



FIRST 100 DAYS

NACo Webinar Series | Week 12

April 16, 2025

Recent Executive Action

Protecting American Energy From State Overreach -Executive Order 14260

- **Purpose:** Intends to remove state and local regulatory barriers deemed by the administration to be "overreach."
- **Targeting State and Local Laws:** Focuses on challenging state and local laws, regulations, lawsuits, and policies related to climate change, carbon taxes, ESG initiatives, environmental justice, and retroactive penalties on energy producers.
- **Legal Action:** Orders the U.S. Attorney General to identify such state and local laws perceived as unconstitutional or preempted by federal law, and to take legal action to stop their enforcement.
- **Potential Impact on County Authority:** This EO could lead to federal legal challenges against county ordinances, zoning/permitting related to energy projects, or local climate/environmental initiatives if they are seen as hindering energy development.

Recent Executive Action

President Trump signs four Executive Orders aimed at boosting U.S. coal power – **County Impact**

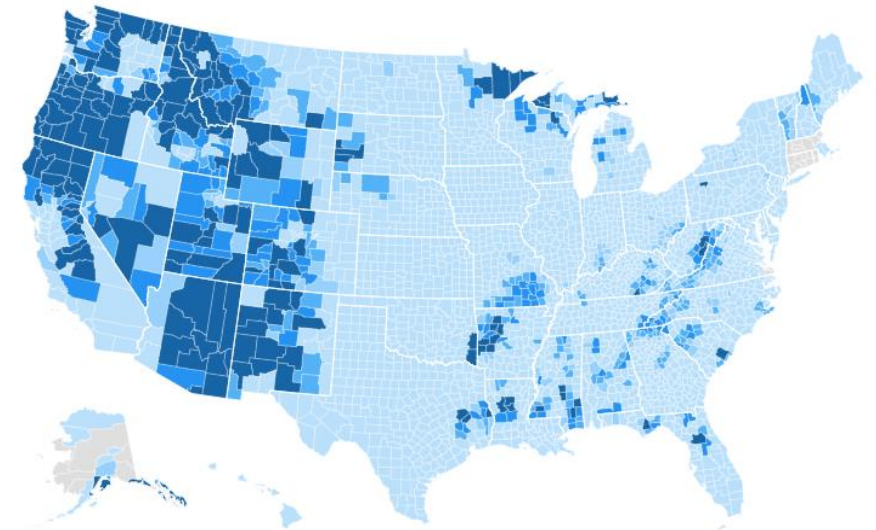
- Counties with coal mines or power plants may see **short-term job retention, increased tax revenues and stabilized economies**
- Counties that manage air quality districts or public health departments may **face increased pressure to monitor air pollution** from facilities exempted from mercury, arsenic and benzene limits
- Increased local input through **cooperative land use planning** with federal agencies
- Counties will need to be highly engaged with federal partners in federal land management decision – Potential impacts on **public infrastructure, house or tourism assets**

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Recent Executive Action

SRS Payments to Counties

- The U.S. Forest Service has begun to disburse over \$71 million to state and counties with national forest service land located within their jurisdiction.
- These funds are being distributed due to a lapse in Secure Rural Schools (SRS) reauthorization, resulting in an average 80% decline in payments to counties.
- Urge your member of Congress to contact House and Senate leadership and highlight the urgent need for reauthorization of the SRS program.



