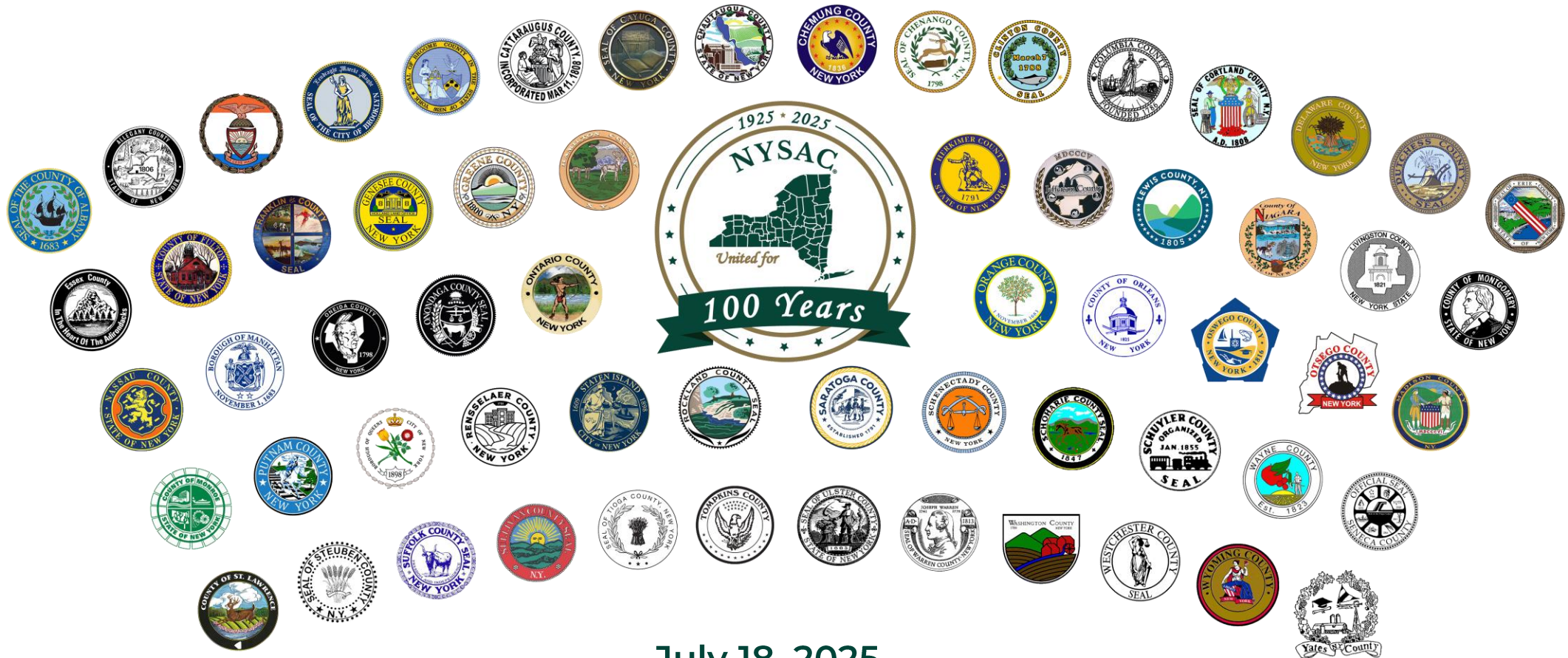


# One Big Beautiful Bill Act (OBBBA)



July 18, 2025

# Overview



## The OBBBA - Budget Reconciliation Process:

- The OBBBA is primarily a tax cut bill combined with spending cuts and increases necessary to implement the President's and Congressional Republican's priorities.
  - The spending and tax items are separate from the appropriations process and other actions currently underway in Congress.
- The bill was adopted under Budget Reconciliation, which provides for special voting rules in the Senate that allow a bill to move with a simple majority rather than 60 votes necessary under regular order.
- Because of its intended purpose (to reduce deficits), Budget Reconciliation is generally measured by its impact on the federal deficit, usually over 10 years.



