AIRC
The Association of International Enrollment Management

Comment on 2026 DHS Proposed Rule Change

"Optional Practical Training Fees"

Introduction

The American International Recruitment Council, dba AIRC: The Association of International Enrollment Management (AIRC), firmly opposes the Department of Homeland Security's (DHS) Notice of Proposed Rulemaking (NPRM) regarding "Optional Practical Training Fees" published on October 8, 2026 (91 FR 64566). AIRC strongly recommends that DHS abandon and completely withdraw this proposed rule.

The proposed rule would mandate that Student and Exchange Visitor Program (SEVP)-certified educational institutions pay an extraordinary, unprecedented tax of $70,000 before a Designated School Official (DSO) can recommend an international student for initial Optional Practical Training (OPT), and an additional $30,000 tax for any subsequent OPT recommendation, including the 24-month Science, Technology, Engineering, and Mathematics (STEM) OPT extension.

While DHS frames this exorbitant financial imposition as a regulatory mechanism to combat program fraud and protect U.S. workers, AIRC views this proposed cost increase for what it actually is: a punitive administrative tax designed to dismantle the U.S. international student talent pipeline. The proposed OPT tax is arbitrary, disproportionate, and structurally flawed. It will cause catastrophic financial harm to higher education institutions, create severe distress for international students currently in the United States, collapse international student recruitment pipelines, and inflict lasting damage on the American economy and scientific research enterprise.

As the only U.S. professional association focused specifically on setting standards for international student recruitment and international enrollment management (IEM), AIRC offers a crucial, specialized perspective. This proposal directly threatens the institutional viability of international enrollment models, destabilizes strategic global academic partnerships, and severely undermines the U.S. higher education sector's ability to maintain an ethical, transparent, and globally competitive international student admissions framework.

Analysis

1. Misalignment with Stated Goals: A $70,000 Tax Does Not Prevent Fraud

DHS asserts that establishing an initial $70,000 tax and a $30,000 subsequent tax per student is necessary to combat visa fraud and reduce administrative burdens associated with OPT

oversight. However, the Department's rationale is fundamentally disconnected from the operational realities of international enrollment and immigration enforcement.

- **Penalizing Legitimate Actors:** Imposing a massive financial tax on SEVP-certified institutions does not address bad actors or fraudulent entities. Instead, it punishes legitimate, accredited U.S. colleges and universities that adhere strictly to federal reporting standards.
- **Ineffectiveness Against Malicious Entities:** Illegitimate operations and bad actors seeking to exploit visa status will simply circumvent, pass on, or obscure financial transactions through offshore networks or fraudulent agreements, while legitimate academic institutions are left with unmanageable financial obligations.
- **Existing Oversight Capabilities:** International students are already the most closely monitored nonimmigrant group in the U.S. through the Student and Exchange Visitor Information System (SEVIS). DSOs continuously report enrollment status, academic progress, address changes, and practical training details. DHS already possesses robust regulatory oversight tools through SEVIS data and institutional compliance reviews.

A blunt, multi-ten-thousand-dollar institutional tax is neither narrowly tailored nor effective as a fraud detection tool. It represents an improper shift of regulatory enforcement costs onto educational institutions.

2. Failure to Consider Less Burdensome Alternatives

In the proposed rule, DHS acknowledges that it bypassed operational enforcement alternatives—such as expanding employer site visits, introducing standardized training plan verification, or enhancing targeted SEVIS auditing—in favor of a broad financial tax because a tax could be "implemented quickly and uniformly".

AIRC strongly questions whether DHS genuinely evaluated less burdensome alternatives before landing on an extreme financial tax on institutions. The Department failed to demonstrate that it thoroughly evaluated less disruptive measures, such as:

- Enhancing targeted compliance audits of employers listing suspicious or shared worksites;
- Increasing employer accountability and direct reporting under the existing Form I-983 framework for STEM OPT;
- Leveraging existing administrative fee structures within standard USCIS adjudication frameworks rather than creating an institutional tax.

By jumping directly to a $70,000 initial tax, DHS selected the most disruptive, punitive, and economically damaging option available.

3. Severe Harm to AIRC Members and Institutional Enrollment Models
The proposed OPT tax will inflict unprecedented financial strain on U.S. higher education institutions, particularly small- to mid-sized public and private non-profit colleges and universities. DHS's own Regulatory Flexibility Act analysis reveals that over 60 percent of small SEVP-certified institutions would experience a total cost impact exceeding 1 percent of their annual revenue, with many facing impacts exceeding 20 percent of their operating budget.

From an International Enrollment Management (IEM) perspective, international recruitment requires years of strategic planning, budget allocation, global outreach, and partner development. The proposed tax severely threatens these institutional efforts:

- **Budgetary Instability:** Institutions cannot absorb a $70,000 tax per OPT candidate. Operating budgets, tuition models, and financial aid structures would be severely disrupted.
- **Destruction of Recruitment Infrastructure:** Institutions rely on ethical agency partnerships, regional recruitment networks, and international high school pathways established over decades under AIRC standards. Unaffordable OPT taxes will force schools to curtail international programs, undermining campus global diversity and institutional revenue.
- **Disruption of Academic Planning:** Combined degree programs (such as 4+1 combined bachelor's/master's degrees), co-op programs, and graduate research opportunities rely heavily on practical post-graduation training options to attract top global applicants.

