

Update on Federal and State Actions Affecting County Funding

Federal and State Executive, Legislative and Judicial Actions
Pima County Board of Supervisors Presentation
May 20, 2025



Federal Executive Orders & Other Actions

Pima County Board of Supervisors 5/20

Update **Key Discussion Items**:

- Barriers to County Grant and Program Funding
 - Proposed 2026 Budget Implications
 - State Update
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Over the first 100 days in office there have been over **151 Executive Orders** issued and signed, with over **241 legal actions** in response to the Executive Office actions - only **8 closed**



Litigation Tracking

The County is tracking current and ongoing litigation

Monitoring Focus Areas:

- Direct impacts to **funding, notifications or directives** from federal agencies and **workforce cuts**
 - The County is also tracking litigation around **allowability of policy directives** in the Executive Orders
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- In monitoring notifications, directives, and funding impacts from federal agencies tied to litigation – **determination of size of impact** across Pima County



Follow up Items from May 6th Board of Supervisors Meeting

- Proposed Federal Fiscal Year 2026 Budget and Economic Decision Guide for Pima County
 - *Inflation, Housing, Consumer Confidence and Federal Funds Rate* are all considered **unfavorable**
 - Inflation and Tariffs would affect a considerable amount of goods and services for County operations and existing projects
 - If the proposed FFY 2026 budget implications and cuts to funding are realized there would be overall projected increases to housing, health and safety net service vulnerability
- BOS Accepted Awards Referenced in Proposed Federal Cuts
 - Since January 7th the BOS have accepted 22 grant awards, amendments or no-cost extensions that are implicated in the proposed budget
 - **Obligated** funds versus **unobligated** risk



Review of the Proposed FY2026 Federal Budget Overview

Proposed Federal FY2026 Budget Released Budget Negotiations

- Bipartisan Integrated Infrastructure Jobs Act - The County has 12 grants under **IIJA** representing **\$69M** in awards. **It is unclear if IIJA obligated funds would be safe in new FFY budget cycle**
- An estimated **~\$26M (50%)** of ongoing and discretionary grants are slated for elimination (or significant) financial / program cuts in the FY2026 proposed budget – anticipated to be higher.
- **Congressional Budget Discussions** – movement on tax exempt municipal bonds, Medicaid (mixed), and considerable cost shifts to states and counties.



State Legislative Update

Bipartisan compromise for budget shortfall
(\$122M) – House Bill 2945

**Budget Discussions – Finance Advisory
Committee numbers indicted a slight downturn
state revenues, with no surplus dollars**

Several federally funded programs and Federal
Departments have indicated in the proposed
FY2026 Budget that **programming / costs could
potentially move back to state / local
jurisdictions**

A series of bills were vetoed that would have
negatively impacted housing vulnerability, diversity
equity and inclusions, school policies, elections
and others.



PIMA COUNTY

Thank you!



PIMA COUNTY

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