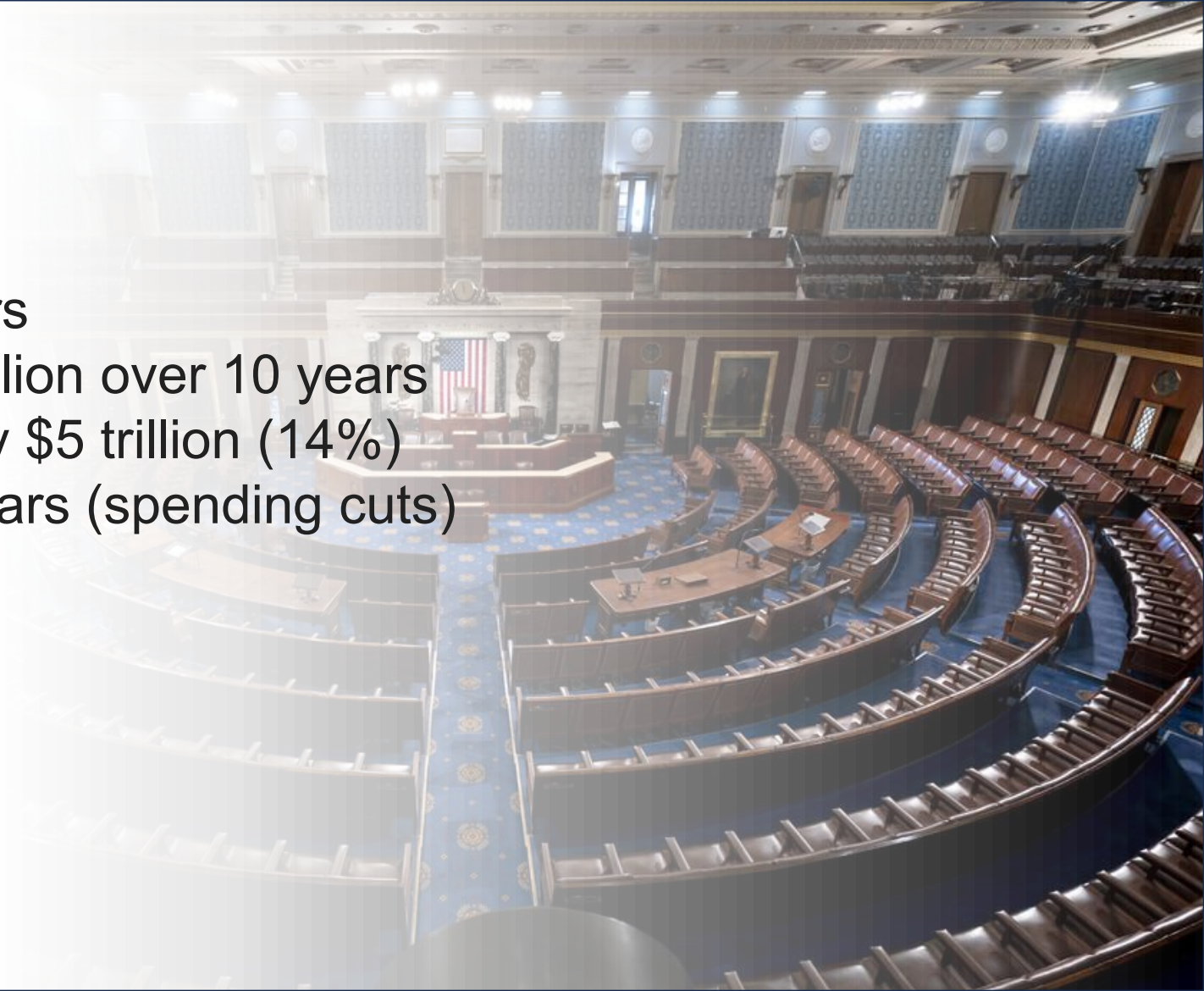


# Overview



## The OBBBA - Top Line Numbers

- **Revenue:** \$508 billion over 10 years
- **Deficit Impact:** Increase of \$3.3 trillion over 10 years
- **Debt Limit:** Raises the debt limit by \$5 trillion (14%)
- **Medicaid:** **-\$1.02 trillion** over 10 years (spending cuts)
- **SNAP:** **-\$186 billion** over 10 years



# Overview



## County Priorities in the OBBBA

- ✓ **Municipal Bonds:** Tax-exempt status preserved
- ✓ **SNAP Delay in Senate:** 1-year delay (FY 2026 → FY 2027)
- ✓ **SALT Cap:** Increased to \$40,000 for tax years 2025-2029, then reverts to \$10,000
- ✓ **10-Year AI Regulation Moratorium:** Local authority preserved
- ✓ **Low-Income Housing Tax Credit:** Permanently increased
- ✓ **Child Tax Credit:** Permanently increased to \$2,200
- ✓ **New Markets Tax Credit:** Permanently extended
- ✓ **Rural Health:** \$50 billion Rural Health Transformation Program (FY 2028–2032)
- ✓ **No additional eFMAP reductions** for covering certain immigrant populations





# Overview



## The Overall Fiscal Impact

- The tax portion of the bill includes \$12.5 trillion in tax actions over the next 10 years. This includes:
  - \$8.5 trillion in tax cuts
  - \$4 trillion in tax increases
    - According to the Joint Committee on Taxation (JCT) and the Congressional Budget Office (CBO) the tax package increases the deficit by \$4.5 trillion.
- The spending portion includes:
  - \$480 billion new spending
  - \$1.7 trillion in spending cuts/new fees
    - The spending portion reduces the deficit by \$1.2 trillion (per CBO)
- Overall, the package is estimated to increase the deficit by \$3.3 trillion\*

# Overview



## Federal Realignment

*States and local governments face significant new responsibilities under federal changes while losing decision-making authority. In SFY 2026, New York is set to spend \$91 billion in federal aid: 87% supports Medicaid (\$58B) and human services (\$21B). Changes in these areas will require the State to find workable and affordable solutions under the new model.*

