



**FINANCE AND ADMINISTRATION CABINET
OFFICE OF THE CONTROLLER**

Andy Beshear
GOVERNOR

200 Mero Street, 5th Floor
Frankfort, Kentucky 40622
Phone: (502) 564-5120
Fax: (502) 564-6597

Holly M. Johnson
SECRETARY

L. Joe McDaniel
CONTROLLER

TO: Agency Fiscal Officers
Agency Budget Officers

FROM: Joe McDaniel, Controller
Finance and Administration Cabinet

DATE: January 28, 2025

SUBJECT: OMB Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs

The Office of Management and Budget (OMB) has recently issued Memorandum M-25-13, dated January 27, 2025, which temporarily pauses certain agency grant, loan, and financial assistance programs to ensure alignment with the Administration’s priorities. This pause affects the obligation or disbursement of federal funds and requires federal agencies to review their financial assistance programs.

The pause goes into effect today, January 28 at 5:00 pm. The memo requires that by February 10, 2025, all federal agencies do an analysis of their own programs and submit the analysis to OMB showing if the programs align with the Administration’s priorities on “foreign aid, non-governmental organizations, DEI, woke gender ideology, and the green new deal.” OMB will then review the information and instruct the agencies on the next steps.

Considering this directive, it is critical that we closely monitor the drawdown of federal funds from awarded grants to mitigate potential fiscal impacts on state programs. As such, your agency shall take the following actions immediately:

Monitor for Delays: Identify and document any inaction or delays by federal agencies in the disbursement of federal funds under existing awards. Maintain detailed records of the timing and circumstances surrounding these delays.

Measure Fiscal Impact: Begin compiling, by program, the drawdown amounts that are delayed and the length of time delayed.

Reporting: Submit a comprehensive report detailing any identified delays, federal drawdown systems not operating, and measured fiscal impacts to [Shannon Crane](#), Office of Statewide Accounting Services, when immediately known. Include any actions taken to address the issues at the agency level.

Your cooperation in monitoring and addressing these delays is essential to ensuring that federal funds are utilized effectively to meet the needs of our citizens and programs. Should you require further guidance or have any questions, please do not hesitate to contact the Office of Statewide Accounting Services.

Let us work together to navigate this challenging situation effectively.

