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January 29, 2025

FINANCE MEMORANDUM

MEMO NO. 25-02

TO: All Department Heads

FROM: Luis P. Salaveria /s/
Director of Finance

SUBJECT: Federal Grant, Loan and Other Financial Assistance Programs

On January 27, 2025, the Federal Office of Management and Budget (OMB) issued Memorandum No. M-25-13 to the heads of federal executive departments and agencies to require federal agencies to identify and review all federal financial assistance programs and supporting activities consistent with the President's policies and requirements, many of which are outlined in the Executive Orders of the President, as noted in the memorandum. On January 29, 2025, the OMB memorandum was rescinded.

Bear in mind that the President's Executive Orders are still in effect and we believe that the comprehensive analysis of federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President's Executive Orders, which had been required under OMB Memorandum No. M-25-13, will still take place. Federal agencies could again be required to pause all activities related to the obligation or disbursement of federal financial assistance at a future date. Further, given that the federal government is operating on a continuing resolution that is effective through March 14, 2025, programs that are not aligned with the President's priorities could be reduced or eliminated in the federal budget for Federal Fiscal Year 2025.

Considering the continued uncertainty, we must be prepared should funding for certain programs be halted or delayed as the impact to the State could be significant. We urge you to keep in contact with your federal counterparts for updated information. In addition, departments should ensure that:

- All federal award information has been uploaded to the State's Federal Award Management System (FAMS).
- All FAMS records are up to date, including status of award.

- Drawdowns of federal funds are current.

We understand that there may be concerns about federally-funded staff. We are actively working on solutions to cover payroll for a certain period (to be determined) should federal funding pause. All employees, regardless of means of financing, are to report to work as normal.

We will also be establishing the Federal Funding Impact Working Group consisting of representatives from affected departments, the Legislature, and our Congressional delegation, which will serve as a clearinghouse for vital information to ensure that any necessary actions and decisions made are in the State's best interests within the guidance provided by the federal government. Departments should report issues to this department at DBF.federal.impact@hawaii.gov to receive priority responses.

Further guidance will be provided as more information becomes available. Your prompt attention to this matter is appreciated.