### **Scenario Planning/Review:**

- Cut or scale back services
- Continue to deliver services at a new cost
- Raise taxes or fees
- Delay or cancel discretionary investments
- Absorb long-term economic consequences





# Overview



## Specific Impacts

- **SNAP Administrative Costs:** NACo projects \$850+ million annually in shifts to counties nationwide if state officials do not intervene (starting FY 2027)
  - New York counties already send \$14 billion per year (\$269 million/week) to the state for Medicaid and other human services programs
- **Rural Development Grants:** Over \$10 billion eliminated
- **IRA Funds Rescinded:** Rescinds certain unobligated IRA funds, potentially reducing county access to energy efficiency and conservation grants, as well as certain transportation funding
- **Elective Pay for Clean Energy:** While counties can still use elective pay for clean energy projects, the bill phases out the clean energy tax credits counties can pursue elective pay for with amended stipulations



# Taxation



## **Tax Impacts** *(107 separate actions)*

### **Tax Cuts (\$8.5 trillion)**

- *Tax Cuts for Individuals (\$7.3 trillion)*
  - Extension of 2017 TCJA lower individual rates - \$2.2 trillion
  - Extension of enhanced Standard Deduction - \$1.4 trillion
  - Extension of enhanced Alternative Minimum Tax (AMT) - \$1.4 trillion
  - Extension of enhanced Child Tax Credit - \$820 billion
  - Extension of enhanced Qualified Business Expensing - \$740 billion
  - Reduced tax on tips (\$31B), overtime (\$90B), deduction on interest for car loans (\$31B), \$6,000 bonus deduction for Seniors 65+ (\$93B) - \$245 billion in total (all sunset at end of 2028)
  - Miscellaneous - \$465 billion
- *Business & Community Development Tax Cuts (\$1.2 trillion)*
  - Full expensing for certain business property, and R&D, enhanced advanced manufacturing investment credit - \$505 billion
  - Special depreciation for qualified production property, and targeted small business tax reductions - \$186 billion
  - Community development - \$140 billion
  - Energy production credits - \$44 billion
  - Miscellaneous - \$313 billion



# Taxation



## Tax Impacts

### Tax Increases (\$4 trillion)

- *Tax Increases for Individuals (\$3.4 trillion)*
  - Termination of deduction for personal exemptions - \$1.9 trillion
  - Termination of miscellaneous itemized deductions - \$231 billion
  - Restoration of SALT deduction cap at \$10,000 in 2030 - \$950 billion
    - A temporary increase in the cap from \$10,000 to \$40,000 for filers under \$500k (\$250k for married filing separately) **provides tax relief** over 5 years (2025-2029 tax years)
  - Repeal of a variety of health care tax credits - \$226 billion
  - Termination of clean vehicle tax credits - \$85 billion
  - Termination of clean energy residential credits - \$103 billion
  - Miscellaneous - \$57 billion
- *Business & Community Development Tax Increases (\$495 billion)*
  - Clean energy commercial vehicle credit repeal - \$105 billion
  - Clean energy production tax credit repeal - \$196 billion
  - Phase-out/restrictions on advanced manufacturing credits - \$50 billion
  - Miscellaneous - \$142 billion

# Taxation



## Spending Impacts

### **Spending Increases (\$477 billion)**

- Agriculture – \$65 billion, Farm Bill Related Programs
- Defense – \$150 billion, weapons systems
- Coast Guard, FAA, NASA – \$47 billion
- Homeland Security – \$128 billion, Border Infrastructure, ICE detention and staffing
- Judiciary – \$38 billion, immigration processing and facilities
- Miscellaneous – \$49 billion

### **Spending Cuts – (\$1.5 trillion)**

- Medicaid – \$1 trillion, enhanced work requirements, reduction in allowable health care provider taxes, enrollment and eligibility changes, additional recertifications
- SNAP Cost Sharing – \$185 billion
- Higher Education Federal Loan Programs – \$360 billion
- Energy & Natural resources – \$28 billion

### **Revenue Enhancements/Fees – (\$128 billion)**





# Federal Nutrition Cuts



## Supplemental Nutrition Assistance Program (SNAP)

### Administrative Cost Sharing

- **Current Law:** Federal government pays 50% of administrative costs
- **New Law:** Federal share drops to 25% (state/counties pay 75%)

### Implementation Timeline:

- **Administrative Costs:** Begin FY 2027
- **First Payments:** Begin October 1, 2026

### States Where Counties Currently Pay for Administrative Costs:

- California, Colorado, Minnesota, New Jersey, New York, North Carolina, Ohio, Virginia, and Wisconsin



