Published on *University of Colorado* (https://www.cu.edu)

Federal Government Update - 1.9.26 [1]

January 9, 2026 by Riley Black [2]

Dear Colleagues,

Happy New Year! Please find a federal government update from our teams.

House Passes Second FY26 Funding Package
The U.S. House approved H.R. 6938 [3], the *Commerce, Justice, Science; Energy and Water Development; and Interior Environment Appropriations Act, 2026* on Jan. 8 with a bipartisan 397-28 vote [4]. The Senate will hold a procedural vote on the legislation on Jan. 12.

The three-bill package, released [5] on Jan. 5, establishes funding levels and spending directives through Sept. 30, 2026 for key federal science agencies. The minibus package consists of the Commerce, Justice, Science; Energy and Water Development; and Interior and Environment funding bills. If passed, six of the twelve annual federal funding bills will be law, following an historic 43-day federal government shutdown, which lasted from Oct. 1 to Nov. 12. Lawmakers enacted the Legislative Branch; Military Construction and Veterans Affairs; and Agriculture, Rural Development and Food and Drug Administration funding bills in November as part of their deal to reopen the government. Stopgap funding for federal agencies and programs set by the remaining six funding bills, including for the U.S. Department of Education and National Institutes of Health, expires on Jan. 30 absent additional legislative action.

This latest three-bill bundle establishes funding levels for some of CU's most important research agency partners, including the:

- National Science Foundation (NSF): $8.75 billion, a 3.4 percent decrease.
- National Aeronautics and Space Administration (NASA): $24.4 billion, a 1.6 percent decrease. This includes $7.25 billion, a 1.1 percent decrease, for NASA’s Science Mission Directorate.
- National Oceanic and Atmospheric Administration (NOAA): $6.171 billion, a 0.2 percent decrease. This includes $104 million (level funding) for NOAA’s Cooperative Institutes.
- National Institute of Standards and Technology (NIST): $1.184 billion, a 2 percent decrease. This includes $844 million, a 1.5 percent decrease, for NIST Scientific and Technical Research Services.
- U.S. Department of Energy (DOE): $49 billion, a 2 percent decrease. This includes $8.4 billion, a 2 percent increase, for DOE’s Office of Science.

Overall, funding is flat or slightly down for most federal research agencies – the federal relations team considers this a win in the current fiscal environment. Lawmakers rejected the White House's request for deep agency cuts and program eliminations at federal science agencies. For example, the White House proposed a 55 percent cut for NSF and a 47 percent

cut for NASA Science. Lawmakers also rejected the White House's efforts to cap indirect cost rates to universities and specifically directed the Department of Commerce, NSF, NASA and DOE to use the fiscal year 2024 negotiated rates and prohibited these agencies from changing the reimbursement structure this fiscal year.

Notably, the package also provides directed spending for three CU campuses thanks to leadership and support from the Colorado congressional delegation, including:

- $1,877,000 for CU Bouder to acquire scientific equipment to launch CU Hearth, an educational, training and research facility focused on urban wildfires. CU Hearth will centralize the tools for researching and communicating the impact of urban wildfires to support impacted communities. This request was championed by Rep. Neguse and Sens. Bennet and Hickenlooper.
- $366,427 for UCCS's Cybersecurity Program to acquire educational equipment to expand the program and research equipment for the Cyber Engineering Labs to enhance student preparation in Space and Critical Infrastructure Cybersecurity. The project was championed by Rep. Crank.
- $788,000 for CU Denver's Quantum Information Technology Learning Laboratory to acquire equipment to expand its capacity to train students to enter the quantum workforce. The project was championed by Sens. Bennet and Hickenlooper.

For more information, CU's federal team prepared a detailed summary of the three-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.

H-1B Visa Updates

The U.S. Department of Homeland Security published [7] a final rule in the *Federal Register* on Dec. 29 on a weighted selection process for H1-B visa petitions. The final rule, effective Feb. 27, prioritizes beneficiaries who have higher paying job offers. The rule does not apply to higher education institutions and other cap-exempt employers but will impact international graduate students seeking to enter the U.S. job market. APLU submitted this comment letter [8] on the proposed rule.