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Secure Rural Schools

- Secure Rural Schools (SRS) program provides revenue-sharing payments to **over 700 rural counties** affected by declines in timber harvests on federal lands
- **SRS expired in FY 2023**, leaving counties without crucial funding for schools, roads, fire prevention and public safety
- In the 1990s, revenues began to drop, due to a rapid decrease in timber harvests from federal lands caused by federal regulations
- U.S. Forest Service manages 193 million acres nationally



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Recent Executive Action

U.S. Department of Health and Human Services issues termination notice for health grant funding

- HHS has sent letters to states and counties with direct grant funding announcing the immediate termination of grants (both COVID-19 and not) originally set to run through Sept. 2025
 - **Community Mental Health Services Block Grant (MHBG) Supplement Grants:** Funds comprehensive community mental health services by providing funding for expanded mental health services, crisis response and community-based treatment programs
 - **Substance Use Prevention, Treatment and Recovery Services (SUPTRS) Supplement Grants:** Supports state and local efforts to prevent and treat substance use disorders
- ARPA allocated \$1.5 to both MHBG and SUPTRS – *With the expedited deadline moved up by 6 months, an estimated \$1 billion could be lost*

If a county received a letter from HHS, you have 30 days from the grant termination date to submit final financial reports

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Recent Executive Action

HHS issues termination notice for health grant funding – **County impact**

Essential services

- Termination of funds will impact programs like 988 crisis call centers
- Local substance use prevention efforts
- Community health worker initiatives
- Access to overdose prevention measures may be impacted

Emergency response systems

- EMS teams
- Public health infrastructure – Immunization programs

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Recent Executive Action

FEMA halts disaster mitigation program

Overview

- President Trump signed an EO that focused on shifting disaster preparedness to state and local governments
- FEMA announced it will not allocate \$750 million this year for the Building Resilient Infrastructure and Communities (BRIC) grant program
- Halts funding for projects that were previously approved and still underway

Impact on Counties

- Counties may need to pause or cancel projects in early stages
- Counties that anticipated BRIC support may need to scale back or delay infrastructure investments
- Without BRIC funding, counties may find it hard to pursue large-scale mitigation program

BRIC provides funding for hazard mitigation projects aimed at reducing long-term risk and costs of natural disasters

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White House County Days Return

- The White House will restart their County Days on May 20
 - NACo is not in charge of invitations but will host counties participants
 - Luggage storage
 - Breakfast or Dinner



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ARPA State and Local Fiscal Recovery Fund – April 30 Reporting Deadline

- Project & Expenditure (P&E) Report portal is NOW open – **DEADLINE TO SUBMIT IS APRIL 30**
- ALL counties must submit a P&E Report to Treasury
 - Quarterly reporters – Q2 Reports
 - Annual reporters – First and only report
- If your county has obligated/expended your entire ARPA allocation, you **MUST** still complete a report
- Treasury contacts for assistance:
 - slfrf@treasury.gov
 - covidreliefitsupport@treasury.gov
- If your county has received a notice of noncompliance, **reach out to NACo immediately**

Congress: Reconciliation Update From the House

- **April 5** – Senate passes their budget blueprint
- **April 10** – House Speaker Mike Johnson scraps the budget vote (216-214)
- Increases borrowing limit to \$5 trillion
- Allows for up to \$2 trillion in deficit increase over 10 years **BUT** uses “current policy” baseline, so real deficit is up to \$5.7 trillion deficit increase – *Tax cuts amount to \$5.3 trillion*
 - \$1.5 trillion is for Senate Finance Committee for **NEW** tax cuts
- “Current policy” baseline assumes that expiring 2017 TCJA are extended in perpetuity and therefore is \$0
 - **HOWEVER**, permanent extension costs \$3.7 trillion without “current policy” baseline
- Lower targets for spending cuts