# Federal Nutrition Cuts



## Impact on New York

- **SNAP Changes**

- Requires a state match for benefit costs based on error rates **beginning as soon as October 1, 2027** (possibly later depending on future error rates)
  - No penalty for error rates under 6%
  - States with error rates of 6% to 8% must contribute 5%
  - States with error rates of 8% to 10% must contribute 10%
  - States with error rates greater than 10% must contribute 15%
    - NYS is in this category as of FFY 2024 – **New York costs would be \$1.1 billion annually**
- Requires a 75% state match for SNAP administration – In New York, the 50% state match is paid by counties – **estimated increase of \$168 million annually for counties under current state law. Effective October 1, 2026**
  - It is projected that administrative costs will rise from this level because the OBBBA adds significant administrative functions, verifications and tracking requirements.
  - Changes definition of “Able Bodied Adults Without Dependents (ABAWDs)” to include individuals up to age 64 (54 currently) and individuals with children aged 14+





# Federal Nutrition Cuts



## SNAP Benefit Cost Shift – Error Rate Tiers

Error Rate	State Share	Federal Share
Under 6%	0%	100%
6–8%	5%	95%
8–10%	10%	90%
10%+	15%	85%

### Implementation Timeline:

- **FY 2028:** States choose FY 2025 or FY 2026 error rate for match requirement
- **FY 2029+:** 3-year rolling lag system begins (uses error rate from 3 prior fiscal years)
- **High error states (>13.33%):** Receive 1–2 year implementation delays
  - **NYS error rate for the FFY 2025 (5 months of data) = 12.35%.** If NYS stays at this level, we will not qualify for an extension to avoid the penalty.



# Estimated Federal Nutrition Cuts by County



SNAP Statewide Annual Impact by County				
OBBBA				
County	Annual Benefits Paid*	Administrative Impact	Benefit Cost Sharing Impact	Combined Impact
ALBANY	\$76,301,030	\$783,388	\$11,445,154	\$12,228,542
ALLEGANY	\$10,873,117	\$364,455	\$1,630,968	\$1,995,423
BROOME	\$59,661,187	\$806,649	\$8,949,178	\$9,755,827
CATTARAUGUS	\$21,982,900	\$720,143	\$3,297,435	\$4,017,578
CAYUGA	\$19,156,388	\$554,987	\$2,873,458	\$3,428,445
CHAUTAUQUA	\$52,904,202	\$983,868	\$7,935,630	\$8,919,498
CHEMUNG	\$33,302,535	\$780,482	\$4,995,380	\$5,775,862
CHENANGO	\$14,108,765	\$308,368	\$2,116,315	\$2,424,683
CLINTON	\$26,208,854	\$665,712	\$3,931,328	\$4,597,040
COLUMBIA	\$11,724,584	\$694,988	\$1,758,688	\$2,453,675
CORTLAND	\$12,528,016	\$319,109	\$1,879,202	\$2,198,311
DELAWARE	\$9,820,610	\$292,380	\$1,473,091	\$1,765,471
DUTCHESS	\$39,970,306	\$1,509,750	\$5,995,546	\$7,505,296
ERIE	\$331,965,951	\$6,384,494	\$49,794,893	\$56,179,387
ESSEX	\$6,295,038	\$203,853	\$944,256	\$1,148,108
FRANKLIN	\$14,906,936	\$496,021	\$2,236,040	\$2,732,062
FULTON	\$17,904,645	\$437,949	\$2,685,697	\$3,123,646
GENESEE	\$9,852,766	\$380,348	\$1,477,915	\$1,858,263
GREENE	\$9,121,184	\$243,582	\$1,368,178	\$1,611,760
HAMILTON	\$710,420	\$27,292	\$106,563	\$133,855

\* Calendar Year 2024 data. Current error rates would subject NYS to 15% cost share.



# Estimated Federal Nutrition Cuts by County



SNAP Statewide Annual Impact by County				
OBBBA				
County	Annual Benefits Paid*	Administrative Impact	Benefit Cost Sharing Impact	Combined Impact
HERKIMER	\$19,475,284	\$327,736	\$2,921,293	\$3,249,028
JEFFERSON	\$32,001,295	\$1,052,497	\$4,800,194	\$5,852,691
LEWIS	\$5,747,687	\$307,450	\$862,153	\$1,169,603
LIVINGSTON	\$11,595,947	\$362,665	\$1,739,392	\$2,102,057
MADISON	\$13,514,277	\$353,870	\$2,027,141	\$2,381,012
MONROE	\$262,789,720	\$3,013,240	\$39,418,458	\$42,431,698
MONTGOMERY	\$18,527,656	\$385,699	\$2,779,148	\$3,164,847
NASSAU	\$102,088,185	\$4,133,625	\$15,313,228	\$19,446,852
NIAGARA	\$61,135,075	\$1,555,489	\$9,170,261	\$10,725,750
New York City	\$4,947,257,707	\$110,794,207	\$742,088,656	\$852,882,863
ONEIDA	\$61,135,075	\$1,628,600	\$9,170,261	\$10,798,862
ONONDAGA	\$154,563,410	\$2,610,078	\$23,184,511	\$25,794,589
ONTARIO	\$20,510,074	\$460,965	\$3,076,511	\$3,537,476
ORANGE	\$101,165,116	\$2,143,556	\$15,174,767	\$17,318,323
ORLEANS	\$10,980,049	\$251,765	\$1,647,007	\$1,898,772
OSWEGO	\$37,380,908	\$797,450	\$5,607,136	\$6,404,586
OTSEGO	\$14,446,322	\$263,459	\$2,166,948	\$2,430,407
PUTNAM	\$7,127,147	\$272,665	\$1,069,072	\$1,341,737
RENSSELAER	\$35,274,548	\$588,380	\$5,291,182	\$5,879,563
ROCKLAND	\$119,487,732	\$2,187,669	\$17,923,160	\$20,110,829

