

UNITED STATES DISTRICT COURT
DISTRICT OF OREGON

STATE OF NEW YORK, *et al.*

Case No. 6:25-cv-01458-MTK

Plaintiffs,

JUDGMENT

v.

UNITED STATES DEPARTMENT OF
ENERGY, *et al.*

Defendants.

KASUBHAI, United States District Judge:

Based on the record, and pursuant to this Court’s November 10, 2025 Opinion & Order (ECF No. 83), the Court enters final judgment as follows:

1. Judgment is entered in favor of Plaintiffs on Count I, and the Court retains jurisdiction to enforce this judgment.
2. Pursuant to Federal Rule of Civil Procedure 41(a)(2), the Court dismisses Count II of Plaintiffs’ Amended Complaint without prejudice.
3. The Court vacates and sets aside Policy Flash 2025-25 Adjusting Department of Energy Financial Assistance Policy for State and Local Governments’ Financial Assistance Awards (“Policy Flash”) in its entirety.

4. The Court orders Defendants to set aside any rejections to Plaintiffs' award applications, whether formal or informal, issued pursuant to or in reliance on the Policy Flash.
5. Defendants are prohibited from denying any modifications to existing awards based on any cap on indirect or fringe costs.
6. The Court permanently enjoins Defendants and their officers and agents from implementing the Policy Flash or a substantially similar policy that categorically caps states and local government reimbursement of indirect and/or fringe costs in Plaintiff States. This injunction includes, but is not limited to, implementation of the Policy Flash through the Department of Energy Financial Assistance Letter 2025-05, ECF No. 56-2; the sample language for Notice of Funding Opportunity and language for Award Terms and Conditions contained therein; the Indirect Percentage Cap Fact Sheet, inclusive of its attachments, ECF No. 56-3; any other grant terms and conditions; and any communications requiring Plaintiff States to comply with the Policy Flash or any similar categorical cap on indirect or fringe costs.
7. Pursuant to 28 U.S.C. § 2201(a) and 5 U.S.C. § 703, the Court declares that the Policy Flash is contrary to law.
8. Within five days of entry of this Judgment, Defendants' attorneys shall provide written notice of this Judgment to all Defendants and their employees or contractors with responsibility for administering funding to states and local governments and shall file a copy of the notice on the docket.

DATED this 10th day of November 2025.

s/ Mustafa T. Kasubhai
MUSTAFA T. KASUBHAI (He / Him)
United States District Judge