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Federal Government Update - 12.5.25 [1]

December 5, 2025 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams.

Lawsuit Challenges Department of Education Dismantling
A coalition of school districts, unions and educators, including the American Association of University Professors, filed an amended complaint [3] in the case *Somerville v. Trump* on Nov. 25 to challenge new interagency agreements [4] that move federally mandated operations and programs from the U.S. Department of Education (ED) to other federal agencies, including Departments of Labor, Interior and Health and Human Services.

The complaint alleges that ED lacks the authority to offload its statutory functions funded by Congress. ED administers over 50 statutes, reports [5] Democracy Forward, the organization representing the plaintiffs in the case. ED officials argue they have the authority to transfer functions to other agencies under the *Economy Act*, reports [6] the *New York Times*.

The case also seeks to reverse mass layoffs and office eliminations at ED, which the U.S. Supreme Court has allowed to continue as the case is considered by lower courts.

Department of Education Launches New Portal for Universities to Disclose Foreign Funding
The U.S. Department of Education (ED) announced [7] on Dec. 1 a new portal for U.S. colleges and universities to disclose foreign gifts and contracts that exceed $250,000, biannual reporting required under Sec. 117 of the *Higher Education Act*. The new portal follows an April executive order [8] directing robust enforcement of Sec. 117.

The new system will allow universities to upload funding disclosures in bulk and includes executive summary visualizations as well as tools for drafting, reviewing and submitting reports. The portal is designed based on feedback from universities and has been tested internally and externally by universities, according to ED. The new portal launches on Jan. 2, 2026 and will be located at www.ForeignFundingHigherEd.gov [9].

Department of Justice Files Response to H-1B Visa Fee Lawsuit
The U.S. Department of Justice (DOJ) filed its response and cross motion for summary judgment [10] on Dec.1, rejecting arguments made by the U.S. Chamber of Commerce and the Association of American Universities (AAU) in their October lawsuit. The DOJ argues that the president has “extraordinarily broad discretion to suspend the entry of aliens whenever he finds their admission ‘detrimental to the interest of the United States,’ reports [11] *Forbes*.

The U.S. Chamber of Commerce filed a lawsuit on Oct.16 challenging the new $100,000

application fee for H-1B visas, which was unveiled via presidential proclamation [12] on Sept. 19. AAU joined [13] the lawsuit on Oct. 24.

State Department Begins Screening for 'Censorship of Free Speech'

U.S. Consular Offices were directed on Dec. 2 to begin screening resumes and LinkedIn profiles of all visa applicants – with special attention to H-1B visa applicants, as well as family members traveling with them – for evidence of "censorship or attempted censorship of protected expression" in the U.S., reports [14] *Reuters*. The cable directs consular officers to find applicants "ineligible" for entry to the U.S. under the *Immigration and Nationality Act*, if there is evidence of censorship. The vetting applies to new and repeat applicants.

Department of Justice Files Lawsuit Challenging In-State Tuition for Undocumented Students in California

The U.S. Department of Justice (DOJ) filed a lawsuit [15] against California on Nov. 20 to halt the state's law that allows undocumented California students access to in-state tuition and financial aid. The lawsuit claims California is violating federal law and discriminating against out-of-state U.S. citizens. California is the sixth state to face a lawsuit over in-state tuition.

Colorado grants in-state tuition and financial aid to undocumented Colorado students through its Advancing Students for a Stronger Tomorrow (ASSET) law, which was passed in 2013 and was most recently updated in 2022. To date, the federal government has not filed a lawsuit challenging the Colorado law.

Department of Energy Announces Reorganization

The U.S. Department of Energy (DOE) announced [16] on Nov. 20 reorganization of the agency, including the creation, elimination and consolidation of multiple offices. The move establishes two new offices, the Office of Fusion and the Office of Artificial Intelligence and Quantum. "The new offices could be formed by carving pieces out of DOE's storied Office of Science," reports [17] *Science*. Details regarding reorganization of the Office of Science have not been released.

The reorganization also rebrands two DOE offices, changing the Office of Technology Transitions to the Office of Technology Commercialization and the Office of Critical and Emerging Technologies to the Office of Strategy and Technology Roadmaps, according to a new organization chart [18].

The Office of Energy Efficiency and Renewable Energy (EERE) is being eliminated and its programming absorbed by the new Office of Critical Minerals and Energy Innovation [19]. Moreover, the National Renewable Energy Laboratory located in Golden, CO and formerly housed within EERE, is being renamed the National Laboratory of the Rockies, according to a press release [20]. CU Boulder has a strong partnership with the lab through its Renewable and Sustainable Energy Institute [21]. The Advanced Projects Research Agency – Energy is not impacted by the reorganization.

HHS Releases Artificial Intelligence Strategy

The U.S. Department of Health and Human Services (HHS) unveiled [22] a strategy to transform the agency's artificial intelligence (AI) operations on Dec. 4. HHS is going to build a new, consolidated data infrastructure. The AI strategy relies on what the Department calls a plan to bring together data that has historically been kept in many different places and formats. Through this initiative, federal agencies will have access to a set of common tools,

including computing resources, data repositories, model hosting services, evaluation test beds and AI management software.

NIH Issues Updated Guidance on Extramural Activities After Government Shutdown
The National Institutes of Health (NIH) announced [23] on Nov. 24 an expedited procedure to review grant applications after the government shutdown. The NIH said changes are needed for the agency to catch up following the delay of over 370 peer review meetings and review of more than 24,000 grant applications during the shutdown. To expedite review, the percentage of applications discussed at each meeting will be reduced and summary statements will be simplified. These changes will impact grants considered at NIH council meetings in Jan. 2026.

Congress Works to Finalize NDAA, Scraps AI Provisions
Congressional leaders worked this week to finalize the *National Defense Authorization Act (NDAA)*, annual legislation that guides programs at the U.S. Department of War. Lawmakers aim to pass bipartisan legislation before the end of the year. Notably, language blocking states from enacting and enforcing their own AI laws has been removed from the package, reports [24] *The Hill*. House Majority Leader Steve Scalise (R-LA) said lawmakers still intend to enact AI preemption language but are looking at other vehicles to do so.

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

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