**Statewide 1 in 7 New Yorkers will receive Nutrition Assistance through SNAP with \$7.8 billion in federal benefits anticipated in 2025.**

\* Calendar Year 2024 data. Current error rates would subject NYS to 15% cost share.

# Estimated Federal Nutrition Cuts by County



SNAP Statewide Annual Impact by County OBBBA				
County	Annual Benefits Paid*	Administrative Impact	Benefit Cost Sharing Impact	Combined Impact
SAINT LAWRENCE	\$29,712,332	\$775,738	\$4,456,850	\$5,232,587
SARATOGA	\$31,148,873	\$735,649	\$4,672,331	\$5,407,980
SCHENECTADY	\$49,796,247	\$181,620	\$7,469,437	\$7,651,057
SCHOHARIE	\$8,078,856	\$183,876	\$1,211,828	\$1,395,704
SCHUYLER	\$3,891,570	\$241,351	\$583,735	\$825,087
SENECA	\$7,449,664	\$570,125	\$1,117,450	\$1,687,574
STEUBEN	\$25,542,315	\$672,625	\$3,831,347	\$4,503,972
SUFFOLK	\$334,974,960	\$5,718,310	\$50,246,244	\$55,964,554
SULLIVAN	\$30,805,583	\$750,242	\$4,620,837	\$5,371,079
TIOGA	\$10,213,833	\$293,605	\$1,532,075	\$1,825,680
TOMPKINS	\$18,164,462	\$494,709	\$2,724,669	\$3,219,378
ULSTER	\$41,614,175	\$738,057	\$6,242,126	\$6,980,183
WARREN	\$15,024,331	\$416,854	\$2,253,650	\$2,670,504
WASHINGTON	\$14,323,843	\$574,558	\$2,148,576	\$2,723,135
WAYNE	\$17,855,915	\$503,004	\$2,678,387	\$3,181,392
WESTCHESTER	\$181,745,996	\$4,527,511	\$27,261,899	\$31,789,410
WYOMING	\$4,922,455	\$211,764	\$738,368	\$950,132
YATES	\$4,206,443	\$140,983	\$630,966	\$771,949
<b>TOTAL</b>	<b>\$7,628,000,000</b>	<b>\$168,179,461</b>	<b>\$1,144,200,000</b>	<b>\$1,314,925,635</b>
57 Counties	\$2,680,742,293	\$57,385,254	\$402,111,344	\$459,496,598

\* Calendar Year 2024 data. Current error rates would subject NYS to 15% cost share.



# Medicaid



## Overview

### Uncompensated & Indigent Health Care Costs (Nationwide):

- Projected **\$18.9 billion increase** by 2026
- Up to **17 million people** could lose coverage
- Strains county hospitals, clinics, and jails

### Administrative Burden:

- Increases in eligibility determination workload (includes implementation grants)

### Provider Tax Restrictions:

- Prohibits non-expansion states from assessing new provider taxes
- Reduces provider tax cap from **6% to 3.5% by 2032**
- Reduces revenue states can generate for Medicaid financing



# Medicaid



## Work Requirements (\$366 billion in federal savings)

Medicaid eligibility will be linked to work or some other community engagement activity, **effective January 1, 2027**. For each month of eligibility an individual must fulfill one or more of the following:

- Works not less than 80 hours.
- Completes not less than 80 hours of community service.
- Participates in a work program for not less than 80 hours.
- Enrolled in an educational program at least half-time.
- Engages in any combination of the activities described above for a total of not less than 80 hours.

Some portion of this administrative function will be a county responsibility under current state law. The state will likely assume responsibility for Medicaid recipients they currently determine eligibility for through the exchange, but other recipients could become a county responsibility. **NYS has estimated \$500 million in new training costs for Medicaid and SNAP staff to comply with new federal eligibility and administrative changes.**



# Medicaid



## **Rescinds Eligibility Rule Changes (\$167B in federal savings)**

New rules proposed under the Biden administration were designed to streamline eligibility and reduce administrative and paperwork costs throughout the process. It also would have limited in-person appointments and decreased the frequency of enrollment checks. The OBBBA repeals these regulations.

## **Increases Eligibility Checks and Verifications, Reduces the Period of Retroactive Eligibility (\$60B in federal savings)**

Limits retroactive coverage upon application to one-month versus three months allowed today and increases the frequency of eligibility checks and requires more frequent cross state verification of health care provider eligibility.

