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Federal Government Update - 10.3.25 [1]

October 3, 2025 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams.

Federal Government Shutdown
Following a lapse in appropriations, most federal activities have stopped effective Oct. 1. CU leadership is committed to minimizing disruptions to the campuses during the shutdown, wrote [3] President Saliman and all four campus chancellors in CU-wide communication delivered the morning of Oct. 1. The impact of a shutdown to the university will depend on its duration. The longer the federal government is closed, the more disruptive it will be to university research and education activities.

The U.S. Senate again voted down dueling proposals to fund and reopen the federal government today. The House and Senate are out of session until Monday.

The U.S. Department of Education deemed student aid programs “essential” in its contingency plan [4] issued Sept. 28, however, nearly 85 percent of staff in the Office of Federal Student Aid have been furloughed. While student aid disbursement and negotiated rulemaking [5] meetings to implement changes to student loan programs enacted in the *One Big Beautiful Bill Act* (P.L. 119-21 [6]) will continue during the shutdown, grantmaking and civil rights investigations will cease at the Department, reports [7] *Inside Higher Education*.

In addition to the typical impacts of a federal government shutdown, including agency furloughs, communication pauses and closures, the federal administration also appears to be pulling funding for programs, projects and activities that are not statutorily required and contradict the President’s priorities. For example:

- The U.S. Department of Energy announced [8] on Oct. 2 that it will terminate 223 clean energy projects worth $7.6 billion to 16 states, including Colorado. The cancellations impact 20 different entities across Colorado, including CU Boulder, reports [9] *The Denver Post.* At this time, it is unclear whether these terminations are permanent.
- The White House Office of Management and Budget plans to implement mass reductions-in-force in short order, reports [10] *Politico*, following a Sept. 24 memo [11] directing federal agencies to prepare layoff plans.

CU's national association partners have issued statements, including APLU [12] and AAU [13], urging lawmakers to broker a deal to reopen the government. In addition, a group of 60 higher education associations, led by the American Council on Education, wrote [14] to congressional leaders on Oct. 1 urging legislative language and other safeguards to ensure executive agencies spend federal funds as intended by Congress.

CU Federal Relations is actively monitoring the shutdown and will provide timely updates, as well as advocate for CU research and education priorities as this uncertain situation unfolds.

CU Submits Comments on Duration of Status Proposed Rule

CU's campuses each submitted comments to the U.S. Department of Homeland Security (DHS) on Sept. 29 in response to a proposed rule [15] published in the *Federal Register* on Aug. 28, which seeks to change how international student and exchange visitors are admitted into the U.S. Currently, nonimmigrants with F, J and I visas can stay in the U.S. until they complete their academic or exchange program. The proposed rule would replace current "duration of status" admissions, which have been in effect since the 1990s, with admissions limited to a fixed period not to exceed four years. Nearly 22,000 organizations and individuals submitted comments on the policy. CU's comments, which urge DHS to withdraw the proposal, are available here: CU Anschutz [16], CU Boulder [17], CU Denver [18], UCCS [19].

NSF F&A Cap Policy Vacated

The U.S. Court of Appeals for the First Circuit permanently vacated [20] on Sept. 30 the National Science Foundation's policy to implement a 15 percent indirect cost reimbursement rate for grants to colleges and universities. The decision follows a Sept. 26 motion from the federal administration to dismiss its appeal. APLU, AAU, ACE and 13 individual research universities filed a lawsuit [21] challenging the policy in May, and a district court ruled in their favor in June. CU campuses provided declarations of impact in support of the lawsuit.

White House Circulates "Compact for Academic Excellence in Higher Education"

The White House wrote to nine universities on Oct. 1, inviting them to join a "Compact for Academic Excellence in Higher Education," reports [22] the *New York Times*. The 9-page compact [23] leaked by the *Washington Examiner* directs universities to cap international enrollment at 15 percent, freeze tuition for five-years, eliminate the use of race or sex in hiring, admissions and aid decisions, require SAT or other standardized tests for admission, accept that "academic freedom is not absolute" and revise governance structures to protect conservative ideas, require institutional neutrality "at all levels" with "equal force," and quell grade inflation, among other things.

Institutions that sign the compact will reportedly receive priority access to federal funds and fewer restrictions on overhead costs. Institutions are required to certify their compliance annually, subject to review by the U.S. Department of Justice.

Institutions invited to join the compact include University of Arizona, Brown University, Dartmouth College, Massachusetts Institute of Technology, University of Pennsylvania, University of Southern California, University of Texas, Vanderbilt University and University of Virginia. No Colorado universities have been asked to join. The White House is expected to ask additional campuses to join in the future.

California's Governor said he will pull state funding for California universities that sign the

compact, reports [24] *Newsweek*.

Court Allows OCR to Implement RIF
A U.S. Court of Appeals ruled [25] on Sept. 29 that the U.S. Department of Education can proceed with implementing a 50 percent reduction in force (RIF) at the Office for Civil Rights (OCR). The decision overturns a preliminary injunction from a lower court that had temporarily paused the layoff plan, which was originally announced by the Department in March.

White House Executive Order on Pediatric Cancer
The White House issued an executive order on Sept. 30 entitled, *Unlocking Cures for Pediatric Cancer with Artificial Intelligence* [26]. The directive provides an additional $50 million in research grants aimed at finding cures for childhood cancers and builds upon the work of the National Cancer Institute's Childhood Cancer Data Initiative, which was established in 2019. This new funding is intended to leverage and enhance existing data, as well as establish new research grants related to artificial intelligence and pediatric cancer research. A fact sheet is available here [27].

White House Fires National Council on the Humanities Board Members
The White House terminated 22 of the 26 members of the National Council on the Humanities on Oct. 1, reports [28] the *Washington Post*. The board advises the chair of the National Endowment for the Humanities (NEH) on policy, funding and grantmaking. Members are appointed by the President, confirmed by the Senate, and serve staggered six-year terms, according [29] to the NEH. Statute [30] requires 14 members of the board be present to take action at meetings. The President's Fiscal Year 2026 budget request to Congress seeks to eliminate the NEH, however congressional appropriators in the House and Senate have rejected zeroing out its budget.

The Federal Relations and General Counsel teams are actively monitoring developments. 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 [31] for up-to-date communications and federal memos.

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