A U.S. District Court Judge recently ruled [9] in favor of the administration in a lawsuit filed by the U.S. Chamber of Commerce and AAU challenging the new H-1B visa $100,000 application fee. In her Dec. 23 ruling, the judge said the *Immigration and Nationality Act* allows this authority, noting "Congress could have, but did not, impose the limit on presidential authority that plaintiffs' urge," reports [10] *POLITICO*.

The plaintiffs have appealed [11] the decision and on Jan. 5 a U.S. Court of Appeals agreed to expedite the case, reports [12] *Reuters*.

Two additional lawsuits challenging the fee remain in federal court, including a lawsuit from a coalition of 20 states, including Colorado.

Updates regarding NIH Court Cases on F&A and Canceled Grants

The First Circuit Court of Appeals upheld [13] a federal district court ruling on Jan. 5 that the NIH's attempt to implement a 15 percent cap on indirect cost reimbursements to universities was unlawful. The lawsuit was filed [14] by a coalition of states, including Colorado, as well as several national organizations, including AAU, APLU and AAMC. CU Anschutz [15] and CU Boulder

[16] submitted declarations of impact in the case.

Notably, the judge said NIH violated congressionally enacted appropriations language in implementing the cap. The administration has not indicated whether it intends to appeal the ruling to the Supreme Court.

Additionally, the First Circuit Court of Appeals heard oral arguments on Jan. 6 in lawsuits involving several thousand NIH grants that were terminated without notice in 2025. In June, the district court ruled that the terminations were unlawful and ordered the grants to be reinstated. Later that summer, the U.S. Supreme Court issued a partial stay of the ruling.

Finally, the administration reached an agreement on Dec. 29 with plaintiffs in another case to reconsider, through the NIH's standard scientific review process, grant applications that had not yet received funding decisions from the agency. In some cases, those applications were not considered because the original funding opportunity notices had been withdrawn. As a result of the agreement, the NIH is reviewing applications and approving hundreds of new grant awards.

Reps. Neguse, Hurd and Sens. Bennet, Hickenlooper Lead Letter in Support of NCAR
Reps. Joe Neguse, Jeff Hurd, and Sens. Michael Bennet and John Hickenlooper led a bipartisan, bicameral letter [17] to congressional appropriators on Dec. 22 in support of the National Science Foundation's National Center for Atmospheric Research (NCAR) in Boulder, CO. The letter requests statutory language in the Fiscal Year 2026 Commerce, Justice, Science bill to prevent the dismantling of NCAR and ensure core scientific research capabilities are maintained. This appropriations language is not currently included in the House-passed minibus bill; however, Sens. Bennet and Hickenlooper plan to offer an amendment to protect NCAR when the Senate considers the funding bill next week. For more information, here is Rep. Neguse's press release [18] on the letter.

DOJ Releases Opinion Memo
The U.S. Department of Justice (DOJ) released an opinion memo [19] on Dec. 19 finding U.S. Department of Education (ED) programs that consider of race unconstitutional.

The impacted programs include Developing Hispanic Institutions; Promoting Post Baccalaureate Opportunities for Hispanic Americans; Hispanic Serving Institutions–Science, Technology, Engineering, or Mathematics and Articulation Programs; Native American Serving Non-Tribal Institutions; Minority Science and Engineering Improvement Program; Predominantly Black Institutions competitive grants; the Ronald E. McNair Postbaccalaureate Achievement Program; Student Support Services; Alaskan Native and Native Hawaiian Serving Institutions and the Native Hawaiian Career and Technical Education Program.

The opinion did find two of the programs evaluated, the Ronald E. McNair Post Baccalaureate Achievement Program and Student Support Services TRIO Programs, constitutional and eligible for continued funding, reports [20] *Inside Higher Ed*.

The opinion memo comes after Education Secretary McMahon announced [21] the cancellation of discretionary grant funding to a number of minority serving institution grant programs on Sep. 10, 2025.

CDC Issues New Childhood Vaccine Recommendations
The Centers of Disease Control and Prevention (CDC) announced [22] on Jan. 5 that it is

updating its childhood vaccine schedule to recommend 11 vaccines, instead of 17. The announcement is consistent with a Dec. 5 presidential memorandum [23] ordering the CDC to reconsider the current childhood vaccine schedule. CDC said it will “work with state health agencies, physician groups, and other partners on next steps and implementation and will educate parents and clinicians on the updated immunization schedules.”

