

Trump spending freeze memo that provoked confusion, chaos rescinded

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The Trump administration on Wednesday rescinded a memo issued less than 48 hours earlier that had called for a spending freeze on numerous federal grant and loan programs.

The original memo, released Monday evening by the Office of Management and Budget, led to widespread confusion and frustration by organizations like Meals on Wheels and grantees that rely on funding from the Department of Veterans' Affairs, as well as members of Congress from both political parties.

Maine Republican Sen. Susan Collins, chairwoman of the Appropriations Committee, welcomed OMB rescinding the memo.

"I am pleased that OMB is rescinding the memo imposing sweeping pauses in federal programs," Collins wrote in a statement. "While it is not unusual for incoming administrations to review federal programs and policies, this memo was overreaching and created unnecessary confusion and consternation."

Senate Appropriations Committee ranking member Patty Murray, D-Wash., released a statement on Wednesday afternoon that the Trump administration reversing course was the right decision.

“This is an important victory for the American people whose voices were heard after massive pressure from every corner of this country—real people made a difference by speaking out,” Murray wrote. “Still, the Trump administration—through a combination of sheer incompetence, cruel intentions, and a willful disregard of the law—caused real harm and chaos for millions over the span of the last 48 hours which is still ongoing.”

White House press secretary Karoline Leavitt issued a written statement Wednesday afternoon that seemed to suggest rescinding the memo was meant to get around a judge’s order.

“In light of the injunction, OMB has rescinded the memo to end any confusion on federal policy created by the court ruling and the dishonest media coverage,” Leavitt wrote in a statement. “The Executive Orders issued by the President on funding reviews remain in full force and effect and will be rigorously implemented by all agencies and departments. This action should effectively end the court case and allow the government to focus on enforcing the President’s orders on controlling federal spending. In the coming weeks and months, more executive action will continue to end the egregious waste of federal funding.”

OMB’s decision to rescind the memo Wednesday followed the White House making public assurances Tuesday that the spending freeze wouldn’t impact Social Security, Medicare, Medicaid and direct food assistance programs like the Supplemental Nutrition Assistance Program, or SNAP.

Two separate lawsuits seeking to block the OMB memo from taking effect on Tuesday evening at 5 p.m. were filed in federal district court.

The lawsuit filed by the National Council of Nonprofits, American Public Health Association and Main Street Alliance led to a federal district court judge placing a temporary hold on the planned spending freeze until Feb. 3 at 5 p.m.

A separate federal judge is set to hear arguments from Democratic state attorneys general Wednesday afternoon over whether he should issue a temporary restraining order that would also block the OMB memo from taking effect while the court case continues.

It wasn’t immediately clear how OMB rescinding its Monday evening memo would impact those two lawsuits.

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