February 11, 2025

#### MEMORANDUM FOR NASA GRANTEE COMMUNITY

SUBJECT: Guidance Regarding OMB Memorandum M-25-14 and Recent Temporary Restraining Orders

On January 27, 2025, the Office of Management and Budget (OMB) issued Memorandum M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs*, which required agencies to temporarily pause Federal financial assistance activities and conduct analyses of programs, projects, and activities to determine if they conflicted with any of the President's Executive Orders. On January 29, 2025, OMB rescinded Memorandum M-25-13 by publishing Memorandum M-25-14.

On January 30, 2025, the United States District Court for the District of Rhode Island, and on February 3, 2025, the United States District Court for the District of Columbia, issued Temporary Restraining Orders (TROs) concerning OMB Memorandum M-25-13. See Appendix A and B of this GN for the Notices of Court Order that was provided "to all Defendants and agencies and their employees, contractors, and grantees" and "to all agencies to which OMB Memorandum M-25-13 was addressed."

As a result of (1) OMB Memorandum M-25-14 rescinding OMB Memorandum M-25-13 and (2) court-imposed TROs concerning OMB Memorandum M-25-13, agencies cannot follow OMB Memorandum M-25-13's instruction to "temporarily pause all activities related to obligation or disbursement of all Federal financial assistance[...]." Accordingly, at this time, NASA is continuing disbursement of Federal financial assistance funding under open grants and cooperative agreements and is releasing disbursements under open awards that may have been paused due to OMB Memorandum M-25-13. This GN supersedes all previously issued GNs.

I appreciate your cooperation and continued commitment to supporting NASA's mission.

Marvin L. Horne Deputy Assistant Administrator for Procurement

Cc: HQ/OP Assistant Administrator Jackson HO/OGC Associate Chief Counsel/ Mr. Barber

HQ/OP Director PGPD/ Ms. Wise

HQ/OP Director PSOD/ Ms. Mitchell

HQ/OP Director ESAD/ Mr. Sage

HQ/OP Director BOT/ Ms. Kalisa

NASA Center/ Procurement Officers

NASA Center/Deputy Procurement Officers

# Appendix A - Notice of Court Order

The following is the Notice of Court Order issued by the United States District Court for the District of Rhode Island that was provided "to all Defendants and agencies and their employees, contractors, and grantees" after the issuance of the <u>Temporary Restraining Order</u>.

#### NOTICE OF COURT ORDER

You are hereby advised that a temporary restraining order has been entered in the case of *New York et al. v. Trump*, No. 25-cv-39-JJM-PAS (D.R.I.), ECF No. 50 (Jan. 31, 2025). You are receiving this Notice pursuant to the Court's directive that notice of the order be provided "to all Defendants and agencies and their employees, contractors, and grantees by Monday, February 3, 2025, at 9 a.m." A copy of the Court's Order is attached for reference.

This case challenges an alleged "pause" of certain Federal financial assistance, related to OMB Memorandum M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs* (Jan. 27, 2025) ("OMB Memo"). Although that OMB Memo was rescinded on January 29, 2025, the plaintiffs in the above-referenced case allege that the funding pause directed by the OMB Memo is still in effect, including because of recently issued Executive Orders by the President.

In response, the Court has entered a temporary restraining order prohibiting certain actions by the Defendants in the case, which is effective immediately. All Defendants—including their employees, contractors, and grantees—must immediately comply with the Court's Order. For complete details and the terms of the Court's Order, please refer to pages 11 and 12 of the enclosed Order.

