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Federal Government Transition Update - 2.14.25 [1]

February 14, 2025 by Riley Black [2]

Dear Colleagues,

There are several updates since our last communication we would like to share with you. First, the NIH issued an internal memo [3] on February 12 directing all Institutes and Centers to resume issuing grants using previously approved indirect cost rates negotiated with institutions. The announcement follows a temporary restraining order issued by a Massachusetts judge that prevents the NIH from imposing a standard facilities and administrative (F&A) costs rate of 15 percent. CU provided declarations of impact at the Colorado Attorney General's request who joined a lawsuit filed by 22 states to prevent implementation of the rate change. The declarations explained the impact the proposed policy would have on biomedical research and more at the university. Initial estimates show the policy would result in over $80 million annual reduction to CU with the largest impact at the Anschutz Medical Campus.

In addition, on February 12, a Massachusetts judge declined to block the administration's deferred resignation program for federal workers. The judge ruled the plaintiffs lacked standing to challenge the directive, but did not rule on the legality of the program. The judge had initially paused a February 6 deadline for federal employees to resign in exchange for pay and benefits through the end of the fiscal year. The new ruling gave federal employees until 7:20 PM ET on February 12 to accept the administration's resignation offer. The offer was extended to nearly 2.3 million federal employees, 75,000 of which have agreed to resign according to the U.S. Office of Personnel Management.

Also this week, the U.S. Department of Education rescinded a memo [4] issued in the waning days of the Biden Administration, which said that failing to provide "equivalent" opportunities for male and female athletes to be paid for their Name, Image, and Likeness (NIL) is a violation of Title IX, which prohibits sex-based discrimination in education. Acting Assistant Secretary for Civil Rights Craig Trainor said NIL payments are not akin to financial aid and Title IX policies say, "nothing about how revenue-generating athletics programs should allocate compensation among student athletes."

Finally, we want to provide several updates regarding court cases that have imposed temporary injunctions to block the administration's attempts to freeze federal funding. On Monday, February 10, a U.S. District Judge in Rhode Island ordered the administration to comply with an existing temporary restraining order (TRO), blocking the administration's effort to freeze federal assistance dollars, and immediately restore any funds that had been paused or withheld. On Tuesday, February 11, the 1st Circuit Court of Appeals in Boston refused the administration's emergency bid to lift the restriction on the federal funding freeze. Since the court ruled on the funding freeze, government agencies have resumed issuing payments to

grantees and contractors, including to CU.

Chad Marturano, CU's Vice President and Chief Financial Officer, and the campus CFOs will provide regular updates to the CU System legal and federal relations teams on the status of federal awards by agency and stop work orders.

We recognize the uncertainty and worry our campus communities are experiencing, including some direct impacts on projects and programs. In these times, it's critical to keep our eye on the ball. Please know we are here for you, and we are working closely with the President, Chancellors, and our legal team on these issues. We would like to encourage you to contact your campus leadership with questions. Please visit the CU System Federal Transitions Update page [5] for up-to-date communications and federal memos.

Jeremy Hueth, Vice President, University Counsel??
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