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

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

Federal Updates [25]
Send email when Published:
No

Source URL:https://www.cu.edu/blog/government-relations/federal-government-update-1926

Links
[1] https://www.cu.edu/blog/government-relations/federal-government-update-1926
[2] https://www.cu.edu/blog/government-relations/author/167081 [3] https://www.congress.gov/bill/119th-congress/house-bill/6938 [4] https://www.congress.gov/votes/house/119-2/7
[5] https://appropriations.house.gov/news/press-releases/committee-releases-conferenced-cjs-ew-and-interior-bills [6] https://www.cu.edu/doc/fy26-cjs-energy-interior-minibus-overviewpdf
[7] https://www.federalregister.gov/documents/2025/12/29/2025-23853/weighted-selection-process-for-registrants-and-petitioners-seeking-to-file-cap-subject-h-1b
[8] https://www.aplu.org/wp-content/uploads/APLU-H-1B-Lottery-Comment.pdf?mkt_tok=NjAzLVVSVy0xMjcAAAGfLtJxykpGqFORC8cxCv3qX-Qxf2MdWrElO3Q1n5IKExP9KgMMCAkmgr1xYPzaXm0j-n7vSMWPy8AWrpbWbfENTAiVQ3b-hhdqg_qxY_sC__c
[9] https://storage.courtlistener.com/recap/gov.uscourts.dcd.285953/gov.uscourts.dcd.285953.54.0.pdf?mkt_tok=NjAzLV
L8W1WsIgDW7wSIaTfP2ea_4SiyK5pW-iFRHsUUdBxqMdU
[10] https://www.politico.com/news/2025/12/23/judge-ruling-trump-h1b-visa-fee-00705670
[11] https://www.uschamber.com/assets/documents/Notice-of-Appeal-Chamber-of-Commerce-v.-DHS-D.D.C.pdf?mkt_tok=NjAzLVVSVy0xMjcAAAGfLtJxynQD513jaenVnvF3BYa4mqTAbK8aSRatRZnfZnDMPaiEJor9kje
[12] https://www.reuters.com/legal/government/us-appeals-court-fast-tracks-100000-h-1b-visa-fee-dispute-2026-01-06/
[13] https://www.ca1.uscourts.gov/sites/ca1/files/opnfiles/25-1343P-01A.pdf?utm_source=sfmc&utm_medium=email&utm_campaign=ap5&utm_content=ap5
[14] https://www.aau.edu/key-issues/legal-filings-submitted-aau-aplu-ace-and-universities-contesting-cuts-medical-research [15] https://www.courtlistener.com/docket/69625055/6/11/commonwealth-of-massachusetts-v-national-institutes-of-health/
[16] https://www.courtlistener.com/docket/69625055/6/12/commonwealth-of-massachusetts-v-national-institutes-of-health/ [17] https://neguse.house.gov/sites/evo-subsites/neguse.house.gov/files/evo-media-document/ncar-funding-letter-to-approps-12.22.25_0.pdf [18] https://neguse.house.gov/media/press-releases/colorado-reps-neguse-hurd-and-senators-bennet-hickenlooper-mobilize-bipartisan
[19] https://www.justice.gov/olc/media/1421576/dl?mkt_tok=NjAzLVVSVy0xMjcAAAGfLtJxyq4wycLDHYiDBWCnPGR1M
K5VLOOONwgLv8mIsZoGRBlarF6mMDjbpO-OYIterQbgKJ-7F08NaARfiJ19v8LTG08lw
[20] https://www.insidehighered.com/news/institutions/minority-serving-institutions/2025/12/22/doj-report-declares-msis [21] https://www.ed.gov/about/news/press-release/us-department-of-education-ends-funding-racially-discriminatory-discretionary-grant-programs-minority-serving-institutions

[22] https://www.hhs.gov/press-room/cdc-acts-presidential-memorandum-update-childhood-immunization-schedule.html [23] https://www.whitehouse.gov/presidential-actions/2025/12/aligning-united-states-core-childhood-vaccine-recommendations-with-best-practices-from-peer-developed-countries/
[24] https://www.cu.edu/office-government-relations/federal-relations/federal-updates-and-actions
[25] https://www.cu.edu/blog/government-relations/tag/federal-updates