

Changes to the Federal Financial Assistance (FFA) Landscape:

Timeline and Best Practices

August 1, 2025 | Office of Grants Management

Agenda

(Slides go from most recent back to January 2025)

1. Resources

2. Timeline

- 1. <u>January</u>: Executive Orders and freeze
- 2. February: Challenges to freeze, court cases filed
- 3. March: First TROs and injunctions, Grant cuts
- 4. April: More court cases, More EOs, Agency policy changes
- 5. May: Court injunctions, Discretionary budget, Agency changes
- 6. <u>June</u>: Injunctions, program cuts, and Agency terms change
- 7. <u>July</u>: Congressional budgets, Court cases begin being decided

3. Best Practices



Resources used to build this timeline

- 1. White House Presidential Actions https://www.whitehouse.gov/presidential-actions/
- 2. White House Fact Sheets https://www.whitehouse.gov/fact-sheets/
- 3. White House OMB https://www.whitehouse.gov/omb/news/
- 4. National Council of Nonprofits Impacts from Presidential Actions and Court Cases on nonprofits https://www.councilofnonprofits.org/impacts-recent-executive-orders-nonprofits
- 5. Maryland Attorney General State Court Cases https://www.marylandattorneygeneral.gov/pages/Federal_Actions_Response/MarylandActions.aspx
- 6. Just Security Litigation Tracker https://www.justsecurity.org/107087/tracker-litigation-legal-challenges-trump-administration/
- 7. Civil Rights Litigation Clearinghouse Litigation Tracker https://clearinghouse.net/collections/38759
- 8. Court Listener Dockets Entire cases https://www.courtlistener.com/
- 9. US Agencies Go to each Agency's press releases/news page or search for specific issues
- 10. Press and Newspapers



HHS releases NOFOs with <u>due</u> dates of less than 30 days (some due in less than 16 days).

<u>Appears to be exigent</u>
<u>circumstances</u> to meet fiscal

year end

Dept. of Interior requires
Secretary sign-off for all wind
and solar on public lands: Will
slow Congressionally-approved
projects

City of Chicago v. DHS <u>TRO</u>
<u>Vacated</u>: FEMA isn't going to do
what complaint says <u>TRO</u>
<u>Vacated</u>

10 Congressional
Republicans Letter about
cancelled Dept. of
Education grants: Funds
were just passed and
signed as part of FY25
Continuing Resolution,
should be released; Dept.
of Ed says it will release
some grants

CASA v Trump Class Action <u>Opinion</u> and <u>Injunction</u>: Sends birthright question back to courts <u>Injunction</u> NIH Fairness and Originality Notice: limits use of AI in applications, limits to 6

applications

Planned Parenthood v.
HHS/Robert Kennedy
Injunction: Bars
administration from
enforcing sections of the
OBBBA, defunds affiliates
solely on their relationship
to others, against 1st
amendment Injunction

Protect Democracy Project
v. OMB <u>Summary</u>
<u>Judgement</u>: OMB cannot
delete Public
<u>Apportionments Database</u>
<u>Summary judgement for</u>

plaintiff

White House releases all remaining (\$7B in total) in frozen education funds

Authors Guild v. NEH Injunction: DOGE can't just terminate grants based on differing viewpoint – violates 1st amendment Injunction

State of NY v. DOJ: Limited interpretation of Public Benefits <u>Stipulation</u>. Government agrees to pause <u>DOJ Guidance on Unlawful</u> <u>Discrimination Memo</u>: Best practices

Planned Parenthood v.
HHS/Robert Kennedy Expands
Expanded Injunction: Likely to
prevail on 1st amendment
grounds Expands injunction

CASA v Trump Remand: Court of Appeals remanded back to District Court, dismisses appeal

July 15

July 16

grants

July 17

July 21

July 24

Ending Crime and

Disorder on

America's Streets

EO: Seeks to shift

homeless

individuals into

institutional

settings; directs

changes in

eligibility and use

of grant programs

July 25

implementation in 21

plaintiff states/DC

July 27-29

Not aligned with <u>2 CFR 200.204</u>, unless exigent circumstances

Roadblocks for climate financing

Get-around for the TRO

N/A Although MoCo may get education-related

N/A Could set precedent for limiting applications and Al

Courts have consistently ruled against removals of data

Unclear – MCG laws aligned with federal drug laws

N/A May impact MCPS

Injunction limited to status quo for plaintiffs only

N/A, sets precedent for 1st amendment rights, which underly new DEI challenges

Incoming Grants



US DOT <u>Tossing DEI Directives Letter</u>: Will not require or enforce any grant terms and conditions on DEI

Doctors for America v. OPM

<u>Summary Judgement</u>: HHS to restore
gender data <u>Judgement</u>

Massachusetts v. Robert Kennedy (NIH) and American Public Health v. NIH <u>Order and Partial Judgement</u>: Defendants must comply. Post-CASA, relief limited only to plaintiffs <u>Partial Judgement</u>. APH v. NIH ppealed to <u>Supreme Court</u>

