

United States Senate

WASHINGTON, DC 20510

February 11, 2025

The Honorable Russell Vought
Director
Office of Management and Budget
1650 17th Street NW
Washington, D.C. 20006

Dear Director Vought,

The President's unilateral funding freeze, announced without warning or legal authority, is inflicting serious and lasting harm on Vermonters.¹

Despite the Administration's recent rescission of the memorandum initiating the freeze and a federal court order temporarily blocking the freeze from going into effect, Vermont state agencies and organizations have reported that they are still unable to access federal funding portals they use to pay for their operations. It appears the Administration is not complying with the court order.² These organizations, all of which operate on the tightest of margins, have begun announcing layoffs in response to the freeze.³

On Friday, January 31, 2025, I held a roundtable with Vermont stakeholders who shared their perspectives on the impact of the funding freeze. The stakeholders—non-profits, small businesses, and farmers that represent a range of sectors including health care, housing, education, and agriculture—shared how the freeze is already impacting their work. For example:

- One affordable housing coalition that is leading the development of hundreds of new housing units reported being uncertain as to whether they can continue their current projects.
- A Federally Qualified Health Center that cares for 10,000 Vermonters reported having only several days of cash on hand remaining.
- One community service provider in the Northeast Kingdom that operates Head Start programs in the region reported not being able to access its funding portal, and as a result not being able to make lease payments.

¹ The funding freeze was initiated through a series of Office of Management and Budget memoranda—in particular, M-25-13, which ordered agencies to abruptly stop vast swaths of federal financial assistance to states, families, and communities.

² On February 10, the U.S. District Court of Rhode Island found that the Trump Administration was not in compliance with the earlier restraining order and directed the Administration to comply *State of New York, et al. v. President Donald Trump, et al.* (C.A. No. 25-cv-39-JJM-PAS).

³ *Vermont Orgs Announce Layoffs, Cutbacks After Funding Freeze, Seven Days* (January 31, 2025) (<https://www.sevendaysvt.com/news/vermont-orgs-announce-layoffs-cutbacks-after-funding-freeze-42785978>).

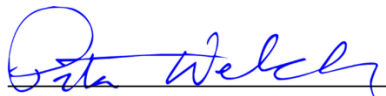
- One private global consulting firm that does international development work reported being owed more than \$3 million by USAID and the State Department for work that has been completed. The firm has already laid off 62 of 88 full-time staff in the United States.
- Regional economic development organizations are unsure if they can proceed with development projects that are ready to go or already have shovels in the ground.
- Farmers are unsure whether they will receive expected payments from USDA, despite assurances that the funding freeze would not apply to them.

These are only a few of the many concerns shared at the roundtable.

The funding freeze is also hurting state agencies and local municipalities. Just last week, the Vermont Agency of Natural Resources reported being unable to access several of its federal accounts—including those that fund clean water and land and water conservation. Additionally, the town of Killington, Vermont, which was awarded a transformational \$25 million infrastructure award to redevelop its downtown, has had its grant funding frozen. The town was told that the previously agreed to construction deadlines must remain in place, without any indication of whether construction costs will be reimbursed.

Federal funding comprises 36% of Vermont's budget.⁴ The state relies on nongovernmental entities that receive federal funding to deliver critical services to Vermonters, from Meals on Wheels to housing for unhoused youth, to childcare for unserved rural families. The Administration's funding freeze and ensuing chaos are already having concrete negative impacts on the people of Vermont. I urge you to immediately reverse the funding freeze order and turn the payment portals back on.

Sincerely,



Peter Welch
United States Senator

⁴ Vermont State House Appropriations Committee, *Overview of Federal Funds in the Vermont Budget*, January 30, 2025.