GAO U.S. Government Accountability Office

DHS Grants: Approach to Terminations and Pauses Disrupted Some Program Activities

GAO-26-109097
Report to Congressional Requesters
September 17, 2026

Why This Matters

The federal government made significant changes to grant programs in 2025 by carrying out large-scale grant terminations, funding pauses, and other grant-related actions. In January 2025, the President directed the heads of federal agencies to implement a series of initiatives to reform government operations. To help advance these initiatives, the President established the Department of Government Efficiency (DOGE), which includes the United States DOGE Service (hereafter referred to as "DOGE"), and directed agencies to establish members of DOGE teams to assist in carrying out administrative priorities.[1] Executive Order 14222 directed agencies to consult with their agency DOGE teams to review federal contracts and grants for termination or modification.[2] In response to this direction from the President, federal agencies have terminated or modified thousands of contracts and grants since January 20, 2025.

In fiscal year 2025, the Department of Homeland Security (DHS), through seven components, obligated over $32 billion for grants and cooperative agreements. State, local, and tribal governments and other entities such as nonprofit organizations use grant funding from DHS to bolster their capacity to prepare for, prevent, and respond to natural disasters and acts of terrorism, among other things. The Federal Emergency Management Agency (FEMA) administered most of DHS's grant programs in fiscal year 2025 and accounts for a majority of DHS's grant obligations. Figure 1 provides examples of some of these activities.

[1]Executive Order 14158 reorganized and renamed the United States Digital Service the United States DOGE Service (hereafter referred to as "DOGE"). The order also established within DOGE the U.S. DOGE Service Temporary Organization and provided that the Temporary Organization was to terminate on July 4, 2026. Exec. Order No. 14158, *Establishing and Implementing the President's "Department of Government Efficiency,"* 90 Fed. Reg. 8441 (Jan. 29, 2025). Generally, agency DOGE teams included a team lead, an engineer, a human resources specialist, and an attorney.

[2]Exec. Order No. 14222, *Implementing the President's "Department of Government Efficiency" Cost Efficiency Initiative*, 90 Fed. Reg. 11095 (Mar. 3, 2025).

Figure 1: Examples of Activities Funded by Department of Homeland Security (DHS) Grants

Source: (From left to right) GAO; Aarom/adobestock.com; S-Fantipeopleimages.com/adobestock.com; Feel Good Studio/adobestock.com; U.S. Coast Guard photo by Capt. Scott Anderson. | GAO-26-109097

We were asked to review DHS and DOGE efforts to terminate grant awards and contracts and make reductions to its workforce. This report, the second in a series, provides information on DHS actions to review and terminate grants from January through September 2025, the number of grants terminated, and the total deobligations for those grants.[3]

Key Takeaways

- Beginning in January 2025, DHS and its components reviewed all grant programs and awards based on direction from the President and the Secretary of Homeland Security.

[3]The first report in this series focused on DHS's efforts to review and terminate contracts from January through September 2025. See GAO, *DHS Contracts: Reported Potential Cost Avoidance from Terminations Will Not Fully Materialize*, GAO-26-109096 (Washington, D.C.: Sept. 3, 2026). The next report in this series will focus on DHS's actions to make reductions to its workforce from January through December 2025.

- Based on this review, four DHS components terminated 362 grant awards and deobligated about $1 billion.
- DHS also placed new conditions on grants, such as requirements that recipients cooperate with federal immigration law enforcement, and took other actions, such as pausing obligations and disbursements. In ongoing and final court cases, courts ordered DHS to remove the conditions it placed on some grants and resume disbursements and obligations.
- DHS's grant actions did not allow it to fully achieve its objectives related to carrying out executive orders and disrupted its mission by delaying implementation of certain grant programs.
- DHS and its components continue to take certain actions in fiscal year 2026 that could impede DHS's implementation of executive orders and disrupt grant programs in the future. For instance, FEMA implemented a process in January 2026 to review grant programs and continue proposing grant terminations.
- We recommended that the Secretary of Homeland Security implement a process to incorporate lessons learned from prior grant actions into its future actions.

How DHS Grants Work

Congress appropriates funding for DHS grant programs to help the agency accomplish a variety of objectives. These include disaster response and recovery, hazard mitigation, terrorism prevention and response, and marine safety, among other things. DHS generally awards grants to state, local, territorial, or tribal governments or private entities, depending on the program.

DHS grant programs have different eligibility requirements and awarding processes. Under some grant programs, DHS awards grants to states, which then determine how to further allocate the funding. For example, under the State Homeland Security Program, a component of the Homeland Security Grant Program, FEMA awards grants to all 50 states and 6 territories based on statutory minimum amounts and a risk methodology.[4] Then, the states distribute grant funding to local entities such as city or county governments.

Under some grant programs, DHS awards grants directly to the final recipient. For example, under the Science and Technology Directorate's Centers of Excellence program, DHS awards grants directly to eligible entities, such as universities, for research and development activities.

DHS awards grants through a variety of different grant mechanisms, which include:

- **Block grants.** These are grants awarded primarily to government entities according to a statutory formula. Block grants can be used for a variety of activities within a broad functional area.
- **Formula grants.** These are grants awarded to eligible recipients, such as states, in accordance with a distribution formula prescribed by law or administrative regulation.
- **Project grants.** These are grants awarded for fixed or known periods of time for specific projects or the delivery of specific services or products.

[4]See 6 U.S.C. § 605(e). FEMA's risk-based model uses threat, vulnerability, and consequence as its core variables.

- **Competitive discretionary grants.** These are grants awarded through a competitive process based on the merit of the proposals.
- **Cooperative agreements.** These are federal financial assistance awards where substantial involvement by the federal agency providing the assistance is expected. On the other hand, no substantial involvement by the federal agency is expected with other types of grants. For the purposes of this report, we refer to both as grants.

The two key steps in awarding and funding grants are obligation and disbursement.

- **Obligations.** Obligations are definite commitments that create a legal liability of the government for the payment of goods and services ordered or received. When DHS closes out or terminates an award, it may cancel or downwardly adjust its previously incurred obligations. This process is called deobligation.[5]
- **Disbursements.** Disbursements are payments made by a federal agency to liquidate a federal obligation. "Disbursement" is used interchangeably with the term "outlay."[6]

Generally, agencies can terminate awarded grants, consistent with the underlying authorization or grant agreement. For example, Office of Management and Budget (OMB) regulations provide that a grant agreement may be terminated for failure to comply with the terms and conditions of the award, by mutual agreement, by the recipient, or pursuant to the terms and conditions of the award, including if the award no longer effectuates the program goals or agency priorities.[7]

Agencies must also comply with OMB regulations governing disbursements to grant recipients. For grant recipients other than states, when a reimbursement method is used, agencies are to make payments within 30 days after receipt of the payment request, unless the agency reasonably believes the request to be improper.[8] For state recipients of most DHS grants, federal grant payments are governed by regulations that limit a funds transfer to a state to the minimum amounts needed by the state. Under these requirements, the agency must transfer funds to states as close as it can to when the state needs to outlay the funds.[9] Agencies may temporarily withhold payments until corrective action is taken if the recipient fails to comply with federal law or the terms and conditions of the award.[10]

[5]GAO, *A Glossary of Terms Used in the Federal Budget Process,* GAO-05-734SP (Washington, D.C.: Sept. 2005).

[6]GAO-05-734SP.

[7]2 C.F.R. § 200.340. The Department of Homeland Security has adopted the Office of Management and Budget guidance in 2 C.F.R. part 200, giving regulatory effect to the guidance. 2 C.F.R. § 3002.10.

[8]2 C.F.R. § 200.305(b)(3).

[9]31 C.F.R. § 205.33.

[10]2 C.F.R. § 200.339.

Executive Orders Directed Federal Agencies to Review Grants

Several executive orders issued between January 20, 2025, and August 7, 2025, directed agencies to reduce federal spending and identify grants with certain purposes, such as providing services to removable noncitizens or promoting diversity, equity, and inclusion.

The President issued the following executive orders in January and February 2025:

- On January 20, 2025, the President issued an executive order that calls for agencies to terminate, to the maximum extent allowed by law, all "equity-related" grants within 60 days of the executive order.[11]
- On January 20, 2025, the President issued an executive order that calls on the Secretary of Homeland Security to
    - ensure, to the maximum extent allowable by law, that "sanctuary jurisdictions" do not receive access to federal funding;
    - immediately review all grants providing federal funding to non-governmental organizations supporting or providing services, directly or indirectly, to removable noncitizens; and
    - pause distribution of all further funds pending the results of the reviews, and terminate agreements found to be in violation of law or to be sources of waste, fraud, or abuse.[12]
- On January 21, 2025, the President issued an executive order that calls for agencies to include in every grant award a term requiring the grant recipient to certify that it does not operate any programs promoting diversity, equity, and inclusion.[13] The order also calls for the termination of all mandates, requirements, programs, or activities related to diversity and equity, among other topics.
- On February 26, 2025, the President issued an executive order that calls for agency heads to consult with DOGE officials to review and, where appropriate and consistent with applicable law, terminate or modify covered grants within 30 days to reduce overall spending or reallocate spending to promote efficiency and advance the priorities of the administration. The executive order covers discretionary grants but excludes direct assistance to individuals; expenditures related to immigration enforcement, law enforcement, the military, public safety, and the intelligence community; among other things.[14]

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[11]Exec. Order No. 14151, *Ending Radical and Wasteful Government DEI Programs and Preferencing,* 90 Fed. Reg. 8339 (Jan. 29, 2025). The executive order does not define "equity-related."

