

Federal Government Update - 10.31.25 ^[1]

October 31, 2025 by [Riley Black](#) ^[2]

Dear Colleagues,

Please find a federal government update from our teams.

Federal Government Shutdown

The federal government remains shutdown. The U.S. Senate has voted down House-passed legislation ([H.R. 5371](#) ^[3]) to fund federal programs thirteen times. Pressure on lawmakers to reopen the government is mounting with a handful of important deadlines piling up this weekend. Expected hardships include missed paychecks for federal workers, disruptions to food assistance benefits and health insurance premiums increasing on the federal marketplace. While active-duty military personnel were slated to miss a paycheck on Nov. 1, the administration [announced](#) ^[4] it will cover troop pay by tapping multiple funding sources. As a result of these pressures, bipartisan Senate discussions to reopen the government have picked up steam and are expected to continue next week, [reports](#) ^[5] *Politico*.

Colorado joined nearly two dozen other states in a lawsuit seeking to require the federal administration to tap reserve funds to keep food assistance benefits flowing through November, [reports](#) ^[6] *CPR*. Two federal judges ruled on Oct. 31 that the administration must use emergency funds to partially fund the Supplemental Nutrition Assistance Program (SNAP), which helps feed nearly 42 million Americans, [reports](#) ^[7] the *Denver Post*. The U.S. Department of Agriculture said it does not have enough funds in its reserve to cover full SNAP benefits.

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 its impact on our campuses.

Federal Judge Extends Preliminary Injunction Blocking RIFs During Shutdown

A federal judge issued a [preliminary injunction](#) ^[8] on Oct. 28 indefinitely barring the federal administration from firing federal employees en masse during the government shutdown. A [temporary restraining order](#) ^[9] was initially granted on Oct. 15. The lawsuit was brought by the American Federation of Government Employees, the American Federation of State, County and Municipal Employees and other groups.

Without further action by a higher court, the decision limits the White House's ability to downsize the federal government during the shutdown. Thousands of federal workers were laid off on Oct. 10, including nearly 500 employees at the U.S. Department of Education and upwards of 1,200 at the U.S. Department of Health and Human Services, before the court stopped the reductions-in-force.

USCIS H1-B Visa Fee Update

The American Council on Education (ACE) sent a [letter](#) ^[10] to the U.S. Department of Homeland Security on Oct. 23 signed by over two dozen higher education groups, including APLU and AAU, urging that institutions of higher education be exempt from the new \$100,000 H-1B visa fee, which they argue will hinder their ability to recruit foreign faculty and researchers.

AAU also [announced](#) ^[11] on Oct. 24 that it joined the U.S. Chamber of Commerce's lawsuit challenging the fee.

Department of Education Finalizes PSLF Rule

The U.S. Department of Education (ED) [issued a final rule](#) ^[12] on Oct. 30, which updates organizational eligibility for Public Service Loan Forgiveness (PSLF). Borrowers may be ineligible for loan forgiveness under the new rule if their employer participates in activities with a “substantial illegal purpose.” These activities are defined as aiding or abetting violations of immigration laws, supporting terrorism, providing gender-affirming care for minors under 19 or participating in protests that involve trespassing or disorderly conduct.

The final rule establishes a process for determining that employers have a “substantial illegal purpose.” Organizations have the right to appeal; however, the rule does not explicitly specify how appeals may be made. The Department issued a four-page fact sheet ^[13] on the final rule, which indicates it is effective July 1, 2026. CU Leadership, General Counsel, and Government Relations teams are closely monitoring the implementation of the final PSLF rule.

Federal Judge Orders Reinstatement of Mental Health Grants

A district judge issued a [preliminary injunction](#) ^[14] on Oct. 27 ordering the U.S. Department of Education to reinstate some grants under the School-Based Mental Health Services Grant Program and the Mental Health Service Professional Demonstration Grant programs. The reinstatements cover the grants within the 16 plaintiff states, including Colorado. Four Colorado institutions, including CU Denver, were affected by these cancellations. The Department said it will appeal the order.

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](#) ^[15] for up-to-date communications and federal memos.

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[7] <https://www.denverpost.com/2025/10/31/snap-benefits-lawsuit/>

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[10] <https://www.acenet.edu/Documents/Letter-DHS-H1B-Fee-102326.pdf>

[11] <https://www.aau.edu/newsroom/leading-research-universities-report/aau-joins-lawsuit-challenging-100000-fee-certain-h-1b> [12] <https://www.ed.gov/about/news/press-release/us-department-of-education-announces-final-rule-public-service-loan-forgiveness-protect-american-taxpayers>

[13] <https://www.ed.gov/media/document/pslf-fact-sheet-112456.pdf>

[14] <https://www.courtlistener.com/docket/70679500/193/state-of-washington-v-united-states-department-of-education/> [15] <https://www.cu.edu/office-government-relations/federal-relations/federal-updates-and-actions>

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