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HFES Bulletin: Trump Administration Executive Orders Continue; Congress Avoids Government Shutdown

Lewis-Burke Associates, LLC – April 4, 2025

The Trump Administration has continued to issue Executive Orders (EOs) that broadly impact the research and development (R&D) enterprise, human factors-oriented activities, the federal workforce, and the regulatory environment. HFES will continue to monitor EOs as they are issued to analyze their impact on human factors and ergonomics (HF/E) priorities.

Please consider reaching out to your Representatives and Senators (find their names and contact information <u>here</u>) to share your impact stories, both now and as more changes occur to communicate the impact of these actions on HF/E priorities.

You can also tell us about your experiences by completing this <u>survey</u>. Lewis-Burke can provide a coherent and concise description of these impacts with your assistance.

Contents

| Recent Continuing Resolution | .1 |
|--|----|
| HFES Responses to Executive Orders and Funding Impacts | .2 |
| Overview of Agency Responses and Impacts | .2 |
| Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative | .5 |
| Radical Transparency About Wasteful Spending | .6 |
| Ensuring Accountability for All Agencies | .6 |
| Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative | |
| Commencing the Reduction of the Federal Bureaucracy | .7 |
| Implementing The President's "Department Of Government Efficiency" Cost Efficiency Initiative | .7 |

Recent Continuing Resolution

Congress also recently passed a year-long Continuing Resolution (CR) that would fund the government at Fiscal Year (FY) 2024 levels through the end of FY 2025 on September 30.

Page | 1

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The CR did enact cuts to federal agencies, mostly through the elimination of earmark funding. The CR also increased defense spending by \$6 billion and imposed a \$13 billion cut to non-defense spending compared to FY 24. The National Institutes of Health (NIH) underwent a \$280 million dollar funding reduction. Under CR conditions, agencies are generally constrained in being able to implement new programming. The Department of Defense (DOD), however, was given "new start" authority and retains the flexibility to start new projects. May 1 will be a critical milestone on the direction of future funding because that is when federal agencies are required to submit their spending and operating plans to Congress and highlight any significant changes to federal program funding compared to FY 2024.

HFES Responses to Executive Orders and Funding Impacts

This is a rapidly developing situation, and federal agencies are taking swift action to comply with EOs. **Members should work with their institutions and organizations to assess how to support existing projects that may not receive full funding.** For those currently working on solicitations, direct outreach to individual program managers to discuss deadlines is advisable, although, please note that agency personnel are likely to be still receiving guidance and, therefore, may not have immediate answers to your questions.

HFES is working with our membership and broader research community to collect impact stories and data – including, for example, job losses, disruptions to students, disruptions to long-term research programs, and disruptions to educational programming/training – to share with Members of Congress and the public and to provide recommendations for next steps and future advocacy. Please consider sharing with the Society the longer-term consequences of the executive actions implemented during the Trump Administration and the potential cuts to spending on specific programs and grants that impact you.

Overview of Agency Responses and Impacts

On January 31, a <u>Temporary Restraining Order</u> (TRO) was issued against the freeze of federal funding related to the January 27 <u>Office of Management and Budget (OMB) memo</u> that had subsequently been rescinded on January 29, stating "the alleged recission of the OMB Directive was in name only and may have been issued simply to defeat the jurisdiction of the courts" and "federal agencies cannot pause, freeze, impede, block, cancel, or terminate any awards or obligations on the basis of the OMB Memo, or on the basis of the President's recently issued Executive Orders." A preliminary injunction was granted on March 6 and stated in <u>the ruling</u> that the Administration was attempting to undermine "the distinct constitutional roles of each branch of government." This TRO follows one issued on February 25, that <u>ruled in favor</u> of the nonprofits suing to halt the

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funding freeze and indicated the groups are likely to be successful in their legal challenge. Under the TROs, agencies may not freeze or cancel funding, but reviews related to the EOs are ongoing.

Agencies are starting to take actions to rehire probationary employees that were initially laid off in response to the Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative EO, which directed agency leadership to "promptly undertake preparations to initiate large-scale reductions in force (RIFs), consistent with applicable law, and to separate from Federal service temporary employees and reemployed annuitants working in areas that will likely be subject to the RIFs," among other directions. On March 13, two judges of the U.S. District Court for the Northern District of California and the U.S. District Court of Maryland both ordered that probationary employees across six agencies, the Department of Defense (DOD), Department of Energy (DOE), Department of Agriculture, Department of the Treasury, Department of the Interior, and the Department of Veterans Affairs be reinstated, citing OPM's lack of authority to order the firings. Other agencies across the federal landscape, such as NSF and Department of Health and Human Services (HHS), have similarly begun the process of rehiring probationary employees that were laid off.