Dept. of Energy, USDA revise, simplify NEPA rules

Amica Center v. DOJ Claims <u>dismissed</u>: No jurisdiction (including earmarks) <u>Case</u> <u>dismissed</u> Ending Market Subsidies EO: Further restricts 45Y and 48E tax credits for wind and solar

<u>Federal Hiring</u> EO: No new federal hiring except in priority areas

Elev8 Baltimore v. (Americorps) <u>Order</u>: Must reinstate employees, reinstate and can't cancel VISTA and NCCC grants <u>Injunction</u>

Vera Institute et al. v DOJ <u>dismissal</u>: Grant termination not in jurisdiction of District Court. *Case dismissed*. White House Announcement: No benefits for Illegal Aliens

HHS DOL DOJ DOEd USDA release Notices saying no program is exempted; illegal aliens (who are not qualified) may not receive Federal Public Benefits *TRO* (except USDA)

<u>DOJ AG Order</u> removing exemptions from PRWORA, making illegal aliens ineligible for public benefits (not including emergency services) *TRO (23 plaintiffs only)*

<u>USDA revised Rule 12877</u>: Removes DEI from programs, including reporting requirements

32 Congressional <u>Democrats Letter about cancelled Dept.</u>
<u>of Education grants</u>: Funds were just passed and signed as part of FY25 Continuing Resolution, should be released

City of Chicago v. DHS TRO: FEMA can't terminate Shelter program preemptively TRO

 July 2
 July 3-6
 July 7
 July 10-11
 July 12

Confirms that no DEI, CBP reports are required for existing grants

Gender data should be accessible

May reduce regulatory burden MCDOT or DGS on construction-related grants

First case on terminated earmarks

N/A, but will further restrict businesses

N/A, but fewer jobs for residents

N/A – MCG already compliant with existing federal law that prohibits public funds and benefits to unregistered noncitizens

Fewer reporting requirements

N/A MCG does not have Shelter program

Incoming Grants



How did we get here: Late June

California v. DOT
Injunction: Cannot
condition DOT grants on
immigration cooperation
(cannot enforce Duffy
Directive) Injunction

Illinois v. FEMA Status
Report: Plaintiffs waive
right to injunction
because other
government
developments blunted
negative impact

NIH Memo: Don't cancel anymore grants

Thakur (Univ of Calif) v. Trump <u>Injunction</u>: Grant terminations not following procedure, DEI not defined *Injunction*

<u>Injunction clarified, affirmed</u> in San Francisco v. Trump: stop withholding because of "Sanctuary" status *Injunction Reaffirmed*

Massachusetts v. Robert Kennedy (NIH) and American Public Health v. NIH Combined <u>Injunction</u> and <u>Denied request for a stay</u>: Grant terminations counter Congressional authority and are discriminatory; calls out Administration for using administrative tactics to comply with Congress and Courts <u>Injunction Reaffirmed</u>

Washington v. DOT <u>Injunction</u>: NEVI termination is illegal due to APA and separation of powers (quote The Simpsons) *Injunction*

OMB: New revisions to 2 CFR 200 coming, plus FAR overhaul

DHS: <u>Cancels</u>
<u>Invent2Prevent</u>
<u>Program</u> for DEI
(kids/students
were grantees)

HHS cuts more grants (2,400+)

DOGE loses control of grants.gov

CASA v. Trump Supreme Court ruling: Limits nationwide injunctions and sends birthright citizenship back to lower courts

Department of Education (ED) Pauses Distribution of State Formula Grants for "review"

DOT <u>order</u> and updates to <u>FHWA</u>, <u>FRA</u>, <u>FTA</u> procedures to fast-track roads and bridges, makes NEPA easier

June 19-20 June 23-24 June 26 June 27 June 30

Cannot implement Sanctuary Jurisdiction restrictions

Cumulative effect of multiple injunctions visible

MD was protected by an injunction. More NIH cuts announced regularly.

Courts continue to say that terminations are not legal for a variety of reasons: contract law, Congressional authority, discriminatory, lack of definition etc.

N/A but MCG will need to stay apprised of changes and may want to review and comment MD protected by an Injunction from HHS terminations

Limited impact from nationwide injunction finding:
Many blocking grant terminations only apply to the 23 plaintiffs (MD is one)

DOEd cuts could have significant trickle-down effect

May be easier to implement US DOT road grants





Dept. of Commerce: <u>Broadband equity, access, and deployment (BEAD) restructuring</u> (adopts tech-neutral) approach for subgrantee selection.

Accelerates NEPA processing.

