



# White House response adds to confusion on federal funding freeze

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President Trump is seen here after signing a range of executive orders on Jan. 23.

*Anna Moneymaker/Getty Images*

The Office of Management and Budget has rescinded [its call for a pause on payments for federal grants and other programs](#), the White House announced on Wednesday. But the administration said that only the original memo calling for the freeze had been rescinded — not its effort to review federal spending.

Details about the rescinded order were spelled out in a copy of an agency memo shared by Democracy Forward, which led a legal challenge over the effort. The new memo says the heads of executive departments and agencies should contact their general counsels "if you have questions about implementing the President's Executive Orders."

"Facing legal pressure from our clients and in the wake of a federal judge ruling in our case last evening, the Trump-Vance administration has abandoned OMB's ordered federal funding freeze," Democracy Forward said in a statement on Wednesday. "We are proud of our courageous clients — who represent communities across the nation — for going to court to stop the administration's unlawful actions."



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But Karoline Leavitt, the White House press secretary, told reporters that the move simply meant a rescinding of the original Monday directive.

Efforts to "end the egregious waste of federal funding" will continue, according to Leavitt, who said the OMB memo was rescinded "to end any confusion on federal policy created by the court ruling and the dishonest media coverage."

### Confusion and legal challenges

The original memo sparked widespread confusion on Tuesday, as recipients of federal assistance scrambled to make sense of what the order might mean for everything from Medicaid payments to funding for schools, hospitals and shelters. As questions mounted, the White House tried to clarify which programs would not be affected, later specifying that the halt would not impact Medicaid and the Supplemental Nutrition Assistance Program, for example.

Wednesday's statement from the White House could add to the confusion rather than clarify it. Leavitt said the administration expects that rescinding the memo will end the court case against it, but that executive orders on funding reviews issued by President Trump "remain in full force and effect and will be rigorously implemented by all agencies and departments."

Under the original OMB memo [obtained by NPR](#), a temporary pause in funding was set to take effect Tuesday evening, but a senior administration official said that the pause could be as short as a day if an agency determined its programs were in compliance.

The official said the directive should not be interpreted as a full funding freeze. The official, who was not authorized to publicly discuss the internal memo, said that agencies are supposed to review their grants, loans and programs to ensure that they align with the new administration's priorities.



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Administration officials have insisted that the impacts are misunderstood, but the actual text of the memo is far-reaching and the follow-up guidance has been criticized as vague. On Tuesday afternoon, the White House [issued a fact sheet](#) that said "the pause does not apply across-the-board" and that "any program that provides direct benefits to Americans" — like Social Security, Medicare and food stamps — "is explicitly excluded."

Wednesday's developments follow a federal judge's order Tuesday that temporarily blocked the effort to pause federal payments for grants and other programs.

The nonprofit organizations that won the temporary stay had [alleged in their filing](#) that the memo "fails to explain the source of OMB's purported legal authority to gut every grant program in the federal government." The groups also said that the memo failed to consider the interests of grant recipients, "including those to whom money had already been promised."

Shortly after the decision by the federal judge, a group of attorneys general from 22 states and the District of Columbia filed a separate challenge in federal court.

### Congressional reaction

The order provided an early litmus test for just how willing Republicans in Congress would be to cede their power of the purse in deference to the leader of their party — even temporarily.

The order came late Monday night, as House Republicans were gathered at an annual conference in Trump's backyard at his Trump National Doral Golf Club.

As Democrats like Washington Sen. Patty Murray [denounced the measure](#) as "brazen and illegal," most congressional Republicans who spoke about the memo said it was a means to an end to implement Trump's agenda, which is his prerogative.

House Speaker Mike Johnson, R-La., called it "an application of common sense" and said it would "be harmless in the end."

At least one person at the retreat, Rep. Don Bacon, R-Neb., said a heads-up would have been helpful.



POLITICS

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"How are we supposed to defend [it] if we don't know what's coming out and what it really means? And I've got constituents calling, so it's just part of life," he said.

Back on Capitol Hill, Sen. Susan Collins, who chairs the Appropriations Committee, stopped short of criticizing the memo on Tuesday, saying she was "surprised by its breadth." On Wednesday, she said she was pleased it was rescinded.

"While it is not unusual for incoming administrations to review federal programs and policies, this memo was overreaching and created unnecessary confusion and consternation," she said in a statement.

As chair of the committee, Collins will be one of the lawmakers directly responsible for negotiating federal spending under Trump.

Another member of the appropriations committee, Democrat Chris Coons of Delaware, said the original order "caused alarm bordering on chaos in my state." Coons told reporters on Wednesday he was waiting for the administration's next move.

"We'll see what the next order is. I'll remind you that in the first Trump term, he issued a so-called Muslim ban. It was enjoined or overturned, so they reissued it," Coons said.

"There is a persistent attempt at trying to sort of shake the system and see if savings can be identified," he added. "I would have urged a profoundly different approach to that."



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Sen. Kevin Cramer, R-N.D., acknowledged that the move questions the authority of Congress, but said he wasn't concerned.

"[Trump's] testing his own authority," Cramer told reporters Tuesday. "He's getting some guidance that presidents have more authority than they'd traditionally used."

Cramer said he supports a pause to reevaluate spending, but acknowledged the memo represented a "major test of separation of powers."

Sen. Jim Risch, R-Idaho, put it more bluntly.

"For all of you who haven't noticed, this is a different day in Washington, D.C.," he told reporters Tuesday.

- president trump

congress

grants



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