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Attorney General Brown Joins Multi-State Lawsuit Challenging Trump Administration's Illegal Attempts to Terminate Critical Federal Funding for States

***Coalition of 22 States Sue Federal Agencies Over Illegal Use of a Single Clause
in Federal Regulations to Terminate Billions of Dollars in Federal Funding***

BALTIMORE, MD (June 24, 2025) – Attorney General Anthony G. Brown joined a coalition of 22 Attorneys General in suing the Trump administration over its unprecedented and unlawful attempts to invoke a single provision buried in the federal regulations to strip away billions of dollars in critical federal funding for states and other grantees. The [lawsuit](#) seeks to limit the Trump administration's use of this regulation to indiscriminately and illegally terminate critical funding for combating violent crime, educating students, protecting clean drinking water, conducting lifesaving medical and scientific research, safeguarding public health, addressing food insecurity, and much more.

“The Trump administration cannot unilaterally cut federal funding that Congress has already approved simply to serve its political agenda,” **said Attorney General Brown.** “We will not stand by while Maryland families lose access to healthy, affordable food or our universities are stripped of critical research funding. This lawsuit is about defending the rule of law and protecting the essential programs our communities rely on.”

Since January 20, at the direction of President Trump and the Department of Government Efficiency (DOGE), federal agencies have stripped away thousands of grants they had previously awarded to states and grantees. The Trump administration has slashed this critical federal funding by invoking a single clause in the federal regulations of the Office of Management and Budget (OMB), which [provides](#) that agencies may terminate an award of federal funding if it “no longer effectuates ... agency priorities.” Those five words have formed the basis for much of the Trump administration's indiscriminate campaign to unlawfully terminate critical funding expressly authorized by Congress and awarded to states.

In Maryland, since January 20, the Trump administration has terminated federal funding for programs that support STEM research in state universities, local food purchase programs that

would support underserved communities, and modernization initiatives for the state's unemployment insurance systems.

As today's lawsuit explains, the Trump administration's decision to invoke this regulation as its basis for slashing billions of dollars of critical funding to states is a dramatic departure from past practice. Before the Trump administration, federal agencies had not terminated grants on a whim merely because the agency's priorities shifted midway during the use of the grant. That was not how they applied the regulation, either.

However, since President Trump took office, federal agencies have shifted course and claimed unfettered authority to terminate grants on a whim and with no advance notice. In February, President Trump issued an executive order formally directing agencies—and the DOGE employees assigned to these agencies—to terminate grants en masse. And federal agencies have carried out that directive by invoking the regulation as grounds for terminating entire programs based on a purported shift in agency priorities, without any notice to the states and in conflict with the federal statutes appropriating funding for these programs.

The lawsuit argues that the Trump administration's decision to invoke the regulation to terminate grants based on their changed agency priorities is unlawful. The lawsuit explains that the regulation does not authorize federal agencies to terminate grants based on changes in agency preferences that occur after a grant is awarded. The lawsuit also notes the importance of obtaining clarity regarding the scope of this regulation, as states collectively accept hundreds of billions of dollars a year that are at risk of termination pursuant to this regulation.

The coalition is filing today's lawsuit against OMB and a number of federal agencies that have unlawfully relied on this regulation to collectively slash billions of dollars in federal funding to states: the Departments of Agriculture, Commerce, Defense, Homeland Security, Justice, Labor, and State, as well as the Environmental Protection Agency, Federal Emergency Management Agency, National Endowment for the Humanities, and National Science Foundation.

The coalition is filing suit in the District of Massachusetts and seeking a declaratory judgment that the OMB regulation and Defendants' regulations do not independently authorize the Trump administration to terminate funding based on agency priorities that were identified after the grant was awarded. In the alternative, the coalition is seeking to vacate the Trump administration's decision—reflected in its uniform practice across all of the Defendant agencies—to invoke the regulation as grounds for terminating billions of dollars of federal funding based on purported changes in agency priorities.

Attorney General Brown joins the attorneys general of New Jersey, Massachusetts, New York, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Michigan, Minnesota, Nevada, New Mexico, Oregon, Rhode Island, Vermont, Wisconsin, the District of Columbia, and the state of Pennsylvania in filing this lawsuit.

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