NSF - NSF has published a <u>website</u> dedicated to informing the public on the implementation of President Trump's recent executive orders, which it is updating frequently. Most recently, during the week of March 10, the website was updated to clarify NSF does not recommend avoiding "using a keyword-based approach" to make proposals compliant with EOs and to instead "focus on the substance" of proposals. Previous updates to the website have indicated that ad-hoc reviews are taking place and that all onsite panels and site visits will be virtual until further notice. NSF also indicated it is in the process of reassigning remaining staff to programs that currently do not have program officers due to layoffs. They also specify that any changes to awards in relation to the EOs will be communicated through "normal channels" and that activities like travel, field work, and outreach are permitted to proceed "in accordance with the terms and conditions of existing awards."

The agency is also reviewing individual awards for potential non-allowable activity. While NSF has not issued official guidance on how it is reviewing awards, <u>public reporting</u> indicates that around 10,000 research grants have been flagged for review for potential violations of the Executive Orders, with potential action for grants under review including "cancelling, archiving, or modifying them." Some <u>phrases</u> that have allegedly caused grants to be pulled for review include "cultural relevance," "diversity," "hate speech," "exclusion," and "implicit bias," among others.

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Health – Although several EOs are undergoing litigation, agencies within HHS have been to review all existing grants and contracts that may violate the EOs related to DEI and gender. Specifically at the National Institutes of Health (NIH) a <u>memo</u> went to NIH Institute and Center leadership that states "NIH is in the process of reevaluating the agency's priorities based on the goals of the new administration." In the same memo NIH noted they would comply with the existing court orders. Nature magazine is <u>reporting</u>, that based on a leaked memo, there is a plan to terminate hundreds of active research grants that touch on LGBTQ+, gender identity, and DEI issues. While no official guidance has come from the agency it is reported that these grant terminations will happen immediately with 16 termination letters already delivered. In addition to these terminations, it has also been reported NIH may plan to cut funding for vaccine-hesitancy and mRNA research moving forward. No official statement has been made by the agency.

On March 6th, the NIH announced that it would be centralizing peer review of all applications within the Center for Scientific Review (CSR), which currently runs approximately three-quarters of the NIH peer review process. This would bring reviews currently conducted by the other NIH Institutes and Centers (ICs) under CSR, an idea that has arisen in multiple discussions of how to improve the NIH peer review process throughout many years and is presented as a measure to improve efficiency and save money. The timeline for implementation is currently under review with the Department of Health and Human Services and the Office of Management and Budget, with more information to be published in the Federal Register. Although not directly associated with the Trump Administration's EOs, the move could provide an opportunity for NIH to implement the reductions in force outlined in the February 26, OMB memo as scientific review officers employed at ICs could be laid off due to the policy change. The announcement from NIH can be read <u>here</u>.

On March 27th, the Department of Health and Human Services (HHS) <u>announced</u> a major Reduction in Force (RIF) effort and reorganization of the Department. As a result, HHS let go of approximately 10,000 employees across agencies, a total reduction of 20,000 employees when including early retirement and buyout offers. Additionally, HHS plans to reorganize many agencies, with the Office of the Assistant Secretary for Health (OASH), the Health Resources and Services Administration (HRSA), the Substance Abuse and Mental Health Services Administration (SAMHSA), the Agency for Toxic Substances and Disease Registry (ATSDR), and the National Institute for Occupational Safety and Health (NIOSH) being consolidated into a new "Administration for a Health America (AHA)." According to Secretary Kennedy, AHA will be focused on primary care, maternal and child health, mental health, environmental health, HIV/AIDS, and workforce issues.

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The plan also proposes consolidating the Agency for Healthcare Research and Quality (AHRQ) and the Assistant Secretary for Planning and Evaluation (ASPE) into the Office of Strategy, and reassigning programs within the Administration for Community Living (ACL) into other HHS agencies.

At the time of this writing, RIFs taking place at the Department of Health and Human Services (HHS) have essentially gutted federal health agencies like NIOSH. Those close to the matter have reported that nearly 85 percent of NIOSH's workforce was let go earlier this week, leaving employees in just two divisions: the World Trade Center Health program and the Division of Compensation Analysis and Support. This means that many NIOSH programs like the Education and Research Centers (ERCs) are likely to be impacted.

Additionally, agencies like the <u>U.S. Food and Drug Administration (FDA)</u> and <u>AHRQ</u> experienced significant RIFs of 19 percent and 37 percent, respectively. The FDA has stated that the RIFs will focus on centralizing administrative functions and similar operations and will not affect drug, medical device, or food reviews. As for AHRQ, the majority of the cuts made have targeted the Center for Evidence and Practice Improvement.