[12]Exec. Order No. 14159, *Protecting the American People Against Invasion,* 90 Fed. Reg. 8443 (Jan. 29, 2025). The executive order does not define "sanctuary jurisdictions."

[13]Exec. Order No. 14173, *Ending Illegal Discrimination and Restoring Merit-Based Opportunity*, 90 Fed. Reg. 8633 (Jan. 31, 2025).

[14]Exec. Order No. 14222.

Additionally, on February 18, 2025, the President issued a memorandum that called for all agencies to publicly provide details of terminated programs, contracts, grants, and any other discontinued obligation of federal funds.[15]

On January 27, 2025, OMB directed agencies to assess all their financial assistance programs, including grant awards under those programs, to identify programs that may be implicated by the President's executive orders. The memorandum directed agencies to temporarily pause all potentially implicated obligations or disbursements.[16]

Certain DHS components concluded their grant reviews pursuant to these presidential directives in March 2025. Later, on August 7, 2025, the President issued another executive order that called for each agency to institute a review process for grants.[17] Specifically, the order directs agency heads to designate a senior official, who is appointed by the President, to create a process to review new grant funding opportunity announcements and discretionary grants to ensure they are consistent with agency priorities and the national interest. In conducting the review and designing the review process, the official is to apply the following principles, among others:

- discretionary awards must demonstrably advance the President's policy priorities;
- discretionary awards must not be used to fund or promote:
    - racial preferences by the grant recipient,
    - "denial by the grant recipient of the sex binary in humans or the notion that sex is a chosen or mutable characteristic,"
    - "illegal immigration," or
    - any other initiatives that "compromise public safety or promote anti-American values," and
- agencies are also to take steps to revise the terms and conditions of grants to permit immediate termination for convenience and to prohibit recipients from drawing down grant funds without affirmative approval of agencies.

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[15]The White House, *Radical Transparency About Wasteful Spending*, Memorandum (Feb. 18, 2025).

[16]Office of Management and Budget, *Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs,* OMB M-25-13 (Washington, D.C.: Jan. 27, 2025). As discussed later, in March 2025, a U.S. district court ordered agencies, while the case is ongoing, not to implement or give effect to the OMB memorandum and not to pause, freeze, terminate, or otherwise impede the disbursement of federal funds under awarded grants based on the OMB memorandum, including funding freezes dictated, described, or implied by executive orders. The order also provided that agencies were to release and transmit to the plaintiff states any disbursements of awarded grants that were paused because of the OMB memorandum or executive orders. Memorandum and Order, *New York v. Trump*, No. 1:25-cv-00039 (D.R.I. Mar. 6, 2025) (ECF No. 161). After an appeal, the U.S. Court of Appeals for the First Circuit affirmed the parts of the injunction ordering agencies not to implement or give effect to the OMB memorandum or pause or impede the disbursement of awarded grants based on the memorandum or executive orders but set aside the part of the injunction that required agencies to release and transmit paused disbursements of awarded grants. Judgment, *New York v. Trump*, No. 25-1236 (1st Cir. Mar. 16, 2026).

[17]Exec. Order No. 14332, *Improving Oversight of Federal Grantmaking,* 90 Fed. Reg. 38929 (Aug. 12, 2025).

DHS Components Reviewed Grants at the Direction of the Secretary

Officials from the DHS Office of the Chief Financial Officer told us that components followed direction from the Secretary of Homeland Security to determine which grants to review and terminate. The officials said they were unsure if DOGE personnel were involved in reviewing grants. According to the officials, DHS did not have a single DOGE team that managed DOGE's efforts across DHS, and they were not aware of a clear DOGE team structure or hierarchy at DHS. Rather, DOGE sent individual representatives to DHS headquarters and to the DHS components. The officials said DOGE representatives partnered with DHS to understand its mission and priorities. They told us that the then-Secretary brought on a number of senior advisors who helped clarify direction that DHS received from the Office of Personnel Management and executive orders regarding administration priorities. The officials were unaware if DOGE representatives were involved in those requests.

On January 28, 2025, the Secretary issued a memorandum that put a hold on grant disbursements and assessments of grant applications for all DHS grants that "go to non-profit organizations or for which non-profit organizations are eligible" or "touch in any way on immigration."[18] The memorandum attributed the funding pause to concerns that these grants may encourage "illegal immigration," contain "racially discriminatory" language, or not be an efficient use of government resources. The memorandum directed each component to review their grant programs and directed the chief counsel of each component to provide a report to the DHS General Counsel regarding all available legal tools to investigate grant recipients' use of DHS funds.

On February 19, 2025, the Secretary issued a memorandum instructing DHS components to review their grant programs to determine if DHS funding, directly or indirectly, was going to sanctuary jurisdictions.[19] The memorandum provided that each component must cease providing federal funding to sanctuary jurisdictions to the extent consistent with the law and the terms and conditions of the awards.

According to officials from the DHS Office of the Chief Financial Officer, six components—Coast Guard, the Countering Weapons of Mass Destruction Office, Cybersecurity and Infrastructure Security Agency, DHS Science and Technology Directorate, FEMA, and U.S. Citizenship and Immigration Services (USCIS)—conducted grant program reviews in response to the Secretary's two memorandums during fiscal year 2025.[20]

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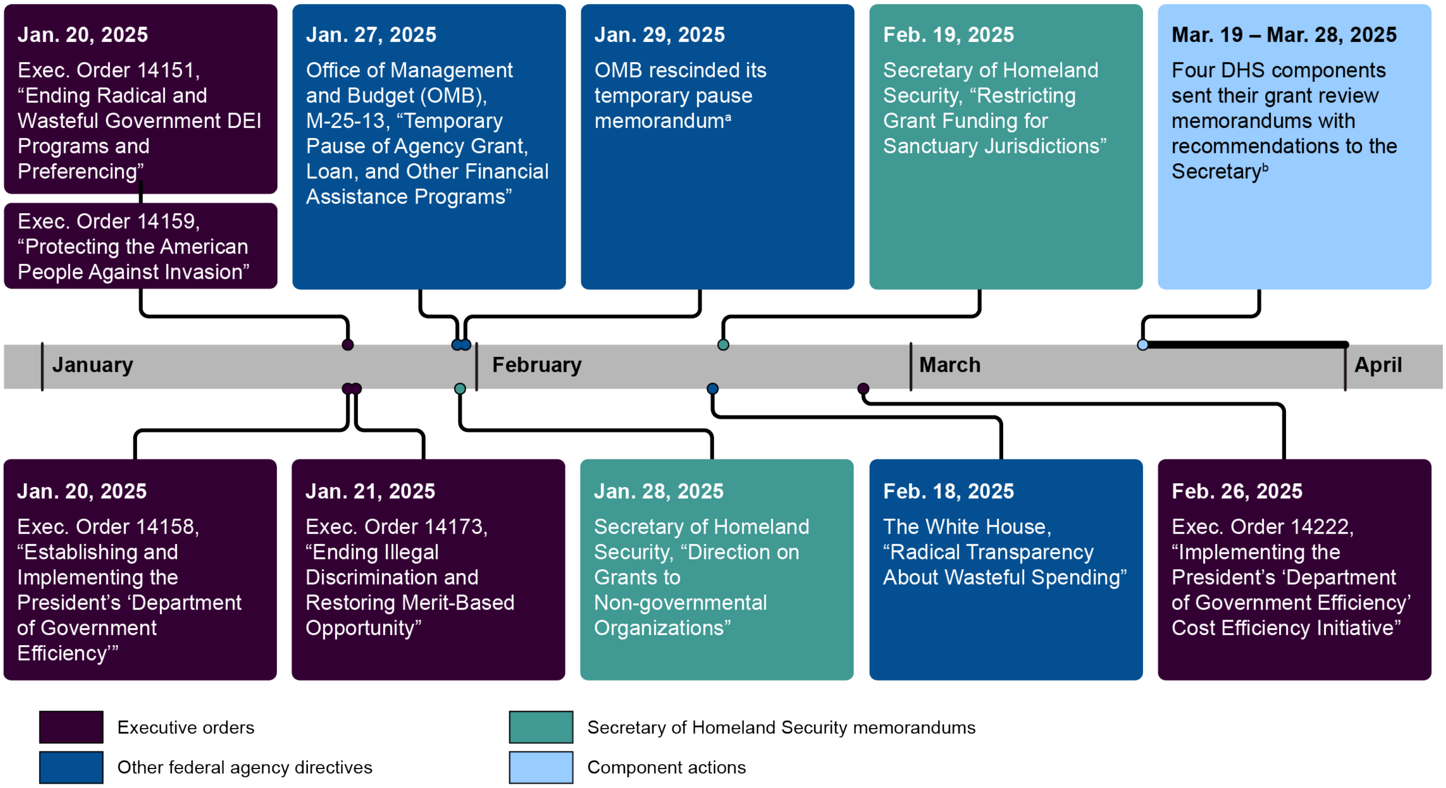
[18]Department of Homeland Security, *Direction on Grants to Non-governmental Organizations*¸ Memorandum (Jan. 28, 2025). The Secretary's memorandum uses the terms "non-profit organization" and "non-governmental organization" interchangeably.