## **Rescinds Nursing Home Staffing Regulation (\$23B in federal savings)**

Repeals Biden administration regulations to increase staffing levels at nursing homes for certain direct care positions.





# Medicaid



## Reduction in Allowable Health Care Provider Taxes

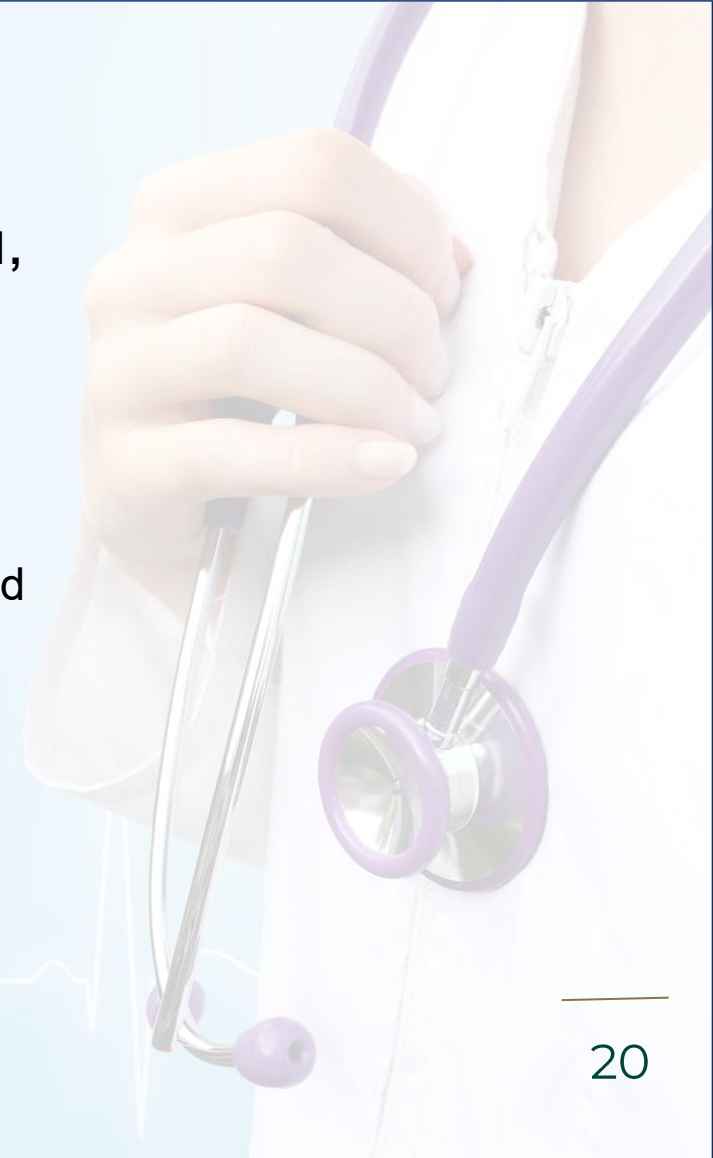
(\$190 billion in federal savings)

Caps healthcare provider taxes at current levels and reduces them **beginning October 1, 2027** by .5% points each year from current maximum of 6% until they reach 3.5%.

Nursing homes, intermediate care facilities, and non-expansion states would be exempt. The revenue raised from these taxes are primarily used to increase reimbursements to hospitals and nursing homes, especially those that are struggling financially.

Repeals some new Managed Care Organization taxes. Between the OBBBA changes and administrative actions, NYS will lose some portion of its currently budgeted \$4 billion in federal funds related to the MCO health care provider tax already built into the State Financial Plan (**State Financial Plan loss could be \$2B to \$3B**)

Nearly all state uses these taxes to enhance payments to hospitals (45) and nursing homes (46). Since health care provider taxes raised by states are matched by federal funds, the impact on provider revenues is substantially larger than the impact on state budgets.



# Medicaid



## Limits on State Directed Payments

(\$72+B in federal savings)

- Caps “new” state directed payments at 100% of the Medicare rate for Medicaid expansion states like New York, and 110% of the Medicare rate for the 10 non-expansion states.
- This effectively limits enhanced payments that states can make today that are above the Medicare rate (up to the “average commercial rate” ceiling). In general, Medicare reimbursements do not fully cover the costs of many procedures and are often a fraction of what private insurance pays.



# Affordable Care Act



## Affordable Care Act/Essential Plan Cuts

(\$124B in federal savings)

### Essential Plan

The NYS Essential Plan is a health insurance program that receives federal premium tax credits that subsidize 100% of program benefit costs through the Affordable Care Act. New York is one of three states that pursued this option over a decade ago.

The program provides health insurance coverage to all NYS residents with incomes below 250% of FPL, those lawfully present in the U.S., between 19-64 years of age and not eligible for Medicaid, CHP, or folks that work but do not have employer-sponsored health coverage.

1.6 million enrolled in New York. The state estimates that **up to 700,000 could lose their health coverage** due to federal changes.





