



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 03/18/2025

ITEM NO: 12

DATE: March 18, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: Discuss the Impacts of Recent Executive Orders on the Town's Federal Funding and Grants

RECOMMENDATION:

Discuss the impacts of recent Executive Orders (EOs) on the Town's federal funding and grants.

DISCUSSION:

On January 27, 2025, the President's Office of Management and Budget (OMB) released memo M-25-13, initiating a temporary pause on the disbursement of federal financial assistance, including grants and loans. This action aimed to review programs aligned with the administration's policies, particularly targeting initiatives related to diversity, equity, inclusion (DEI), and environmental projects associated with the Green New Deal. The White House provided guidance that the pause was limited to programs, projects, and activities implicated by the President's EOs, "such as ending DEI, the Green New Deal, and funding nongovernmental organizations that undermine the national interest."

On January 29, 2025, the OMB withdrew memo M-25-13 while the White House maintained that the intent of the executive orders related to the funding freeze remained unchanged, leading to ongoing confusion and legal challenges.

During the February 4, 2025, Town Council meeting, Mayor Matthew Hudes and Vice-Mayor Rob Moore requested the Town Council discuss the potential impact of federal actions at a future meeting. As a result, the following report and list of federal awards are intended to facilitate conversation.

It is unclear how federal policy and corresponding legal challenges will unfold. While it appears that federal funding related to DEI initiatives, climate programs, and education may face

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restrictions or scrutiny, all federal funding should be closely monitored. Attachment 1 outlines the Town's current federal funding.

CONCLUSION:

The landscape of federal funding and associated legal challenges continue to evolve. While at present it does not appear that the Town's federal funding is compromised, staff will continue to monitor the situation.

FISCAL IMPACT:

The Town has been awarded nearly \$10,000,000 in federal funding. Approximately \$7.7 million of this funding has not yet been received and could potentially be subject to future changes in federal policy. It is worth noting that this funding is not directly related to DEI initiatives, climate programs, and education.

ENVIRONMENTAL ASSESSMENT:

This report is not a project defined under CEQA, and no further action is required.

Attachments:

1. Town Federal Funding