[19]Department of Homeland Security, *Restricting Grant Funding for Sanctuary Jurisdictions,* Memorandum (Feb. 19, 2025). In this memorandum, DHS defines sanctuary jurisdictions as the following: (1) jurisdictions that fail to comply with certain information sharing provisions; (2) jurisdictions that violate other relevant laws, including prohibitions on encouraging or inducing an alien to come to, enter, or reside in the United States in violation of law, prohibitions on transporting or moving illegal aliens, prohibitions on harboring, concealing, or shielding from detection illegal aliens, and any applicable conspiracy, aiding or abetting, or attempt liability respecting these statutes; (3) jurisdictions that fail to honor requests for cooperation, such as participation in joint operations, sharing of information, or requests for short term detention of alien pursuant to a valid detainer; (4) any jurisdiction that fails to provide access to detainees, such as when an immigration officer seeks to interview a person who might be a removable alien; and (5) any jurisdiction that leaks the existence of an enforcement operation.

[20]According to these officials, all six of these components submitted memorandums to the Secretary with recommended actions. DHS did not provide us the memorandums submitted by the

Figure 2 shows relevant executive orders, DHS memorandums regarding grant review, and DHS actions to review grants.

Figure 2: Selected Department of Homeland Security (DHS) Grant Review Actions and Other Directives



Source: GAO review of DHS, OMB, and White House documents. | GAO-26-109097

[a]On March 6, 2025, a U.S. district court ordered agencies not to pause, freeze, terminate, or otherwise impede the disbursement of federal funding based on the OMB memorandum or executive orders while the case is ongoing. The order also provided that agencies were to release to the plaintiff states any disbursements of awarded grants that were paused because of the OMB memorandum or executive orders. Order on Motion for Preliminary Injunction, *New York v. Trump,* No. 1:25-cv-00039 (D.R.I. Mar. 6, 2025) (ECF No. 161). The U.S. Court of Appeals for the First Circuit affirmed the part of the injunction ordering agencies not to pause or impede the disbursement of awarded grants but set aside the part of the injunction that required agencies to release paused disbursements of awarded grants. Judgment, *New York v. Trump*, No. 25-1236 (1st Cir. Mar. 16, 2026).

[b]According to officials from the Office of the Chief Financial Officer, six components submitted memorandums to the Secretary with recommended actions: Coast Guard, the Countering Weapons of Mass Destruction Office, Cybersecurity and Infrastructure Security Agency, DHS Science and Technology Directorate, FEMA, and U.S. Citizenship and Immigration Services (USCIS). DHS did not provide us the memorandums submitted by the Cybersecurity and Infrastructure Security Agency or the Countering Weapons of Mass Destruction Office. These officials did not tell us when those two components submitted their memorandums to the Secretary.

DHS Components Recommended Several Actions Based on Grant Reviews

DHS components recommended actions as a result of their grant reviews. These ranged from continuing grant funding unimpeded to placing conditions on certain grants to terminating grants altogether. The Secretary approved these recommendations between March 24, 2025, and April 3, 2025. We found that DHS took some of these recommended actions, which we discuss later in the report.

USCIS. On March 19, 2025, USCIS requested approval from DHS to terminate all 111 active grant awards under the Citizenship and Integration Grant Program and stated that it did not make any new awards with its fiscal year 2025 funding. USCIS officials informed us that as of June 2026, the agency still had not made any new awards with this funding. According to its grant review memorandum, USCIS determined that its active Citizenship and Integration Grant Program awards did not advance DHS priorities. The memorandum stated that USCIS cannot guarantee the award funding will not assist recipients in participating in

Cybersecurity and Infrastructure Security Agency or the Countering Weapons of Mass Destruction Office.

litigation against the President's policies on immigration or supplement their ability to provide assistance to removable noncitizens.

FEMA. On March 20, 2025, FEMA recommended that DHS review payment requests and evaluate for termination grants under three programs based on the high likelihood these programs provide funding to non-governmental organizations and "touch in any way on immigration," or provide funding to sanctuary jurisdictions. Table 1 provides more information on these grant programs.

Table 1: Grant Programs the Federal Emergency Management Agency (FEMA) Recommended the Department of Homeland Security (DHS) Evaluate for Termination on March 20, 2025

Grant program name	Purpose
Case Management Pilot Program	To award grants to local governments and nonprofits to provide voluntary case management and other services to noncitizens in immigration removal proceedings.
Emergency Food and Shelter Program—Humanitarian	To award grants to local government or nonprofit organizations to provide food, shelter, and other services to families and individuals encountered by DHS.
The Shelter and Services Program	To award grants to state and local governments and nonprofit organizations to offset the cost of providing certain allowable services to noncitizens who had been processed by DHS and were awaiting the outcome of their immigration proceedings. Examples of allowable costs for reimbursement were shelter, food, transportation, acute medical care, and personal hygiene supplies. FEMA and U.S. Customs and Border Protection administered the program jointly.

Source: GAO review of FEMA documentation. | GAO-26-109097

Further, FEMA recommended that DHS conduct further review of payment requests or place conditions on awards under an additional ten grant programs. According to FEMA documents, these ten grant programs had a high likelihood of grant disbursements to non-governmental organizations for programs with a nexus to immigration, or sanctuary jurisdictions. Table 2 provides more information on these grant programs.

Table 2: Grant Programs the Federal Emergency Management Agency (FEMA) Recommended for Further Review or Additional Conditions on March 20, 2025

Grant program name	Purpose
Emergency Management Performance Grant Program	To award grants to state, local, tribal, and territorial governments to assist in preparing for all hazards and phases of emergency management.
Homeland Security Grant Program—State Homeland Security Grant Program	To award grants to states and local and tribal governments to assist in building and sustaining capabilities related to preventing, preparing for, protecting against, and responding to acts of terrorism.
Homeland Security Grant Program—Urban Area Security Initiative	To award grants to states to provide financial assistance to high-risk urban areas in building and sustaining capabilities related to preventing, preparing for, protecting against, and responding to acts of terrorism.
Homeland Security Grant Program—Operation Stonegarden	To award grants to local governments for the purpose of border protection and border security.
Homeland Security National Training Program—Continuing Training Grants—Competitive	To award grants to state, local, tribal, and territorial governments, nonprofit organizations, and public institutions of higher education to help training partners develop and deliver training to prepare whole communities to prevent, protect against, mitigate, respond to, and recover from acts of terrorism and natural, man-made, and technological hazards.

Grant program name	Purpose
Port Security Grant Program	To award grants to port authorities, facility operators, and state and local governments to implement security plans and correct Coast Guard-identified vulnerabilities.
Presidential Residence Protection Assistance Program	To award grants to state and local enforcement agencies and emergency management agencies for extraordinary law enforcement or other emergency personnel costs incurred while protecting any non-governmental residence of the President that is designated or identified to be secured by the U.S. Secret Service.
Regional Catastrophic Preparedness Grant Program	To award grants to certain states to provide resources to close known capability gaps in housing and logistics and supply chain management, encourage innovative regional solutions to issues related to catastrophic incidents, and build on existing regional efforts.
Targeted Violence and Terrorism Prevention Program	To award grants to state, local, tribal, and territorial governments, nonprofit organizations, and public institutions of higher education to help prepare for, prevent, and respond to emergent threats from violent extremism. The program is to do so through planning, developing, implementing, or expanding educational outreach, community engagement, social service programs, training and exercises.
Transit Security Grant Program	To award grants to selected passenger rail, intra-city bus, and ferry operators to build and sustain transit agency security capabilities that protect national security.

Source: GAO review of DHS documentation. | GAO-26-109097

FEMA's review determined that grants under its remaining 39 grant programs had a low risk of conflicting with the Secretary's guidance on agency priorities. FEMA recommended that the Secretary approve these grants to resume normally. Further, FEMA recommended against placing conditions on awards under disaster grant programs and non-disaster mitigation grant programs. FEMA also recommended against placing conditions on grants to fire departments and organizations that comprise the National Urban Search and Rescue Response System, which provides funds for a national network of standardized search and rescue resources to assist states and local governments in responding to hazards.

Science and Technology Directorate. On March 27, 2025, the Science and Technology Directorate requested approval from DHS to terminate all 35 of its active and pending grant awards. The Science and Technology Directorate administered Social, Behavioral, and Economic Science grants, Minority Serving Institutions Scientific Leadership Award grants, and Centers of Excellence grants. According to its grant review memorandum, the Centers of Excellence grants provided essential benefits to DHS components, but the Science and Technology Directorate determined that all its active and pending grants might conflict with the Secretary's guidance.

Coast Guard. On March 28, 2025, Coast Guard determined that all three of its grant programs had a low risk of conflicting with the Secretary's guidance on agency priorities. As such, Coast Guard requested approval to continue funding all active and pending grant awards.

DHS Paused Grant Disbursements and Recipients Challenged the Pauses in Court

DHS paused the disbursement of obligated grant funding pursuant to the Secretary's January 28, 2025, memorandum directing a hold on funding to non-governmental organizations. DHS communications show that it initiated the pause on February 14, 2025. DHS instituted this pause department-wide for all recipients. According to agency communications, the pause was temporary to allow DHS to determine which grant disbursements were directed to non-governmental organizations and should remain paused, and which disbursements it would allow to continue.

Also on February 14, 2025, FEMA formalized a new manual review process of its grant awards. The Senior Official Performing the Duties of FEMA Administrator issued a memorandum directing that all new obligations and disbursements to non-governmental organizations, with certain exceptions, were to be reviewed by the Secretary prior to issuance.

