

What's New in the 2025 Edition

This 2025 Edition features extensive coverage of President Trump's second term, which has brought many changes to federal grants and assistance in the span of a few months. We summarize significant developments affecting awarding agencies, recipients, subrecipients and grantee contractors and provides a snapshot of the state of affairs as of mid-year 2025, even as new executive actions—and legal actions challenging them—are ongoing. While the Trump Administration's changes to federal grants are the headline, this update includes other significant case law and policy developments as well. The following are among the most notable new additions:

- Chapter 2, “The Background of Federal Assistance,” includes a new § 2:26, providing an overview of grant policy changes and developments in the early months of President Trump's second term, and legal actions challenging them. Key developments include:
 - Executive Orders such as EO 14154, *Unleashing American Energy*, EO 14169, *Reevaluating and Realigning United States Foreign Aid*, and EO 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, and OMB Memo M-25-13, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs* (now rescinded);
 - The Department of Government Efficiency (DOGE) initiative, and the large volume of grant and assistance award terminations that have resulted from it;
 - Policy changes affecting certain types of awards, such as changes in affirmative action and social programs affecting federally funded construction, and indirect rate caps instituted by NIH, NSF, DoD, and DOE affecting federally funded research and development and even non-R&D awards issued by the DOE.
- Chapter 3, “The Current Environment of Federal Grant Practice,” § 3:12 incorporates useful new guidance from Council on Federal Financial Assistance (COFFA) and the Office of Management and Budget (OMB) for implementing and interpreting the 2024 revisions to the Uniform Guidance.

- Chapter 8, “Federal Fiscal Law and Grants,” § 8:7 incorporates a short new subsection on the Impoundment Control Act.
- Chapter 9, “Principles of Agreement and Statutory Interpretation,” § 9:47, discusses the Supreme Court’s landmark administrative law decision in *Loper Bright*, which overruled *Chevron*.
- Chapter 44, “Grant Periods of Performance, Budget Periods, Extensions, and No-Fault Terminations,” § 44:15 includes expanded coverage of federal awarding agencies’ evolving rights to unilaterally terminate awards, and new § 44:16 addresses notable ongoing litigation challenging federal agencies’ grant terminations.
- Chapter 53, “Domestic Preferences and Other Supply Chain Issues” § 53:7 includes coverage of FHWA’s January 2025 final rule terminating the agency’s general waiver for manufactured products and establishing Buy America requirements for manufactured products on federal aid highway projects.
- Chapter 55, “Government Legal Responses to Grant Fraud,” § 55:35 includes new coverage of the Foreign Corrupt Practices Act (FCPA).

One other noteworthy event in 2025: In a dissenting opinion in *Department of Education et al. v. California et al.*, a high-profile federal grant termination challenge, Justice Ketanji Brown Jackson of the U.S. Supreme Court cited this book on the government’s ability to recoup funds paid in advance to which the recipient is later found not to be entitled: “In the end, the Government usually gets its money.” J. Shaffer & D. Ramish, *Federal Grant Practice* § 36:29 (2024 ed.).

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