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Federal Government Transition Update - 1.28.25 [1]

January 28, 2025 by Riley Black [2]

Update: On January 29, OMB released a memo, Rescission of M-25-13 [3], that rescinded the order freezing federal grants. Read the January 29 Federal Government Transition Update [4] for more details.

Dear Colleagues,

On January 27, Acting Director of the White House Office of Management and Budget (OMB) Matthew Vaeth released a memo, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs* [5].

The memo directs agency heads to 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." The pause is effective January 28 at 5 pm Eastern time.

Acting Director Vaeth notes, "This pause will provide the Administration time to review agency programs and determine the best uses of the funding for those programs consistent with the law and the President's priorities." By February 10, 2025, "agencies shall submit to OMB detailed information on any programs, projects or activities subject to this pause." The memo also notes that this pause does not include assistance provided directly to individuals, Social Security and Medicare benefits will not be impacted, and OMB may grant exceptions allowing Federal agencies to issue new awards or take other actions on a case-by-case basis.

This morning, APLU shared an additional OMB memo [6], which states, "Any program not implicated by the President's Executive Orders is not subject to the pause." The Executive Orders listed in the guidance are:

- Protecting the American People Against Invasion [7]
- Reevaluating and Realigning United States Foreign Aid [8]
- Putting America First in International Environmental Agreements [9]
- Unleashing American Energy [10]
- Ending Radical and Wasteful Government DEI Programs and Preferencing [11]
- Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government [12]
- Enforcing the Hyde Amendment [13]

For the time being, until further guidance is issued, we are asking all faculty and staff to continue your work. Our team is actively engaging with members of Congress and monitoring this issue, including any additional direction from federal agencies, intel from the national

associations, and responses from other affected institutions of higher education. We will provide additional guidance about the full impact this temporary pause will have on specific federal grants or programs.

The Education Department confirmed in a statement to *USA Today* [14], direct student loans and Pell Grants will not be impacted by the freeze. We are working to confirm whether campus-based student aid programs, including Federal Work-Study and TRIO are also exempt. APLU recently released a statement [15]expressing concern about the potential impacts of this freeze to federal research grants.

This issue is rapidly evolving, and we recognize the uncertainty and worry our campus communities are experiencing. We are here for you, and we are actively working with the President, Chancellors and our legal team. We encourage you to contact your campus leadership with questions and to discuss impacts on your projects, programs, and departments. The Office of University Counsel and the Office of Federal Relations will continue to analyze the potential impact of these actions on the university's mission and the people who work and learn on our campuses. Please visit the federal relations website for communications and federal memos at https://www.cu.edu/office-government-relations/federal-relations/federal-transition-updates [16].

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