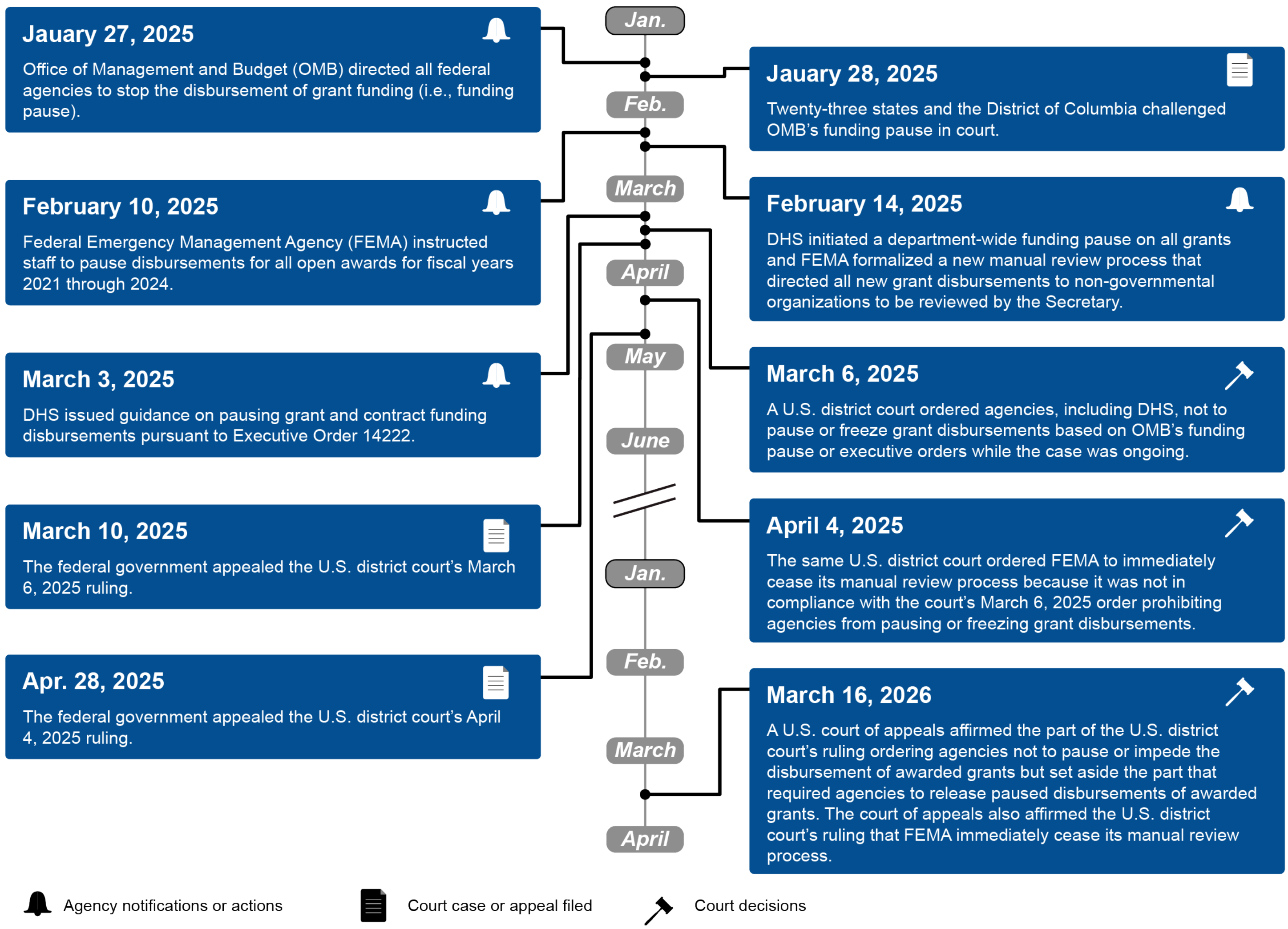
On January 28, 2025, grant recipients challenged disbursement pauses at multiple federal agencies, including DHS, in court. In March 2025, a U.S. district court ordered agencies not to pause or freeze disbursement of grant awards based on the OMB memorandum or executive orders while the case was ongoing.[21] In April 2025, the district court subsequently ordered FEMA to immediately cease its manual review process because it was not in compliance with the earlier order not to pause disbursements.[22]

Figure 3 shows a series of selected DHS actions from 2025 related to its grant disbursement pause and the relevant court orders in response to those actions.

[21]The U.S. district court also ordered the agencies, while the case was ongoing, to release disbursements that were paused due to the OMB memorandum or executive orders. Order on Motion for Preliminary Injunction, *New York v. Trump,* No. 1:25-cv-00039 (D.R.I. Mar. 6, 2025) (ECF No. 161). After an appeal, the U.S. Court of Appeals for the First Circuit affirmed the part of the injunction ordering agencies not to pause or impede the disbursement of awarded grants but set aside the part of the injunction that required agencies to release paused disbursements of awarded grants. Judgment, *New York v. Trump*, No. 25-1236 (1st Cir. Mar. 16, 2026).

[22]Memorandum and Order, *New York*, No. 1:25-cv-00039 (D.R.I. Apr. 4, 2025) (ECF No. 175). The U.S. Court of Appeals for the First Circuit affirmed the district court’s order requiring FEMA to cease its manual review process. Judgment, *New York*, No. 25-1236 (1st Cir. Mar. 16, 2026).

Figure 3: Selected Department of Homeland Security (DHS) Actions to Pause Grant Funding in 2025 and Related Court Orders



Source: GAO review of DHS and OMB documents, executive orders, court filings, and internal DHS communications. | GAO-26-109097

Among the programs affected by DHS's pause of disbursements was its Securing the Cities program. The Securing the Cities program reimburses grant recipients for purchases of equipment, such as radiological and nuclear detection equipment, used to prevent nuclear and other terrorist attacks in high-risk urban areas.[23] The Countering Weapons of Mass Destruction Office told Securing the Cities grant recipients on May 14, 2025, that it would no longer reimburse them for purchases of radiological or nuclear detection equipment. Those items are eligible for reimbursement under the terms of the grant and DHS regularly reimbursed grant recipients for purchasing these items before it paused disbursements in February 2025, according to court filings. As of July 2026, a court case filed by recipients to challenge the reimbursement delays under this program was ongoing.[24]

In addition to the department-wide pause and FEMA manual review, FEMA separately paused grant disbursements for specific programs. For example, on February 14, 2025, the Senior Official Performing the Duties of the FEMA Administrator paused both obligations and disbursements under the Shelter and

[23]See 6 U.S.C. § 596b.

[24]*Chicago v. DHS*, No. 1:25-cv-05462 (N.D. Ill. May 16, 2025).

Services Program, Case Management Pilot Program, and Emergency Food and Shelter Program-Humanitarian—the three programs FEMA recommended DHS evaluate for termination in its March 20, 2025, review memorandum. One month later, on March 11, 2025, FEMA sent letters to Shelter and Services Program grantees informing them that FEMA was temporarily withholding payments under the program, according to court filings. FEMA administers this program jointly with U.S. Customs and Border Protection by providing services such as food, housing, and transportation to individuals released from DHS custody. Court filings also showed that on April 1, 2025, DHS sent letters to grantees informing them that the grants were terminated. After Shelter and Services Program recipients challenged this action, a U.S. district court subsequently prohibited DHS from terminating or withholding funding for fiscal years 2023 and 2024 Shelter and Services Program awards while the case was ongoing.[25]

DHS Terminated 362 Grants and Deobligated About $1 Billion

We found that DHS terminated 362 grants awarded by four DHS components—the Cybersecurity and Infrastructure Security Agency, FEMA, the Science and Technology Directorate, and USCIS. DHS also deobligated about $1 billion for these grants, as shown in table 3. About 89 percent of those deobligations, approximately $887 million, came from the FEMA Shelter and Services Program.[26] We also found that DHS had disbursed about $325 million for these grants.

Table 3: Deobligations and Disbursements for Grants the Department of Homeland Security (DHS) Terminated January 20, 2025 – September 30, 2025

Agency and component	Number of terminated grant awards	Total deobligations after termination[a]	Total disbursements[b]
Total for DHS	**362**	**$1,001,776,785**	**$324,866,161**
Cybersecurity and Infrastructure Security Agency	1	$0	$61,742,996
Federal Emergency Management Agency (FEMA)[c]	215	$999,432,732	$146,188,874
Science and Technology Directorate	35	$1,555	$99,744,581
U.S. Citizenship and Immigration Services (USCIS)	111	$2,342,498[d]	$17,189,710

[25]Order Granting Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. Nov. 3, 2025) (ECF No. 59). We also found that FEMA violated the Impoundment Control Act by improperly withholding or delaying the obligation or expenditure of prior year budget authority for the Shelter and Services Program. GAO, *Department of Homeland Security–Application of the Impoundment Control Act to Federal Emergency Management Agency Prior Year Federal Assistance Appropriations*, B-337204.2 (Washington, D.C.: Sept. 29, 2025).

[26]In November 2025, a U.S. district court prohibited DHS from eliminating or terminating the Shelter and Services Program as created in the 2023 and 2024 appropriations acts and withholding grant funding from all Shelter and Services Program recipients from the fiscal years 2023 and 2024 programs while the case was ongoing. Order Granting Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. Nov. 3, 2025) (ECF No. 59); Order Partially Granting Plaintiffs' Second Motion to Enforce the Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. May 4, 2026) (ECF No. 99).

Source: DHS.gov, USASpending.gov, and DHS officials. | GAO-26-109097

[a]The total deobligations after termination represents the amounts the components obligated, but did not disburse, and then deobligated for these grants after terminating them between January 20, 2025 and March 31, 2026. This field includes only negative-value obligations during the period of our review, which excludes $250,000 in positive obligations made by the Science and Technology Directorate.

