EPSTEIN BECKER GREEN



Has Your Federal Grant Funding Been Terminated? EBG's Cross-Disciplinary Team Can Help

Since February of this year, several federal agencies, including the National Institutes of Health, have sent notices to scores of federally funded researchers and their awardee institutions canceling their federal research grants. Many of the termination letters use similar language, cite to 2 CFR Part 200.340, and state that these agencies have the authority to terminate an award under certain conditions—for example, if the award "no longer effectuates the program goals or agency priorities."

Those whose grants have been canceled may wonder if they have any legal recourse to appeal or challenge the cancellation. Epstein Becker Green (EBG) is here to help. We have a cross-disciplinary team with the skills and experience to assist grantee institutions in evaluating their options and determining the best course of action. Our team consists of both attorneys who are highly knowledgeable about all facets of federal research grant requirements and experienced in appealing agency actions before the U.S. Department of Health and Human Services' (HHS's) Departmental Appeals Board (DAB) and litigators who have successfully challenged federal or state agency action (or inaction) in court.

INTERPLAY WITH EXECUTIVE ORDERS

Although the terminations do not appear to explicitly reference the recent executive orders outlining the Trump administration's policy priorities, many of the HHS <u>grants</u> that have been identified as terminated in 2025 would appear, by their titles, to address certain areas of research with a nexus to topics and communities against which the administration has been vocal. Notably, under an existing preliminary injunction, see *New York v. Trump* (1:25-CV-00039), the administration is currently barred from freezing federal funding on the basis of the executive orders in 22 plaintiff states.

HARM

Termination of a grant can have wide-ranging, negative consequences for the awardee. In some instances, years of research progress may be unfulfilled, resulting in wasted time, resources, and investment in certain areas of scientific study. Particularly for more junior scientists, loss of a grant can stall career development, significantly delaying the development of promising researchers. From a purely financial standpoint, the loss of these research dollars may necessitate the closure of certain labs, the sale of research equipment, and the dismissal of scientists whose salaries are not otherwise supported.

APPEALS PROCESS

Appealing federal grant terminations is a multi-step process requiring specific knowledge and experience at various junctures. The different funding agencies also have unique aspects to their individual appeals processes. For example, for some terminations of HHS grants, a first right of appeal is provided under HHS's grant regulations. Following that, an unfavorable decision can be appealed to the DAB for a full hearing on the merits. Once the administrative procedures are exhausted (or otherwise waived), parties with standing may challenge the termination in federal court.



The dollar value of the grants canceled thus far range from five to seven figures per grant. For some institutions, individually challenging the cancellation may not be worthwhile. However, similarly situated grantees may believe that banding together to challenge grant cancellations makes sense to explore. Other individual grantees may be facing an existential crisis due to the cancellation of their grants and believe it necessary to at least explore an individual legal challenge to the cancellation.

EBG's team can help institutions assess their various legal and strategic options, identify the best path forward, and take the next steps. Contact us to learn how we can support your institution through this critical time.

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