# Affordable Care Act



## Affordable Care Act/Essential Plan Cuts (\$124B in federal savings)

- **Full annual impact of \$7.5B in lost federal funding** – The OBBBA reduces federal subsidies, provided through premium tax credits, to New York by more than half of what New York currently receives. The SFY27 impact could reach \$3B.
- This loss of federal funding triggers a NYS court case *Aliessa v. Novello* that **would force the state to fully fund \$2.7B in new state-only financed Medicaid** spending.
- Not included in the OBBBA is an extension of enhance premium tax credits set to expire at the end of this year. If not renewed, this will require many currently enrolled in the Essential Plan to dramatically increase their out-of-pocket costs or leave the program.



# Statewide & Health Care Industry Impact



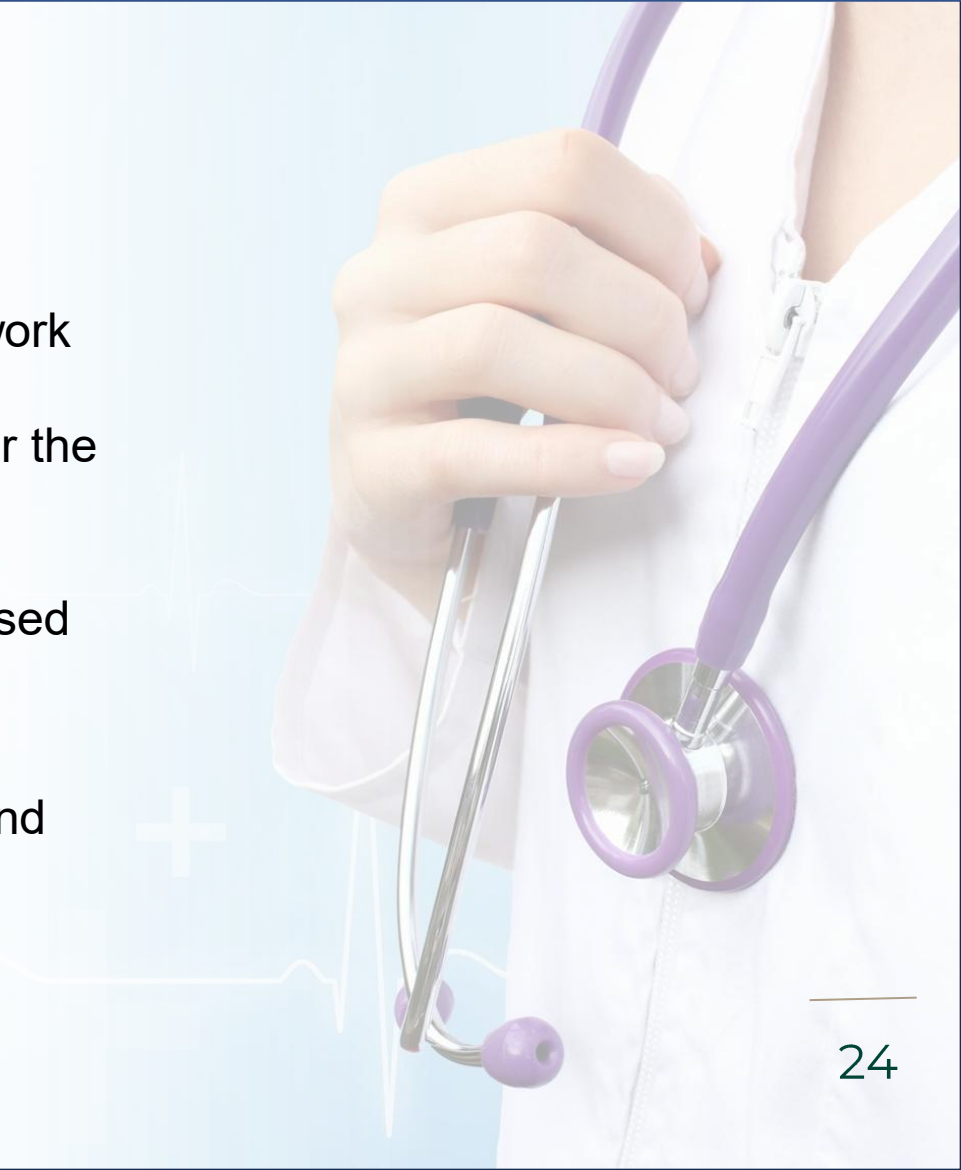
## Health Care Services

### The Governor's Office

- The SFY 2026 fiscal hole from OBBBA approaching \$1 billion and growing to \$3 billion in the SFY 2027
- \$500 million in new costs to train state staff on new eligibility and work requirement rules for Medicaid and SNAP changes
- 2 million New Yorkers will lose their health insurance coverage over the next decade
- Uncompensated care costs to increase by \$3 billion annually
- 75 New York hospitals are currently classified as financially distressed and receive significant state subsidies

### GNYHA and HANYS

- \$8 billion in annual funding losses under the OBBBA to hospitals and health systems across New York
- 34,000 lost hospital jobs (7% of their current workforce)
- 29,000 lost health care supplier jobs
- \$14.4 billion in lost economic activity from lost jobs, wages, and purchases of goods and services by the health care industry