[b]The total disbursements generally represents the amounts the components had both obligated and disbursed for these grants prior to terminating them. However, in some instances, agencies may disburse additional funds during the termination and close-out process.

[c]In November 2025, a U.S. district court prohibited DHS from eliminating or terminating the Shelter and Services Program as created in the 2023 and 2024 appropriations acts and withholding grant funding from all Shelter and Services Program recipients from the fiscal years 2023 and 2024 programs while the case was ongoing. Order Granting Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. Nov. 3, 2025) (ECF No. 59); Order Partially Granting Plaintiffs' Second Motion to Enforce the Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. May 4, 2026) (ECF No. 99).

[d]While our review of USASpending data showed that USCIS deobligated $0, DHS officials told us that USCIS deobligated $2,342,498.

In March 2025, recipients of grants under USCIS's Citizenship and Integration Grant Program filed a complaint alleging that the termination of the grants was unlawful. The U.S. district court found that it did not have subject matter jurisdiction to hear the case, and the U.S. Court of Appeals for the Fourth Circuit affirmed the district court order.[27]

As noted in table 3, a group of Shelter and Services Program recipients challenged the termination of their grants in court. In November 2025, the court prohibited DHS from eliminating or terminating the Shelter and Services Program as created in the 2023 and 2024 appropriations acts and withholding grant funding from all recipients from those fiscal years while the case was ongoing.[28] In a separate case in May 2026, a U.S. district court found that FEMA's policy of terminating Shelter and Services Program grants was unlawful as applied to the State of Washington. The court set aside the policy as it applies to Washington and the termination of Washington's Shelter and Services Program award.[29]

Also, in March 2025, the Full-Year Continuing Appropriations and Extensions Act, 2025, continued funding for noncitizen shelter and services at the fiscal year 2024 level. The act provided $650 million by way of transfer from U.S. Customs and Border Protection to FEMA.[30] According to FEMA officials, FEMA partnered with U.S. Immigration and Customs Enforcement to repurpose this funding, formerly used for the Shelter and Services Program, for a new grant program called the Detention Support Grant Program. Under this program, FEMA awarded one noncompetitive grant to the Florida Division of Emergency Management. FEMA officials said the purpose was to reimburse Florida for detaining noncitizens to relieve overcrowding in U.S. Customs and Border Protection facilities.[31]

[27]*Solutions in Hometown Connections v. Noem*, No. 8:25-cv-00885 (D. Md. Mar. 17, 2025).

[28]Order Granting Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. Nov. 3, 2025) (ECF No. 59); Order Partially Granting Plaintiffs' Second Motion to Enforce the Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. May 4, 2026) (ECF No. 99). We also found that FEMA violated the Impoundment Control Act by improperly withholding or delaying the obligation or expenditure of prior year budget authority for the Shelter and Services Program. GAO, B-337204.2.

[29]Order Granting in Part Plaintiff's Motion for Summary Judgment and Denying Defendants' Cross-Motion for Summary Judgment, *Washington v. DHS*, No. 2:25-01401 (W.D. Wash. May 26, 2026) (ECF No. 33).

[30]Pub. L. No. 119-4, § 1101, 139 Stat. 9, 10 (2025); Pub. L. No. 118-47, 138 Stat. 460, 598 (2024).

[31]We have ongoing work regarding FEMA's creation of the Detention Support Grant Program.

Further, in January 2026, FEMA established a process to terminate grants on a rolling basis. FEMA instituted this process as a result of an additional due diligence review it conducted of all its grants to ensure alignment with Executive Order 14332, *Improving Oversight of Federal Grantmaking*, and other administration priorities.[32] The process tasks FEMA's Resilience Grant Programs Directorate with reviewing grants for alignment with administration priorities and executive orders and submitting recommendations for grant award terminations to the FEMA Administrator and then to the Secretary of Homeland Security. Under this new process, FEMA will terminate the recommended grant awards after five days unless otherwise notified by the Secretary. The termination process includes an appeals process for grant recipients that is adjudicated by FEMA. If FEMA's appeals process determines that any grant termination should be reversed, FEMA will seek concurrence from the Secretary on the reversal.

DHS Paused New Obligations for Certain Grants

Two DHS components stopped making new obligations for grants under certain grant programs. On April 4, 2025, FEMA announced the end of the Building Resilient Infrastructure and Communities program in a public advisory.[33] The advisory stated that FEMA's action to end the program ensures that grant funding aligns with the President's executive orders and the Secretary's direction. On April 16, 2025, FEMA issued another advisory announcing it is working to develop a new approach to hazard mitigation. In a separate April 2025 memorandum, the Senior Official Performing the Duties of FEMA Administrator asserted that the Building Resilient Infrastructure and Communities program had not increased hazard mitigation as much as desired. During fiscal year 2025, FEMA did not issue a new notice of funding opportunity, canceled the fiscal year 2024 notice, and stopped making obligations, leaving over $3 billion in unobligated funds. However, according to officials, FEMA continued to issue payments to grant recipients for existing awards during this time. In July 2025, states filed a complaint in U.S. district court, and the court ordered FEMA to reinstate the program, which it did in March 2026.[34]

Additionally, USCIS has not awarded any grants with the $10 million in funding it received for fiscal year 2025. In its grant review memorandum to the Secretary on March 19, 2025, USCIS noted that additional discussion would be needed regarding how its fiscal year 2025 funding and any remaining fiscal year 2024 funding could be used to support the administration's priorities.

DHS Applied New Conditions to Grants

In April 2025, DHS amended the standard terms and conditions that apply to its grants to include conditions related to immigration and diversity, equity, and inclusion. Additionally, FEMA inserted a new condition for recipients of Emergency Management Performance Grants that required states to certify their populations before they could receive grant funds. In April 2026, DHS revised these standard terms and conditions for fiscal year grants awarded in fiscal year 2026.

Immigration-related terms and conditions. DHS amended the standard terms and conditions for grants in April 2025 to require that grant recipients comply with certain provisions related to coordination and cooperation with DHS and immigration officials. For example, DHS required that they must comply with

[32]Exec. Order No. 14332.

[33]We have ongoing work regarding the Building Resilient Infrastructure and Communities Program, which we plan to issue later this year.

[34]*Washington v. FEMA*, No. 1:25-cv-12006 (D. Mass. July 16, 2025).

statutes prohibiting restrictions on information sharing regarding the citizenship or immigration status of individuals by state and local governments. The conditions also provided that recipients must honor requests for cooperation from federal immigration authorities.

In May 2025, a group of 20 states and the District of Columbia challenged the conditions in court, alleging that DHS's actions to apply the conditions to grants were unlawful.[35] In response, in June 2025, DHS stated that it had made a final determination that the immigration-related conditions did not apply to 12 of the grant programs identified in the states' complaint. DHS said it made this determination based on the recommendations identified in the FEMA grant review memorandum discussed earlier. These grant programs were related to disaster relief, hazard mitigation, and preparedness. DHS stated it was still reviewing whether it would apply the conditions to five other grant programs identified in the complaint.[36]

Nevertheless, the U.S. district court found that the immigration-related conditions were unlawful and prohibited DHS and FEMA from enforcing them against the states that were plaintiffs in the case.[37] Subsequently, DHS changed its conditions to state that if the court's order was invalidated, the immigration-related conditions would become effective immediately. The court found that the change violated the order and ordered DHS to remove the conditions.[38] DHS appealed both orders to the U.S. Court of Appeals for the First Circuit, and the case was ongoing as of August 2026.[39]

In April 2026, DHS released a new version of its standard terms and conditions for grants for fiscal year 2026 that revised the immigration-related terms and conditions. The new terms and conditions clarified that DHS would analyze whether to apply the immigration-related terms and conditions to any grant program. The conditions state that DHS may tailor the conditions in this section to a specific grant program. Additionally, the conditions state that DHS will clarify in grant documents whether and how the terms apply to each grant.

Diversity, equity, and inclusion-related conditions. DHS required recipients to certify that they will not operate any programs that promote diversity, equity, and inclusion. Multiple cities and counties filed complaints in four cases, which were

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[35]*Illinois v. FEMA*, No. 1:25-cv-00206 (D.R.I. May 13, 2025).

[36]Defendants' Response in Opposition to Plaintiffs' Motion for a Preliminary Injunction, *Illinois*, No. 1:25-cv-00206 (D.R.I. June 6, 2025) (ECF No. 50). DHS stated that, of the grant programs identified in the complaint, it was not applying the immigration-related conditions to the following grant programs: Public Assistance, Disaster Case Management, Hazard Mitigation Grant Program, Fire Management Assistance Grant, National Earthquake Hazards Reduction Program—Individual State Earthquake Assistance, Flood Mitigation Assistance, National Dam Safety Program, Community Assistance Program—State Support Services Element, National Urban Search & Rescue Response System, Cooperating Technical Partners Program, State and Local Cybersecurity Grant Program, and Nonprofit Security Grant Program. The five programs identified in the complaint that were still under review were: the Emergency Management Performance Grant Program, State Homeland Security Program, Urban Area Security Initiative, Port Security Grant Program, and Presidential Residence Protection Assistance.

[37]Memorandum and Order, *Illinois*, No. 1:25-cv-00206 (D.R.I. Sept. 24, 2025) (ECF No. 71).

[38]Order, *Illinois*, No. 1:25-cv-00206 (D.R.I Oct. 14, 2025) (ECF No. 75).