Sustainability Institute et al v. Trump <u>Appeals</u> <u>Court Emergency Stay</u>: Gov't does not have to reinstate grants during appeal <u>Stay on Injunction</u>

Maryland v. Americorps Partial <u>Injunction</u>: Must reinstate grants but does not have to reinstate staff <u>Injunction</u>

EO: <u>Empowering Commonsense</u> Wildfire Prevention and Response

San Francisco AIDS Foundation v. Trump <u>Injunction</u>: Cannot enforce gender ideology EOs on grants <u>Injunction</u> Abolish FEMA Memo (breaking news story)

USDA cutting 145 DEI-focused awards

Green & Healthy Homes (GHHI) v. EPA <u>Opinion</u> and <u>Injunction</u>: Cannot terminate Thriving Communities grants *Injunction*

Assoc. of American Universities v. DOD <u>TRO</u>: Cannot cap IDC at 15% <u>TRO</u>

Columbia Univ grants that were supposed to be reinstated were paused again for "additional approvals"

June 1 June 5-6 June 12-13 June 17 June 18

Impacts unknown, being challenged in Court

DHS removes

Sanctuary

Jurisdictions List

from website

N/A Although one of the unfrozen grants is conditional, similar to a conditional grant awarded to MCG that appears to have been frozen

MCG's Americorps (passthrough) award reinstated by MD

None, but could signal coming changes to other fire programs, such as FEMA

Continues to establish precedent that EOs cannot be used to stop grants

FEMA cuts could be significant

MCG does not have USDA awards

WorkSource applied to Thriving Communities; is a MCG partner

MCG's IDC is 19.98%

Administration continues to use other administrative means to stop funds from flowing





How did we get here: Late May

Drafts of House Reconciliation Bill: Includes repeal of unobligated Inflation Reduction Act

DOE rescinds Climate Adaptation and Resilience Plan and Sustainability Plan

DOE announces review of late Biden-era grant awards

Universities v. DOEnergy **Injunction:** Can't arbitrarily limit IDC to 15% Injunction

Colorado et al v. HHS **Injunction:** Cannot cancel public health grants (MD)

DOJ Memo announces Civil **Rights Fraud** Initiative: Will pursue False Claims Actions

Sustainability Institute et al v. Trump et al **Injunction:** Cannot freeze IRA and IIJA funds *Injunction* – (Appeals Court stayed)

HHS May 23 Updated **Grant Cancellations list**

M.L.King County 2nd TRO: **HUD** and **DOT** enjoined from enforcing new Terms and Conditions

Southern Education Foundation v. DOEd **Injunction:** Terminating desegregation grants for DEI was arbitrary and capricious *Injunction*

Agency FY26 Budgets

- Health and Human Services
- Education
- **Treasury**
- **Environmental Protection** Agency
- **Transportation**
- **Homeland Security**
- Labor
- NASA
- Securities and Exchange Commission
- **Small Business** Administration
- **Veterans Affairs**

May 19 May 20 May 29 May 15 May 16 May 21-23 May 30

MCG has obligated IRA funds, these should not be impacted

Fewer climate grants available

MCG has 2 late-Biden-era DOE awards, one conditionally signed and one unsigned

No court cases about local government limit, but precedent would be valuable to MCG's 19.98% IDC

Maryland State grants not on updated list of HHS cancellations

N/A, Although anyone can bring a False Claims Action

N/A Although one of the unfrozen grants is conditional, similar to a conditional grant awarded to MCG that appears to have been frozen

Injunction in Colorado v HHS means MD State grants (& passthroughs) not on list

awards

MCG CE Statement: We comply with the law and EO 135-19 has been upheld by two Maryland Attorneys General; but will not abandon our values

DHS publishes list of

Sanctuary Jurisdictions

Defying Federal

Immigration Law

HUD Notice on HOPWA

Guidance: Federal grant

recipients must comply

with Presidential

actions/EOs

Potentially significant cuts to programs MCG has in place

MCG has DOT and HUD

Incoming Grants



How did we get here: Early May

President sends FY26
Skinny Budget to Senate
Includes significant grant
cuts

"Defend the Spend" at DOL

Federal Event

MCG Impact

US v. Colorado re: immigration coop

Injunction affirmed in San Francisco v. Trump: blocks any withholding, freeze, or conditioning of federal funds on the basis of "Sanctuary" status; Court order reaffirmed to include any and all relevant EOs

OMB Memo on Social Cost of Carbon: Stop using social cost of carbon in regulations HUD TRO: HUD and DOT-FTA cannot enforce grant Terms & Conditions requiring immigration coop, no-DEI TRO

King County v.

Washington State v. DOT: To block NEVI cancellation White House: Digital Equity Act is unconstitutional

Updated <u>HHS list of</u> terminations

DOEng Policy Flash 25 sets 10% IDC for local govt Treasury's ASAP
system announces
justification
requirement,
webinars

NTIA cancels <u>Digital</u> Equity Act grants

MCG uses ASAP.

Reimbursements

taking longer

USDA putting climate data back online (ends Northeast Organic Farming v. USDA)

2025 Annual Report on Program Fragmentation, Overlap, and Duplication finds 589 programs to cut

May 2 May 3 May 5 May 6 May 7 May 8 May 9 May 12-13

MCG receives grants from several programs to be cut

There should be no legal blocks to MCG because of the "Sanctuary" list. MCG is compliant with existing law.

N/A MCG and COG measure emissions but don't include social cost of carbon in grants

N/A MCG is compliant

Private
contractor to
install EV
chargers
w/MD NEVI in
MoCo; this
may be

paused

MD had been awarded digital equity act grant that is supposed to passthrough to MCG, status uncertain

No relevant HHS terminations

MCG IDC = 19.98%

N/A, but may set a good precedent for other climate data that MCG does use.

