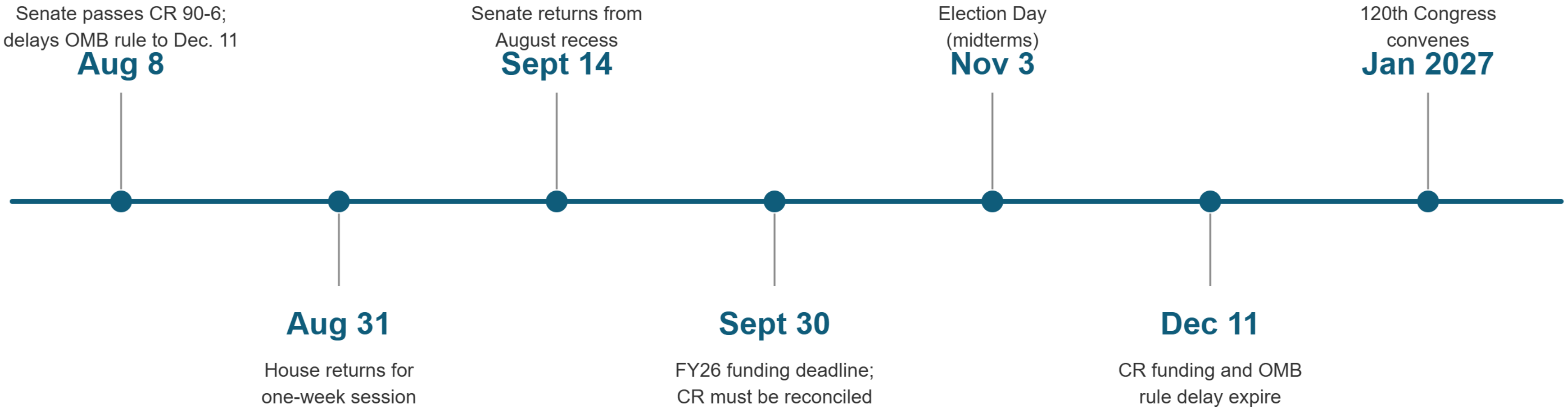
Policy Insider

A biweekly webinar series on federal and intergovernmental policy.

August 27, 2026

Congress Returns: What's Ahead After August Recess

- **The Senate is out until September 14**, a five-week recess; the House is back briefly August 31, leaving a narrow window before September 30.
- **Top of the fall agenda**: reconciling the House/Senate CRs, FY27 appropriations, and the SAVE America Act ahead of the midterms.



Fall Fiscal Fights: Where Appropriations Stand

- **The House has passed 3 of 12 FY 2027 spending bills**; the Senate Appropriations Committee hasn't agreed on topline allocations and hasn't passed any of its 12 bills.
- **Competing CRs still need reconciling**: the House's CR (H.R. 9770, 220-205) funds through Dec. 4; the Senate's funds through Dec. 11 and adds the OMB rule delay — the gap must close before Sept. 30.
- **The FY 2027 NDAA is stalled in the Senate**: a July 14 cloture vote to proceed to S. 4784 failed 50-46, leaving the bill's floor path — and the House-attached SAVE America Act language — unresolved.
- **Bottom line for counties**: expect a stopgap CR into December and continued uncertainty on FY27 funding, with several moving vehicles that could each carry riders affecting counties.

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2027 Appropriations Tracker

Other Programs/Bills That Expire Soon

- **Sept. 30, 2026 is a popular date:** that's when surface transportation authorization, NFIP authorization, the farm bill, Secure Rural Schools and other programs are set to expire
- **Reauthorization vs. extension:** some of these have full reauthorization bills being negotiated that will include policy changes and more, while others simply need an extension of their authorities.
- **Varying implications upon expiration:** a lapse in authorization for some programs, like Secure Rural Schools, would have immediate, direct impacts on counties, while others would be more indirect.
- **NACo's ask**: while we ideally would like to see full, comprehensive and multi-year reauthorizations for many of these (like surface transportation reauthorization), it is crucial that none of them lapse.

