

Federal Government Update - 10.24.25 ^[1]

October 24, 2025 by [Riley Black](#) ^[2]

Dear Colleagues,

Please find a federal government update from our teams.

Federal Government Shutdown

The federal government remains closed. The U.S. Senate has voted down House-passed legislation ([H.R. 5371](#) ^[3]) to fund the government a dozen times. The Senate also voted against legislation ([S. 3012](#) ^[4]) on Oct. 23 to pay the troops and select federal employees during the shutdown. Negotiations to end the shutdown are “virtually nonexistent,” [reports](#) ^[5] *POLITICO*.

Republicans are considering extending stopgap funding at current levels beyond Nov. 21 – the end-date of the House-passed bill – into mid-December or later to afford lawmakers more time to negotiate year-long funding legislation. The U.S. House, which is on an extended recess, will have to return to Washington, DC to approve any changes to the measure.

Federal civilian employees, including many in Colorado, missed their first paycheck today, [reports](#) ^[6] *CPR*. Federal workers and active-duty military are likewise poised to miss paychecks on Nov. 1, if the shutdown persists. Federal food assistance payments also stop Nov. 1. The state will lose \$120 million per month to feed more than 600,000 low-income Coloradans, [reports](#) ^[7] the *Denver Post*.

The longer the federal government is closed, the more disruptive it will be to the university and our local communities. CU Leadership and Federal Relations are actively monitoring the shutdown and impacts to our campuses.

USCIS Guidance on H-1B Visa Fee

U.S. Citizenship and Immigration Services (USCIS) published [guidance](#) ^[8] on Oct. 20 on how it will implement the new \$100,000 fee for H-1B specialty occupation visas announced via [presidential proclamation](#) ^[9] on Sept. 19. The guidance clarifies who is subject to the fee, how to pay the fee, and the criteria for an exception.

The fee applies to new H-1B petitions filed on or after Sept. 21 for individuals outside the U.S. without a valid H-1B visa. The fee does not apply to nonimmigrants with a valid H-1B visa or to people already in the U.S. on a valid visa, such as an F or J visa, who change to H-1B status. Clarification that the fee does not apply to “change of status” cases is the “biggest takeaway for employers,” reports ^[10] *Forbes*. The Secretary of Homeland Security will consider exceptions to the fee requirement only in “extraordinarily rare circumstances” deemed in “the national interest.” No exemptions for specific industries, including higher education, are discussed in the guidance.

A pair of lawsuits challenging the fee, including from the U.S. Chamber of Commerce, have been filed. CU Leadership, General Counsel and Government Relations are developing guidance for the campuses.

Federal Court Vacates DOD Indirect Costs Cap

A U.S. district court issued a final judgement ^[11] on Oct. 15 that vacates two Department of Defense (DOD) memos from May 14 ^[12] and June 12 ^[13], which sought to impose a 15 percent indirect cost rate cap on new research awards to universities. AAU, APLU, ACE and several universities, including Colorado State University, filed a lawsuit challenging the policy. CU Boulder contributed a declaration of impact. The court ruled DOD’s policy was invalid, arbitrary and capricious, and contrary to law. The government has 60 days to file an appeal.

University of Virginia Agrees to White House Deal

The U.S. Department of Justice (DOJ) announced ^[14] on Oct. 22 an agreement with the University of Virginia (UVA) to pause civil rights investigations into the university’s diversity, equity and inclusion programs as well as its response to campus antisemitism. In turn, UVA will adhere to DOJ guidance ^[15] issued on July 29, which details how the administration will apply federal antidiscrimination laws to university programs, admissions and hiring following a 2023 Supreme Court decision that ended race-conscious admissions. UVA’s president will “personally certify” university compliance with the agreement quarterly through 2028. It is the first deal announced between a public university and the federal administration, reports ^[16] *POLITICO*.

Federal Loan Forgiveness Resumes

The federal administration reached a deal on Oct.17 to resume student loan forgiveness for 2.5 million qualified borrowers following a lawsuit brought by the American Federation of Teachers, reports ^[17] the *Associated Press*. The U.S. Department of Education had stopped processing loan forgiveness based on its interpretation of another case, which significantly blocked the prior administration’s efforts to cancel student debt. As a result, the administration must resume debt forgiveness for borrowers enrolled in income-driven repayment (IDR) plans, income-contingent repayment plans, Pay As You Earn (PAYE) and Public Service Loan Forgiveness (PSLF) plans, as well as submit progress reports to the court every six months.

