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

Federal Government Update - 8.1.25 [1]

August 1, 2025 by Natalie Barry [2]

Dear Colleagues,

Please find a federal government update from our teams.

Department of Justice Releases New DEI Guidance
The U.S. Department of Justice issued a memo [3] on July 29 entitled “Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination.” The nine-page memo outlines “best practices” to help institutions comply with federal anti-discrimination laws and root out “discriminatory” diversity, equity and inclusion (DEI) programs and practices. The guidelines are non-binding “suggestions” - not legal requirements - intended to help institutions avoid “the legal, financial, and reputational risks associated with unlawful DEI practices.”

Recommended best practices include ensuring inclusive access; focusing on skills and qualifications; prohibiting demographic-driven criteria; documenting legitimate rationales; scrutinizing neutral criteria for proxy effects; eliminating diversity quotas; avoiding exclusionary training programs; including non-discrimination clauses in third-party contracts; and establishing anti-retaliation procedures and safe reporting mechanisms.

The memo also provides a “non-exhaustive list of unlawful practices” where non-compliance could jeopardize an institution’s federal grant funding. These include race-based scholarships and programs, race-based admissions, hiring, training, promotion and race-based access to facilities and resources. The guidance further provides examples of potentially unlawful “proxies for protected characteristics,” such as cultural competence requirements, geographic or institutional targeting and diversity statements.

The memo also affirms “sex-separated athletic competitions” do not constitute unlawful segregation and urges institutions to “affirm sex-based boundaries rooted in biological differences.”

White House Reverses OMB Initiative to Block NIH Funds
The White House reversed a policy on July 29 prohibiting the National Institutes of Health (NIH) from funding extramural research grants for the remainder of the fiscal year, reports [4] the *Wall Street Journal*. The pause, which originated from a footnote in a document from the Office of Management and Budget, was halted less than 24 hours after it was uncovered following public and congressional uproar. The policy would have impacted an estimated $15 billion remaining NIH funding through Sept. 30 and jeopardized biomedical research on cancer, diabetes and more. The White House and NIH said the footnote is no longer active and grant funds are expected to flow again, reports [5] *STAT*.

Administration Appeals NIH Grant Termination Ruling to the Supreme Court

The Trump administration asked the Supreme Court [6] on July 24 to consider a case to prevent a lower court decision that ordered the NIH to reinstate terminated grants and required the Trump administration to continue funding approximately $783 million in awards. In June, a federal judge from Massachusetts ruled [7] that the administration was not allowed to cancel NIH grants that they believed no longer aligned with its policy objections. Since the ruling from the courts in Massachusetts, a majority of CU's canceled NIH-funded grants have been reinstated.?

New NIH Policies Lead to Decreased Number of Research Awards

The NIH plans to fund fewer grant applications in the last two months of the fiscal year due to a new Trump administration policy, reports [8] *STAT*. Driving the NIH's decision to award fewer new grants [9] this year?is a change in the way the NIH funds external research — from spreading out the cost of grants over as many as five years to fully funding the committed level up front. For example, the National Cancer Institute informed scientists last week that it expects to be able to invest in just 4% of grant applications, down from 9%. The policy change, affecting multiple branches of NIH, increases competition for grants.

Preliminary Injunction Issued on NEH Grant Cancellations

A district judge in New York issued a preliminary injunction [10] on July 25 to stop the cancellation of National Endowment for the Humanities (NEH) grants to Authors Guild members, ruling that their First Amendment rights were violated. The judge ordered that grant funding not be reallocated until a trial on the merits of the case can be held, reports [11] *ABC News*. The lawsuit filed in May includes NEH grant cancellations from April, including individual grantees under the Public Scholar, Fellowship, Summer Stipend, and other NEH programs, *Art News* reported [12].

Senate Confirms New CDC Director

The Senate confirmed Susan Monarez, PhD, as the new director of the Centers for Disease Control and Prevention (CDC) on July 29 by a party-line vote of 51-47 [13]. Dr. Monarez, who has been serving as the acting director of the CDC since January, previously served as the deputy director of the Advanced Research Projects Agency for Health (ARPA-H) and in various roles at the Biomedical Advanced Research and Development Authority (BARDA).??

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 [14] page (previously titled Federal Transition Updates) for up-to-date communications and federal memos.

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

federal update [15]
Display Title:
Federal Government Update - 8.1.25
Send email when Published:
Yes

Source URL:https://www.cu.edu/blog/government-relations/federal-government-update-8125

Links
[1] https://www.cu.edu/blog/government-relations/federal-government-update-8125
[2] https://www.cu.edu/blog/government-relations/author/3242

[3]
https://www.justice.gov/ag/media/1409486/dl?inline=&utm_medium=email&utm_source=govdelivery
[4] https://www.wsj.com/politics/policy/trump-administration-puts-new-chokehold-on-billions-in-health-research-funding-19660215 [5] https://www.statnews.com/2025/07/29/trump-administration-omb-blocks-nih-grant-awards/ [6] https://www.insidehighered.com/news/quick-takes/2025/07/25/lawsuit-over-nih-grant-funding-heads-supreme-court [7] https://ag.ny.gov/sites/default/files/decisions/massachusetts-et-al-v-robert-f-kennedy-jr-et-al-final-judgement-2025.pdf [8] https://www.statnews.com/2025/07/29/nih-cancer-institute-shrink-number-of-funded-research-grants/ [9] https://www.cancer.gov/grants-training/grants-funding/funding-strategy/current-funding-policy
[10]
https://storage.courtlistener.com/recap/gov.uscourts.nysd.642287/gov.uscourts.nysd.642287.116.0.pdf
[11] https://abcnews.go.com/US/wireStory/judge-issues-temporary-injunction-trump-administration-cancellation-humanities-124091140 [12] https://www.artnews.com/art-news/news/the-authors-guild-sues-neh-doge-1234742016/
[13] https://www.senate.gov/legislative/LIS/roll_call_votes/vote1191/vote_119_1_00445.htm
[14] https://www.cu.edu/office-government-relations/federal-relations/federal-updates-and-actions
[15] https://www.cu.edu/blog/government-relations/tag/federal-update