Trump administration has rightly declared its desire to eliminate as much as possible “disparate impact theory,” which “all but requires individuals and businesses to consider race and engage in racial balancing to avoid potentially crippling legal liability. It not only undermines our national values, but also runs contrary to equal protection under the law and, therefore, violates our Constitution.”¹⁶ That said, so long as disparate impact theory retains judicial and legislative sanction, federal and state policymakers could use it to assess every administrative and faculty unit within colleges and universities for “disparate impact” violations, particularly for policies with discriminatory effect against whites, men, Christians, Jews, and conservatives. Federal and state policymakers could generously fund administrative units dedicated to investigating and prosecuting such disparate impact violations in higher education.

15. End Permission for Foreign Participation in American Universities.

American colleges and universities depend upon foreign tuition, which allows them to ignore both their civic mission and the reform initiatives of American policymakers. Federal policymakers could eliminate all foreign student admissions. They also could remove IHEs from eligibility to apply for any short and long-term employment visas for faculty or administrators. Federal policymakers, moreover, could remove permission for colleges and universities to employ faculty and administrators in dual or joint appointments with foreign institutions.

16. End All Benefit from Foreign Funding.

Many schools take enormous sums of money from foreign sources, inviting them to neglect their primary duty to Americans. This money also allows schools to amass wealth—many have endowments in the billions—which, unsurprisingly, can compromise or corrupt them. Federal policymakers could require the Internal Revenue Service (IRS) to audit any school receiving federal funds to determine how much money comes from foreign sources—including foreign tuition. Federal policymakers then could reduce the dollar amount of federal funds given to IHEs by the same amount received from foreign sources. In this way, the incentive to take foreign money is removed. If this

measure proved ineffective, federal policymakers then could reduce the dollar amount of federal funds given to IHEs by 150 percent of dollars received from foreign sources.

17. Boycott of All Foreign Universities in Countries that Boycott Israel.

American universities cooperate with IHEs in countries that facilitate boycotts of Israel, and other acts of aid and comfort to Palestinian terrorist organizations such as Hamas. Federal policymakers could remove eligibility to receive federal funds from IHEs that cooperate with universities that engage in boycotts of Israel, as well as with universities located in countries that boycott Israel. Federal policymakers also could consider whether to prohibit cooperation with universities in countries that recognize an independent Palestine, until such time as America might choose itself to recognize a Palestinian state.

18. Defund Sanctuary Campuses.

Far too many colleges and universities have lent support to lawless conduct by declaring themselves “sanctuary campuses,” and by providing admission, employment, and/or financial support for illegal aliens. Federal and state policymakers could remove eligibility for federal and state funds to IHEs that admit or hire illegal aliens, operate any “sanctuary campus” policies, formally or informally, and fail to cooperate fully and promptly with any request by the Department of Immigration and Nationalization.¹⁷

19. Remove Qualified Immunity from IHE Personnel.

The doctrine of *immunity* protects public employees engaged in official acts from lawsuits and liability. It is appropriately applied to officials such as judges, prosecutors, and policemen. It is not appropriate for IHE personnel, who have time to act deliberately, and who use *immunity* to shield their misconduct. Federal and state policymakers could remove qualified immunity from all IHE personnel, to render them personally liable for misconduct.¹⁸ They also could establish significant penalties, of at least \$100,000, for acts of race and sex discrimination, facilitation of lawlessness, etc.

20. Establish Private Rights of Action Against IHEs.

Federal and state law enforcement agencies may not have sufficient personnel to investigate every IHE for noncompliance with the law. Federal and state policymakers could create private rights of action for every citizen, granting individuals standing to bring private lawsuits in the (federal or state) government’s name to prosecute violations of the law and recover damages provided by the law, and/or to recover illegal expenditures. Policymakers could use federal *qui tam* law as a model: private citizens who bring successful *qui tam* actions may receive a portion of the damages.¹⁹

21. Hold Presidents and Boards of Trustees Personally Liable for Negligence.

IHE Presidents and Boards of Trustees currently feel no urgency to reform their institutions. Federal and state policymakers can correct this indifference by holding IHE Presidents and Boards

of Trustees personally liable for negligence to enforce federal and state laws and regulations. Policymakers also could use federal *qui tam* law as a model: private citizens who brought successful *qui tam* actions against IHE leadership also could receive a portion of the damages.

Conclusion

Federal and state policymakers will not lightly undertake such thoroughgoing reforms. But if IHEs remain obdurate in their defiance of the law, policymakers can be expected to consider seriously whether to engage in reform of this scope. We believe that the education establishment would be well-advised to discard its commitment to discrimination, illiberalism, and rejection of civic responsibility before policymakers conclude that reforms of this nature are the minimum necessary to restore academia to its proper functioning. If policymakers do decide that reforms of such scale are indeed necessary, the catalogue of suggestions here is a plausible sketch of how they might go about the difficult but necessary task of restoring academia to its proper ideals and procedures.

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