The Virgin Islands Consortium

Judge Orders Trump Administration to Release Funds as Freeze Continues Despite Alleged Rescission

Despite claims that the executive order freezing federal funds had been rescinded, a federal judge ruled that the administration remains in violation of court orders and must immediately restore funding to key agencies.

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In a notable legal rebuke, Judge John J. McConnell Jr. of the U.S. District Court in Rhode Island ruled on Monday that the Trump administration must immediately comply with a prior court order by unfreezing federal funds that had been previously approved by Congress. This decision comes despite the administration's claim that the executive order freezing these funds had been rescinded.

The case was initiated by a coalition of 22 Democratic-led states and the District of Columbia, led by New York Attorney General Letitia James, who argued that the Trump administration's actions were in violation of a temporary restraining order (TRO) issued by Judge McConnell in late January. The states involved in the suit include California, Massachusetts, New Jersey, Rhode Island, and others, with Rhode Island Attorney General Peter Neronha being among the key figures vocal about the administration's non-compliance.

The TRO, and subsequently the enforcement order, impacts a broad range of federal programs and agencies. Notably, funding for:

- The National Institutes of Health (NIH) - was explicitly mentioned in Judge McConnell's ruling, as the administration had attempted to cut billions in grant funding from this body.
- Environmental Protection Agency (EPA) - funds for programs aimed at pollution reduction, greenhouse gas reduction, and air quality monitoring.
- Department of Energy (DOE) - particularly for initiatives like rooftop solar panel installations and home electrification rebates.
- Department of Health and Human Services (HHS) - affecting programs like Head Start for early childhood education and research into diseases like HIV.

Moreover, funds from two significant legislative packages, the Inflation Reduction Act and the Infrastructure Improvement and Jobs Act, are directly mentioned, suggesting that departments like Transportation, Interior, and others managing infrastructure projects are also affected.

Judge McConnell's decision was based on the principle that court orders must be adhered to without delay, a stance reinforced by citing legal precedents from 1975 which emphasize the mandatory compliance with judicial directives. He criticized the administration's broad freeze as "likely unconstitutional," pointing out that it was causing "irreparable harm" across the nation due to its categorical nature rather than being based on specific allegations of fraud.

The Trump administration, through its Office of Management and Budget and represented by DOJ attorney Daniel Schwei, had argued that the freeze was necessary for ensuring funds were "distributed appropriately" and to prevent fraud. However, Judge McConnell dismissed this defense, stating that the current funding pauses were not linked to specific fraud investigations but were instead an extension of Trump's initial sweeping executive order from January 2025.

The judge has instructed the administration to seek "targeted relief" if they wish to withhold funds under specific, justified circumstances but emphasized that the broad funding freeze must cease. The administration has appealed this decision to the U.S. Court of Appeals for the 1st Circuit, indicating that this legal battle might be far from over.

The ruling has been met with support from environmental groups, health advocates, and those concerned with infrastructure development, who see this as a defense of congressionally mandated spending. However, it has also highlighted ongoing political friction regarding federal spending priorities and the role of the judiciary in government operations.