

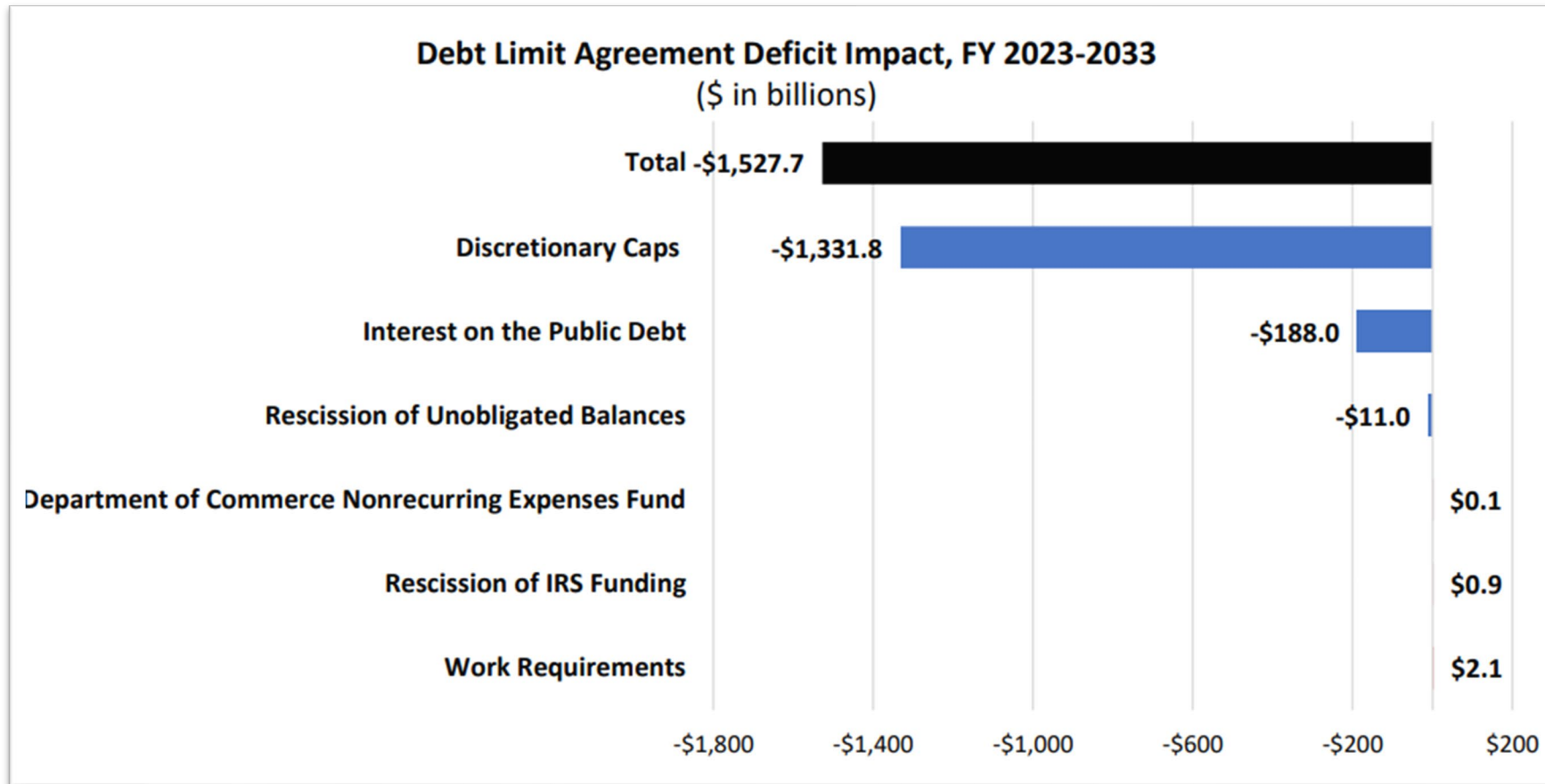


**NACo NATIONAL MEMBERSHIP CALL:
BRIEFING FOR COUNTY LEADERS ON THE DEBT CEILING DEAL**

KEY HIGHLIGHTS

- **DOES NOT** rescind State and Local Fiscal Recovery Fund (SLFRF) dollars, including the \$65.1 billion provided directly to counties, or Local Assistance and Tribal Consistency (LATCF) dollars
- Caps non-defense discretionary spending for FY 2024 at roughly \$704 billion
- Includes new administrative requirements and eligibility restrictions while also expanding exemptions for some federal public assistance programs
- Reforms the permitting process for federally funded infrastructure projects
- Cuts to the IRS budget increases enacted in the Inflation Reduction Act
- Reinstates federal student loan payments on defaulted loans by August 29, 2023

IMPACT ON DEFICIT



Source: Congressional Budget Office

RECISSIONS

- Public Health and Social Services Emergency Fund
- Highway Infrastructure Programs
- Aviation Manufacturing Jobs Protection Program
- Recissions below \$150 million:
 - Disaster Loans Program Account
 - Education Stabilization Fund
 - Emergency Capital Investment Fund
 - State Small Business Credit Initiative

Of note to counties, no SLFRF dollars, including the \$65.1 billion provided directly to counties, will be rescinded. Additionally, no LATCF dollars will be rescinded.

PERMITTING REFORM

- Includes portions of the BUILDER Act, which addresses long-standing county permitting priorities – *NACo endorsed*
 - Limits the timeline for agency reviews to two years whenever possible
 - Limits the number of pages for environmental impact statements and environmental assessments
 - Establishes a lead agency for review
 - Establish a process for local governments to be appointed as a joint lead agency
 - Create procedures to elevate delays or disputes
 - Requires the preparation of a single environmental impact statement
- Other permitting provisions included outside of the BUILDER Act:
 - Establishes that a federal agency can adopt another agency’s categorical exclusion
 - Designates that an environmental document can be up to five years old – *IF no new substantial circumstances that would impact the analysis*

WORK REQUIREMENTS

- Expands existing work requirements for the Supplemental Nutrition Assistance (SNAP) and Temporary Assistance for Needy Families (TANF) programs – *does NOT include Medicaid*
- **SNAP changes (expires 2030):**
 - Phases in additional work requirements for able bodied adults without dependents (ABAWDs) ages 50-54
 - Exempts homeless individuals, veterans and youth aging out of foster care (24 year and younger) from work requirements
- **TANF changes (permanent):**
 - Overhauls the original TANF framework moving the comparison year from 2005 to 2015
 - Option to lower work participation rate by contributing more state funding to TANF benefits

Counties administer SNAP and TANF in 10 states, meaning counties in these states will be responsible for implementing these changes and performing outreach to impacted participants in these states.

BUDGET CAPS

- Establishes discretionary budget caps for FYs 2024 and 2025
- Spending limits for defense AND nondefense discretionary spending for FYs 2024 and 2025
- Spending caps are enforced through sequestration – automatic spending cuts triggered if limits are exceeded

TOPLINE SPENDING

Spending Type	FY 2024 (in B)	FY 2025 (in B)
Defense	\$886.3	\$895.2
Non-Defense	\$703.7	\$710.7
Total	\$1,508	\$1,605.9

SPENDING CAPS

Fiscal Year	Total (in billions)
FY 2026	\$1,621.9
FY 2027	\$1,638.2
FY 2028	\$1,654.6
FY 2029	\$1,671.1



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