INSIDE WASHINGTON

County Impacts from the White House & Congress

SEPTEMBER 18, 2025

FY 2026 Appropriations

Current State of Play

- Federal government funding expires on Sept. 30, 2025

U.S. House Committees – Approved 12 out of 12 appropriations bills

- **Topline spending: $1.598 trillion** topline spending level
    - Defense spending: $895.2 billion
    - Non-defense spending: $705.6 billion (6 percent cut)

U.S. Senate Committees – Approved 8 out of 12 appropriations bill

- **No topline spending number identified**
    - Defense spending: $852.5 billion
    - Non-defense spending: No topline number (Appropriations bills being marked up)
- Next Steps: *Continuing Resolution or Government Shutdown*

Congressional Reality: *With OBBA enacted, focus shifts entirely to defending remaining direct-to-county programs in appropriations*

FY 2026 Appropriations

Potential FY26 Government Shutdown

- Most federal agencies would cease non-essential operations
- Only "excepted" activities would continue: protecting life/property, constitutional duties, activities authorized by law
- Federal grant processing and new grant awards would likely pause
- Federal technical assistance and support to counties would be limited or unavailable
- Emergency response would continue, but new disaster declarations and non-emergency grant processing could halt
- While Medicaid benefits continue under permanent appropriations, administrative support and reimbursements could be delayed
- Numerous areas of intergovernmental partnership would be curtailed or cease, especially for counties that rely heavily on federal reimbursements

Two Recent "Shutdowns":

FY2014 lasted 16 days and FY2019 lasted 35 days

FEMA & Disaster Response

- FEMA reform package passed the House T&I Committee
  - Establishes FEMA as an independent agency
  - Public assistance reform – Transition from reimbursement to grant model
  - Individual assistance reform – Universal disaster application
  - Mitigation reforms – Pre-approved mitigation projects for counties
  - Creates a public PA dashboard

This bill responds directly to NACo feedback, including major reforms that would speed up recovery timelines, ease administrative burdens and improve support for survivors.

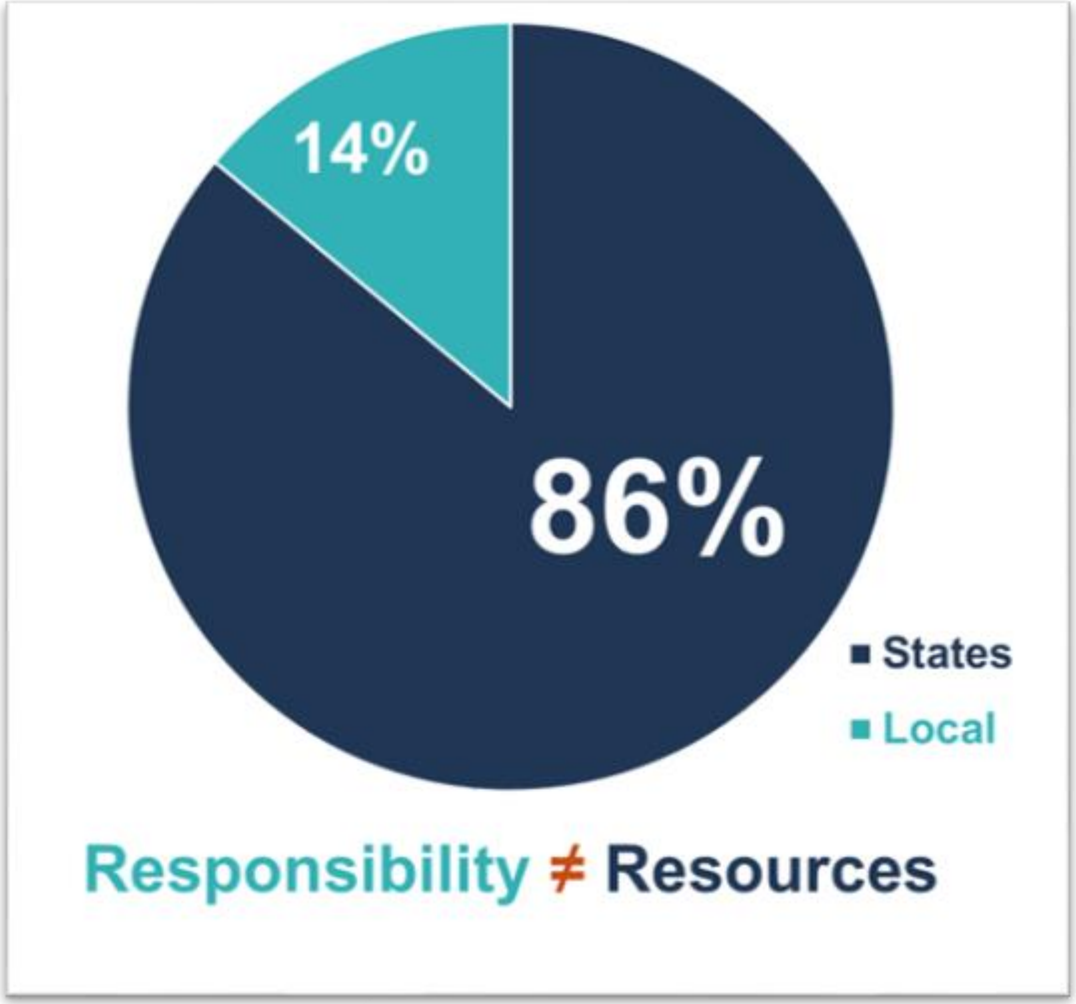
Read NACo's analysis on the FEMA Act and reach out to your Members of Congress

