

Friday, March 6, 2026
View Back issues

Business Courts Economy Entertainment Op-Ed Politics Podcast Science Trials More

States sue DHS again over cuts to anti-terrorism grants for blue states

The suit comes after another court ruled that DHS could not condition federal disaster aid on a state's compliance with a Trump proclamation taking aim at sanctuary jurisdictions.

[DESTINY DEVOOGHT](#) / September 29, 2025



President Donald Trump listens as Homeland Security Secretary Kristi Noem speaks during a tour of "Alligator Alcatraz," a new migrant detention facility at Dade-Collier Training and Transition facility, Tuesday, July 1, 2025, in Ochopee, Fla. (AP Photo/Evan Vucci)

(CN) — A coalition of 11 states and the District of Columbia filed a lawsuit on Monday charging Department of Homeland Security and Federal Emergency Management Agency with defying a court order and slashing anti-terrorism grant awards to blue states in half while boosting red states' funds.

“Although DHS has for decades administered federal grant programs in a fair and evenhanded manner, the current administration is taking money from its enemies,” the plaintiffs write in [the suit](#) filed in Rhode Island federal court.

Under direction from President Donald Trump, DHS Secretary Kristi Noem implemented new requirements for states seeking federal dollars in March aimed at withholding grants and disaster aid from so-called “sanctuary” states.

Last Wednesday, a federal judge declared the new provisions to be an [unconstitutional overreach](#) by the government and permanently blocked DHS

from conditioning disaster aid and other federal grants on cooperation with Immigration and Customs Enforcement operations.

Days later, FEMA issued final awards for the agency's largest grant program.

In Monday's suit, the states claim the agencies slashed the grant in half and gave preferential treatment to states who are politically aligned with the Trump administration in spite of last week's court order.

"The explanation that can be gleaned from circumstantial evidence is that DHS set out to punish states with policies concerning law-enforcement cooperation with federal immigration enforcement that DHS opposes. That is an impermissible factor under the statute at issue," the plaintiffs write.

The states claim that their final awards released on Saturday under the Homeland Security Grant Program totaled just \$226 million — down from the \$460 million they were previously promised — and that the window to use the money was shortened from three years to one, making it near impossible to use the awarded funds.

Some states saw greater cuts, while others enjoyed unexpected increases in their disbursements.

The plaintiffs asked the court to vacate the reallocation, arguing that it exceeds DHS's statutory authority and is arbitrary and capricious.

The Homeland Security Grant Program typically awards around \$1 billion in funds to support state and municipal efforts to "prevent, prepare for, protect against and respond to acts of terrorism," according to the plaintiffs.

"The drastic and unexplained re-allocations of funds between the NOFO stage and the award stage under the Homeland Security Grant Program is unprecedented in the history of post-September 11 emergency preparedness funding," the plaintiffs say.

Federal law instructs FEMA to issue notices of funding opportunity to grant recipients with a preliminary allocation to give them time to prepare. The allocations are to be based on the relative threat of terrorism in the area, the states say.

Illinois and New York respectively received 69% and 79% reductions, totaling \$30 million and \$100 million in unallocated funds, the states charge. Both states say they were included on a now-removed DHS list of "sanctuary jurisdictions."

Conversely, they say red states saw substantial increases in their final awards, including Texas, Missouri, North Carolina, Indiana, Iowa, North Dakota and Tennessee.

Perhaps the most striking example of those is North Carolina, which the states say was preliminarily allocated \$9 million in grant funds but on Saturday received \$21 million — a 136% increase.

The twelve plaintiffs in Monday's suit are Illinois, California, New Jersey, Rhode Island, Connecticut, Delaware, Massachusetts, Minnesota, New York, Vermont, Washington and the District of Columbia.

"Plaintiff states have never seen a last-minute reallocation of this sort — one that deviates from the [preliminary] allocations for the transparent purpose of rewarding states that align with the administration's policy priorities and punish

those states that deviate from those priorities,” the states said in Monday’s complaint.

The new conditions required grant recipients to not only cooperate with ICE agents in the location and detention of suspects who may have entered the country illegally, but also to eliminate state-level policies that “encourage or induce noncitizens” to unlawfully enter or live in the country and keep ICE operations quiet.

Noem said in a [statement](#) that the agency “returned” nearly \$3.5 billion to Americans by empowering local leaders to better prepare for emergencies themselves, rather than rely on federal grant money.

“The Biden administration used FEMA as its own personal piggy bank to fund far-left radical organizations, house criminal illegal aliens, and support pseudo-science,” Noem said. “Recipients of grants will no longer be permitted to use federal funds to house illegal immigrants at luxury hotels, fund climate change pet projects or empower radical organizations with unseemly ties that don’t serve the interest of the American people.”

Follow @desdev5

Categories / [DEFENSE/WAR](#), [IMMIGRATION](#), [POLITICS](#)

Subscribe to our free newsletters

Our weekly newsletter *Closing Arguments* offers the latest about ongoing trials, major litigation and rulings in courthouses around the U.S. and the world, while the monthly *Under the Lights* dishes the legal dirt from Hollywood, sports, Big Tech and the arts.

[Closing Arguments](#)

By Courthouse News

Type your email...	Subscribe
--------------------	-----------

By subscribing you agree to [Substack's Terms of Use](#), [our Privacy Policy](#) and [our Information collection notice](#)

 substack

[Under the Lights](#)

By Courthouse News

Type your email...	Subscribe
--------------------	-----------

By subscribing you agree to [Substack's Terms of Use](#), [our Privacy Policy](#) and [our Information collection notice](#)

 substack