4. Harm to Current International Students and Breach of Reliance Interests
The proposed rule applies retroactively in effect to international students currently enrolled in U.S. institutions who made life-changing educational and financial commitments under the explicit understanding that OPT was an accessible, standard component of their F-1 nonimmigrant status.

- **Disruption of Settled Expectations:** Current students chose U.S. institutions after evaluating total degree costs and post-graduation experiential learning opportunities. Changing the regulatory conditions mid-degree breaks reliance interests and places students in impossible financial positions.
- **Risk of Coerced Cost Transfers:** DHS explicitly notes in the preamble that institutions may pass the financial obligation of this OPT tax directly onto students. Forcing international students—who are already subject to out-of-state tuition rates and restricted working rights—to bear a $70,000 tax to access practical experience related to their degree is unjust and prohibitive.
- **Forced Departure and Career Interruption:** Students unable to secure an institution willing or able to pay the proposed OPT tax will be forced to abandon their career preparation, depart the U.S., or forgo critical practical experience, damaging their professional trajectories and personal well-being.

5. Collapse of Prospective Student Interest and Loss of Global Competitiveness
The U.S. international education sector operates within a highly competitive global market. Prospective international students carefully evaluate destination countries based on cost, post-graduation work opportunities, welcoming policy environments, and visa clarity.

- **Advantage to Global Competitors:** Key competitor countries—including Canada, the United Kingdom, Australia, and Germany—offer clear, transparent, and affordable post-graduation work opportunities.
- **Severe Decline in U.S. Market Share:** Imposing an exorbitant OPT tax signals that the U.S. is unwelcoming to foreign talent. Prospective students will choose competitor nations that encourage post-graduation career integration without imposing multi-ten-thousand-dollar taxes.
- **Irreparable Harm to Brand USA:** Sudden regulatory shifts and prohibitive financial taxes erode global trust in the U.S. educational system, undermining decades of public diplomacy and international enrollment efforts.

6. Devastating Impact on the U.S. Economy and Scientific Research Enterprise
International students are vital contributors to the economic vitality and scientific leadership of the United States. Practical training programs ensure that U.S. institutions and employers can retain top academic talent trained at U.S. universities.

- **Economic Contributions:** According to analysis by NAFSA: Association of International Educators, international students contribute nearly $44 billion annually to the U.S. economy and support more than 378,000 American jobs.
- **Undermining U.S. Innovation:** International graduate students and post-doctoral scholars play a primary role in U.S. laboratory research, artificial intelligence, biotechnology, semiconductors, and green energy innovation. Dismantling OPT through cost-prohibitive taxes starves U.S. research universities and high-tech sectors of essential talent.
- **Broader Economic Fallout:** Reduced international student enrollment directly reduces local spending on housing, retail, transportation, and services in university communities nationwide, while threatening institutional financial health and American jobs supported by international tuition revenues.

Comparative Policy Impact Analysis

Regulatory Area	*Current Regulatory Framework*	*DHS Proposed OPT Tax Rule*	*AIRC Recommended Policy Position*
Institutional Cost Burden	No institutional fee for DSO OPT recommendations in SEVIS.	$70,000 initial tax; $30,000 subsequent tax per student recommendation.	**Withdraw tax completely;** maintain standard institutional oversight without financial levies.
Fraud Prevention Strategy	Institutional SEVIS reporting, DSO tracking, and USCIS Form I-765 adjudication.	Broad financial institutional tax intended as a market deterrent.	**Targeted enforcement;** direct investigations of non-compliant employers.
Student Reliance & Equity	Predictable access to post-graduation practical training.	Mid-program cost increases or forced forfeiture of practical training rights.	**Protect reliance interests;** preserve clear, accessible OPT rules for all enrolled students.
U.S. Global Competitiveness	Competitive, highly attractive higher education destination.	Severe competitive disadvantage relative to Canada, UK, Australia, and Germany.	**Strengthen mobility;** align post-study practical training options with global best practices.

About AIRC

AIRC is a 501(c)(3) nonprofit membership association of educational institutions, certified student recruitment agencies, and service providers who work together to establish quality standards for international student placement within the United States. AIRC is registered as a Standards Development Organization with the U.S. Department of Justice and the Federal Trade Commission. AIRC champions the interests of international students, educational institutions, and educational agencies through the development of professional standards and partnerships that advance effective and strategic practices in international enrollment management.

Conclusion

DHS's proposed OPT tax rule is an unnecessary, intrusive, and destructive proposal. It fails to address its stated goal of targeted fraud prevention, ignores less burdensome regulatory alternatives, places unmanageable financial burdens on U.S. institutions, breaches the reliance interests of current students, and severely damages U.S. global competitiveness and economic innovation. AIRC firmly urges the Department of Homeland Security to withdraw the proposed rule entirely.