To assist in your compliance, here is a summary of the key terms:

- 1. Federal agencies cannot pause, freeze, impede, block, cancel, or terminate any awards or obligations on the basis of the OMB Memo, or on the basis of the President's recently issued Executive Orders.
- 2. This prohibition applies to all awards or obligations—not just those involving the Plaintiff States in the above-referenced case—and also applies to future assistance (not just current or existing awards or obligations).
- 3. Agencies may exercise their own authority to pause awards or obligations, provided agencies do so purely based on their own discretion—not as a result of the OMB Memo or the President's Executive Orders—and provided the pause complies with all notice and procedural requirements in the award, agreement, or other instrument relating to such a pause.
  - a. On pages 11 and 12 of the Order, the Court prohibits agencies from pausing funding "except on the basis of the applicable authorizing statutes, regulations, and terms." Thus, agencies remain free to exercise their own discretion under their "authorizing

statutes, regulations, and terms," including any exercise of discretion to pause certain funding. Additionally, agencies remain free to take action pursuant to the terms of the relevant award or obligation, such as in cases of grantee noncompliance.

- b. Any exercise of agency discretion, however, cannot be based on the OMB Memo of the President's Executive Orders, given that the Court has prohibited agencies from "implementing or giving effect to the OMB [Memo] under any other name or title[.]" (Order, pg. 12). Additionally, any decision to pause, stop, delay, or otherwise withhold federal financial assistance programs must comply with all notice and procedural requirements in the award, agreement, or other instrument setting forth the terms of the award or obligation.
- 4. Out of an abundance of caution, all federal agencies (even those not named as defendants in the case) should comply with the above-referenced terms.

As the Court's Order reflects, the above terms are temporary as litigation in the case is ongoing. At present, however, the Court's Order is in effect and must be complied with.

If you have any questions about the scope or effect of the Court's Order, please contact your agency's Office of the General Counsel or your grant office, as appropriate. Thank you for your attention to this matter."

### **Appendix B – OMB Written Notice of Court Order**

The following is the Written Notice of Court Order issued by the United States District Court for the District of Columbia that was provided "to all agencies to which OMB Memorandum M-25-13 was addressed" after the issuance of the <u>Temporary Restraining Order</u>.

## **NOTICE OF COURT ORDER**

This memorandum is notifying you about a temporary restraining order that was entered earlier this evening in the case of *National Council of Nonprofits et al. v. Office of Management and Budget et al.*, No. 25-cv-239-LLA (D.D.C.), ECF No. 30 (Feb. 3, 2025). The case involves a challenge to OMB Memorandum M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs* (Jan. 27, 2025). Although that OMB Memorandum M-25-13 was rescinded on January 29, 2025, the litigation is continuing, and the Court has issued a temporary restraining order directing certain actions. A copy of the Court's Order is attached.

Under the terms of the Court's Order, OMB is "enjoined from implementing, giving effect to, or reinstating under a different name the directives in OMB Memorandum M-25-13 with respect to the disbursement of Federal funds under all open awards."

### In addition, all agencies are hereby instructed:

- Your agency "may not take any steps to implement, give effect to, or reinstate under a different name the directives in OMB Memorandum M-25-13 with respect to the disbursement of Federal Funds under all open awards."
- Your agency must "release any disbursements on open awards that were paused due to OMB Memorandum M-25-13."

In the above instructions, "open awards" means all forms of Federal financial assistance within the scope of OMB Memorandum M-25-13 "that have already been approved and partially disbursed." Thus, the instructions do not apply to issuance of new awards, or to awards that have not yet been awarded to specific individuals or entities (such as NOFOs).

The above instructions do not restrict agencies' compliance with the President's recently issued Executive Orders, nor do they restrict agencies' ability to take actions pursuant to their own authorities independent of OMB Memorandum M-25-13. Please note, however, that the above instructions do not eliminate or supersede any compliance obligations stemming from the separate temporary restraining order issued by a federal court in Rhode Island. See New York et al. v. Trump et al., No. 25-cv-39-JJM-PAS (D.R.I.), ECF No. 50 (Jan. 31, 2025).

To the extent you have questions about your obligations pursuant to this Memorandum or any court order, please contact your agency General Counsel. Thank you for your attention to this matter.

Attachment (copy of temporary restraining order).