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OMB Rule Delayed Through December 11 — What It Means

- **The Senate's stopgap funding bill, passed 90-6 on August 8**, included Section 157, delaying implementation of OMB's Uniform Guidance overhaul until December 11 — a temporary reprieve from the rule's new grant compliance requirements.
- **The delay is not yet locked in** — the House's version of the CR funds the government only through December 4 and does not include the same protection, so the chambers must reconcile the provision before September 30.
- **OMB is still reviewing roughly half a million public comments** on the proposed rule, including NACo's, and could revise, finalize, or withdraw provisions before the delay expires.
- **What counties should do now** — keep building internal plans for the rule's pre-award risk review, viewpoint-neutrality, and termination-authority provisions in case it takes effect after December 11, and watch for House action on the CR.

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Comment Letter

OMB Rule: What Counties Should Do Now

- **Contact your House member**: urge them to adopt the Senate's CR language delaying the OMB rule to Dec. 11, since the House's version doesn't include that protection.
- **Start an internal readiness review**: audit subaward agreements, termination clauses and risk-management practices against the rule's proposed changes.
- **Support a permanent legislative fix**: engage on the bipartisan Streamlining Federal Grants Act as a longer-term alternative to OMB's rule.
- **Share your county's story**: submit real examples of how the rule's provisions would affect local grant administration through NACo's Uniform Guidance Resource Hub.

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Supreme Court Allows Mail-In Ballot Executive Order to Move Forward

- **On August 24, the Supreme Court voted 6-3** to lift a block on Executive Order 14399, allowing DHS citizenship lists and new USPS mail-in ballot restrictions to proceed ahead of November.

- **The Court found states lacked standing to sue**, ruling the EO's Sections 2 and 3 are internal directives, not final rules states can yet challenge.

- **Update, Aug. 26**: a federal judge lifted the remaining USPS injunction; 24 states and D.C. immediately sued to block USPS's final rule, released Aug. 21.

- **What counties should do now**: don't change mail-in ballot procedures yet, watch the First Circuit's injunction closely, and coordinate with your state election office on DHS citizenship-list activity.

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SAVE America Act: Two Paths Moving Through Congress

- **Path 1 — NDAA (H.R. 8800)** passed the House 216-212 (July 22) with the full SAVE America Act attached — DPOC, photo ID, criminal penalties for officials — needs 60 Senate votes.

- **Path 2 — Reconciliation 3.0**: a $95B package (216-214, July 22) with $10B for state-level SAVE America Act grants — simple majority needed, but GOP leaders warn of Byrd rule cuts.

- **Same goal, different mechanisms**: NDAA imposes an immediate mandate; reconciliation funds HAVA grants instead. House Administration Committee must write its portion by Sept. 11.

- **Outcome is uncertain**: the Senate could strip either provision, pass a hybrid, or let both fail — counties should weigh in on both fronts now.

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SAVE America Act: Call to Action for Counties

- **No funding, no transition time**: both paths add new ID/DPOC requirements with no dedicated funding — NACo estimates costs of $510M per election cycle, 11x current federal support.

- **Immediate vs. longer-term risk**: NDAA mandates hit before November with no transition time; reconciliation grants could push states to similar rules later — same concerns, delayed.

- **Criminal exposure for officials**: up to five years in prison or civil liability for good-faith registration mistakes — a real risk to recruiting and retaining election workers.

- **What to do now**: contact your Senators and Representatives using NACo's template letter — share how either path affects your county's staffing, budget and services.

Scan to visit NACo's SAVE America Act Resource Hub

Court Vacates FY 2026 Continuum of Care Grant Changes

- **On August 7, a federal judge ruled** that HUD acted unlawfully by including a $1.3 billion set-aside in the FY 2026 Continuum of Care (CoC) NOFO released June 1 — HUD must rescind the notice entirely.

- **Homelessness advocates brought the suit**, arguing the set-aside for new transitional housing and supportive-service projects was unfounded and would cause many existing CoC projects to lose funding.

- **What was in the NOFO**: just 60% of funding would've been protected Tier 1 renewals — down from nearly 90% today — with the rest competitive.

- **Also vacated**: provisions limiting DEI consideration and new, subjective "self-sufficiency" merit criteria.

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Continuum of Care: What's Next for Counties

- **HUD is weighing its options**, including an appeal, and has confirmed the original NOFO submission deadline no longer applies while it decides how to proceed.
- **Watch for a revised NOFO**: counties and their CoC partners should monitor HUD communications for another version of the FY 2026 competition.
- **Assess local impact now**: review how the vacated set-aside and Tier 1/Tier 2 funding splits would have affected your CoC's renewal and new-project applications.
- **Stay ready to adjust**: once HUD issues updated guidance, be prepared to revise applications quickly — NACo will share updates as they develop.

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