

## **Federal Government Transition Update - 5.2.25** <sup>[1]</sup>

May 2, 2025 by [Natalie Barry](#) <sup>[2]</sup>

Dear Colleagues,

Please find a federal government update from our teams.

### ***NSF Announces 15 percent F&A Cap***

The National Science Foundation (NSF) [announced](#) <sup>[3]</sup> today it will implement a standard facilities and administrative (F&A) cost rate of 15 percent on all grants and cooperative agreements, effective May 5. The rate change applies to new awards and not retroactively to existing awards. Previous efforts by the federal administration to implement a standard F&A rate across institutions have been halted by the courts thanks to lawsuits led by national higher education associations, states like Colorado, and at their request supported by declarations of impact from CU and other universities. Under the current F&A paradigm, institutions individually negotiate their F&A rates with the federal government. Lawsuits challenging the NSF cap are expected.

### ***CU Leads Letter on NOAA Cooperative Institutes***

CU President Saliman, CU Boulder Chancellor Schwartz, and [CIRES](#) <sup>[4]</sup> Director Waleed Abdalati led a [multi-state, multi-institution letter](#) <sup>[5]</sup> this week to the Secretary of Commerce and Director of the White House Office of Management and Budget urging continued investment in [NOAA research](#) <sup>[6]</sup> and the agency's national network of [Cooperative Institutes](#) <sup>[7]</sup> (CIs). President Saliman engaged directly in a bipartisan way with our Colorado delegation in asking for their assistance in contacting the Secretary of Commerce in support of our letter. NOAA CIs involve more than 80 U.S. universities and research institutions across 33 states. Colorado is the only state in the country with two CIs, including CIRES at CU Boulder, which is the largest and oldest CI, and [CIRA](#) <sup>[8]</sup> at Colorado State University. In addition, President Saliman and Chancellor Schwartz teamed up with CSU leadership on a [joint letter](#) <sup>[9]</sup> to the Colorado congressional delegation.

The White House has proposed deep cuts to NOAA research programs, including in its Fiscal Year 2026 discretionary [budget request](#) <sup>[10]</sup> to Congress released today. Members of the Colorado business community, including the Colorado Farm Bureau and Colorado Chamber of Commerce, also [sent a letter](#) <sup>[11]</sup> to the Secretary of Commerce urging investment in the NOAA and the CI network, which "plays a critical role for businesses and the economy on a daily basis both in Colorado and across our nation." Previously, Rep. Neguse and Sens. Bennet and Hickenlooper [wrote](#) <sup>[12]</sup> to the Secretary of Commerce on April 23 urging continued investment in the CIs, which "are integral to solving some of our biggest problems and making all of us safer."

## ***New Executive Order on Sanctuary Jurisdictions***

The White House issued a new executive order, Protecting American Communities From Criminal Aliens <sup>[13]</sup>, on April 28. The Attorney General (AG) and Department of Homeland Security (DHS) are directed to publish a list of state and local “sanctuary jurisdictions” that obstruct federal immigration laws within 30 days and notify them of their non-compliance. The Office of Management and Budget is directed to work with federal agencies to suspend or terminate federal funding to sanctuary jurisdictions. The AG and DHS are also directed to stop enforcement of state and local laws that allegedly favor undocumented people over citizens or are preempted by federal law.

The order specifically cautions that state laws that provide in-state tuition benefits “may violate” federal law. Since 2013, *Colorado’s Advancing Students for a Stronger Tomorrow (ASSET)* law has provided in-state tuition and in-state financial aid to undocumented students who graduate from a Colorado high school. Like all executive orders, the new White House directive does not override current law. For more information: Executive Order <sup>[13]</sup>, Fact Sheet <sup>[14]</sup>. We will continue to analyze this order.

## ***Department of Education Releases Dear Colleague Letter on Expanding Accreditation Options***

The U.S. Department of Education released a Dear Colleague Letter <sup>[15]</sup> on May 1 to increase accreditation options for colleges and universities. The guidance aligns with last week’s executive order, Reforming Accreditation to Strengthen Higher Education <sup>[16]</sup>, and supersedes previous guidance on accreditation. Effective immediately, the Department will provide institutions that choose to change accreditors or seek multiple accreditors with additional flexibility and expedited reviews. The Department argues the new guidance “re-establishes a simple process that will remove unnecessary requirements and barriers to institutional innovation.”

## ***NIH Announces New Initiative to Prioritize Human-Based Research Technologies***

The National Institutes of Health (NIH) announced <sup>[17]</sup> on April 29 it will implement a new initiative to reduce animal use in research and establish an Office of Research Innovation, Validation, and Application (ORIVA) within the Director’s Office. “While traditional animal models continue to be vital to advancing scientific knowledge, using new and emerging technologies can offer unique strengths that, when utilized correctly or in combination, can expand the toolbox for researchers to answer previously difficult or unanswerable biomedical research questions,” NIH said. This follows a similar announcement <sup>[18]</sup> from the Food and Drug Administration on April 10 that it will phase out animal testing requirements for monoclonal antibodies and other drugs.

## ***Senate Hearing on Importance of Biomedical Research Programs***

The Senate Appropriations Committee held a hearing titled “Biomedical Research: Keeping America’s Edge in Innovation <sup>[19]</sup>,” on April 30. During the hearing, Senate Appropriations Chair Susan Collins (R-ME) called the cuts to NIH and the firing of more than 1,000 NIH staff “very troubling” and said they must be reversed. Chair Collins also reiterated support for research universities negotiating F&A rates with the federal government individually.

Vice Chair Patty Murray (D-WA) raised concerns about NIH's cancellation of 800 grants and \$2 billion in funding to universities to research "HIV prevention, breast cancer, pregnancy, diabetes, Alzheimer's, and more." Prior to the hearing, CU President Saliman and Chancellors Elliman, Schwartz, Sobanet, and Christensen sent a letter [20] to the Appropriations Committee reiterating CU's support for robust federal investment in biomedical research.

## **NEH Lawsuit**

The American Council of Learned Societies, the American Historical Association, and the Modern Language Association filed a lawsuit [21] in federal district court on May 1 to reverse the elimination of grants, staff, divisions and programs at the National Endowment for the Humanities (NEH). More than 1,000 grants have been terminated and 65 percent of NEH's staff have been fired since April, according [22] to the National Humanities Alliance.

Additionally, the Mellon Foundation announced [23] this week that it will contribute \$15 million in funding to state humanities councils in all 50 states, including Colorado, to counteract the federal administration zeroing out their funding. State humanities councils were slated to receive \$65 million in congressionally appropriated NEH funding, according to the New York Times [24].

We understand these potential changes are of concern to our campuses and recognize the challenges and uncertainty on our campuses during this time of unpredictable change at the national level. The Federal Relations and General Counsel teams are actively monitoring developments and are committed to keeping you informed. In this time of change, all that you do and will continue to do for CU means more than ever. Our team is 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 [25] page for up-to-date communications and federal memos.

Kerry Tipper, Vice President, University Counsel??

Danielle Radovich Piper, Sr. VP External Relations and Strategy

Federal Transition Updates [26]

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