N/A MCG does not have any of the OMB Recommended programs to cut

Court limits but many federal cancellations, MCG gets one terminated, President's budget cuts many programs, Agency policies limit IDC





How did we get here: Late April

San Fran et al. v Trump et al <u>Injunction</u>: Cannot freeze funds due to "Sanctuary" status. *Injunctions*

2 education injunctions: NAACP v. DOEd <u>Injunction</u>: DOEd cannot enforce Dear Colleague DEI certification req. & Nat Edu Assoc. v. DOEd <u>Injunction</u>: Blocks letter

<u>HHS releases new list of grant terminations</u>; Under <u>TRO</u>: No Maryland Dept. of Health cancellations

New <u>NEH (Humanities) Priorities</u>: No DEI, EJ, gender, will cancel awards

US DOT <u>"Follow the Law" Letter</u>: No DEI, must cooperate with ICE, federal law is supreme (aka Duffy Directive)

<u>Updated List of cancelled HHS grants</u> (New cancellations, complies with TRO)

DOGE cuts Americorps

Protecting American Communities from Criminal Aliens EO: Demands list of Sanctuaries and list of funds to suspend

or cancel

Congressional Democrats: <u>Tracks \$430B</u> of blocked funding

Maryland et al. v. AmeriCorps et al. – Filed To stop program/grant cuts

Education & Mental Health grant cuts

Senate letter about
DOJ victim services
grant cuts

April 24 April 25 April 28-29 April 30

MCG should not have any funds frozen as a "Sanctuary"

No HHS public health grants terminated

MCPS should not have to submit DEI Certifications

None of the MD Public Health grants are on the termination list

MCG AmeriCorps award terminated

Impact will depend on whether MCG is deemed a Sanctuary

Potential impacts to MCPS

Court limits but many federal cancellations, MCG gets one terminated, President's budget cuts many programs, Agency policies limit IDC





How did we get here: Mid-April

Woonasquatucket et al. v USDA et al. Injunction: Agencies can't hold up IRA and IIJA funds; Admin must follow procedures and laws **Prelim Injunction**

Climate United et al. v. Citibank (&EPA) et al. Injunction: Can't terminate, block GGRF Prelim Injunction/now STAYED

Chicago Women v Trump et al. Injunction: DOL can require DEI certification *Injunction*

Climate United et al. v. Citibank (&EPA) et al. STAY: CAN terminate, block GGRF STAYED

AAUnivs v. DOEng TRO: Can't limit IDC to 15% TRO

DOGE doing manual review of all HHS payments. Appears payments effectively on hold despite being officially unfrozen

HHS Updated Terms & Conditions require DEI certify

US DOT FHWA Exhibits Schedule adds Trump's EOs to list of applicable statutes

Congress's 4/10 **Budget Passback** document indicates significant future cuts to HHS, CSBG, Head Start, health.

DOJ cancels gun violence, victim services, opioid grants; Appears funding is paused/unaccessible while being officially unfrozen.

EPA cancelling research grants

FHWA updates Competitive Grant General Terms and Conditions w/ **DEI** and ICE Cooperation

High-Paying Skilled Trade Jobs EO

Common Sense School Discipline EO

Eliminate "disparate-impact liability" EO

Al Education for Youth EO

April 15

Should have no immediate impact, MoCo Green Bank had already received its GGRF funds April 16

No immediate impact, MCG is not an IHL and existing DOE grants set IDC lower

Unclear if HHS payment review will impact MCG

April 18

MCG has many HHS grants, these could be reduced

April 21-22

MCG receives DOJ grants, these could be cancelled

MCG receives lots of US DOT grants, future ones may require new compliance

April 23

May impact MBE/WBE implementation

Workforce development priorities align with MCG

Nonprofits target in discipline EO

Courts are limiting many of the earlier moves; Continued grant cancellations w/some new opportunities, Updated Terms & Conditions





How did we get here: Early April

DHS cancels Citizenship and Integration Grant Program (CIGP) Awards to punish "sanctuaries"

Federal Event

MCG Impact

GHHI et al. v. EPA filing against Thriving Communities (TC) cancellation

EPA updates Terms & **Conditions** (again)

California et al v Trump Supreme Court ruling allows Dept. of Ed to cancel TQP and SEED grants

DHS cancels BRIC program

NY v. Trump – Order to Enforce **Injunction:** FEMA must stop manual review and unfreeze funds.

