

Update on Federal and State Actions Affecting County Funding

Federal and State Executive, Legislative and Judicial Actions
Pima County Board of Supervisors Presentation
May 6, 2025



Federal Executive Orders & Other Actions

Pima County Board of Supervisors 5/6 Update **Key Discussion Items:**

- Barriers to County Grant and Program Funding
- Proposed 2026 Budget Implications
- State Update

Over the first 100 days in office there have been over **143 Executive Orders** issued and signed, with over **225 legal actions** in response to the Executive Office actions - only **7closed**



Monitoring Federal Actions on Local Grants and Programming

Disruption to local funding and programming



In each of the above – there is risk of:
Enhanced scrutiny on reimbursements
Actual non-payments



Status of Federal Grant Holds / Pauses

Timeline of Federal Funding Directives and County-directed Pauses:

DHHS

- 90% of grants received by Pima County Health Department sourced from DHHS and its agencies;
- Reorganization and elimination of 20,000 positions with an immediate reduction in force of 10,000;
- Grant terminations received by Pima County Health Department – held in Temporary Restraining Order; LIHEAP proposed for elimination

FEMA

- Shelter and Service Program – FEMA has withheld reimbursement
- Memorandum and Executive Order to define 'Sanctuary Jurisdictions' conditions and restrictions for all FEMA grants
- Outcomes of FEMA action would affect County's Office of Emergency Management and Disaster Response Funding

DoT

- Notice of 'pause' of IIJA grant for Safe Streets
- Issued memorandum of directives to align with Executive Orders – DEI, Immigration

HUD

- Significant cuts planned for HUD funding in proposed Federal Budget



Review of the Proposed FY2026 Federal Budget Overview

Proposed Federal FY2026 Budget Released

Friday, May 2, 2025

- Of the large grant allocations (\$102M - ARPA, EFSP, SSP, ERAP) the County still has **not been reimbursed for over \$12M in Shelter and Services Programming.**
- The County has 16 grants under **IIJA** representing **\$69M in awards.**
- Of the previously reported \$52M in FY2024 County Grant Spending (block grants and annual awards – regularly anticipated programming) an estimated ~\$26M (50%) are slated for elimination (or significant) financial / program cuts in the FY2026 proposed budget – anticipated to be higher.



Federal *Proposed* Budget Impacts

Detail on County Grant Awards

Department Health and Human Services (Proposed cuts represented ~\$11.4M in FY24 Grant Spending)

- Low Income Home Energy Assistance Program (LIHEAP) –**proposed elimination**
- Community Services Block Grant (CSBG) - Community Action Agencies - **proposed elimination**
- Health Resources and Services Administration (HRSA) – **proposed consolidation and reduction – substantial cuts**
- Centers for Disease Control – **proposed consolidation and reduction – substantial cuts**
- Substance Abuse and Mental Health Service Administration – **proposed consolidation, reduction and refocus – substantial cuts**

Environmental Protection Agency (Proposed cuts represented ~\$1M in FY24 Grant Spending)

- Environmental Justice – **proposed elimination**

Department of Homeland Security (Proposed cuts represented ~\$500K in FY24 Grant Spending, \$12M owed in SSP)

- FEMA Non-Disaster Grant Programs – **substantial cuts**
- Shelter and Services Program – **proposed elimination**



Federal *Proposed* Budget Impacts – Detail on County Grant Awards

Department of Justice (Proposed cuts represented ~\$1.8M in FY24 Grant Spending)

- Reduce State and Local Grant Programs (TBD)

Department of Energy (Proposed cuts represented ~\$45K in FY2024 grant spending, and \$~69M in County IIJA awards)

- Bipartisan Integrated Infrastructure Jobs Act (IIJA) cancellation across many federal departments
- Weatherization – redirected

Department of Education (CWD programming impacts)

- Adult Education - proposed redirection back to states

Department of Labor (Proposed cuts represented ~\$4M in FY24 Grant Spending)

- Make America Skilled Again - potential reauthorization / additional cuts to Workforce Innovation and Opportunity Act (WIOA)
- Job Corps – proposed elimination



Federal *Proposed* Budget Impacts

Detail on County Grant Awards

Housing and Urban Development (Proposed cuts represent ~\$6.7M in County FY24 Grant Spending)

- **State Rental Assistance Block Grants** – substantial cuts and limits – shift to states.
- **Community Development Block Grant (CDBG)** –proposed elimination
- **HOME Investment Partnership Programs** – proposed elimination
- **Homeless Assistance Program** – Continuum of Care (CoC), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grants – Homeless Emergency Assistance (ESG) proposed reduction and consolidation
- **Pathways to Removing Obstacles (PRO) Housing** – proposed elimination



State Legislative Update

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

Floor activity anticipated to complete in upcoming
weeks

**Budget Discussions – Finance Advisory
Committee numbers indicted a slight downturn
state revenues**

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**



PIMA COUNTY

Thank you!



PIMA COUNTY

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