



FIRST 100 DAYS

NACo Webinar Series | Week 1 | January 29, 2025

MEMO ON FEDERAL FUNDING PAUSE

How we got here?

- 1. January 20 – 25:** White House releases 6 Executive Orders
 - Protecting the American People Against Invasion
 - Reevaluating and Realigning United States Foreign Aid
 - Putting America First in International Environmental Agreements
 - Unleashing American Energy Ending Radical and Wasteful Government DEI Programs and Preferencing
 - Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government
 - Enforcing the Hyde Amendment
- 2. January 27:** OMB releases memorandum pausing all federal funding
- 3. January 28:** OMB releases additional guidance clarifying federal funding pause
- 4. January 28:** Federal judge halts OMB memo until February 3
- 5. January 29:** OMB rescinds memorandum

MEMO ON FEDERAL FUNDING PAUSE

Legal & Constitutional Questions

- Impoundment Control Act of 1974
- Constitutional separation of powers
 - New administration with new priorities
- Length of the federal funding pause
- Supreme Court involvement likely...

MEMO ON FEDERAL FUNDING PAUSE



When does the pause go into effect?

January 28 at 5:00 p.m. ET – *Original implementation deadline*

When will the pause end?

While we are still waiting on an exact date, federal agencies have been instructed to submit to OMB detailed information on programs, projects or activities subject to the pause by **February 10, 2025** – *This date is TBD given rescission of memorandum*

MEMO ON FEDERAL FUNDING PAUSE



What programs are impacted by the pause?

The memo orders Federal agencies to temporarily pause all activities related to obligation or disbursement of all Federal financial assistance that may be implicated by the executive orders below:

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

MEMO ON FEDERAL FUNDING PAUSE



What programs are NOT subject to the pause?

- Any program not implicated by the President's Executive Orders is not subject to the pause – *Programs that do not fall within the above EOs are not subject to the pause*
- Programs that provide direct benefits to individuals are excluded from the pause and exempted from the review process. This includes:
 - Social Security
 - Medicare
 - Medicaid
 - Supplemental Nutrition Assistance Program (SNAP)
 - Head Start
 - Rental assistance
 - Pell grants
 - Funds for small businesses
 - Funds for farmers

MEMO ON FEDERAL FUNDING PAUSE



How is federal assistance defined in the memorandum?

Per the January 27 memo, Federal financial assistance means:

- (1) Assistance that recipients or subrecipients receive or administer in the form of:
 - (i) Grants;
 - (ii) Cooperative agreements;
 - (iii) Non-cash contributions or donations of property (including donated surplus property);
 - (iv) Direct appropriations;
 - (v) Food commodities; and
 - (vi) Other financial assistance (except assistance listed in paragraph (2) of this definition).
- (2) For § 200.203 and subpart F of this part, Federal financial assistance also includes assistance that recipients or subrecipients receive or administer in the form of:
 - (i) Loans;
 - (ii) Loan Guarantees;
 - (iii) Interest subsidies; and
 - (iv) Insurance.

MEMO ON FEDERAL FUNDING PAUSE



What are agencies required to do under the memorandum?

Each agency is required to complete a comprehensive analysis of all their Federal financial assistance programs to identify programs, projects, and activities that may conflict with any of the President's executive orders.

MEMO ON FEDERAL FUNDING PAUSE



Under the memo, what exactly are agencies 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 – *Until OMB has reviewed and provided guidance to the agency with respect to the information submitted, possibly on rolling basis*

MEMO ON FEDERAL FUNDING PAUSE



County Role

- Intergovernmental partner
 - Co-implemented of federal funding priorities
 - Shared priorities and impacts
- Collaborative approach rooted in consultation and partnership

MEMO ON FEDERAL FUNDING PAUSE



County Perspective & Priorities

- Disaster assistance and reimbursement
- Strengthen nation's infrastructure
- Support economic prosperity and vitality
- Support the administration of human services
- Direct-to-county investments
- Access to broadband
- Public health and safety

UPDATE ON CONGRESSIONAL ACTIVITY



- **Federal funding**
 - Expires on March 14
 - Topline agreement by end of month?
 - Debt limit inclusion?
- **Debt limit**
 - Summer/early fall deadline to raise above current \$36 trillion
 - Separate from federal funding and reconciliation?
- **Reconciliation**
 - Conflicting paths?
 - Spending cuts

RECONCILIATION



What's on the Horizon?

- 1 reconciliation bill (House) vs. 2 reconciliation bills (Senate)
- Speaker Johnson announced a projected timeline:
 - **January 29:** Blueprint released
 - **Next week:** Markup in House Budget Committee
 - **Next month:** House Committees work on sections
 - **Mid-May:** Send to President Trump for signature

Path forward for reconciliation?

- 1 catch-all reconciliation bill – House Republican leadership
- 2 reconciliations bills – Senate Republican leadership
- Only requires a simple majority

RECONCILIATION



County Priorities in Reconciliation

- NACo continues to advocate to top county priorities and their inclusion in a reconciliation package.
- To learn more about NACo's priorities and engagement related to reconciliation and beyond, visit our Advocacy Hub





FIRST 100 DAYS

NACo Webinar Series | Week 1 | January 29, 2025