Senate passes revised

FY25 Budget Resolution w/reconciliation, sends to House

Colorado et al. v HHS: **TRO** restrains HHS from cancelling public health grants

NEH cuts humanities

grants

EPA RAIN-2025-G02 Class **Exception from** Requirements on MBE/WBEs

cancellation of USDA Presidential EO: grants to schools **Protecting American Energy** from State Overreach aims

US Dept. of Ed terminates all K-12 funding to Maine Dept. of Education for Title IX (gender-related)

Maine v. USDA: TRO limits

DOE sets IDC to 15% for colleges and univs, will terminate if more TRO

April 2

April 3

April 4

April 5

April 6

April 7

April 8

to find

unenforceable

State climate

policies

April 11

MCG and Moco Nonprofits applying to TC via GHHI

Montgomery College and MoCo Nonprofit have **CIGP Awards**

New Terms will apply if MCG wins an EPA award or has to revise one (has 4)

Unclear if MCPS has TQP or SEED: MD is a plaintiff

MCG has no BRIC awards

MCG should NOT see pauses due to a general funding freeze.

Status of earmarks still unknown

MCG received TRO as a grantee.

1-2 Nonprofits plus Montgomery

College have **NEH** grants

MCG contracting policies and law still apply; but does not have to report on it to EPA

May impact climate policies, which may impact MCG's grants

Unclear, may set precedents.

None; but MCG asks for 19.98% IDC, but no existing DOE awards have high IDC.

More new Terms & Conditions that incorporate DEI, immigration; Maine education cancellations battles continue.





How did we get here: Late March

Federal Event

HHS letter: No funding for DEI training

<u>HUD</u>: Evaluating grants, including CDBG grants

List of cancelled HHS grants (Blocked by TRO, Updated 4/25 to comply with TRO) <u>in the legal</u>
<u>system Memo</u>
against lawsuits
<u>No TRO but</u>
similar cases have

HHS: No funding
DEI training letter

been granted

TROs

<u>Protecting America's Bank Account EO</u>: Consolidates Treasury payment systems

EPA sends out <u>revised General Grant Terms and Conditions</u> w/DEI certification (updated again on 4/3/2025)

New HUD Terms and Conditions TRO

HHS <u>cuts HIV research</u> grants, clawing back Covid funds

News: EPA terminations illegal; Abolish FEMA Memo

<u>Professors' lawsuit against DOJ et al.</u> Columbia Univ & antisemitism

Court says Government did not meet burden of proof in unfreezing FEMA: Preliminary injunction stands

Massachusetts Fair Housing v.
HUD <u>TRO</u>: HUD cannot terminate
HUD FHIP grants. *TRO*

New <u>DOT FTA grant agreement</u>

Chicago Women v
Trump et al. TRO:
Preclude enforcement of
the DEI certification
TRO, now Injunction

New <u>DHS Terms &</u> <u>Conditions</u> align with Executive Orders on immigration and DEI Dept. of Ed changes States'
Education Stabilization Fund (ESF; under ARP - COVID) liquidation date to March 28.

March 21 March 22

MCG has HUD grants.

MD Public Health HHS grants cancelled, MCG is subgrantee

Grantors need to strategize before filing or joining any lawsuits

All grantees may have to shift payment/reimbursement systems and follow pre-certification verification processes.

March 25

MCG may receive requests to accept new Terms and Conditions requiring certifications.

MCG needs to review grant terms closely to determine if terminations allowable.

Should have no issues w/FEMA.

MCG has no FHIP grants.

March 26

MCG may have to adjust DOT projects for climate change, gender, language, environmental justice, and DEI

March 27

Only US Dept. of Labor cannot require DEI certifications. Any certification requests need legal counsel.

DHS awards need legal counsel.

March 28

MD has \$250M left in ESF funds. May impact MCPS.

Administration targeting lawsuits and lawyers. New terms and conditions in effect for new grants and any revisions. New payment systems coming. Dept. of Labor cannot require DEI certifications, other agencies can. Education system facing major cuts.





How did we get here: Mid-March

Federal Event

DOT Heads of
Secretarial Offices and
Operating
Administrations Email:
No bikes, EVs, green, ++

DHS "deobligates" few grants

Judge denies request for TRO in Corp. for Public Broadcasting v. FEMA to release congressionally appropriated funds for emergency weather alert system (Hasn't shown harm)

Congress and Trump pass Continuing Budget
Resolution

Deadline for Trump Admin to show it has unfrozen FEMA funds in NY at al v. Trump

Trump Administration wins a <u>Stay of the Injunction in</u>
Nat. Assoc. of Diversity Officers in Higher Ed: Trump

Admin may enforce DEI EOs

Reduction of Federal Bureaucracy EO cuts CFDI

March 14

Woonasquatucket River et al. v USDA et al files suit: stop freeze of IRA and IIJA funds *Injunction*

NY et al v. Trump: <u>Plaintiffs</u> <u>disagree with evidence</u> of unfreezing of FEMA funds

DOT new <u>SS4A Terms &</u> Conditions National Risk Register
Executive Action

Coordinated
cancellations by
multiple agencies of
\$175M at UPenn due
to PAST transgender
athletes

Education Department closure EO

March 12 March 13

May impact current and future awards to Montgomery County, especially to advance Climate Action Plan No impact to MCG, need to watch if broader impact to Congressionally appropriated funds or to notion of "showing harm" Existing programs, including discretionary ones, should continue. New earmarks tmay be lost.

MCG should not have any FEMA funds paused.

MCG may need to comply with DEI EOs, certify.

