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# Federal Government Update - 1.23.26 [1]

January 23, 2026 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams.

***House Passes Final FY26 Funding Package***
The U.S. House approved H.R. 7148, the *Consolidated Appropriations Act, 2026 (CAA)*, on Jan. 22 with a bipartisan vote of 341-88 [3]. The CAA, which was released on Jan. 20, includes funding and spending directives through Sept. 30, 2026, for key federal agencies such as the Departments of Education (ED), Health and Human Services (HHS), War (DoW), Transportation (DoT) and Housing and Urban Development (HUD).

The House also passed H.R. 7147*, the Department of Homeland Security (DHS) Appropriations Act, 2026,* by a vote of 220-207 [4] on Jan. 22, which would fund DHS for the remainder of fiscal year (FY) 2026. The Senate plans to consider both pieces of legislation, as well as the *Financial Services and General Government and National Security, Department of State, and Related Programs Appropriations Act, 2026 (H.R. 7006* [5]*), on* Jan. 26.

If passed, Congress would have enacted all 12 appropriations bills before funding expires on Jan. 30. Lawmakers enacted the Legislative Branch, Military Construction and Veterans Affairs and Agriculture, Rural Development, and Food and Drug Administration in Nov. 2025. Congress also passed a minibus containing the Commerce, Justice, Science; Energy and Water Development; and Interior Environment appropriations bills earlier in January.

The latest four-bill bundle establishes funding levels for some of CU's most important federal partners, including the:

- ED Federal Student Aid: $24.6 billion, a 7.5 percent decrease.
- ED Federal Work Study: $1.23 billion, flat-funded.
- National Institutes of Health: $47.216 billion, a .9 percent increase.
- DoW: $838.7 billion, 1 percent increase.

The legislation also includes flat funding for the maximum Pell Grant award at $7,395 for the 2026-27 academic year and provides $9 million for DoW stealth research, a project that includes the Denver and Boulder campuses, among other institutions.

Notably, the bill also includes language that would prevent ED from entering into interagency agreements for any appropriated funds, halting efforts to dismantle the Department. Additionally, the legislation includes language that would prevent HHS, NIH and DoW from setting standard facility and administrative (F&A) reimbursement rates.

For more information, CU's federal team prepared a detailed summary of the four-bill minibus here [6]. The team will continue to engage on CU priorities as the appropriations process unfolds over the next month and provide future updates.

***District Judge Rules in TRIO Lawsuit***

A U.S. District Court Judge issued a preliminary injunction [7] on Jan.16, ruling that the ED must reconsider more than 100 TRIO grants denied or canceled last year at eight universities. ED said the grants were canceled because they "didn't follow nondiscrimination requirements or align with the Trump administration's anti-DEI agenda," reports [8] *Inside Higher Ed.*

The Council for Opportunity in Education (COE), which advocates for TRIO programs, filed two lawsuits on Sep. 30 to block the grants and seek reconsideration. Colorado's Attorney General and a coalition of 20 states filed briefs in late October 2025 in support of reversing the cancellations.

***ED Withdraws Appeal on DEI Lawsuit***

ED, on Jan. 21, dropped its appeal [9] of a federal court ruling [10] that blocked the department from implementing its Feb. 14, 2025, "Dear Colleague Letter [11]" declaring illegal the consideration of race in "all aspects of student, academic, and campus life." However, it's important to note that Attorney General Pam Bondi's memo [12] from July of last year, which clarified related prohibitions on diversity, equity, and inclusion programs, remains in effect.

***ED Moves Staff to Labor Department***

More than 40 ED staff were detailed to the Department of Labor (DOL) as of Jan. 20 as part of the interagency agreement with DOL to transfer programs out of ED, reports [13]*Government Executive.* While the staff now work at DOL, they remain employees of ED. The move comes at a time when Congress is working to pass legislation that would prohibit ED from transferring funding for interagency agreements without direct support of the law.

***NIH Announces New Human Fetal Tissue Research Policy***

The NIH announced [14] on Jan. 22 that it will no longer support human fetal tissue research projects, effective immediately. In a statement [15], NIH Director Jay Bhattacharya noted that the change is due to the emergence of new technologies and the agency's efforts to "steward public resources in ways that most effectively drive innovation." CU's Offices of General Counsel and Federal Relations are working with the campuses to ensure compliance with this policy.

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 [16] for up-to-date communications and federal memos.

Danielle Radovich Piper, Sr. VP External Relations and Strategy
Kerry Tipper, Vice President, University Counsel

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