

SETTLEMENT AGREEMENT

The parties in *American Library Association v. Sonderling*, No. 25-cv-10150 (D.D.C.), Plaintiffs American Library Association and American Federation of State, County, and Municipal Employees (together, “Plaintiffs”), and Defendants Keith Sonderling, Institute of Museum and Library Services (“IMLS”), Donald J. Trump, Amy Gleason, United States Department of Government Efficiency (“DOGE”) Service, United States DOGE Service Temporary Organization, Russell T. Vought, and United States Office of Management and Budget (collectively “Defendants,” and each side a “Party,” and together the “Parties”), by and through their undersigned attorneys, agree to the following Settlement Agreement.

WHEREAS Plaintiffs filed the operative complaint in this action on April 7, 2025, Dkt. No. 1 (the “Complaint”)¹;

WHEREAS Plaintiffs’ Complaint alleges, *inter alia*, that Defendants took illegal actions to dismantle IMLS pursuant to Executive Order 14238: Continuing the Reduction of the Federal Bureaucracy, dated March 14, 2025, including by (1) terminating *en masse* IMLS grant awards, cooperative agreements, and contracts, (2) halting mandatory research and data collection activities, and (3) dismissing IMLS employees, including from statutorily mandated positions.

WHEREAS Defendants reject the allegations in Plaintiffs’ Complaint and maintain that all of IMLS’s restructuring actions taken pursuant to Executive Order 14238 were lawful;

WHEREAS, on June 6, 2025, this Court denied Plaintiffs’ Motion for Preliminary Injunction, *see* Dkt. No. 48;

WHEREAS, on November 21, 2025, the District Court for the District of Rhode Island, in a separate, parallel lawsuit by certain state attorneys general challenging the actions taken at IMLS pursuant to the same Executive Order 14238 at issue in this case (Case No. 1:25-cv-128-JJM-AEM (D.R.I.), the “Rhode Island litigation”), issued a permanent injunction; and

¹ All “Dkt.” references are to documents filed in this case on the PACER electronic docket.

WHEREAS Defendants have reinstated all previously terminated IMLS grant awards in all jurisdictions, including those states that were not represented in the Rhode Island litigation,² issued new Notices of Funding Opportunity (“NOFOs”),³ restarted the agency’s research collection duties and communicated IMLS’s anticipated timeline for publication of such research,⁴ and indicated that no further actions will be taken to effectuate Executive Order 14238 with regard to IMLS;

THEREFORE, the Parties do HEREBY AGREE to all of the following:

1. IMLS will continue to award grants, contracts, cooperative agreements, and other forms of assistance, to the full extent of Congressional appropriation except as otherwise authorized by law, including those required by 20 U.S.C. § 9121 *et seq.*, § 9171 *et seq.*, and §§ 80r-5 and 80u, for the purposes established by and in compliance with the requirements of those sections.

2. IMLS will award its grants in accordance with 20 U.S.C. § 9103(i) and the relevant regulations in effect, including 2 C.F.R. § 200.205 (*see* 2 C.F.R. § 3187.2). In accordance with 20 U.S.C. § 9162(b)(2), IMLS will award grants “on a competitive basis” using

² IMLS, *Statement of Agency’s Reinstatement of Terminated IMLS Grants* (December 3, 2025), <https://perma.cc/8DNX-C5LS> (“Upon further review, the Institute of Museum and Library Services has reinstated all federal grants. This action supersedes any prior notices which may have been received related to grant termination.”).

³ IMLS, *Funding Opportunities: Overview*, <https://perma.cc/XG2X-ZBF3> (listing FY2026 funding opportunities and guidelines).

⁴ *See* Defendants’ Statement of Material Facts, Dkt. No. 61-1 (“IMLS published FY23 PLS data in August 2025 IMLS anticipates publication of FY24 PLS data in Spring 2026 IMLS anticipates launching the FY25 PLS collection in January 2026 and publishing the FY25 PLS data in Spring 2027 IMLS anticipates publication of the SLAA Survey data and research in 2026 . . . IMLS anticipates launching the FY26 collection in January 2027 IMLS . . . anticipate[s] publication of NMS findings and data tool in early 2026 IMLS anticipates publication of the child literacy secondary research report in early 2026 and is continuing primary data collection and analysis with an anticipated publication date of approximately January 2027 IMLS continues to perform and work on its research studies, including the Future of Museums and Study of the Condition of Public Library and Museum Facilities.”).

merit-based criteria, which has historically involved the competitive, peer-review process that was well-established before the agency effectuated Executive Order 14238.