MoCo Nonprofits have CFDI for low-income areas.

March 17

Unclear impact to MCG's FEMA funds.

MCG may have to adjust DOT projects for climate change and DEI No immediate impact to MCG.

March 19

Sets precedent: 1st cancellation due to past action.

Unclear impacts to MCG; may have limited trickle down from MCPS due to

limited federal

funding

March 20

DEI Executive Orders may be implemented/enforced while Court cases progress. Growing impact due to program specific cancellations, particularly to future funds. Precedent includes cancellations of congressionally appropriated funds and cancellations due to past policies. Courts mandate payment for completed work (e.g. FEMA).





How did we get here: Early March

Federal Event

DOGE Cost-Efficiency EO moves from governmentwide (TRO) to agencyspecific funding cancellations

Dept of Labor cancels TEN 21-24 on DEI

FEMA sends mass email newsletter to grantees

saving that it is instituting "manual" reviews, these are not a "hold" or "freeze" (TRO)

Dept. of Ed FAQ on Racial **Preferences** limits funding ban on DEI

Washington v. DOJ *Injunction*: Can't stop gender care

Medical Colleges v NIH injunction stops IDC limit

AIDS coalition & Global Health Council v. Trump: Supreme Court **Ruling: Trump** can't stop **USAID** payments

AIDS coalition & Global Health Council v. Trump bench ruling: Trump must pay for completed USAID work

NY et al v Trump Injunction stops freeze of appropriated state funds (gives until March 14 to unfreeze FEMA)

California et al v DOEd court filing to block grant termination for DEI

DOJ, HHS, DOEd, **GSA (Joint Task** Force) cancels \$400M to Columbia Univ due to failure to stop

antisemitism

AIDS coalition & Global Health Council v. Trump Preliminary Injunction – District Court ruling granted in part and denied in part: Trump STILL must pay for completed USAID work BUT cancellations for future work can stand

NIH cancels grants on vaccine hesitancy

TRO in California v. DOEd: DOEd cannot terminate TQP and SEED grants (for DEI) (MD is a plaintiff)

HHS letter: No welfare for illegal aliens

4th Round US EPA Grant Cancellations (DEI/EJ)

March 10

USDA cuts \$1B in farm and school food aid programs (LFS & LFPA) (Sends 60-day notice of termination to grantees with signed

Enforcing 65(c) targets lawsuits

agreements)

Feb 26-

Feb 28

March 5

March 6

March 7

No impact to

MCG. Sign of

multi-agency

action and sets

precedent re:

antisemitism

AIDS: No impact to MCG, sets precedent for reviews and cancellations of future work.

Seeing more nuanced cancellations for specific reasons (not blanket freeze): Vaccines, immigration, DEI and EJ

March 11

MCG may see pauses or cancellations for specific reasons

MCG gets the FEMA letter

Impact on MCPS due to DEI should be limited

MCG IDC stands

MCG should get paid for completed work

MCG should be able to receive funds – no blanket pauses or cancellations are in effect, may have to wait until March 14 to see compliance

No direct impact to MC; Cut to LFPA may impact Gaithersburg food bank; precedent of terminating signed agreements

Court orders have limited the viability of blanket freezes, so agencies are turning to more nuanced, program-specific cancellations. FEMA funds an issue. MCPS and MoCo communities may see impacts of cuts as of Week 8.

Incoming Grants



Federal Event

TRO <u>in Wash v Trump</u> (Transgender medical)

HUD <u>canceling contracts</u> <u>under Green and Resilient</u> Retrofit Program

US <u>DOEd Dear Colleague</u>
<u>letter</u> warns of ban on
federal funding to schools
with DEI (<u>DOEd since</u>
<u>revised</u>)

EO halting federal funding for schools with coronavirus vaccine mandates (2/15)

Radical Transparency
Memo mandates
publicizing cancelling
(obligated) money (2/18)

HUD cancels DEI contracts TRO

with questions (w/Alsobrooks & VanHollen)

Hearing: <u>Trump Admin</u> wants to reinstate funding freeze Preliminary
Injunction/TRO and
Opinion in Nat.
Diversity Officers v.
Trump: No pause or
certification of DEI

NYC files suit against Trump at al re: FEMA clawback DEI is dead at HUD (despite DEI Injunction, now Stayed)

Organic Farms of NY v.

DOA challenges website
scrubs and cancellation
of data contracts,
deletion of climate
change data

Nat. Council of Nonprofits v OMB:

<u>Court Order</u> and <u>Opinion</u>: Trump

Admin cannot reinstate blanket OMB

funding freeze

<u>Teachers v. DOEd</u> suit against funding ban against DEI in schools (Maryland affiliate is a plaintiff)

Feb 14

Feb 15-18

Feb 19

Agencies

send Notice

of TRO in

Wash, v

Trump

Feb 20

Feb 21

Feb 24

Feb 25

MD contractors and home-owners applied under MD multifamily programs

Unclear impact on MCG or MCPS (covid)

MCG could see cancelled grants publicized

MCG receives notice of TRO MCG has >\$22M in HUD grants

Reinstated funding freeze would impact MCG's federal funding MCG should not have to certify any programs as non-DEI (Except now there is a

Stay on Injunction); should not have DEI funding paused. FEMA funds may be paused. MCG uses federal data

MCG meetings with federal grant officers repeatedly moved MCG should be able to receive any disbursements on open awards paused under "unilateral, nonindividualized directives" by OMB; (Individual department reasons for a pause are still allowed)

Should still be able to access grant funds but as of there are emerging issues with payment systems for reimbursements, new grants (applications and negotiations) remain on hold, and Montgomery County may have to revise due to DEI content. Emerging concerns about access to federal data, which is being deleted.





