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Nonprofits, Public Health Leaders, Small Businesses File Suit to Block OMB Attempt to Halt Essential Services

A coalition of organizations filed a Motion for Temporary Restraining Order in the U.S. District Court for the District of Columbia to block the White House Office of Management and Budget from pausing all agency grants and loans, as revealed in a [memo](#) issued January 27, 2025.

Plaintiffs, represented in the legal challenge by Democracy Forward, include the National Council of Nonprofits, the American Public Health Association, Main Street Alliance, and SAGE.

“This reckless action by the administration would be catastrophic for nonprofit organizations and the people and communities they serve,” said **Diane Yentel, President & CEO of the National Council of Nonprofits**. “From pausing research on cures for childhood cancer to halting housing and food assistance, shuttering domestic violence and homeless shelters, and closing suicide hotlines, the impact of even a short pause in funding could be devastating and cost lives. This order must be halted immediately before such avoidable harm is done.”

“Improving the public’s health by supporting our state, tribal, local and territorial health departments and other national and community-based health organizations is essential and federal agency grants play an extremely critical role in achieving these efforts in every community,” **said Georges C. Benjamin, MD, Executive Director of the American Public Health Association.** “By pausing these vital funds, which were approved by Congress, this decision threatens to stall essential public health and prevention programs and research. Halting these funds stymies progress and is a matter of life and death.”

“For small businesses across America, the administration’s decision to freeze all federal funding could be catastrophic. Federal funding serves as the backbone of many community programs and initiatives that small businesses rely on to thrive,” **said Richard Trent, Main Street Alliance Executive Director.** “Without it, essential services like infrastructure development, workforce training, and childcare programs—services that allow small businesses to operate and grow—will crumble and the ripple effects will hit Main Street hard.”

“Blocking federal grants and loans would devastate the lives of older Americans — including LGBTQ+ elders who already face unique challenges,” **said Michael Adams, SAGE CEO.** “These individuals are more vulnerable to health issues, disabilities, and social isolation and often struggle to access the care and services they need. This reckless decision puts entire communities at risk. We must work together now to protect our older neighbors, friends, and loved ones before it’s too late.”

“The actions taken yesterday are a callous disregard for the rule of law and a drastic abuse of power that will harm millions of Americans across the country,” **said Skye Perryman, President and CEO of Democracy Forward.** “We are honored to represent diverse sectors in urging the court to block this lawless attempt to harm everyday Americans in service of a political goal. It’s past time to put people over politics and we will continue to be in court on behalf of the American people.”

The White House Memo fails to explain the source of OMB’s purported legal authority to gut every grant program in the federal government; it fails to consider the reliance interest of the many grant recipients, including those to whom money had already been promised; and it announces a policy of targeting grant recipients based on those recipients’ exercise of their First Amendment rights and for reasons having no bearing on their eligibility to receive federal funds.

A copy of the complaint is available [here](#).

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