


To: Chancellors

From: Andrew Tripp 
UNC System Senior Vice President for Legal Affairs & General Counsel

Date: February 5, 2025

Subject: Memorandum Regarding Federal Contracting Compliance

On January 21, 2025, President Trump issued an executive order entitled [Ending Illegal Discrimination and Restoring Merit-Based Opportunity](#) (the “Jan. 21 EO”). This memorandum pertains to complying with that executive order and is being transmitted to each of you at the direction of President Peter Hans pursuant to his authority under [Chapter 116](#) of the North Carolina General Statutes.

The practices prohibited by the Jan. 21 EO are largely addressed by the Board of Governors’ adoption of [Section 300.8.5](#) of the UNC Policy Manual, *Equality Within the University of North Carolina* (the “Equality Policy”), as well as the University’s August 2023 [directives](#) regarding implementation of the United States Supreme Court’s 2023 decision in [Students for Fair Admissions, Inc. v. President and Fellows of Harvard College](#).

The [Equality Policy](#) reaffirms the University’s commitment and duty to abide by federal and state law prohibiting discrimination and upholds the University’s commitment to institutional neutrality, academic freedom, and freedom of expression.

The Jan. 21 EO directs multiple actions by federal agencies.¹ Most notably for purposes of higher education, the Jan. 21 EO imposes additional requirements on federal agencies seeking to contract with third parties, including institutions of higher education, as well as those parties’ subcontractors.

The University of North Carolina is synonymous with cutting edge federal research. University budgetary figures demonstrate this point. University institutions received approximately \$1.4B in federal research dollars pursuant to contracts and grants in FY 2023–24, constituting approximately 62% of all University research funds, and approximately 13% of the University’s annual budget. The University also received over \$600M in federal dollars in the form of student aid and other funding.

Entities operating under one or more contracts with a federal agency (including subcontractors) now have several new requirements under Section 3 of the Jan. 21 EO. First, an institution wishing to contract with the federal government will be required to agree, as a condition of the contract, that “it does not operate any programs promoting DEI that violate any applicable Federal anti-discrimination laws. . . .” (Jan. 21 EO, Sec. 3). Interpretation of what

¹ On January 20, 2025, President Trump issued a separate executive order entitled [Ending Radical and Wasteful Government DEI Programs and Preferencing](#) that focuses mainly on hiring and employment practices within the executive branch. While the two orders address related objectives, it is the Jan. 21 EO that directly affects federal contracting practices and is the subject of this memorandum.

constitutes compliance with these requirements will largely be left to the federal agencies with which the University seeks to contract.

Second, certification as to compliance is now a requirement for all contracting entities. The Jan. 21 EO signals that those institutions continuing to operate programs deemed noncompliant by the federal government risk ineligibility for additional federal contracts and grants—or worse—costly enforcement actions initiated by federal agencies pursuant to the federal government’s commitment to “compliance in all respects with all applicable Federal anti-discrimination laws [which] is material to the government’s payment decisions. . . .”(Jan. 21 EO, Sec. 3).² Here, too, the interpretation of what “programs promoting DEI” may violate any “applicable Federal anti-discrimination laws” will first fall to federal agencies, leaving contracting partners only the chance to react. Similarly, the terms “contractor” and “subcontractor” are not defined in the Jan. 21 EO, thus leaving the interpretation of these terms largely to federal agencies. (Jan. 21 EO, Sec. 3).

Mandatory curricular and program requirements on prohibited topics discussed in the Jan. 21 EO may prevent the very certification now required of federal contractors. Moreover, even with a compliance certification made in good faith by an institution, such curricular and program requirements might still be deemed noncompliant by a federal agency and trigger the consequences described by the Jan. 21 EO. Finally, mandatory curricular and program requirements involve other University personnel in addition to the faculty members who teach the coursework itself. This raises additional concerns about potential noncompliance in that such employees might be viewed by a federal agency as being required by the institution to engage in work which may violate the Jan. 21 EO. Even though some form of additional federal guidance is expected, and the law in this area remains unsettled, the risk of jeopardizing over \$1.4B in critical federal research funding is simply too great to defer action.