# Statewide & Health Care Industry Impact



## New York's Healthcare System Impacts

- Uncompensated care increases as uninsured residents seek emergency services.
  - 9-1-1 systems will be overburdened, wait times will increase during system peaks leading to increased emergency services costs for counties and other localities
- Provider closures would eliminate access points and create healthcare deserts.
- Job losses at healthcare facilities will harm local economies.
- Rural communities will be particularly vulnerable to access challenges.
- Economic ripple effects across the state.
- Local economic multiplier effect from healthcare job losses.
- County-owned health facilities will come under increased fiscal pressures.
- Strains will increase on county social service, aging, and public and mental health agencies as more residents face healthcare, family stability, and financial crises.



# One Big Beautiful Bill Act (OBBBA)



## County Concerns

The biggest cost driver and staffing need for New York's counties is to serve our residents at the lower end of the income scale. Specifically, those seeking assistance in receiving and paying for:

- Healthcare - Medicaid recipients
- Nutrition assistance – SNAP
- Aging services
- Public health and mental health services
- Job training and skills development
- Temporary shelter – Safety Net and TANF

Under current state law, the adopted package **exposes counties to higher costs and liabilities** based on major structural changes to the federal safety net. It also singles out NYS with large Affordable Care Act funding cuts.

Under the OBBBA, the Congressional Budget Office has concluded the **lowest 10% of income earners will see a net reduction in resources available to them to pay daily expenses**. The federal funding cuts in this bill and other actions underway in Congress represent an historic realignment of federal safety net programs that will impact every state.

# Additional Federal Funding Considerations



## Executive Orders Halting Federal Funding

### Programs Currently Frozen/Cancelled:

- **BRIC Program:** Cancelled April 2025 - \$3.6B loss for disaster mitigation
- **DOT Competitive Grant Programs:** Unfreezing after staff review
- **Digital Equity Act:** \$2.7 billion cancelled
- **Shelter & Services Program:** Funding for migrant services cancelled
- **USDA Technical Assistance to Underserved Farmers**
- **LIHEAP:** 10% of FY 2025 funding frozen
- **Head Start:** Temporary freeze lifted
- **ARPA Public Health Funds:** Cancelled
- **Redefining**, through regulation, **what a “federal public benefit” is** by expanding it to include dozens of additional federal programs that have not been defined as such before, or at least since 1998. This would greatly expand state and local government responsibilities in verifying immigration status, among other factors

### State/Countys Impact:

- Delayed infrastructure projects, reduced disaster preparedness, service gaps, expanded administrative responsibilities to enforce and verify eligibility across federal programs

# Additional Federal Funding Considerations



## President's FY 2026 Budget: Proposed Cuts

### Topline Numbers:

- **Non-Defense:** 22.6% reduction (\$163B cut)
- **Defense:** 13% increase (\$119.3B increase)

### Programs Proposed for Elimination or Significant Reduction:

- **Health & Human Services:** Programs cut by 26%
  - **LIHEAP:** Terminated
- **Economic Development Administration (EDA):** Terminated
- **Community Development Block Grant (CDBG):** Terminated
- **Community Services Block Grant (CSBG):** Terminated
  - Largest direct-to-county funding stream under severe budget pressure
- **Home Investment Partnerships Program (HOME):** Affordable housing program cuts
- **Department of Transportation (DOT) Competitive Grants:** Currently frozen
- **FEMA Emergency Management Performance Grants (EMPG):** Under pressure
- **Environmental Protection Agency (EPA):** 56% funding reduction
- **Department of Labor (DOL):** 35% funding reduction
- **U.S. Department of Agriculture (USDA):** 18% funding reduction



# Additional Federal Funding Considerations



## FY 2026 Appropriations: State of Play

### FY 2026 Appropriations: State of Play

- **Government funding expires:** September 30, 2025
  - 21 days left for the House
  - Senate leaves for August recess, returns September 1
- **No agreement** on topline funding numbers between chambers
- **House delayed** appropriations markups
- **Senate requires** bipartisan support for passage
- **\$9 billion rescissions package** is under negotiation and likely to pass this week

*Note: Given divisions among the two chambers and appropriators, a government shutdown in October is not unlikely.*

# Additional Federal Funding Considerations



## Looking Ahead

### Policies Removed for Parliamentary Reasons Will Return

- Artificial Intelligence (AI) moratorium
- Electric Vehicle (EV) registration

### Additional Reconciliation Bills Coming

- Congress may attempt 1–2 more reconciliation bills
- Infrastructure permitting provisions likely to resurface
- Municipal bond tax exemption and SALT cap may face renewed attacks in future tax legislation

### Surface Transportation Reauthorization (2026)

- EV/hybrid fee structure will be central to Highway Trust Fund solvency debate
- County infrastructure needs will clash with constrained federal funding
- Permitting streamlining provisions may return with state/local preemption concerns

