



The Daily Dish

The Impoundment Fight Heats Up

DOUGLAS HOLTZ-EAKIN | JUNE 3, 2025

The Trump Administration is making much of its efforts to spend fewer taxpayer dollars. Much of this activity stemmed from the actions of the Department of Government Efficiency (DOGE), which - with great fanfare - ended contracts and halted spending.

In the federal budget world, however, the executive branch cannot simply turn off the spigot. Once Congress has appropriated the funds for a purpose, the president can come down on the side of not spending the money. But the president must send a special message to Congress informing it of this fact. Congress then has 45 days to vote on whether to agree with the president. If it does agree, the appropriation is canceled, and the money is not spent - an action known as a [rescission](#). (The administration has been signaling it will send Congress a package of rescissions any day.)

By and large, however, the president has sent no such messages. Instead, the funds have simply been impounded, an action that was made illegal by the 1974 Congressional Budget and Impoundment Control Act (ICA). Under the ICA, the Government Accountability Office (GAO) has special [responsibilities](#), which it summarizes as:

First, we review all special messages to ensure that they comply with legal requirements. We also investigate and report to Congress when the President withholds funds without sending a special message. And we provide informal assistance and formal legal decisions on impoundment issues at the request of members of Congress and agency officials.

The ICA authorizes the head of GAO, known as the Comptroller General, to file a lawsuit if the President illegally impounds funds.

Now the GAO has [announced](#) that it ruled that the Department of Transportation illegally withheld funds by stopping \$5 billion in spending from the bipartisan infrastructure law to build charging stations across the country. In addition, there appear to be another [39 investigations](#) underway. The White House has dismissed the finding, with [National Public Radio](#) reporting:

Trump's budget director Russ Vought [on social media](#) dismissed the GAO report - and other similar GAO investigations - saying they were "non-events with no consequence. Rearview mirror stuff."

"They are going to call everything an impoundment because they want to grind our work to manage taxpayer dollars effectively to a halt," Vought said.

Thus far, however, GAO has not announced any intention to take the administration to court. That seems only to be a matter of time.