[39]*Illinois v. FEMA*, No. 25-2131 (1st Cir. Dec. 1, 2025).

later combined into two cases.[40] In one case, the court ordered DHS to refrain from taking any action to withhold, freeze, or condition funds based on the revised conditions while the case was ongoing.[41] In January 2026, the federal government appealed that decision to the U.S. Court of Appeals for the Ninth Circuit.[42] In another case, the court prohibited DHS from imposing or enforcing the conditions on grants while the case was ongoing.[43] In both cases, the court's orders applied only to the cities and counties that were plaintiffs in the case.

The fiscal year 2026 standard terms and conditions that DHS released in April 2026 include the same requirement that recipients must certify they will not operate any programs that promote diversity, equity, and inclusion. Further, DHS officials said they generally include this requirement in the grant-specific terms and conditions that DHS provides with its award documentation. The officials told us they do not apply these conditions where courts ordered DHS not to apply them to certain recipients, and notices of funding opportunity cite cases with preliminary injunctions against enforcing the conditions with respect to recipients that are plaintiffs in cases.

Population certification conditions. According to court filings, FEMA sent letters to every state that received Emergency Management Performance Grants on or around September 30, 2025. FEMA required those states to take the following three steps before they could access the grant funding:

1) provide a certification of the state's population as of September 30, 2025,
2) certify that its reported population does not include individuals that have been removed from the state pursuant to U.S. immigration laws, and
3) explain the methodology used to determine its population.

On September 29, 2025, 11 states and the District of Columbia challenged the action in court. The U.S. district court found the population certification requirement unlawful and ordered that FEMA remove it from all Emergency Management Performance Grants.[44] On February 20, 2026, FEMA appealed the decision to the U.S. Court of Appeals for the First Circuit, and both parties voluntarily dismissed the appeal in May 2026.[45]

DHS Reallocated Grant Funding and Made Other Changes

In addition to the funding pauses, obligations pauses, and grant conditions we discussed earlier, FEMA reallocated funding away from certain grant recipients, changed the period of performance for certain awards, issued notices of funding

[40]*San Francisco v. Trump*, No. 3:25-cv-01350 (N.D. Cal. Feb. 7, 2025); *Santa Clara v. Noem*, No. 3:25-cv-08330 (N.D. Cal. Sept. 30, 2025); *Chicago v. Noem*, No. 1:25-cv-12765 (N.D. Ill. Oct. 20, 2025); *Fresno v. Noem*, No. 5:26-cv-01535 (N.D. Cal Feb. 20, 2026).

[41]Order Granting Preliminary Injunction, *Santa Clara v. Noem*, No. 3:25-cv-08330 (N.D. Cal. Nov. 21, 2025) (ECF No. 74).

[42]*Santa Clara v. Noem*, No. 26-402 (9th Cir. Jan. 20, 2026).

[43]Order Granting Second Preliminary Injunction, *Chicago v. Noem*, No. 1:25-cv-12765 (N.D. Ill. Mar. 2, 2026) (ECF No. 111).

[44]Memorandum and Order, *Illinois v. Noem*, No. 1:25-cv-00495 (D.R.I. Dec. 22, 2025) (ECF No. 53).

[45]*Illinois v. Noem*, No. 26-1182 (1st Cir. Feb. 24, 2026).

opportunity later than it had in prior years, and removed funding from a recipient's central treasury account.

Funding reallocations. FEMA took steps to reallocate grant awards from certain recipients to others, according to court filings. For example, under the State Homeland Security Program and Urban Area Security Initiative, two components of the Homeland Security Grant Program, FEMA issues annual notices of funding opportunity, which generally provide allocations to recipients based on a risk methodology.[46] On July 28, 2025, FEMA issued its notice of funding opportunity for the program, which established target allocations for recipients.

On September 25, 2025, FEMA issued a memorandum stating that any recipients designated as sanctuary jurisdictions would not receive any allocations posted in the notice of funding opportunity—except the statutory minimums—for the State Homeland Security Program. Around this time, FEMA sent award letters to recipients reflecting reallocations from certain recipients designated as sanctuary jurisdictions, according to court filings. Recipients challenged the action in court, and the court ordered FEMA to amend the awards to reflect the original funding allocations from the notices of funding opportunity.[47] FEMA appealed the decision, and the appeal was voluntarily dismissed.[48]

FEMA also reduced one Transit Security Grant Program recipient's funding to zero after having announced a larger grant amount in the notice of funding opportunity. According to court filings, FEMA stated that the reallocation was because the recipient is located in a sanctuary jurisdiction. In October 2025, a U.S. district court ordered FEMA to award the recipient the amount announced in its notice of funding opportunity.[49]

Period of performance changes. On September 17, 2025, FEMA reduced the period of performance for grants under the Emergency Management Performance Grant Program from three years to one year, according to court filings. FEMA did this after announcing in July 2025 in the notice of funding opportunity that the awards would have a period of performance of three years. In December 2025, two U.S. district courts found the change unlawful and ordered FEMA to amend the grants to restore the three-year period of performance that had been announced in the notice of funding opportunity.[50]

Late notices of funding opportunity. DHS also released fiscal year 2025 notices of funding opportunity for many of its preparedness grant programs later than it had in past fiscal years and, in some cases, later than statutory deadlines. In the case of some grant programs, appropriations acts generally include a deadline to publish notices of funding opportunity within 60 days of enactment of

[46]See 6 U.S.C. §§ 604, 605. The State Homeland Security Program also has statutory minimum amounts for each state and territory.

[47]Memorandum and Order, *Illinois v. Noem*, No. 1:25-cv-00495 (D.R.I. Dec. 22, 2025) (ECF No. 53).

[48]Joint Stipulation for Voluntary Dismissal, *Illinois v. Mullin*, No. 26-1182 (1st Cir. May 5, 2026).

[49]Final Judgment of Permanent Injunction, *New York v. Noem*, No. 1:25-cv-08106 (S.D.N.Y. Oct. 16, 2025) (ECF No. 36).

[50]Memorandum and Order, *Illinois v. Noem*, No. 1:25-cv-00495 (D.R.I. Dec. 22, 2025) (ECF No. 53); Opinion and Order, *Michigan v. Noem*, No. 6:25-cv-02053 (D. Or. Dec. 23, 2025) (ECF No. 55). The government appealed the latter case to the U.S. Court of Appeals for the Ninth Circuit, and in May 2026, the case was voluntarily dismissed. Michigan v. Noem, No. 26-1107 (9th Cir. Feb. 25, 2026).

the appropriations acts.[51] FEMA is also required to award the grant for the Emergency Food and Shelter Program within 30 days of the availability of appropriations.[52]

For fiscal year 2025, the appropriations act was enacted on March 15, 2025. FEMA published funding notices between July 28, 2025, and August 6, 2025, or between 135 days and 144 later. Thus, FEMA did not meet any of the statutory deadlines. We previously determined in September 2025 that this delay in the publication of the notice and award of the grant for the Emergency Food and Shelter Program constituted an impermissible withholding and a violation of the Impoundment Control Act.[53]

Removal of funding from a recipient's treasury account. On February 11, 2025, FEMA removed from New York City's central treasury account approximately $80 million in previously awarded and disbursed funding under the Shelter and Services Program. New York subsequently filed a complaint in a U.S. district court, and the case was ongoing as of August 2026.[54]

DHS's Actions Did Not Always Achieve Objectives and Delayed Grants

DHS did not fully achieve its objective of carrying out executive orders and the Secretary's guidance. Further, its actions, such as funding pauses and terminations, delayed the implementation of certain grant programs and posed obstacles for recipients of DHS grants. As previously noted, the executive orders stated that grant review activities were to take place within 30-60 days of the orders' issuance. The stated objectives of DHS's fiscal year 2025 grant review were to (1) reduce federal spending, (2) prohibit certain recipients from accessing federal funds, and (3) prohibit federal funds from supporting removable noncitizens and diversity, equity, and inclusion efforts. At the same time, DHS is responsible for carrying out grant programs, many of which are required in statute, to achieve its missions. However, DHS did not fully achieve these objectives or carry out its grant programs. For instance, DHS:

- did not fully achieve its planned actions to reduce federal spending;
- did not limit access of "sanctuary jurisdictions" to federal grants;
- was not able to withhold all funding from non-governmental organizations that support removable noncitizens;
- hindered the ability of certain grant programs to achieve their purposes, including those codified into law; and
- delayed grants to state and local governments that would strengthen preparedness and resilience.

[51] See, e.g., Pub. L. No. 118-47, § 303, 138 Stat. 460, 610 (2024). This provision applies to the State Homeland Security Program, Operation Stonegarden, Tribal Homeland Security Grant Program, Urban Area Security Initiative, Nonprofit Security Grant Program, Transit Security Grant Program, Port Security Grant Program, and Regional Catastrophic Preparedness Grants.

[52] 42 U.S.C. § 11341.

[53] GAO, Department of Homeland Security – Application of the Impoundment Control Act to Federal Emergency Management Agency Fiscal Year 2025 Federal Assistance Appropriations, B-337204.1 (Washington, D.C.: Sept. 15, 2025).

[54] *New York v. Trump*, No. 1:25-cv-01510 (S.D.N.Y. Feb. 21, 2025).

The following examples provide more information about the effects of DHS's actions on specific grant programs.

Building Resilient Infrastructure and Communities Program. FEMA was ordered to reinstate the Building Resilient Infrastructure and Communities program after a pause on new obligations and awards that lasted 11 months. In a public advisory on April 4, 2025, FEMA stated it would return to the Treasury almost $900 million in funds for the program appropriated by the Infrastructure Investment and Jobs Act. FEMA also stated it would not obligate $3.6 billion from the Disaster Relief Fund that had been set aside for the program. As mentioned earlier, FEMA asserted it was ending the program because it had not increased hazard mitigation as much as desired.

