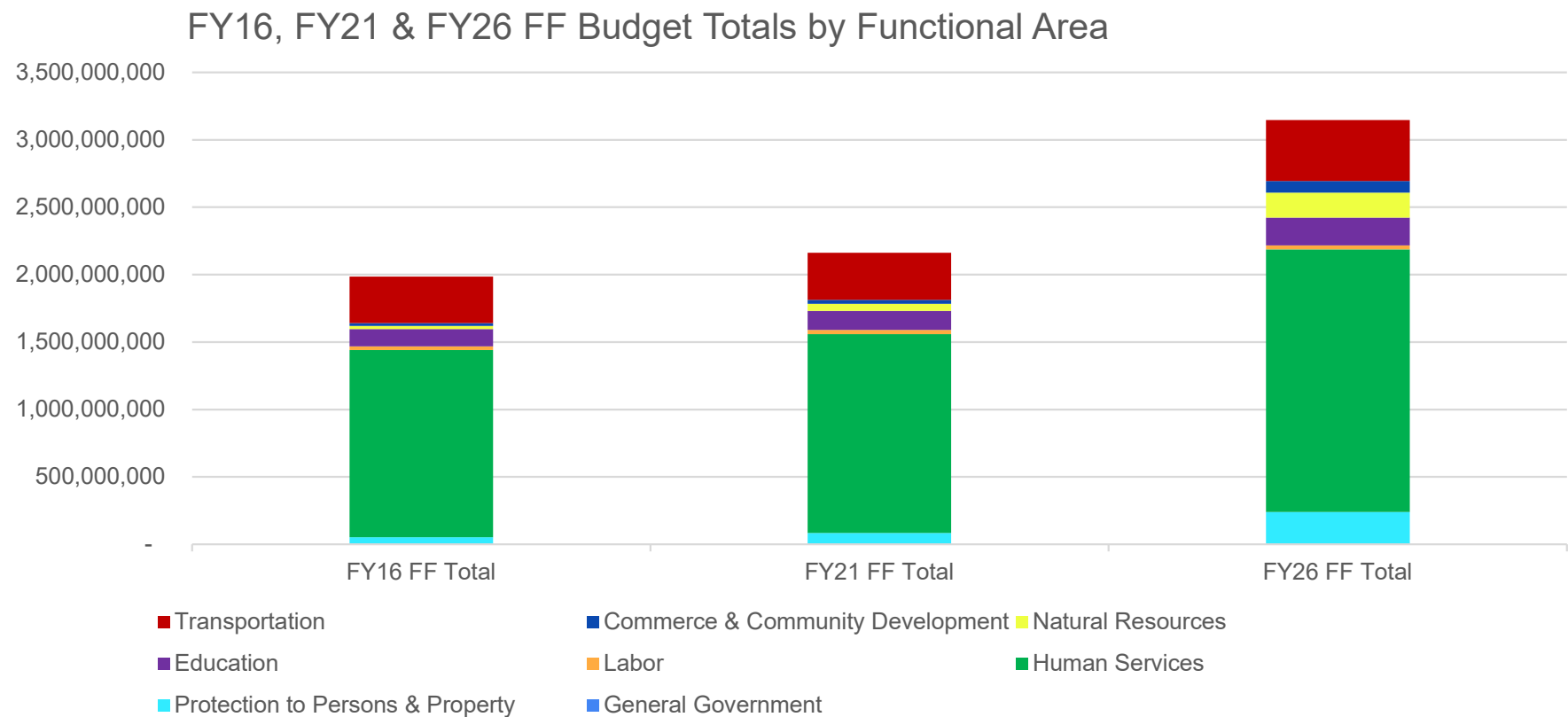


Federal Funds Update & Approach
Secretary of Administration
Joint Fiscal Committee

July 31, 2025



Federal Funds in the State Budget – FY16, FY21, FY26 Comparison



Excludes Debt Service & One-Times

APPROACH TO UNDERSTANDING FEDERAL BUDGET AND ACTIVITY

- Issued a memo on federal funds to extended cabinet on July 21, 2025.
- Continuing to review the impacts of the federal Reconciliation bill (H.R.1).
- Stay disciplined and factual in evaluation of changes and operational response as it continues to evolve.
- Engage with federal partners, including the delegation, and communicate with the Agency of Administration via established process (next slide).
- Assess the landscape for both program-specific and enterprise-wide impacts and pivot quickly if more specific State action is needed. Similar to “normal” budget and policy monitoring processes; but there is more uncertainty in the current federal and economic landscapes.
- Preparing similar to gov’t shutdown. Closely monitoring access to federal reimbursement systems.

Federal Funding Reduction Process – 2025 Act 27 Sec. E.127.2 (c)

“...The Secretary of Administration shall monitor any changes in federal funding as the difference between the baseline federal funding amount for use in fiscal year 2026 and any updated State federal funds revenue forecast adopted by the Emergency Board and shall calculate the percent reduction of the unduplicated function totals for each governmental function unit.”

- The Department of Finance & Management issued guidance to the Executive branch soliciting **monthly** data related to federal funding reductions.
- Updates due to DFM on the first business day of each month for the prior month – first one is due on 8/1/2025
- Data request includes:
 - Department
 - \$ Amount
 - Federal grant title
 - Impact assessment
 - Supporting documentation

Fiscal Year:	Month:	Business Unit:	BU Name:	
2026	July	03XXX	Agency of Human Services	
Have you received written confirmation, from the federal government, of a loss or elimination of federal revenues impacting an appropriation for the fiscal year provided on this form?				Yes
Dept ID:	Title:	Amount	Impact	Attachment Included