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Federal Government Update - 8.22.25 [1]

August 22, 2025 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams.

ED Issues PSLF Proposed Rule
The U.S. Department of Education (ED) issued a notice of proposed rulemaking [3] for public comment in the Federal Register on August 18 that proposes updates to organizational eligibility for Public Service Loan Forgiveness (PSLF). The proposed rule fulfills the Executive Order, *Restoring Public Service Loan Forgiveness* [4]. Borrowers pursuing loan forgiveness under the program could lose eligibility under the new rules if their employer participates in activities with a "substantial illegal purpose," the Department said in a release [5]. These activities are defined as aiding or abetting violations of immigration laws, supporting terrorism, providing gender-affirming care or participating in protests that involve trespassing or disorderly conduct. Employers can become ineligible through court rulings, a guilty plea, or a settlement. The Department can also deem an organization ineligible using a preponderance-of-evidence standard. Organizations have the right to appeal; however, the rule does not explicitly state how an appeal can occur.

Public comments are due September 17, 2025. If you have input, please contact CU's Federal Relations and General Counsel offices, which are monitoring any changes to the PSLF program, as well as the progression of any final rule.

Supreme Court Allows Termination of NIH Grants Through Court Cases
The U.S. Supreme Court ruled 5-4 [6] on August 21 that the federal administration can proceed with terminating National Institute of Health (NIH) grants, as the First Circuit Court of Appeals considers litigation challenging their termination. The high court ruled the district court lacked the power to rule on claims "'based on' the research-related grants or to order relief designed to enforce any 'obligation to pay money' pursuant to those grants."

Previously, a district court judge from Massachusetts [7] ruled the administration was not allowed to cancel NIH grants that do not align with its policy objectives. Following the district court ruling, a majority of CU's canceled NIH grants have been reinstated. CU is closely monitoring the termination of any previously reinstated NIH grants.?

ED Issues Guidance on Federal Work Study Allowable Activities
The U.S. Department of Education (ED) issued updated guidance [8] on August 19 on the allowable use of Federal Work Study (FWS) funds for political activities. The guidance prohibits FWS funds for jobs involving "voter registration, voter assistance at a polling place or through a voter hotline, or serving as a poll worker."

The new guidance revokes a Biden-era rule that allowed FWS programs to pay students for certain political activities. In an accompanying press release [9], the Department clarified that colleges and universities must still make a "good faith" effort to distribute voter registration forms to students as part of their obligations outlined in the *Higher Education Act*. Institutions, however, will not be required to distribute voter registration information "to students who the institution has reason to believe are ineligible to vote."

NIH Publishes Plans to Implement "Gold Standard of Science" Directive

The National Institutes of Health (NIH) announced on August 22 plans to implement [10] the Executive Order, *Restoring Gold Standard Science* [11]. NIH plans to incorporate nine interlocking tenets of gold standard science that are: reproducible, transparent, communicative of error and uncertainty, collaborative and interdisciplinary, skeptical of its findings and assumptions, structured for falsifiability of hypotheses, subject to unbiased peer review, accepting of negative results as positive outcomes, and without conflict of interest.

NEH Announces Reorganization

The National Endowment for the Humanities (NEH) announced [12] on August 20 an agency-wide reorganization, consolidating its grantmaking programs from seven to four and reducing its personnel across divisions. The reorganization follows a June reduction in force, which affected two-thirds of the NEH workforce. Effective immediately, the new divisions are: the Division of Federal/State Partnership, the Division of Collections and Infrastructure, the Division of Lifelong Learning, and the Division of Research.

USCIS Begins Screening for 'Anti-Americanism'

U.S. Citizenship and Immigration Services (USCIS) released guidance [13] on August 19 directing its officers to screen for "involvement in anti-American or terrorist organizations" when reviewing residency, work, and visa applications. The new guidance adds anti-American activity to the list of social media vetting and builds on earlier guidance requiring vetting social media for antisemitism.

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 [14] 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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