This is still breaking news, and we are closely tracking how the RIFs are being implemented across federal health agencies. The advocacy community is already looking for ways to mobilize as these changes are still being uncovered in real time.

Additional EOs

Additional information on the EOs that directly impact HF priorities are listed below:

Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative

Issued February 11, 2025, this EO directs OMB to "submit a plan to reduce the size of the Federal Government's workforce through efficiency improvements and attrition (Plan)." The EO mandates that agencies hire no more than one employee for every four who leave. Agency leadership is directed to work with the "DOGE Team Lead" to facilitate the hiring of new career staff. Additionally, agency leadership is directed to "promptly undertake preparations to initiate large-scale reductions in force (RIFs)." Agency offices that are not mandated by statute are to be prioritized under the RIF, in addition to "all agency diversity, equity, and inclusion initiatives," and "components and employees performing functions not mandated by statute or other law who are not typically designated as essential during a lapse in appropriations."

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On February 26, OMB released a memo called "Guidance on Agency RIF and Reorganization Plans Requested by "Implementing The President's "Department of Government Efficiency" Workforce Optimization Initiative." The order directs federal agencies to develop "Agency RIF and Reorganization Plans (ARRP)." ARRPs will detail agency efforts to reduce full-time equivalent (FTE) positions and reduce budget toplines, among other efforts. For Phase 1, agencies are directed to submit plans for immediate and short-term cuts by March 13. For Phase 2, agencies must develop long-term reforms and strategic transformation by April 14.

Radical Transparency About Wasteful Spending

On February 18, this memo was issued to all federal agencies. The memo directs executive departments and agencies to "make public, to the maximum extent permitted by law... the complete details of every terminated program, cancelled contract, terminated grant, or any other discontinued obligation of Federal funds."

Ensuring Accountability for All Agencies

Issued February 18, 2025, this EO notes, "all executive departments and agencies, including so-called independent agencies, shall submit for review all proposed and final significant regulatory actions to the Office of Information and Regulatory Affairs (OIRA)." This would require all independent agencies to submit proposed and final regulatory actions to the Office of Information and Regulatory Affairs (OIRA) prior to publicizing them on the Federal Register. This also directs OMB to monitor funding allocations of agencies to confirm their priorities align with the President's and requires regulatory agencies to work with OMB and the White House to submit strategic plans for review before finalization and implementation.

Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative

Issued February 19, 2025, this EO mandates agencies work with DOGE and OMB to review existing regulations for constitutionality, legality, and impact on the national interest, aiming to rescind those that exceed constitutional authority or hinder economic and social progress. It also instructs agencies to de-prioritize enforcement of unlawful or excessive regulations and consider constitutional implications when creating new regulations. The EO emphasizes efficient governance to reduce burdens on businesses, encourage innovation, and ensure laws are properly enforced.

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Commencing the Reduction of the Federal Bureaucracy

Issued on February 19, the EO states that the policy of the Trump Administration is to dramatically reduce the size of the Federal Government. The agencies targeted for elimination in this EO are the Presidio Trust, the Inter-American Foundation, the U.S. African Development Foundation, and the U.S. Institute of Peace. OPM is also directed to terminate the Presidential Management Fellows Program and withdraw related Federal regulations. The EO directs heads of agencies to terminate multiple federal advisory committees – USAID's Advisory Committee on Voluntary Foreign Aid, Consumer Financial Protection Bureau's (CFPB) Academic Research Council and the Credit Union Advisory Council, Federal Deposit Insurance Corporation's (FDIC) Community Bank Advisory Council, HHS's Advisory Committee on Long COVID, and Centers for Medicare and Medicaid Services (CMMS) Health Equity Advisory Committee. Lastly, the Assistants to the President for National Security Affairs, Economic Policy, and Domestic Policy are directed to provide lists of additional unnecessary governmental entities and federal advisory committees that should be terminated.

Implementing The President's "Department Of Government Efficiency" Cost Efficiency Initiative

Issued on February 26, this EO addresses Federal spending on contracts, grants, and loans. Specifically, it directs Federal agencies to establish systems for tracking payments, justifications for those payments, and approval processes for federal contracts and grants. Spending that provides "direct assistance to individuals" is excluded. Agencies are required to review existing grants and contracts and "where appropriate and consistent with applicable law, terminate or modify (including through renegotiation) such covered contracts and grants to reduce overall Federal spending or reallocate spending to promote efficiency and advance the policies of my Administration." Grants to educational institutions and foreign entities are to be prioritized "for waste, fraud, and abuse." For new contracts, agencies are directed to "issue guidance on signing new contracts or modifying existing contracts to promote Government efficiency and the policies of my Administration."