In December 2025, a court ordered FEMA to resume the program.[55] FEMA did so in March 2026 after the court issued an enforcement order that set timelines for FEMA to take actions regarding the program.[56] For example, the court ordered that FEMA issue a notice of funding opportunity for fiscal year 2024 within 21 days. When FEMA reinstated the program, it issued a notice of funding opportunity for fiscal years 2024 and 2025 that announced the availability of $1 billion for the program.[57] According to FEMA officials, FEMA also re-engaged with state, tribal, and territorial partners to resume its programmatic support. Although DHS's actions paused the program for 11 months, DHS did not ultimately accomplish its goal of returning funds to the Disaster Relief Fund and the Treasury and reducing federal spending.

FEMA's 11-month pause of obligations for the program delayed ongoing disaster mitigation projects like electrical infrastructure upgrades to prevent power and heat loss, flood mitigation to reduce injuries and property damage, and pump stations to protect infrastructure during severe storms. We also found that FEMA did not communicate actionable information to FEMA regions, preventing them from performing key functions for 11 months. Further, according to FEMA headquarters officials, FEMA implemented restrictions on external communication that prevented FEMA regions from communicating information to their state partners, who administer subgrants to local communities.

Homeland Security Grant Program. FEMA was ordered to reverse its actions to reallocate funding away from recipients classified as sanctuary jurisdictions under two components of the Homeland Security Grant Program—the State Homeland Security Program and the Urban Area Security Initiative—in December 2025. When FEMA reallocated this funding, recipients challenged the action in court, and the court ordered FEMA to award the amounts initially announced in the notice of funding opportunity.[58] As a result, DHS did not achieve its intended objective. Additionally, its actions delayed projects related to

[55]Summary Judgment Order, *Washington v. FEMA*, No. 1:25-cv-12006 (D. Mass. Dec. 11, 2025) (ECF No. 130).

[56]Order to Enforce the Court's Summary Judgment Order, *Washington,* No. 1:25-cv-12006 (D. Mass. Mar. 6, 2026) (ECF No. 137).

[57]Department of Homeland Security, *Notice of Funding Opportunity (NOFO): Fiscal Year 2024 & 2025 Building Resilient Infrastructure and Communities (BRIC)*, (Mar. 25, 2026)

[58]Memorandum and Order, *Illinois v. Noem*, No. 1:25-cv-00495 (D.R.I. Dec. 22, 2025) (ECF No. 53).

the program's statutory purpose of preventing, preparing for, protecting against, and responding to acts of terrorism.[59]

Shelter and Services Program. DHS was temporarily ordered to reverse its action to pause reimbursement for and terminate Shelter and Services grants. The department withheld funding from recipients and terminated 156 grant awards to achieve its objective of withholding funding from non-governmental organizations that provide services to removable noncitizens. A group of local government grant recipients challenged the action in May 2025, and in November 2025, a U.S. district court prohibited DHS from terminating the program as created in 2023 and 2024 appropriations acts and withholding grant funding from fiscal years 2023 and 2024 recipients while the case was ongoing.[60] As a result, while the case is ongoing, DHS is not able to achieve its intended objective. Further, DHS's action delayed the execution of the statutory purpose of the program, which is to relieve overcrowding in short-term holding facilities.[61]

Securing the Cities Program. DHS's pause of disbursements to Securing the Cities grantees affected its ability to carry out the statutory purpose of those grants. The Securing the Cities program has a statutory purpose to enhance the nation's ability to detect and prevent terrorist attacks and other high-consequence events using nuclear or other radiological materials that pose a high risk to homeland security in high-risk urban areas.[62] Recipients of Securing the Cities grants experienced funding delays that have led them to halt projects. For example, according to court filings, the city of Denver canceled a scheduled training to prevent and respond to terrorist attacks. Further, the city of Boston delayed buying nuclear and radiological detection equipment for its fire department. When DHS paused reimbursements for Securing the Cities grants, recipients sued DHS, and the case was ongoing as of August 2026.[63]

Emergency Management Performance Grant Program. FEMA's actions to reduce the period of performance for these grants imposed obstacles upon the states who challenged the action in court. According to the states' court filings, they use these grant funds for emergency management and security activities and structured their budgeting systems around the receipt of these grants. For example, FEMA has backdated the period of performance for these grants by one year for more than a decade. Court filings state that this practice has allowed states to reimburse localities for emergency management expenses incurred during the prior year. The states who challenged this action in court stated that they had come to rely on this practice when budgeting. For example, according to court filings, with a one-year period of performance and no backdating, these stateswould have been unable to seek reimbursement for any costs incurred during the prior fiscal year. This would have created a one-year funding gap. In December 2025, two U.S. district courts found the change unlawful and ordered

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[59]See 6 U.S.C. §§ 604, 605.

[60]Order Granting Preliminary Injunction, *Chicago v. DHS*, No. 1:25-cv-05463 (N.D. Ill. Nov. 3, 2025) (ECF No. 59).

[61]In fiscal year 2023, FEMA received $800 million by way of transfer from CBP to "support sheltering and related activities provided by non-Federal entities" to relieve overcrowding in CBP facilities. Pub. L. No. 117-328, 136 Stat. 4459, 4730 (2022). In fiscal year 2024, FEMA received an additional $650 million transfer from CBP for the same purposes. Pub. L. No. 118-47, 138 Stat. 460, 598 (2024).

[62]6 U.S.C. § 596b.

[63]*Chicago v. DHS*, No. 1:25-cv-05462 (N.D. Ill. May 16, 2025).

FEMA to amend the grants to restore the three-year period of performance announced in the notice of funding opportunity.[64]

DHS Could Benefit From Incorporating Lessons Learned in Future Grant Actions

Our prior work and OMB guidance state that federal organizations should build a portfolio of high-quality sources of evidence to support decision-making. OMB guidance states that agencies should consider how they will use the results of their evidence-building activities to inform agency decisions and activities.[65] Further, our prior work identified practices that can help federal organizations make evidence-informed decisions.[66] For example, evidence can be used to identify lessons learned from federal efforts and corrective actions to resolve problems. The use of evidence, through considering lessons learned, can help organizations better understand what led to the results achieved or why desired results were not achieved.

DHS and its components continue to take actions similar to those from fiscal year 2025. In January 2026, FEMA, which is responsible for the vast majority of DHS's grant programs, implemented a process to review grant programs and continue proposing grant award terminations. This new process tasks FEMA with reviewing grant awards for alignment with administration priorities and executive orders and submitting recommendations for grant award terminations to the Secretary of Homeland Security. Under this new process, FEMA will terminate the recommended grants after five days unless otherwise notified by the Secretary.

Further, DHS and its components continue to include conditions on fiscal year 2026 grants. In some instances, these conditions are similar to conditions from fiscal year 2025. FEMA includes conditions related to immigration enforcement and diversity, equity, and inclusion for some grant programs.[67] Some conditions are new in fiscal year 2026. For example, FEMA added requirements related to state election procedures in its fiscal year 2026 notice of funding opportunity for the Homeland Security Grant Program. For the election requirements, states and high-risk urban areas must verify the citizenship of all individuals in the state voter registration database within 120 days of accepting their grant awards, among other requirements.[68] DHS also added new conditions related to the termination of awards in its 2026 standard terms and conditions.

In taking these grant actions, DHS raises concerns about whether its recent grant actions may already be causing confusion among grant recipients like in fiscal year 2025. A group of states brought a case in July 2026 challenging the

[64]The period of performance announced in the notice of funding opportunity was backdated one year, as FEMA had done in prior years. Memorandum and Order, *Illinois v. Noem*, No. 1:25-cv-00495 (D.R.I. Dec. 22, 2025) (ECF No. 53); Opinion and Order, *Michigan v. Noem*, No. 6:25-cv-02053 (D. Or. Dec. 23, 2025) (ECF No. 55). The government appealed the latter case to the U.S. Court of Appeals for Ninth Circuit, and in May 2026, the case was voluntarily dismissed. Michigan v. Noem, No. 26-1107 (9th Cir. Feb. 25, 2026)..

[65]Office of Management and Budget, *Phase 1 Implementation of the Foundations for Evidence-Based Policymaking Act of 2018: Learning Agendas, Personnel, and Planning Guidance,* OMB M-19-23 (Washington, D.C.: July 10, 2019).

[66]GAO, *Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts,* GAO-23-105460 (Washington, D.C.: July 12, 2023).

[67]The notices of funding opportunity note that certain conditions do not apply to recipients that are plaintiffs in cases in which the court has issued preliminary injunctions prohibiting the enforcement of the conditions against those recipients.

[68]The notice of funding opportunity provides that FEMA will withhold 20 percent of a recipient's total award until the recipient submits proof of compliance with the election requirements.

immigration conditions, termination conditions, and election requirements, asking the court to prohibit DHS from enforcing them.[69] The complaint states that language in several notices of funding opportunities is unclear and confusing with respect to whether the immigration conditions apply to that program. As discussed previously in our report, grant recipients experienced similar challenges in fiscal year 2025. For example, according to FEMA headquarters officials, FEMA implemented restrictions in fiscal year 2025 on external communication that prevented FEMA regions from communicating information to their state partners. This caused confusion among grant applicants and recipients.

FEMA's January 2026 grant terminations process does not incorporate lessons learned regarding its fiscal year 2025 grant actions. Neither the memorandum outlining the January 2026 grant terminations process nor other DHS documentation we reviewed discussed identifying or taking steps to more effectively carry out intended actions or mitigate the negative effects on its mission and state and local partners that resulted from its prior grant actions.

