



## COLORADO

### Office of the State Controller

Department of Personnel & Administration

1525 Sherman St., 5<sup>th</sup> Floor

Denver, CO 80203

January 30, 2025

Dear Grant Recipient:

On Monday, the federal government announced, in OMB Memorandum M-25-13, that it will be pausing its disbursement of all grant funds through at least February 10, 2025. This order has since been rescinded by OMB M-25-14, but the White House has indicated that the underlying executive orders remain in effect. The original orders include grants that have already been awarded and where work is already moving forward. While the situation is changing rapidly and additional information or federal guidance clarifications may change in the coming days, please be aware that grants awarded by the State of Colorado that are funded by federal grant awards may be impacted by further federal action.

The State of Colorado joined 21 other jurisdictions in challenging the OMB directive. This proceeding is still active and as of the issuance of this letter we have not received an outcome from the litigation, although the judge overseeing the matter has indicated he is likely to issue an order in the State's favor. At this time, an administrative stay to pause the federal directive has been granted in another lawsuit. The stay applies to OMB's direction that agencies pause disbursement of federal funds under all open awards. The stay is currently set to expire at 5:00 p.m. Eastern time on February 3, 2025.

It is unclear what action the federal government will take, but it may include attempting to cancel grants already awarded and refusing to disburse the funds for those grants. Given the current uncertainty regarding federal funding, the State encourages grant recipients to incur only those expenses that are necessary to the continuing operation of their program.

The State recognizes that the federal government's actions have created substantial uncertainty and is continuing to evaluate all of its options to ensure the federal government



meets its commitments. The State intends to continue to honor its payment obligations under the federally funded grants it has awarded so long as the federal government continues to make the associated funds available.

The State is continuing to monitor developments related to federal funding and will provide further updates as they become available. We will follow up with additional information when available.

Sincerely,



Robert Jaros, CPA, MBA, JD  
Colorado State Controller