Accordingly, effective immediately, all general education requirements and major-specific requirements mandating completion of course credits related to diversity, equity, and inclusion, or any other topic identified in Section VII of the [Equality Policy](#) are suspended.³ Inclusion of these and other synonymous general education requirements may contradict the Jan. 21 EO directive to “[e]xcise references to DEI and DEIA principles, *under whatever name they may appear.*” (Jan. 21 EO, Sec. 3)(emphasis added). DEI requirements of the same substance, but identified by a different name, could further jeopardize federal funding.

A chancellor may approve, in writing, a tailored waiver of this suspension for individual major-specific requirements but no such waiver of any general education requirement is available. The major-specific curricular or program requirement for which the waiver is sought

² The Jan. 21 EO references the definition of “material” in the False Claims Act, [31 U.S. Code § 3729\(b\)\(4\)](#), which provides that “the term ‘material’ means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.”

³ This review and suspension accord with the duty of chancellors pursuant to [Section 502D](#) of Chapter V of *The Code, Relation of the Chancellor to the Constituent Institution*. Authorization and approval of all matters of curriculum, degree requirements, instructional standards, and grading criteria rests ultimately with the respective chancellor, upon solicitation of advice of the faculty. The chancellor’s decision is final and supersedes that of an advisory institutional body or committee. This duty of chancellors parallels their charge under [Section 400.1](#) of the UNC Policy Manual, *Policy on Academic Program Planning*, to “regularly review their institution’s academic programming to ensure the maintenance of a sound and balanced educational program that is consistent with the functions and mission of the institution.”

must be substantially related to its specific major, and any waivers must be approved and signed, in writing, by the institution's chancellor, which responsibility shall not be delegated. All waiver requests for major-specific requirements approved by a chancellor shall be reported to the Board of Governors' Committee on Educational Planning, Policies, and Programming at its next regularly scheduled meeting following approval.

During the suspension, the suspended curricular or program requirement shall be deemed converted immediately into a general elective requirement. Any student presently enrolled in a Spring 2025 course to satisfy a suspended curricular or program requirement may elect either to remain enrolled in the course or to withdraw from that course without penalty, and such withdrawal shall be deemed a course withdrawal with extenuating circumstances under [Section 400.1.5\[R\]](#) of the UNC Policy Manual, *Regulation Related to Fostering Undergraduate Student Success*. In all events, no student's graduation shall be delayed or deferred for failure to satisfy a suspended curricular or program requirement described in this memorandum; provided, however, the student must still satisfy the minimum credit hour requirements established by [Section 400.1.5\[R\]](#). All University enrollment processes going forward—whether for a summer, fall, spring, or any other, academic semester—shall comply with this memorandum.

The foregoing suspension applies to *mandatory* curricular and program requirements. It shall not affect the ability of a constituent institution to continue to offer any course teaching the concepts in the suspended curricular or program requirement, so long as no student is *compelled* to enroll in such a course as part of a mandatory requirement at the institutional, college, or department level (or other similarly named unit); nor shall the foregoing suspension impair the academic freedom of faculty within the University of North Carolina to pursue teaching, research, and service, or of our students to pursue the coursework of their choosing. Section 7 of the Jan. 21 EO reinforces these points.

During the suspension, provosts will work using existing curricular and program development processes to implement long-term solutions for complying with the Jan. 21 EO, with the understanding that the chancellor serves as the final decision-maker upon advice received from these processes.

Today's action makes certain that the University can continue to certify its compliance with federal anti-discrimination laws without concern that the now-suspended curricular and program requirements may violate the Jan. 21 EO, or any subsequent directives from the federal executive branch on this topic.

The University of North Carolina leaves its indelible mark on the world through the great work of its doctors, scientists, professors, and researchers tackling seemingly insoluble problems in the fields of science, chemistry, research, and medicine, among others. Indeed, right now—at this very hour—there are thousands of researchers in the University working to improve the health and wellbeing of everyday North Carolinians and people across the globe. Today's action ensures that their work will continue unabated in an emerging regulatory landscape.

Chancellors are directed to implement this memorandum immediately. Legal questions may be directed to me, and questions regarding academic matters may be directed to Dr. David English.