

# Federal Funding "Pause": Five-Alarm-Fire, Doused for Now

02.04.25 | Linda J. Rosenthal, JD



- *"This last week has been the longest year of my life."* – social media post, Monday, January 27, 2025

Well ahead of Inauguration Day, the incoming Administration announced its strategy: a "shock and awe" blitz.

Many of us remember Shock and Awe 1.0 from January 2017: The "bizarre, rapid-fire presidential policy making" when "every day there's a new, radical initiative...that "doesn't give journalists or the public a chance to get a grip on what just happened." See, e.g., *President Trump and the 'Shock and Awe' Doctrine* (February 1, 2017) Lisa Tolin, *nbcnews.com*.

Version 2.0 in January and February 2025 is like 1.0 on steroids. And it's going largely according to plan: *Project 2025: The Presidential Transition Project*, that is. The 900-page conservative road map and policy bible was carefully developed over the past two years or so "...for conservatives to have a fighting chance to take on the Administrative State and reform our federal government." It is the "... conservative movement's unified effort to be ready for the next conservative Administration to govern at 12:00 noon, January 20, 2025."

"History teaches," the lead authors explain in an introductory section [p. 14], "that a President's power to implement an agenda is at its apex during the Administration's opening days. To execute [it] requires a well-conceived, coordinated, unified plan and a trained and committed cadre of personnel..."

For many weeks, the transition team and allies had "been signaling" they were planning to "flood the zone" in the first 100 days.

That's precisely what's been happening over these last 15 or so days.

### ***Executive Orders Launched First***

Before the sun set on bitter-cold January 20, 2025, there were already seven brand-new Executive Orders from the Oval Office. In the two weeks since then, there have been “dozens” more, some of which will affect the nation’s 501(c)(3) organizations – directly or indirectly. It’s a challenge to keep it all straight! See [Executive Orders Affecting Charitable Nonprofits](#) [chart updated regularly], *National Council of Nonprofits*.

The Executive Orders largely “... reflect proposals outlined in the far-right policy blueprint” – Project 2025 – “even as the president has long tried to distance himself from the controversial document.” See [Here’s How Trump’s Executive Orders Align With Project 2025](#) (February 2, 2025 2:58 pm EST) Alison Kurkee, *Forbes*. See also, e.g., [Project 2025 was the plan all along. Trump is proving it now \(Opinion\)](#) (January 28, 2025, 3:00 am PST) Ryan Teague Beckwith, *msnbc.com*.

Executive orders are just one way for a new Administration to clear the table from the prior occupants of the White House. There are so many other avenues. The shock-and-awe playbook dating back to January 2017 and weaponized since then emphasizes the importance (mostly psychological) of “... [firing tons of missiles](#) into the air so that your adversary can’t figure out which missile is real and which isn’t...”

### ***Week One: Disruption and Chaos***

- “We are already living [Project 2025](#)”: – internet meme

Week One of the new Administration saw the pace of activity from the Oval Office (and the parts of the executive branch that were up and running) proceed briskly with an unrelenting barrage of troubling new EOs along as well as directives, initiatives, orders and consequential – (but often controversial) – actions.

To get a feel for the massive scope of the offensive, take a look at: [The Weekly Lists](#) by Amy Suskind [“Experts in authoritarianism advise to keep a list of things subtly changing around you, so you’ll remember....”]

See, for instance, [The Return – List 11](#) (January 22, 2025): 96 entries. “As promised, Trump flooded the zone with orders after his inauguration, many of which will be fought in the court system, as well as the court of public opinion.”

Ms. Suskind adds: “This is the “[return to ... chaos and dysfunction](#), as if America is living in some frenzied mode awaiting the next eruption. The regime invoked the notion of ‘flood the zone’ and ‘shock and awe’ (we all know how that turned out last time) to describe a daily, all-out blitz of orders and actions. The goal seemed to be to destabilize and overwhelm those who might seek to oppose him....”]