3. The Parties acknowledge that IMLS is required to comply with various statutory requirements, and that nothing in this Settlement Agreement requires IMLS to take any actions that violate any applicable statutory or regulatory requirements.

4. All reductions in force (“RIFs”) that IMLS issued in 2025 to its employees have been rescinded, and all employees who had received those RIF notices were subsequently authorized to return to work. Access to IMLS computer systems—including but not limited to IMLS-issued laptops, IMLS accounts (*e.g.*, email, Microsoft Office 365, the Electronic Grants Management System (eGMS)), and other administrative systems (*e.g.*, timekeeping and travel reservations)—was restored for those employees who decided to return to IMLS following rescission of the RIF notices. IMLS will not issue any more RIFs in order to effectuate the purpose of EO 14238.

5. IMLS will continue all surveys and research work required by statute, including but not limited to those mandated by 20 U.S.C. § 9108, as well as the surveys and research work outlined in Defendants’ Statement of Undisputed Material Facts, Dkt. No. 61-1, and by the deadlines stated therein.

6. Any final relief accorded to plaintiffs in the Rhode Island litigation with respect to IMLS will be applied in all jurisdictions, including in those states that were not represented in the Rhode Island litigation. This relief includes but is not limited to ensuring that all grantees, contractors, and grant applicants in the states that are plaintiffs in the Rhode Island litigation shall be treated no more favorably than all grantees, contractors, and grant applicants located in other states.

7. This Settlement Agreement shall take effect upon being signed by counsel for both Parties.

8. This Settlement Agreement constitutes the entire agreement of the Parties in this case. All prior conversations, meetings, discussions, drafts and writings of any kind are

specifically superseded by this Settlement Agreement. No modification to this Settlement Agreement shall be valid unless written and executed by all Parties.

9. The provisions of this Settlement Agreement shall apply to and be binding upon each of the Parties, including but not limited to, their respective officers, directors, servants, employees, successors, and assigns.

10. Within 7 days of execution of this Settlement Agreement by counsel for both Parties, Plaintiffs shall file a joint stipulation of dismissal of this case without prejudice. In agreeing to this Settlement Agreement, Plaintiffs have relied on Defendants' representations, and to the extent those representations are untruthful or inaccurate, Plaintiffs reserve the right to reinstate their claims or seek other appropriate legal recourse. Nothing in this Settlement Agreement shall be construed as precluding future litigation on any claims or issues unrelated to the claims in this litigation during the time period at issue in this litigation.

11. This Settlement Agreement shall be governed by and construed under the laws of the United States.

12. The Parties to this Settlement Agreement agree that it was jointly drafted by them. Accordingly, the Parties agree that rules of construction stating that ambiguity is construed against the drafting Party shall be inapplicable in any dispute concerning the terms, meaning, or interpretation of this Settlement Agreement.

13. Any notice, including correspondence, required with respect to this Settlement Agreement, shall be in writing, effective upon receipt, and sent to the undersigned counsel, or to such other person or persons as any Party may subsequently identify (in accordance with this provision) to the other Parties, by electronic mail, U.S. Mail, or Courier.

14. If any term, condition or provision of this Settlement Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction or rendered by the adoption of a statute by the United States invalid, void, or unenforceable, the remainder of the terms, covenants, conditions, or provisions of this Settlement Agreement, or the application thereof to any person or circumstance, shall remain in

full force and effect and shall in no way be affected, impaired, or invalidated thereby.

15. The Parties agree to cooperate fully and to execute any and all documents, or take any other steps, necessary to implement and effectuate the provisions of this Settlement Agreement. This Settlement Agreement may be executed in counterparts, which may include photocopies or electronic transmissions of the original but all of which together shall constitute one and the same instrument. Photocopies of or electronic transmissions of signatures shall be deemed original signatures and shall be fully binding upon the Parties to the same extent as original signatures.

16. Each Party will bear its own fees and costs.

Dated: April 9, 2026

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