SURFACE TRANSPORTATION

- Infrastructure Investments and Jobs Act expires on **Sept. 30, 2026**
- USDOT is requesting recommendations to support the agency's development of priorities for upcoming surface transportation reauthorization bill
- County Stake:
    - 44% of America's roads
    - 38% of bridges
    - 40% of Public Transportation System

Access NACo's Surface Transportation Hub

SURFACE TRANSPORTATION



Access NACo's Surface Transportation Hub

SURFACE TRANSPORTATION

NACo's Reccomendations:

1. Streamline Delivery of Key Formula Funds Directly to Regional Organizations and Local Governments
2. Maintain Competitive Federal Funding Access for Local Governments and Regional Organizations
3. Strengthen Transportation Planning, Performance and Project Delivery
4. Dedicate Formula Funding for Rural Transportation Planning
5. Streamline Environmental Processes and Permitting for Smaller Projects

Access NACo's Surface Transportation Hub

HEAVY TRUCKS

- H.R. 3372 would implement a pilot program to allow states to increase the maximum truck weight from 80,000 lbs. to 91,000 lbs.
  - Messaged as a middle ground bill
  - Trucks are required to have six axles
- NACo opposes H.R. 3372 due to damage on county-owned infrastructure
  - Not enough federal funding to cover new damages
- NACo is opposing the inclusion of this and other bills in the next surface transportation bill

Nationally, the new 91,000 lbs. truck weight would put over 68,000 bridges at risk of falling into poor condition, many of which are county-owned

FARM BILL 2.0

- Series of short-term extensions since 2023, when the **Farm Bill 2018 expired**
- Major provisions passed as part of reconciliation - **SNAP and conservation**
- House Agriculture Committee is drafting text
  - Goal to advance the bill by the end of September
  - Tense negotiations on nutrition title
- Provisions from previously passed 2024 Farm Bill framework must be updated
- Potential for punting introduction until the new year
- NACo continues to push for key county priorities with lawmakers

Scan the QR code for NACo's Farm Bill Reauthorization Hub

Executive order: *Improving Oversight of Federal Grantmaking*

- **Grant Review Processes:** Designate senior appointees to review both NOFOs and discretionary grant awards to ensure alignment with agency priorities and national interest
- **Accountability Measures:** Agencies will conduct annual reviews of discretionary awards to assess progress and ensure consistency with the administration's priorities
- **Streamlining and Simplification:** Review the type of information requested when an applicant is applying to a discretionary grant program
- **Selection Criteria:** Prioritize applications that support the administration's policy priorities
- **Financial Controls:** Amend current grant policies, resulting in the potential termination of grant programs
  - Requires grantees (i.e. counties) to obtain authorization from awarding federal agency to draw funds

UPDATE: Executive order: *Unleashing America's Energy*

- Council on Environmental Quality released new guidance repealing the rule that established National Environmental Policy Act (NEPA) regulations
  - **U.S. Department of Transportation** – Local consultation framed as "cooperation"; Public comment not required
  - **U.S. Department of Interior** – Cooperating agency is not only in handbook, not regulation
  - **Army Corps of Engineers** – Local consultation required for EISs, but local cooperating agency role not guaranteed
  - **U.S. Department of Agriculture** – Eliminates agency specific NEPA guidance

THE SHIFT IN NEPA GUIDANCE DEMONSTRATES REDUCED COORDINATION WITH COUNTIES AND DIFFERING REQUIREMENTS ACROSS AGENCIES

Trends in National Policy

- National standards over local flexibility
- Rearranging federal grant programs
- Funding contingent on executive order compliance
- Counties required to do more with less
- Shifting Guidance (NEPA, WOTUS)
- Elimination of federal agency presence in some circumstances

INSIDE WASHINGTON

County Impacts from the White House & Congress

SEPTEMBER 18, 2025