See also: [Opinion: Now We Know: Trump was planning to do Project 2025 all along](#) (February 3, 2025) Juan Williams, *The Hill* [“...[I]t sure looks like the first weeks of Trump’s second term come

directly from Project 2025's playbook....[which] calls for halting federal funds for education and social welfare programs, including limiting eligibility for Medicaid. Well, guess what happened the minute Trump took office? That very plan was put into action. It was not explained which programs should be cut by people in a rush to bring Project 2025 to life. A federal judge quickly intervened to stop this funding freeze, and then Trump backed off [this] extreme plan ...."]

### ***Week Two: Escalation – But Surprising Twists***

As Week Two of the new Administration dawned last Monday morning – January 27th – many ordinary Americans woke up dreading the next round of news from the nation's capital. There was good reason to worry. The Administration had big bombshells lined up, ready to be released during the week, one after another, sometimes only hours apart. See [The Return – List 12](#), January 29, 2025: 124 entries.

Just a week after Inauguration Day, the government launched a particularly destructive missile into the air. The Office of Management and Budget directed the heads of each executive branch or agency to “pause” spending for a little while the newly elected folks can mull over whether spending on this or that is a good idea. See OMB Memorandum (M-25-13) (January 27, 2025): [Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs](#) [2 pp. PDF]. See entries 101-110 on [The Return – Week 12](#), (September 29, 2025).

There were several notable curiosities about the launch of OMB Memorandum (M-25-13).

First: [M-25-13](#) was signed and sent out by the *interim* OMB Director – one Matthew Veath – instead of Russell Vought, the nominee for OMB head who was about to be confirmed by the U.S. Senate. Mr. Vought was OMB Director for part of the 45 Administration. He is also one of the key thought leaders behind [Project 2025](#).

Second: (Via well-sourced reporting) it appears that Acting Director Veath did not go through the usual review channels and did not get final approval from the White House before he acted. See [The Memo That Shocked the White House](#) (January 29, 2025) Ashley Parker, *The Atlantic* [“President Donald Trump intended his flood of executive orders to shock and awe his opponents. But on Monday night, a memo from the Office of Management and Budget instead shocked the Trump White House...”]

Third: This major bombshell was kept under wraps, unlike the customary roll outs of important Administration directives. Usually, there is publicity and great fanfare; after all, what's the point of a shock-and-awe move that no one knows about? The psychological benefit of announcing the plan far and wide serves to overwhelm the ability of the media to keep up with the developments. It also thoroughly exhausts the general population.

### ***So, What Exactly Happened?***

Early last Monday evening – the 27th – Acting OMB Director Veath sent out the documents to the designated officials under cover of darkness and cloaked in secrecy. Described in-house as an “internal memo,” this two-page document is a bizarre directive, rambling and almost nonsensical to people who aren't fluent in Project 25-speak.

There was no notice or grace period. It went into effect immediately. The order to fully comply with the first prong – (namely, freezing enormous amounts of funds) – was less than twenty-four hours off; i.e., Tuesday, January 28th, “no later than 5 pm EST.”

The element of surprise was thwarted when a single intrepid journalist managed to see a copy of the M-25-13 document. She posted a photo of it on social media. It garnered attention right away, particularly when the Washington Post confirmed and re-posted it.

If M-25-13 had not been intercepted it would have wreaked havoc throughout Tuesday (and beyond) across the American economy but – particularly – for the nonprofit sector and the charitable beneficiaries our community serves.

Remarkably, by the next morning – Tuesday the 28th – a lawsuit spearheaded by lead plaintiff National Council of Nonprofits was filed in federal court in the District of Columbia. Its request for emergency relief reached the desk of a judge who issued a temporary stay just minutes ahead of the 5 pm deadline of Memorandum (M-25-13).

