

Potential Implications of Trump's Sweeping, Illegal Funding Freeze

January 28, 2025

Late Monday, the acting director of the Office of Management and Budget issued a [memorandum](#) ordering federal agencies to immediately halt vast swaths of federal funding set to go out to states, families, and communities in every part of the country.

The sweeping, unprecedented directive builds on unlawful [executive orders](#) President Trump has signed to deny the American people investments Congress has made. It is not only illegal, but will have severe consequences for real people in every part of the country—in red states and blue states and everywhere in between.

As Senator Murray [wrote](#) to OMB last night alongside House Appropriations Ranking Member DeLauro:

“The scope of what you are ordering is breathtaking, unprecedented, and will have devastating consequences across the country. The law is the law—and we demand you in your role as Acting OMB Director reverse course to ensure requirements enacted into law are faithfully met and the nation’s spending laws are implemented as intended.”

The sweeping directive is effective at 5 PM ET on Tuesday, January 28.

If implemented broadly, as written, this action by the Trump administration could block hundreds of billions of dollars in approved funding—sowing chaos nationwide, hurting American families and businesses, killing jobs, and undermining our national security and emergency preparedness.

Among much else, the directives in the memo **could** block funding for:

- **PUBLIC SAFETY:** Grants for law enforcement and homeland security activities will cease to go out the door, undermining public safety in every state and territory.
- **DISASTER RELIEF:** Public assistance and hazard mitigation grants from the Disaster Relief Fund (DRF) to state, tribal, territorial, and local governments and non-profits to help communities quickly respond to, recover from, and prepare for major disasters will be halted—right as so many communities are struggling after severe natural disasters, most recently in Florida, Georgia, North Carolina, and California.
- **INFRASTRUCTURE PROJECTS:** All federally-funded transportation projects across the country—roads, bridges, public transit, and more—will be halted, including projects already under construction.
- **COMBATTING FENTANYL CRISIS:** Funding for communities to address the substance use disorder crisis and combat the fentanyl crisis will be cut off.
- **988 SUICIDE AND CRISIS LIFELINE:** Funding for the 988 Suicide and Crisis Lifeline, as well as grants for mental health services, will be cut off.

- **BIOMEDICAL RESEARCH:** There will be immediate pauses on all funding for critical health research, including research on cancer, Alzheimer’s disease, and diabetes, as well as clinical trials at the NIH Clinical Center and all across the country—disrupting lifesaving and often time-sensitive research.
- **EMERGENCY PREPAREDNESS:** Critical preparedness and response capability funding used to prepare for disasters, public health emergencies, and chemical, biological, radiological, or nuclear events will be frozen.
- **FIREFIGHTING:** Grants to support firefighters across the country will be halted—this includes grants that help states and localities purchase essential firefighting equipment.
- **HEAD START:** Funding for Head Start programs that provide comprehensive early childhood education for more than 800,000 kids and their families will be cut off. Teachers and staff would not get paid and programs may not be able to stay open.
- **CHILD CARE:** Child care programs across the country will not be able to access the funding they rely on to keep their doors open.
- **K-12 SCHOOLS:** Federal funding for our K-12 schools will be halted. School districts may not be able to access key formula grant funding including Title I, IDEA, Impact Aid, and Career and Technical Education, which would pose tremendous financial burdens on schools in the middle of the school year.
- **HIGHER EDUCATION AND JOB TRAINING:** Millions of students relying on Pell grants, federal student loans, and federal work study will have their plans to pursue postsecondary education and further their careers thrown into chaos as federal financial aid disbursements are paused.
- **HEALTH SERVICES:** Federal funding for community health centers that provide health care for over 30 million Americans will be immediately frozen, creating chaos for patients trying get their prescriptions, a regular checkup, and more.
- **SMALL BUSINESSES:** The Small Business Administration will have to halt loans to small businesses—including those in disaster ravaged communities in North Carolina, Texas, and Florida.
- **VETERANS CARE:** Federal grants to help veterans in rural areas access health care and grants to help veterans get other critical services, including suicide prevention resources, transition assistance, and housing for homeless veterans, will be cut off.

- **NUTRITION ASSISTANCE:** Millions of American citizens who rely on nutrition assistance programs like SNAP, WIC, and school lunch programs will be left hungry as funding is cut off and non-profits who provide additional assistance lose federal funding.
- **TRIBES:** Funding to Tribes for basic government services like health care, public safety, programs, Tribal schools, and food assistance will be halted.
- **PREVENTING VIOLENCE AGAINST WOMEN:** All Violence Against Women Act (VAWA) grants, as well as funding for victims assistance and state and local police, will be cut off.
- **U.S. COMPETITIVENESS:** Existing grants to support research for AI and quantum computing will be halted and any new grant funding would be paused—undermining U.S. innovation and competitiveness with China and putting American jobs at risk.
- **ENERGY JOBS:** Grants for critical energy projects nationwide will be cut off—halting billions of dollars in investment nationwide and jeopardizing good-paying American jobs. The Department of Energy Loan Program Office will halt loans in 28 states, impacting hundreds of thousands construction and operations jobs.
- **FOOD INSPECTIONS:** Some states will have to take on the full financial burden of ensuring the nation’s meat supply is safe if federal cooperative agreements for meat inspection are halted.
- **SUPPORT FOR SERVICEMEMBERS:** Support for a host of DOD financial assistance and grant programs supporting servicemembers and their families will be halted, including the Fisher House, Impact Aid, community noise mitigation, ROTC language training, STEM programs, and the USO.
- **WEAKENS MILITARY READINESS:** Grants and other assistance appropriated to strengthen military effectiveness and defense capacity will be halted, including Defense Production Act support for the defense industrial base, basic research grants necessary to advance key technologies, and small business support to strengthen supply chains.
- **AMERICANS OVERSEAS:** Programs that track and combat the spread of infectious diseases, create business opportunities for American companies in emerging markets, combat terrorism, and counter the influence of the PRC, Russia, and Iran—and efforts to ensure the safety and security of Americans implementing these programs—are all suspended and could be terminated.

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