White House Higher Ed Compact

Seven of the nine universities invited to join the White House’s new Compact for Academic Excellence in Higher Education ^[18] have declined the invitation. The Compact promises universities priority access to federal funds in exchange for adhering to new restrictions related to admissions, hiring, finances, speech and more.

Two universities have not issued a public decision. Vanderbilt released a statement ^[19] this

week that it will provide “feedback and comments as part of an ongoing dialogue” with the administration. Meanwhile, UT Austin has not weighed in publicly.

Universities were originally given until Oct. 20 to provide feedback on the Compact. Their respective statements are available here: [Arizona](#) [20], [Brown](#) [21], [Dartmouth](#) [22], [Penn](#) [23], [MIT](#) [24], [USC](#), [25] [UVA](#) [26]. The invitation has since been extended to all colleges and universities. CU Leadership, General Counsel and Government Relations are reviewing the Compact.

ARPA-H Director Sworn In

Alicia Jackson was sworn in as director of the Advanced Research Projects Agency for Health (ARPA-H) on Oct. 20, [reports](#) [27] *POLITICO*. Jackson previously led the Defense Advanced Research Projects Agency's innovation arm and most recently served as founder and chief executive officer of the health tech company Evernow.

DOE Consolidates Office of Science Advisory Committees

The U.S. Department of Energy (DOE) [announced](#) [28] on Sept. 30 the creation of a new Office of Science Advisory Committee to advise DOE's Office of Science on “complex scientific and technical issues” and “address cross-cutting, cross-disciplinary research in a streamlined and flexible way.” The committee replaces six discipline-specific advisory committees, [reports](#) [29] *FYI*. Committee members will be appointed by DOE's Under Secretary for Science.

The Federal Relations and General Counsel teams are actively monitoring developments at the federal level. We are working closely with the President and Chancellors, as well as the Colorado congressional delegation, to champion CU priorities. We are committed to keeping you informed. Please visit the [CU System Federal Updates and Actions page](#) [30] for up-to-date communications and federal memos.

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[5] <https://www.politico.com/news/2025/10/20/government-shutdown-gop-cr-date-00616040>

[6] <https://www.cpr.org/2025/10/24/government-shutdown-colorado-federal-workers-paychecks/>

[7] <https://www.denverpost.com/2025/10/23/snap-benefits-november-colorado-food-banks/>

[8] <https://www.uscis.gov/working-in-the-united-states/h-1b-specialty-occupations>

[9] <https://www.whitehouse.gov/presidential-actions/2025/09/restriction-on-entry-of-certain-nonimmigrant-workers/> [10] <https://www.forbes.com/sites/stuartanderson/2025/10/20/immigration-service-issues-guidance-on-who-pays-the-100000-h-1b-fee/> [11] <https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Research-Administration-Regulation/Costs-of-Research/gov.uscourts.mad.285978.91.0.pdf>

[12] <https://www.cogr.edu/sites/default/files/Implementation%20of%20a%2015%20Percent%20Indirect%20Cost%20Cap>

[13] [https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Research-Administration-Regulation/Costs-of-](https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Research-Administration-Regulation/Costs-of-Research/DoD%20Implementation%20of%20SECDEF%20Indirect%20Cost%20Cap%20Memo%20-%202025-06-12%5B45%5D%5B66%5D.pdf)

[Research/DoD%20Implementation%20of%20SECDEF%20Indirect%20Cost%20Cap%20Memo%20-%202025-06-12%5B45%5D%5B66%5D.pdf](https://www.aau.edu/sites/default/files/AAU-Files/Key-Issues/Research-Administration-Regulation/Costs-of-Research/DoD%20Implementation%20of%20SECDEF%20Indirect%20Cost%20Cap%20Memo%20-%202025-06-12%5B45%5D%5B66%5D.pdf) [14] <https://www.justice.gov/opa/pr/justice-department-announces-agreement-university-virginia-0>

[15] <https://www.justice.gov/ag/media/1409486/dl> [16] <https://www.politico.com/news/2025/10/22/doj-announces-deal-with-uva-to-pause-civil-rights-investigations-00619061>
[17] <https://apnews.com/article/student-loan-forgiveness-trump-aft-7807c47b928606bc47238b3acb4a7548>
[18] <https://www.washingtonexaminer.com/wp-content/uploads/2025/10/Compact-for-Academic-Excellence-in-Higher-Education-10.1.pdf> [19] <https://t.e2ma.net/message/7krkrl/jueiswoc>
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[28] <https://www.energy.gov/science/articles/doe-establishes-office-science-advisory-committee>
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