Separately, New York’s Attorney General, Letitia James, went before the cameras on Tuesday morning announcing that she and the 22 other Democratic state attorneys general were preparing their own lawsuit with a request for a temporary restraining order. They expected to file it by the end of the day. By Wednesday morning – the 29th – Ms. James informed the public that the litigation was pending in Rhode Island district court with a hearing on temporary relief scheduled within hours.

### ***Whiplash-Inducing Events***

Long story short, all day Tuesday, the 28th, there was chaos and panic. It continued into Wednesday and beyond.

The public learned about the Memorandum (M-25-13) in two ways. First, the plaintiffs’ media announcements received widespread coverage and attention. Second, many organizations around the nation were shocked to find that federal payment portals they depended on were shut down.

On Tuesday (the 28th) and Wednesday (the 29th), there were a number of rapid-fire developments that escalated the confusion and disruptions. For right now, they are summarized in this list:

- OMB issued a fact sheet about M-25-13 on Tuesday the 28th, trying to stem the panic nationwide.
- The panic did not subside. OMB then issued a new and different Memorandum on Tuesday afternoon – numbered M-25-14 – purporting to rescind Monday evening’s memorandum.
- With minutes to go before the Tuesday 5 pm compliance point, the D.C. federal judge issued an emergency administrative stay with a hearing scheduled on Monday, February 3rd for further action.
- Over the next 12 hours or so, there was confusion about whether the purported “rescission of M-25-13” had taken effect or made any court intervention moot.
- On Wednesday morning, the novice White House Press Secretary posted on social media the thoroughly incoherent message that *only* the OMB Memorandum had been rescinded, but not the underlying power and intent to freeze federal funds pursuant to several of the

Executive Orders.

- Late on Wednesday morning, the Rhode Island federal judge in the state attorneys general case indicated his intent to enter a temporary restraining order. Noting the mixed message from the government including – particularly – the White House press office – the judge asked both parties to submit proposed language for this now peculiar situation where a directive may or may not have been mooted.
- On late Friday afternoon, January the 31st, the Rhode Island judge indicated he was preparing an order granting emergency – and expansive – relief. That order was released soon afterward.
- On Monday morning, February 3rd, at the pre-scheduled hearing in the D.C. courtroom on the National Council of Nonprofits’s emergency motion, the judge indicated her intention to grant a temporary restraining order, and a briefing schedule for additional deliberation.

### *Conclusion*

This still-developing story is big and complicated and strange – but enormously consequential. See [\*Trump went for shock and awe. Now he’s mopping up.\*](#) (January 29, 2025, 5:23 pm, updated January 30, 2025) Lisa Kashinsky and Liz Crampton, *politico.com*. See also: [\*‘Congress has not given the Executive limitless power’: Federal judge torches Trump admin with order blocking spending freeze, says ‘actions violate the Constitution’\*](#) (January 31, 2025) Colin Kalmbacher, *Newsbreak*.

Soon to follow will be additional posts with more detail and links to original sources as well as any breaking updates.

- **[Update:** Five minutes after I pressed the “publish” button, I heard Rachel Maddow in the background discussing this case and mentioning reports from nonprofits around the U.S. that the payment portals they rely on are still locked, despite the court orders.]

For now, begin to chew on [\*Memorandum \(M-25-13\)\*](#). That’s the bizarre document that got this mess started. Happily, you can and should move on to the two excellent federal court lawsuit documents:

- Complaint by National Council of Nonprofits and other plaintiffs ([link](#))
- Complaint by 23 Democratic State Attorneys General ([link](#))

Each is well-written: explaining what happened, what they think the Memorandum (M-25-13) means, and why there is strong legal support for a court to tear it up into little bits.

The critical takeaway right now is to acknowledge and applaud the amazing work of the plaintiffs’ groups and their counsel: in particular, the lightning speed in which news of a five-alarm-fire turned into court-filed lawsuits and then became emergency-relief orders. It was – literally – overnight.

This is a master class in rapid-fire and effective resistance.

– Linda J. Rosenthal, J.D., FPLG Information & Research Director