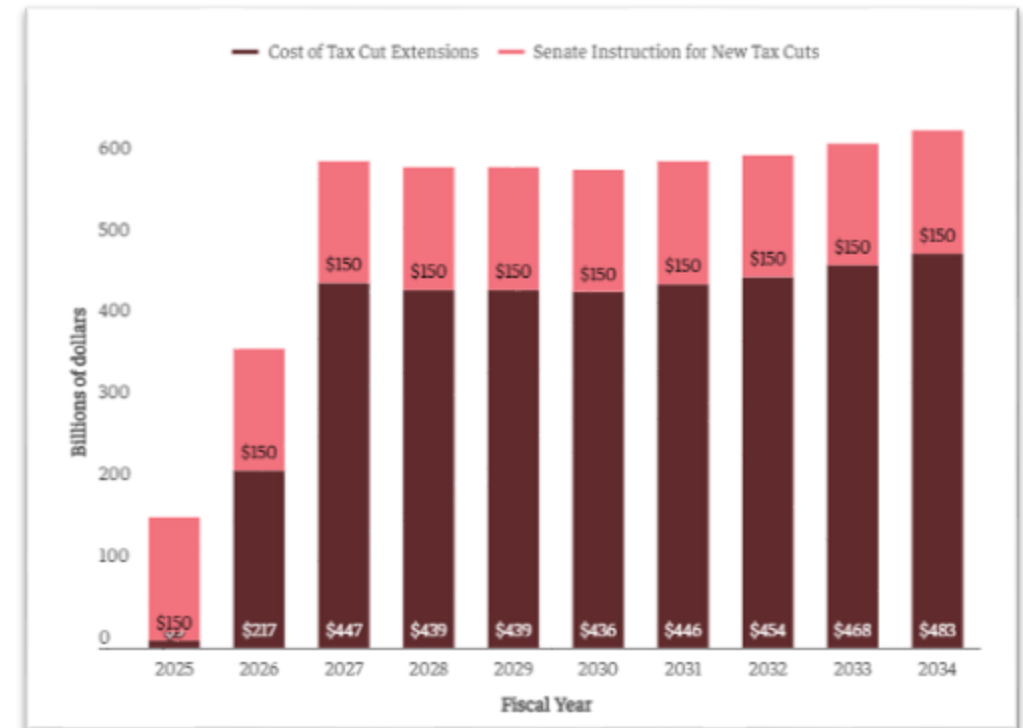
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Reconciliation: Next Steps

What are the biggest hurdles?

- Spending cuts:
 - Senate blueprint calls for \$4 billion in cuts
 - House Republicans want \$1.5-\$2 trillion in federal spending cuts – Focus on Medicaid
- Elimination of green energy tax credits – Some in both chambers want to preserve
- Caps on SALT
- Expansion of the Child Tax Credit

Extending Tax Cuts and Expanding On Them Costs \$5 Trillion-Plus



Tax-Exempt Municipal Bonds

- Rep. Don Bacon (R-Neb.) sponsored a Dear Colleague letter protecting tax-exempt municipal bonds
- **NEW** - Letter from HFSC Chair Hill and Committee Leaders to Chairman Jason Smith
- 25 total signatories
 - 13 Republicans
 - 12 Democrats
- Conversations are now bubbling up in the Senate
- Counties should **reach out to their Representatives and Senators urging them to protect the tax-exempt status of municipal bonds**



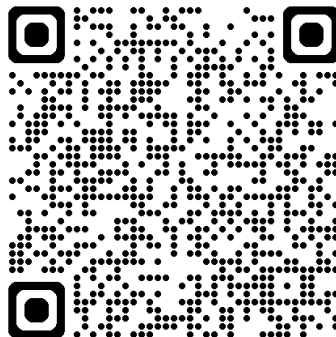
*Scan the QR code to view
NACo's municipal bonds
advocacy toolkit*

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Protecting Tax-Exempt Municipal Bonds: What's at Stake

