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Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs/White House Office of Management and Budget Memorandum: U.S. Environmental Protection Agency Federal Financial Assistance Programs Reportedly Affected

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The White House Office of Management and Budget (“OMB”) issued a January 27th Memorandum for heads of executive departments and agencies addressing:

Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs (“Memorandum”).

The Memorandum was transmitted from Matthew J. Vaeth, Acting Director, OMB.

The Memorandum requires federal agencies to:

...identify and review all Federal financial assistance programs and supporting activities consistent with the President’s policies and requirements.

Each agency is required to complete a comprehensive analysis of their Federal financial assistance programs to identify programs, projects, and activities that may be impacted by any of the President’s orders.

The Memorandum also provides that in the interim:

...to the extent permissible under applicable law, Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by the executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal.

Therefore, each agency is required to pause:

1. Issuance of new awards.
2. Disbursement of Federal funds under all open awards.

3. Other relevant agency actions that may be implicated by the executive orders, to the extent permissible by law, until OMB has reviewed and provided guidance to your agency with respect to the information submitted.

An Energy & Environment January 28th article by Rachel Frazin and Zack Budryk stated that the United States Environmental Protection Agency (“EPA”) has halted disbursement of federal aid in response to the OMB Memorandum. Further, The Hill reports that potentially affected EPA activities include the agency’s Water Infrastructure Finance and Innovation Act Loan Program as well as those related to air pollution, children’s health, and in competitive grant funding for the Office of Land and Emergency Management.

The Arkansas Department of Agriculture’s Natural Resources Division distributes or receives EPA grant money for its drinking water and Clean Water Act wastewater local funding programs.

23 state Attorney Generals filed a lawsuit shortly after the issuance of the OMB Memorandum seeking a Temporary Restraining Order in the United States District Court for the District of Rhode Island to block the Memorandum from taking effect. The filing argues that if the Memorandum takes effect, there will be immediate harms to the various states which will lose billions in funding that is essential for the administration of programs that support residents’ health and safety. They argue that the OMB Memorandum violates the:

- United States Constitution.
- Administrative Procedure Act.

They further argue that the United States Congress has not delegated unilateral authority to OMB to indefinitely pause all federal assistance irrespective of the federal statutes and contractual terms governing those grants.

The state Attorney Generals filing the request include:

- California.
- New York.
- Arizona.
- Colorado.
- Connecticut.
- Delaware.
- Hawaii.
- Illinois.
- Maine.
- Maryland.
- Massachusetts.
- Michigan.
- Minnesota.
- Nevada.
- North Carolina.
- New Jersey.
- New Mexico.
- Oregon.
- Rhode Island.
- Vermont.
- Washington.
- Wisconsin.
- The District of Columbia.

A copy of the filing can be found [here](#).

A copy of the OMB Memorandum can be downloaded [here](#).