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Federal Government Transition Update - 3.28.25 [1]

March 28, 2025 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams on developments this week.

White House Freezes $3 Billion in Emergency Funding
The White House announced this week it will block nearly $3 billion in emergency spending included in the Continuing Resolution (H.R. 1968) that funds the government through September 30. More than $300 million in science-related funds are impacted, including $234 million for NSF equipment and facilities; $100 million for NOAA procurement and construction; and $30 million for Economic Development Administration grants. The cuts must be implemented over six rather than 12 months, which exacerbates their impact. The president approved $700 million in emergency spending for NASA. Under federal law, the president must approve or reject all emergency designations authorized by Congress, rather than pick and choose what funding to spend. Senate appropriators Susan Collins (R-ME) and Patty Murray (D-WA) said [3] the move is illegal and could "make it more difficult" for appropriators to collaborate with the administration.

New Lawsuits Challenging Department of Education Executive Order
Several lawsuits have been filed challenging the administration's executive order [4] issued last week to close the U.S. Department of Education. These include a lawsuit filed in Massachusetts on March 24 by public school districts and unions *(Somerville Public Schools v. Trump)* and a lawsuit filed in Maryland on March 25 by the NAACP and National Education Association *(NCAAP v. USA)*. Both cases argue closing the Department is unlawful and would harm educators and students. In addition, 21 states, including Colorado, filed a motion for a preliminary injunction as part of their March 13 lawsuit challenging the reductions in force (RIF) being implemented at the Department.

HHS Announces Agency Restructuring and Reduction in Force
The Department of Health and Human Services (HHS) announced [5] a restructuring of the agency and a reduction in force on March 27 in accordance with the executive order "Implementing the President's 'Department of Government Efficiency' Workforce Optimization Initiative."

According to a fact sheet, the agency will reduce its workforce by 20,000 employees, eliminating 3,500 full-time employees at the Food and Drug Administration (FDA), 2,400 at the Centers for Disease Control and Prevention (CDC), and 1,200 at the National Institutes of Health (NIH). The administration also announced that they will reduce the number of HHS regional offices from ten to five.

Additionally, HHS announced that it will restructure the agency to make it "more responsive

and efficient, while ensuring that Medicare, Medicaid, and other essential health services remain intact." Under this announcement, HHS will:

- Create the Administration for a Healthy America (AHA), which will combine the Health Resources and Services Administration (HRSA), Substance Abuse and Mental Health Services Administration (SAMHSA), Agency for Toxic Substances and Disease Registry (ATSDR), National Institute for Occupational Safety and Health (NIOSH), and the Office of the Assistant Secretary for Health (OASH).
- Incorporate the Administration for Strategic Preparedness and Response (ASPR) within the CDC.
- Establish a new Assistant Secretary for Enforcement, which will oversee the Departmental Appeals Board (DAB), the Office of Medicare Hearings and Appeals (OMHA), and the Office for Civil Rights (OCR).
- Merge the Agency for Healthcare Quality and Reform (AHRQ) and the Assistant Secretary for Planning and Evaluation (ASPE) into HHS's Office of Strategy.
- Split the Administration for Community Living (ACL) across the Administration for Children and Families (ACF), ASPE, and Centers for Medicare and Medicaid Services (CMS).

As HHS and other agencies reorganize, we will monitor and keep you updated on any impacts it may have on our faculty, staff, researchers, students, and patients.

We recognize the challenges and uncertainty on our campuses during this time of change at the national level. We assure you the Federal Relations and General Counsel teams are monitoring developments and analyzing potential impacts to keep you informed. We appreciate all that you do and will continue to do for CU, and together we will navigate these changes. Please know we are here for you, and we are working closely with the President and Chancellors as well as the Colorado congressional delegation. We encourage you to contact your campus leadership with questions. Please visit the CU System Federal Transitions Update [6] page for up-to-date communications and federal memos.

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