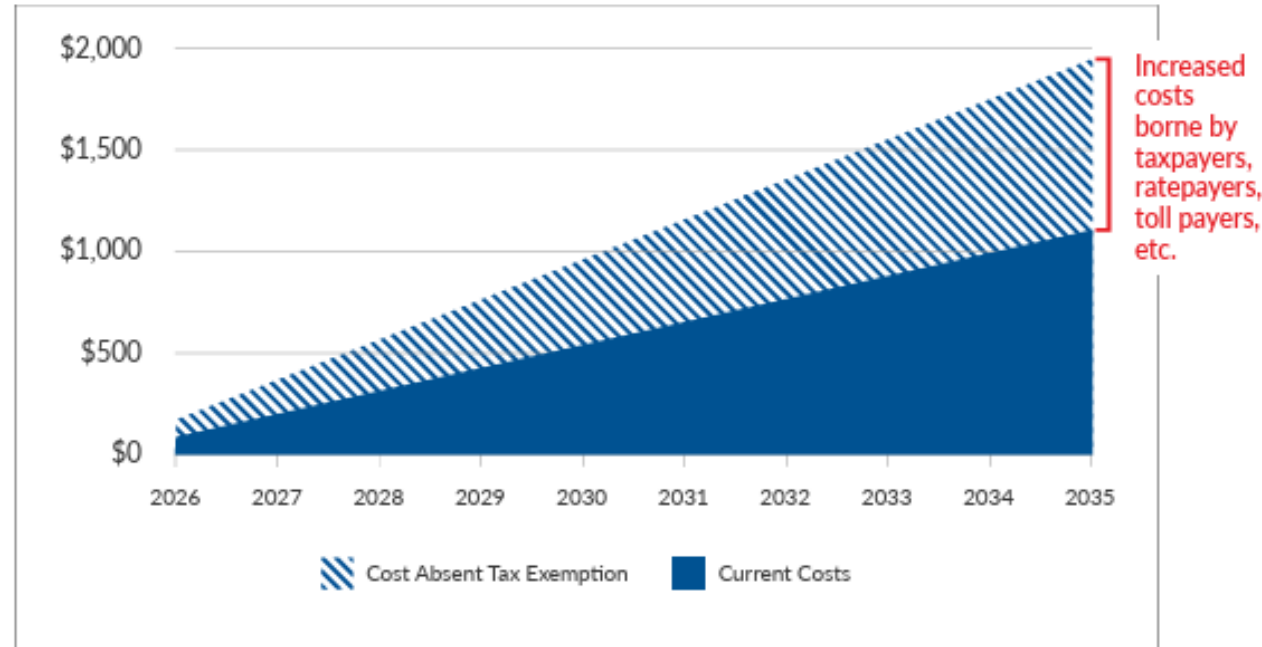
Eliminating the tax exemption would raise borrowing costs by **\$823.92 billion, a cost that would amount to a \$6,554.67 tax increase** for every American household over the next decade.

Impacts: Higher project costs, delayed infrastructure improvements, and increased financial strain on counties and local taxpayers



Scan to access additional resources
on Protecting Bonds to Build
Infrastructure and Create Jobs

Exhibit 9 | Projected Cumulative Borrowing Costs, 2026-2035 (in billions)



Source: Government Finance Officers Association Public Finance Network

Medicaid and Counties

- **Largest source of health coverage**, currently covering more than 79.3M individuals, including 37.6M children under Medicaid and CHIP
- **Counties contribute** to Medicaid in 25 states
- **Medicaid helps reduce county obligations** for indigent health care services in the 40 states that have expanded Medicaid
- **Medicaid supports** over 900 county hospitals, over 700 county long-term care facilities and 750 county behavioral health authorities

Medicaid serves:

nearly **2 in 5 children**



1 in 3 people with disabilities



1 in 5 Medicare beneficiaries



5 in 8 nursing home residents



Medicaid is a federal-state-local partnership funding health care for vulnerable populations

First 100 Days

Recapping 11 Weeks of High-Impact Executive and Congressional Policy Shifts

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| <ul style="list-style-type: none">• FEMA Elimination• NFIP – Flood Insurance• PILT Program• SRS Program• "Sanctuary Jurisdictions"• IRA Funding | <ul style="list-style-type: none">• Municipal Bonds• SLFRF Compliance• SNAP Cuts• Farm Bill Uncertainty• Highway Reauthorization• COVID-19 Grants | <ul style="list-style-type: none">• Medicaid Cuts• TANF Block Grant• Social Services BG• Federal Workforce Reductions• Deregulation Initiatives• DOGE• Elections |
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