

October 27, 2025

Stacy Murphy
U.S. Federal Deputy Chief Operations Officer/Security Officer
Office of Science and Technology Policy
Executive Office of the President
Eisenhower Executive Office Building
1650 Pennsylvania Avenue
Washington, D.C. 20504

Re: FR Doc. 2025-18737; Request for Information on Regulatory Reform on Artificial Intelligence

Dear Deputy Chief Murphy,

The American Council on Education (ACE) and the undersigned higher education associations submit these comments in response to the request for information on Artificial Intelligence (AI) regarding “existing Federal statutes, regulations, agency rules, guidance, forms, and administrative processes” that “hinder the development, deployment, and adoption of artificial intelligence (AI) technologies within the United States.” We appreciate the commitment from the administration to accelerate the development and adoption of AI technologies to increase efficiencies across the public and private sector, including higher education. We also believe there are regulations and organizational factors that need to be considered as you move forward in this important work, especially in how AI impacts our institutions.

The higher education sector is quickly moving to implement AI on our campuses, with the recent ACE Pulse Point survey finding that nearly ninety percent of institutions have implemented generative AI technologies, or plan to do so within the next two years.¹ Colleges and universities are currently utilizing AI to develop curricula, support student access to higher education, increase administrative efficiencies across institutions, and create opportunities for faculty, students, researchers and staff. Given the relevance of AI to efforts to accelerate production, advancement, and dissemination of knowledge, this embrace of AI is a natural fit for postsecondary institutions.

While we welcome the administration’s efforts to strengthen innovation in AI and reduce regulations, we have outlined several regulatory efforts that should remain in place to safeguard institutions and, by extension, students as AI becomes more widely utilized by the federal government and institutions. Some of these comments are drawn from previous comments submitted to the National Coordination Office in response to a March 2025 Request for Information on the development of an Artificial Intelligence (AI) Action Plan.²

¹ ACE “2025 Fall Term Pulse Point Survey (<https://www.acenet.edu/Documents/Pulse-Point-Survey-Fall2025.pdf>)

² See comments on the AI Action Plan here: <https://www.acenet.edu/Documents/Comments-AI-RFI-031425.pdf>

Need for Human Oversight in Administrative Processes

The federal government plays a crucial role in providing funding to postsecondary institutions, both through student financial aid and research funding. The process for determining award amounts and recipients is highly complex and competitive, benefiting from the rigorous applications of human capital. While the application of AI in funding allocation may increase efficiency, the grant peer review process, financial aid decisions, aid packaging, and application processes should continue to function with high levels of human oversight.

The primary concern is that the automation of these processes through AI places complex decisions on algorithms that can lack human-centered approaches, leading to the potential for challenges in the interpretation of materials and explanations of decisions. Without additional protections, the awarding of federal funding is entirely dependent on the formulaic capacities of the AI, which can insufficiently capture the nuance required in decision making. To ensure that both the grant and student financial aid process remain consistent and fair, we ask that if generative AI is used in research or administrative decision-making, that fact must be disclosed.

The need for human oversight in administrative processes extends beyond financial awards, and ACE implores the administration to further consider potential academic implications:

- How will the adaptation of instructional AI models (used for grading, tutoring or instruction) interact with existing academic standards regarding faculty engagement and academic control?
- The use of AI in certain institutional capacities may post a risk to accreditation if sufficient guidelines are not provided. What regulations are required to ensure that AI mediated interactions between faculty and students do not pose a risk to accreditation?
- How will deregulation efforts address liability risks if/when AI tools malfunction through bias or hallucinations to produce problematic outcomes?

Concerns for Under-Resourced Institutions

ACE is the major coordinating body for the nation's higher education system, with nearly 1,600 members, representing all types of accredited, degree-granting colleges and universities, public and private. One significant concern relates to the ability for under-resourced institutions to successfully match the AI implementation efforts larger institutions have the resources to build.

A recent survey published by EDUCAUSE demonstrates that the resource gap between large and small institutions can limit the ability of institutions to realize the full scope of AI technology for student and faculty support.³ With a limited capacity to incorporate AI on campus, smaller institutions could be impacted by mandates that require the use of AI across the higher education sector. In addition, smaller institutions may need guardrails or a safety net of regulations to feel comfortable or help ease entry of smaller players into incorporation of AI on campuses. During efforts to deregulate the use of AI, there should be a recognition of the

³ “2025 EDUCAUSE AI Landscape Study: Into the Digital AI Divide—Special Focus: The Digital AI Divide Between Institutions” (<https://www.educause.edu/content/2025/2025-educause-ai-landscape-study/special-focus-the-digital-ai-divide-between-institutions>)

difference in resource capacity, ensuring that AI can be effectively utilized by the entire sector. In addition, it could be helpful for institutions of higher education to encourage pilot programs, perhaps through a Department of Education experimental site initiative, to monitor and experiment with AI deployment in campus settings.

Ensuring Established Privacy Protections are Supported

The utilization of AI in higher education will require the collection, monitoring, and use of personal data, which introduces concerns regarding privacy protection. Even with the current regulations in place, the higher education sector is extremely concerned with privacy protections. The previously referenced EDUCAUSE survey of the postsecondary landscape reported:

- Ninety percent of institutional respondents are greatly or somewhat concerned about the “use of data without consent” for AI purposes.
- Eighty-seven percent are greatly or somewhat concerned about AI uses that might entail “violation of privacy and security laws and policies.”
- Eighty-nine percent have great or moderate concern about AI applications lacking sufficient data protection measures.⁴

With current concerns over data privacy, it is critical that the deregulation of AI strengthens and does not weaken existing privacy protections. For higher education, the Family Educational Rights and Privacy Act (FERPA) ensures the protection of student educational records, which should be considered throughout efforts to deregulate AI for institutional use. Any action taken by the federal government regarding AI deregulation should recognize and incorporate existing FERPA regulations, or perhaps strengthen FERPA, to minimize concerns regarding the potential misuse of students’ educational data or the improper disclosure of personally identifiable information.

AI deregulation efforts should also acknowledge and incorporate data privacy protections addressed towards third-party vendors; the adoption of AI across the higher education sector would require third-party involvement to manage and implement AI technologies for institutional use. The involvement of third-party AI operators introduces additional privacy concerns that should be addressed during deregulation efforts, ensuring external vendors are compliant with federal data protection standards and students’ academic data privacy is upheld.

In conclusion, we appreciate the proactive engagement from OSTP to seek industry perspectives on the federally supported deregulation of AI technologies across public and private sectors. We look forward to continuing to engage with the administration on AI as new strategies are employed and policy works to meet technological advancements.

⁴ “2025 EDUCAUSE AI Landscape Study: Into the Digital AI Divide”

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Mitchell". The signature is fluid and cursive, with the first name "Ted" being more prominent than the last name "Mitchell".

Ted Mitchell, President

On behalf of:

American Association of State Colleges and Universities

American Council on Education

Association of American Medical Colleges

Association of Governing Boards of Universities and Colleges

Association of Jesuit Colleges and Universities

Council of Graduate Schools

EDUCAUSE

National Association of College and University Business Officers

National Association of Independent Colleges and Universities