

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA**

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NATIONAL ENDOWMENT FOR  
DEMOCRACY,

*Plaintiff,*

v.

UNITED STATES OF AMERICA, et al.,

*Defendants.*

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No. 1:25-cv-648-DLF

**JOINT STATUS REPORT**

Plaintiff the National Endowment for Democracy (Endowment or NED) and Defendants United States of America, et al. (Defendants) submit this Joint Status Report (JSR), as required by this Court’s Minute Order of May 12, 2025. The parties report as follows on the developments respecting the Endowment’s funding since the filing of a JSR on May 12 (Dkt. 18).

1. *Background.* The Third Continuing Resolution for Fiscal Year 2025 (“CR3”) became law on March 15, 2025. In that Continuing Resolution, Congress appropriated an additional \$172,620,000 for the National Endowment for Democracy. Since the passage of that law, the Office of Management and Budget (OMB) has not apportioned the full amount that Congress appropriated. Instead, from March 2025 to May 2025, OMB provided 30-day apportionments of funding each month. “On April 17, Defendants’ counsel advised that the full-year apportionments from [OMB] will only be available after agencies submit full-year spending plans, and that the State Department was working on submitting its full-year spending plan.” Dkt. 17 at 1-2. Prior to submission of the last JSR on May 12, 2025, Counsel for Defendants “advised that State and OMB expect to have an approved full-year spending plan prior to June 12,” and “once State

submits and OMB approves an account-specific apportionment for the Endowment's account, another 30-day apportionment at that point would not be necessary." Dkt. 18 at 2.

2. *Defendants' Update and Position.* The State Department has submitted a full-year spending plan to Congress. That spending plan contemplates reserving funds from State's no-year FY25 appropriation for grants to NED for FY 2026. In the past it may have been the case that NED received its funds as a lump sum once a full-year appropriations Act was enacted; however, that is not required by the authorizing statute nor the appropriation for NED. In fact, because these are no-year funds, Congress specifically permits State to obligate these funds for the relevant purposes in this fiscal year and any subsequent fiscal year "until expended." OMB is required to apportion no-year funds "to achieve the most effective and economical use," 31 U.S.C. 1512(a), and funding in this case requires apportionment for FY 2026 rather than additional obligations for FY 2025.

3. *The Endowment's Position.* The NED Act is explicit that the State Department "shall make an annual grant to the Endowment to enable the Endowment to carry out its purposes as specified in [22 U.S.C.] 4411(b)," and that "[s]uch grants shall be made with funds specifically appropriated for grants to the Endowment." 22 U.S.C. 4412(a). For decades, the Executive Branch has followed the law—apportioning and obligating all of the funds that Congress appropriated for grants to the Endowment in each fiscal year. Until now. Defendants' sharp break from consistent historical practice is plainly unlawful. And it is severely harmful to the Endowment, whose ability to fulfill its mission depends on consistent, sustained access to funding. The Endowment intends to seek preliminary relief in this Court.

4. *The Parties' Proposal.* The parties will meet and confer regarding a schedule for the Endowment's motion for preliminary relief and submit a proposed schedule for the Court's

consideration by Friday, June 13. The parties' submission will address the Endowment's pending motion for a temporary restraining order.

Dated: June 12, 2025

Respectfully submitted,

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