DHS has an opportunity to take a more measured approach in future grant actions given that it no longer faces a 30-to-60-day requirement to conduct grant reviews and terminations. By developing a department-wide process to ensure that grant-making components, such as FEMA, incorporate lessons learned from prior challenges before taking future actions, DHS would be better positioned to understand why its desired results, such as reducing federal spending, were not fully achieved. Taking into account lessons learned could improve the efficacy of future efforts while also helping to ensure that the statutory purposes of grant programs are implemented as required.

Conclusions

DHS is responsible for carrying out its grant programs to achieve key departmental objectives such as preparing for, preventing, and responding to natural disasters and acts of terrorism. In fiscal year 2025, DHS took several steps to realign its grant programs with the priorities of the new administration. However, DHS did not fully achieve its objective of realigning its grant programs. Its actions, such as funding pauses and terminations, also delayed the implementation of the statutory purpose of certain grant programs and posed obstacles for recipients of DHS grants. FEMA, DHS's largest grant-awarding component, has instituted a process to make future grant award terminations and has continued to add conditions to its grant programs. Without implementing a new approach, DHS may encounter many of the same challenges in the future. Going forward, now that DHS no longer faces the 30-to-60 day requirement to conduct grant reviews and terminations, the agency has the opportunity to take a more measured approach to grant actions. Accordingly, developing a process to ensure that grant-making components incorporate lessons learned from prior challenges could improve the efficacy of future efforts and ensure that statutory purposes are carried out as required.

Recommendation for Executive Action

The Secretary of Homeland Security should develop a process to ensure that grant-making components, such as FEMA, incorporate lessons learned from prior challenges in their grant actions before taking any future grant actions, such as terminating or adding new conditions to grants. (Recommendation 1)

[69] *Illinois v. FEMA*, No. 1:26-cv-00485 (D.R.I. July 23, 2026).

Agency Comments

We provided a draft of this product to DHS for review and comment. DHS provided comments which are reproduced in appendix I. In its comments, DHS agreed with our recommendation and described its planned actions to address it. DHS also provided technical comments, which we incorporated as appropriate.

DHS agreed with our recommendation that it should develop a process to ensure that grant-making components incorporate lessons learned from prior challenges before taking any future grant actions. DHS stated that it would update its financial management policy manual to ensure that components incorporate such lessons learned before taking future grant actions, such as terminating or adding new conditions to grants. DHS added that this policy manual update would ensure that components continue to have standard operating procedures in compliance with program legislation, administration priorities, regulations, and financial assistance policy, and estimated that these actions would be completed by June 2027. We will monitor DHS's actions and the extent to which they address this recommendation.

How GAO Did This Study

This report covers the actions DHS took to review and terminate grants from the initiation of such efforts on January 20, 2025, through the end of fiscal year 2025 on September 30, the number of grants terminated and total deobligated funds for DHS-terminated grants during that period, and the extent to which DHS considered lessons learned from its actions.

To describe how DHS conducted its review of grants, we reviewed executive orders, White House memorandums, and OMB memorandums that prescribed the federal government-wide effort to review and terminate grants. Further, we reviewed memorandums between DHS management and leadership at Coast Guard, FEMA, the Science and Technology Directorate, and USCIS regarding those components' decisions to request authorization to continue, place conditions on, or terminate grants. We also reviewed documents from court cases involving DHS or any DHS component related to grant terminations, funding pauses, or new conditions placed on grant awards. Further, we interviewed officials and collected written responses from the DHS Office of the Chief Financial Officer, FEMA, the Science and Technology Directorate, and USCIS.

To identify the number of grants DHS terminated between January 20, 2025, and September 30, 2025, and associated deobligations, we reviewed data DHS provided on the grants it terminated during the period of our review. We also reviewed publicly available award-level data from three government websites—USASpending.gov, DHS.gov, and DOGE.gov. We obtained data on obligations and outlays by searching the award identification numbers from the list of terminated grants provided by DHS in USASpending.gov, a public website and source of federal government-wide spending data provided by OMB and the Department of the Treasury.

However, we identified minor inconsistencies between the data provided by DHS and the data we found on USASpending.gov. We collected written responses from the DHS Office of the Chief Financial Officer, FEMA, the Science and Technology Directorate, and USCIS regarding these inconsistencies, which we resolved. To assess the reliability of our data, we reviewed USASpending.gov documents explaining its data fields and internal GAO guidance on data reliability regarding USASpending. Further, we conducted manual internal testing to ensure the values we reported for total deobligations on each grant award were consistent across our sources. We determined that the data were reliable for our purposes of identifying the number of grants and associated deobligations.

To describe additional DHS grant-related actions such as funding pauses, obligation pauses, and new provisions added to the terms and conditions of grant awards, we reviewed executive orders; OMB directives; documents from court cases related to these actions involving DHS or any DHS component; and our ongoing work. We interviewed DHS officials at several headquarters offices and components with a nexus to grants and reviewed written responses to questions regarding the components, grant programs, or individual grant awards subject to DHS's grant-related actions.[70]

To evaluate the extent to which DHS considered lessons learned from the effects of its grant review actions, we reviewed relevant statutes to identify the purpose of certain DHS grant programs. Further, we analyzed documents from court cases related to these actions involving DHS or any DHS component. We reviewed these court filings to identify the effects of DHS's grant terminations on DHS's ability to achieve its objectives, including the purpose of its grant programs as directed by law, and describe the effects of DHS's grant-related actions on grant recipients and their communities. We compared FEMA's documentation of its grant termination process to the relevant principles regarding building a portfolio of high-quality sources of evidence to support decision making found in OMB guidance[71] and our prior work on evidence-based policymaking.[72]

We conducted this performance audit from March 2026 to September 2026 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

[70]We interviewed officials at the DHS Office of the Chief Financial Officer, Office of the Chief Procurement Officer, Office of General Counsel, and Science and Technology Directorate. We also interviewed officials at the following components: Coast Guard, Cybersecurity and Infrastructure Security Agency, FEMA, and USCIS.

[71]OMB M-19-23.

[72]GAO-23-105460.

List of Addressees

The Honorable Bennie G. Thompson
Ranking Member
Committee on Homeland Security
House of Representatives

The Honorable J. Luis Correa
Ranking Member
Subcommittee on Border Security and Enforcement
Committee on Homeland Security
House of Representatives

The Honorable Seth Magaziner
Ranking Member
Subcommittee on Counterterrorism and Intelligence
Committee on Homeland Security
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The Honorable Delia C. Ramirez
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Subcommittee on Cybersecurity and Infrastructure Protection
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The Honorable Timothy M. Kennedy
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Subcommittee on Emergency Management and Technology
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The Honorable Shri Thanedar
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Subcommittee on Oversight, Investigations, and Accountability
Committee on Homeland Security
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The Honorable LaMonica McIver
Ranking Member
Subcommittee on Transportation and Maritime Security
Committee on Homeland Security
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We are sending copies of this report to the appropriate congressional committees and the Department of Homeland Security. In addition, the report is available at no charge on the GAO website at https://www.gao.gov.

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Appendix I: Comments from the Department of Homeland Security

U.S. Department of Homeland Security
Washington, DC 20528

Homeland Security

BY ELECTRONIC SUBMISSION

August 21, 2026

Chris Currie
Director, Homeland Security and Justice
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

Re: Management Response to GAO-26-109097, "DHS Grants: Approach to Terminations and Pauses Disrupted Some Program Activities"

Dear Mr. Currie:

Thank you for the opportunity to comment on this draft report. The U.S. Department of Homeland Security (DHS, or the Department) appreciates the U.S. Government Accountability Office's (GAO) work in planning and conducting its review and issuing this report.

DHS leadership is pleased to note GAO's recognition of the Department's efforts to review all grant programs in response to direction from the President and the Secretary of Homeland Security. As noted in the draft report, six Components completed reviews and made risk-based recommendations, including continuing many grant programs identified as low risk. DHS remains committed to ensuring that its grant programs align with administration priorities, publishing funding opportunities within statutory deadlines, and continuing to meet its mission requirements.

The draft report contained one recommendation, with which the Department concurs. Enclosed find our detailed response to the recommendation. DHS previously submitted technical comments addressing several accuracy, contextual, and other issues under a separate cover for GAO's consideration, as appropriate.

Again, thank you for the opportunity to review and comment on this draft report. Please feel free to contact me if you have any questions. We look forward to working with you again in the future.

Sincerely,

JEFFREY M BOBICH
Digitally signed by JEFFREY M BOBICH
Date: 2026.08.21 12:27:51 -04'00'

JEFFREY M. BOBICH
Executive Director
Financial Management and Systems

Enclosure

2

Enclosure: Management Response to Recommendation Contained in GAO-26-109097

GAO recommended that the Secretary of Homeland Security:

Recommendation 1: Develop a process to ensure that the grant-making components, such as FEMA, incorporate lessons learned from prior challenges in its grant actions before taking any future grant actions, such as terminating and adding new conditions to grants.

Response: Concur. The DHS Office of the Chief Financial Officer will update its Financial Management Policy Manual, Chapter 6: Financial Assistance, to ensure that Components incorporate lessons learned from prior challenges in grant actions before taking any future grant actions, such as terminating and adding new conditions to grants. Also, the update will ensure that Components continue to have standard operating procedures in compliance with program legislation, administration priorities, regulations, and financial assistance policy. Estimated Completion Date: June 30, 2027.

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