



Legislative Update

May 15, 2025

FY 2026 Federal Budget

- Budget Reconciliation
- House hopes to pass the budget bill by Memorial Day
- Committees are marking up the budget over next two weeks
- Budget negotiations are very dynamic—anticipate many changes before it is finalized

President's "Skinny" Budget

- Non-binding; administration's policy framework
- Cuts non-defense discretionary funding by ~23% (\$163 billion)
- Significant cost-sharing shift to states

Proposed Items in House Budget

Medicaid

- Does not change the federal contribution formula to states
- Includes more restrictive eligibility, work requirements, copays for certain services, and more frequent eligibility redeterminations

SNAP

- Includes more restrictive eligibility, work requirements, state cost sharing (5-25%)

TANF

- No proposed cuts

Social Services Block Grant

- No proposed cuts

State and County Response

- Governor Youngkin allocated \$900 million in the state budget to address possible federal impacts
- Special General Assembly committee on federal impacts has been meeting since February and will issue recommendations by Labor Day
- Board of Supervisors allocated over \$12 million to reserves for potential impacts from federal workforce reductions and broader fiscal uncertainties

Federal Grants

- Unprecedented mid-cycle grant terminations
- New restrictions on grant spending
- County is working to determine impacts
- Interested in hearing if your organization has been impacted
- Recent terminations:
 - **AmeriCorps: \$400 million**
 - **DOJ Office of Justice Programs: \$811 million**
 - **HHS Pandemic-Related Grants: \$11.4 billion**

Questions and Discussion

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