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[Trump's Federal Funding Pause Threatens State Financials.](#)

- **Agencies were instructed to 'pause' financial assistance**
- **State and city federal grants totaled \$1.1 trillion in 2023**

President Donald Trump's federal funding pause threatens more than \$1 trillion that flows to states, cities and other local governments, putting everything from transit infrastructure to housing projects at risk.

Trump's acting budget director issued a memo directing all agencies to temporarily halt federal financial assistance while the government reviews if the spending complies with an onslaught of recent executive orders. The pause was expected to take effect on Tuesday at 5 p.m. Eastern Time, although a federal judge in Washington temporarily blocked the directive.

Freezing payments would be an unprecedented step and likely ripple across the country because states, cities and jurisdictions such as school districts rely on the federal government for significant amounts of cash.

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Bloomberg CityLab

By Laura Nahmias, Shruti Singh, and Sri Taylor

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