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Federal Government Update - 9.26.25 [1]

September 26, 2025 by Riley Black [2]

Dear Colleagues,

Please find a federal government update from our teams.

Government Funding Update
With government funding set to expire on Sept. 30 at midnight, Congress needs to pass a continuing resolution (CR) to extend government operations. Congressional leaders continue to negotiate a stopgap bill; however, it is unclear whether a deal will be made in time to prevent a shutdown.

The White House Office of Management and Budget (OMB) circulated a memo [3] on Sept. 24 directing federal agencies to "consider Reduction in Force (RIF) notices for all employees in programs, projects, or activities" that are not statutorily required or "consistent with the President's priorities" should the government shut down. The memo further directs agencies to revise RIFs "to retain the minimal number of employees necessary to carry out statutory functions" once Fiscal Year (FY) 2026 appropriations are enacted.

CU Federal Relations is working closely with each campus to assess the potential impacts of a government shutdown. We will provide more information if a shutdown occurs.

White House Issues H-1B Proclamation
The White House issued a proclamation [4] entitled, *Restriction on Entry of Certain Nonimmigrant Workers,* on Sept. 19. The proclamation, effective Sept. 21, requires nonimmigrants to pay a new $100,000 fee to enter the U.S. on an H-1B visa. The restriction expires in one year.

A subsequent memorandum [5] from U.S. Citizenship and Immigration Services (USCIS) clarified the policy only applies prospectively to petitions that have not yet been filed. To date, there are no restrictions on current H-1B visa holders or nonimmigrants whose petition has been filed or approved prior to Sept. 21. The U.S. Chamber of Commerce is reportedly polling its members to gauge support as they consider legal action to challenge the new fee, reports [6] *The Economic Times*.

According to a White House FAQ, [7] the U.S. Departments of Labor and Homeland Security will promulgate new regulations "to reform the H-1B program," including to revise and raise the prevailing wage levels and prioritize high-skilled, high-paid nonimmigrants in the H-1B lottery. Additional reforms are expected in the coming months.

The CU Office of General Counsel and Federal Relations teams are coordinating closely with the campuses on any proposed changes to the H1-B program.

OMB and OSTP Release FY 2027 R&D Priorities Memo

The White House's Office of Management and Budget (OMB) and Office of Science and Technology Policy (OSTP) jointly issued a memorandum [8] to federal agencies on Sept. 23, outlining the federal administration's research and development (R&D) priorities for Fiscal Year (FY) 2027. The memorandum highlights the following five R&D priorities to guide future federal investments:

- Ensure Unrivalled American Leadership in Critical and Emerging Technologies
- Unleash American Energy Dominance and Explore New Frontiers
- Strengthen American Security
- Strengthen and Safeguard American Health and Biotechnology
- Assure America's Continued Space Dominance

The memorandum directs federal agencies to make "transformational investments" in artificial intelligence, quantum science, nuclear energy, biotechnology, national security technologies and space exploration. It further clarifies that the purpose of these investments is to drive economic growth and high-wage employment, promote high quality of life and ensure American leadership in national security sectors.

The memorandum also outlines five "priority crosscutting actions" that include the following:

- Implement and Support Gold Standard Science
- Build the S&T Workforce of the Future
- Expand and Make Accessible World-Class Research Infrastructure
- Revitalize and Strengthen America's S&T Ecosystem
- Focus on High-Value Research Efforts

Department of Education Opens 2026-2027 FAFSA

The U.S. Department of Education (ED) announced [9] on Sept. 24 the opening of the 2026-2027 Free Application for Federal Student Aid (FAFSA) form, which was launched ahead of schedule. The updated FAFSA includes several new, modernized features, including a redesigned contributor invite process, which enables students to invite parents or contributors to complete the FAFSA with a simple code, and instant verification for new studentaid.gov accounts. Enhancements will also provide colleges and universities with "more accurate data and stronger protection against fraud and abuse," according to the Department.

Senate Confirms, Advances Science Nominees

The U.S. Senate confirmed Darío Gil as Under Secretary for Science at the U.S. Department of Energy and Conner Prochaska as Director of the Advanced Research Projects Agency – Energy on a 51-47 vote on Sept. 18. In addition, the Senate Commerce, Science and Transportation Committee voted 20-8 on Sept. 17 to advance Neil Jacobs' nomination to lead the National Oceanic and Atmospheric Administration. Sen. John Hickenlooper (D-CO), who sits on the committee, voted against moving Jacobs forward to the full Senate for consideration.

Judge Reinstates UCLA Federal Funds

A federal judge issued a preliminary injunction [10] on Sept. 22 directing the federal

administration to unfreeze $500 million in research funds currently being withheld from the University of California Los Angeles (UCLA). The judge ruled the administration's actions likely violated the Administrative Procedure Act. UCLA's funding was frozen this summer following an antisemitism investigation.

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

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