How did we get here: Early February

ACLU et al. lawsuit files to stop cuts to gender care

US Homeland Security freezes all USCIS

(immigration-related) grants to nonprofits

EPA 5 Pillars

DOJ issues Sanctuary Jurisdiction Directives to end funding to sanctuary cities

EO to stop Transgender student athletes. w/ broader Title IX enforcement TRO

Presidential Memo to Dept

Heads to review and stop federal funds going to NGOs that may undermine the American

people

US DOT suspends directives unobligated &

NIH Director Guidance limits IDC

to 15% for all new research grants, and existing grants starting Feb 10 TRO

San Fran v Trump challenges Sanctuary Juris.

Motion to Enforce in NY v Trump (MD is a plaintiff)-Judge finds Trump Admin noncompliant with TROs, hints at penalties, orders release of

Medical colleges lawsuit & **Temporary Restraining Order** in IDC cap

IRA, IIJA funds.

FEMA directs staff to freeze all FY21-24 grants, despite 2 court orders (p. 5) (TRO)

Judge issues TRO on gender care, websites should go back up

Death by a thousand cuts: **Review Panels cancelled** (e.g. to review Human Subject research); DOJ, other grant opportunities removed (even w/no Climate or

USDA New Vision Death by a **Letter restricts SNAP**

> No amicus briefs accepted in NY v Trump (MD is a plaintiff)

Shapiro et.al v DOI challenges freeze

Feb 4

NGOs may not be able to provide services to

immigrants and refugees

MCG may differ from EPA on approach to permitting and energy Feb 5

May conflict with MCG Executive Order 135-19 on

use of local funds in federal immigration Feb 6

future **NEVI**

NGO partners may not be able to provide services

Unclear, MDOT has obligated **NEVI** funds

Feb 7

May set a precedent on IDC more broadly. MCG has a proposed rate of 19.98%.

Feb 10

MCG should have access to IRA, IIJA funds

MCG should continue to be able to charge its 19.98% rate.

MCG's FEMA funds may be frozen.

Feb 11

DEI)

MCG & partner applications may not be processed due to lack of reviewing capacity

MCG stops working on multiple DOJ applications that were pulled

thousand cuts: Contracts for Grant Administrators cancelled

NYC FEMA funds revoked

Feb 13

MCG can't apply to programs that "officially" exist but can't be

administered

Feb 12

State will have to comply with SNAP changes, may trickle down MCG should be aware of differing DEI guidance from

Feds and State

Should be able to access grant funds that have signed agreements as of Week 4. However, new grants (applications and negotiations) appear to be completely on hold. The legality of this is in question. Even so, careful review of grant terms is necessary as of Week 4.





