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NEWS FOR IMMEDIATE RELEASE

June 24, 2025

**AG Kaul Files Lawsuit Seeking to Prevent Trump
Administration from Unlawfully Terminating Federal Grants**

MADISON, Wis. – Attorney General Josh Kaul announced today that Wisconsin has joined a coalition in suing the Trump administration over its unprecedented and unlawful attempts to invoke a single provision buried in the federal regulations to strip away billions of dollars in critical federal funding for states and other grantees.

Since January 20, at the direction of President Trump and the Department of Government Efficiency (DOGE), federal agencies have stripped away thousands of grants they had previously awarded to states and grantees. The Trump Administration has slashed this critical federal funding by invoking a single clause – known as the “(a)(4) Clause” -- in the federal regulations of the Office of Management and Budget (OMB), which [provides](#) that agencies may terminate an award of federal funding if it “no longer effectuates ... agency priorities.” Those five words have formed the basis for much of the Trump Administration’s indiscriminate campaign to unlawfully terminate critical funding expressly authorized by Congress and awarded to states.

“The Trump administration has abruptly canceled grants based on its assertion of sweeping authority to do so,” said AG Kaul. “This case seeks to establish that the administration does not have the expansive authority to cancel grants that it has claimed to have.”

Wisconsin alone has seen tens of millions of dollars in grant terminations citing this clause, including but not limited to:

- \$5.4 million from the USDA’s Local Food Purchase Assistance Grant, which paid Wisconsin farmers to grow food for food banks
- \$32 million in Department of Labor grants used to modernize Wisconsin’s unemployment insurance system and improve access for underserved communities
- \$2.1 million from the Department of Defense’s Minerva Research Initiative award to the University of Wisconsin-Madison, which was developing AI and machine learning tools to improve evaluation of federally funded research projects

These funding terminations are part of a broader pattern and are an unprecedented campaign by the federal government to claw back funding already appropriated by Congress. At stake is states’ ability to deliver essential services, invest in local economies, and plan for long-term needs.

Wisconsin currently relies on hundreds of millions of dollars in active federal grants that are potentially at risk of termination under the administration’s broad interpretation of the (a)(4) Clause, including but not limited to:

- More than \$1 billion for broadband access to underserved areas
- Over \$100 million in nutrition programs like WIC and SNAP
- Over \$200 million in ongoing Department of Defense (DOD) awards to UW-Madison alone, along with continued DOD funding for environmental cleanup efforts at sites such as the Badger Army Ammunition Plant and Fort McCoy

The lawsuit asks the court to block the federal government from using the (a)(4) Clause to improperly revoke grants and thereby protect both current and future federal funding from cancellation.

Joining AG Kaul in these lawsuits are the attorneys general of New Jersey, Massachusetts, New York, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Michigan, Minnesota, Nevada, New Mexico, Oregon, Rhode Island, Vermont, the District of Columbia, and the state of Pennsylvania.

A copy of the complaint is available [here](#).