How did we get here: January

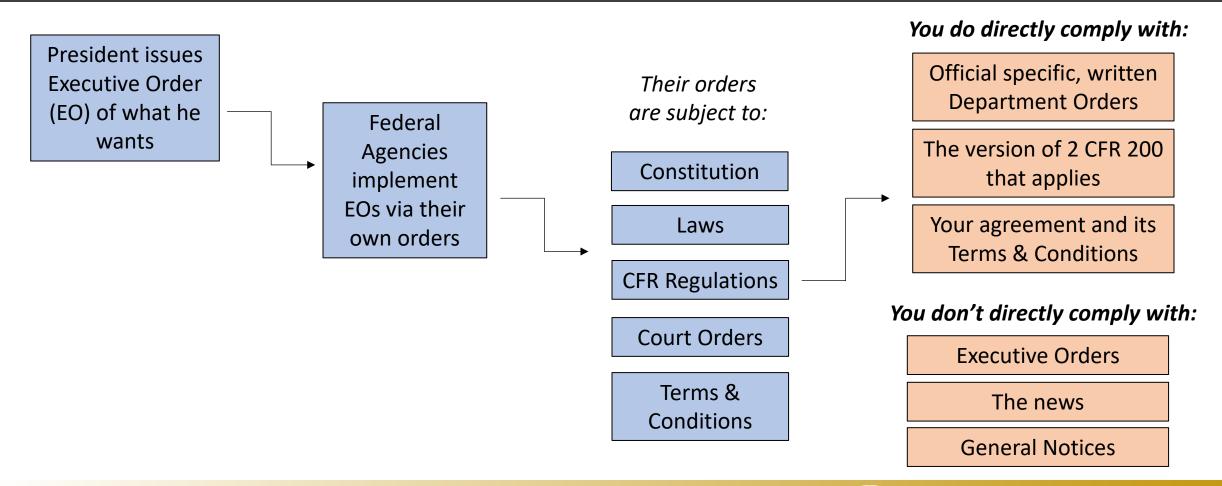
Federal Event	EO: Executive Order TRO: Temporary Restraining Order or Injunction	EOs on Immigration, DEI, Merit, Gender ideology, Green Energy**TROs, Abortion; Pauses IRA, IIJA funds Injunction Price relief memo	Federal HHS communications halt OMB clarifying memo (M-25-11) that IRA and IIJA only applies to Green Energy, not transportation	Departments begin issuing guidance on DEI, Climate Change, immigration TRO	OMB freezes all federal financial assistance (now rescinded, M-25-13) TRO Lawsuits filed: Nonprofit v Trump and NY v Trump (MD is a party)	OMB says freeze is only for Executive Order topics (M-25-14) TRO Court Order: 1 week stay on freeze (Nonprofit v Trump)	OMB rescinds freeze memo M25-13 while White House says freeze intent remains DOT "Woke Rescission" memo Anti-Semitism EO	Court Order: Temporary Restraining Order (TRO) on freeze (NY v Trump) Congressional Letter to EPA about unlawful clawback of obligated funds and Letter to DOEng about unlawful halt of IRA and IIJA	Court Order: TRO on freeze (Nonprofit v Trump) Departments must send out notices about TRO, can't pause grants due to EO, but can for "own discretion" Nat. Diversity Officers et al. lawsuit to stop DEIA cuts
	Pre- 2025	Jan 20	Jan 21	Jan 21	Jan 27	Jan 28	Jan 29	Jan 31	Feb 3
MCG Impact	In FY24, Grant Revenue to the County exceeded \$200M.	Multiple \$78M in IRA and IIJA funds awarded to County (both directly received and from partners).	Around \$30M of MCG IRA, IIJA awards are for energy. Very little communication from federal grant officers	Portions of MCG grants may be cancelled due to content.	All MCG federal funding (and State Pass-through) appears paused. MCG receives DOE Cease memo to cease all DEI and CBP and await renegotiation	Rep. Delaney says ALL state funds frozen; Federal funding then officially unpaused Continued low communication from federal grant officers	MCG hears from MEA that EPA pausing IRA, IIJA MCDOT has ~\$40M from DOT that may be paused, clawed back, revised	MCG has direct and partnership EPA grants that may be paused, clawed back, revised MCG may be owed \$42M in obligated IRA and IIJA funds, much from DOE	MCG receives notice from EPA and FEMA about TRO

^{**} Includes renewable energy, electrification, and energy efficiency projects. <u>Unleashing American Energy</u>





Comply with what? Understanding the EOs





Best Practices

Signed Agreements

- Stay compliant.
- Even if your Grant Officer is non-communicative, send your documents and communications on-time, and document this.
- Review agreements and contracts for relevant clauses and red flags.
- File for reimbursements NOW and REGULARLY. Don't wait until the end that is risky.

Awards in Negotiations, or Revising to meet Redlined NOFOs

- Stay in regular contact with Grants Officers (even if they are non-responsive).
- Be ready to **revise** (e.g. Community Benefits Plans, DEI, Climate activities) and think about how your budget may need to change.
- Ensure full reviews by legal and policy stakeholders, even if time-crunched, to avoid provisions that are unacceptable to you

New Opportunities

- Keep applying! Federal grant opportunities are governed by law and are still being released. PREPARE IN ADVANCE.
- Look at **private and state opportunities** they are increasing
- Identify priorities and have a **pipeline of potential projects** that can be quickly converted into grant applications.
- **Re-Develop projects** that follow clear Goal-Outcome-Output-Indicator templates preferred by private funders.
- Prepare to pivot project justifications to match new funder priorities, to the extent you are willing and able.





Proactively Build Resilience

Where there is certainty:

- Stay compliant: Know your agreements, CFR/Uniform Guidance, Terms & Conditions. Know your system well enough to separate costs.
- Inventory and assess grants for exposure and risk: Climate, DEI, Gender, Immigration, Antisemitism, Nonprofits, Abortion, Vaccines, Drug/Homelessness enforcement
- Identify vulnerabilities and backups: E.g. Reliance on a government data system and your alternatives.
- Communicate with Grantor/Contract Monitor: Separate rumor from truth to find actionable steps.

Where there is uncertainty:

- Stay up to date on changes: Bookmark and follow legislation and EO trackers.
- Know how to communicate with your elected officials efficiently: They have the most federal influence.
- Look for new opportunities: Especially among private donors, more are coming out. Have proposals ready to go. Prepare in advance.
- **Develop liquidity contingency plan:** In the case of delayed disbursements, know your priorities and obligations.



Questions and Resources

OGM's Incoming Grants Team:

Rafael P. Murphy, *Director OGM*Emily D. Danyluk, *Program Manager II*Anu Gupta, *Program Manager II*

Incoming.Grants@MontgomeryCountyMD.gov

