

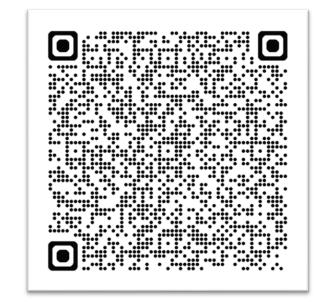
FIRST 100 DAYS NACo Webinar Series | Week 5

FEBRUARY 21, 2025

FIRST 100 DAYS

- Provide timely updates and analysis on key developments from the administration and Congress
- Focus on policies and actions that directly impact counties
- Questions will be answered if there is ample time at the end – If your question isn't answered, email <u>questions@naco.org</u>, Mark (mritacco@naco.org) or Eryn (ehurley@naco.org).
- NACo will announce future First 100 Day webinars as soon as scheduled (usually Fridays)





Scan the QR code to visit the NACo First 100 Days Landing Page



FIRST 100 DAYS: PRESIDENTIAL MEMO ON FEDERAL SPENDING

- "Promoting Transparency and Accountability"
 - Requires federal agencies to disclose information on terminated programs, canceled contracts and discontinued grants
- "Ending Wasteful Spending"
 - Funds allocated to DEI initiatives
 - Climate justice organizations
 - EV charging stations
 - Environmental justice grant
 - Restructure federal agencies to align with administration's priorities
- Federal Financial Oversight and Regulatory Reforms
 - DOGE aims to identify and rescind funds
 - 10-to-1 deregulation initiative



FIRST 100 DAYS: PRESIDENTIAL MEMO ON FEDERAL SPENDING

County Impacts

- Track and advocate for necessary resources
- Streamline permitting and reduce administrative burdens
- More efficient federal funding distribution
- Impact county budgets Economic development, workforce development and social services
- Stricter compliance requirements, potential delay in county projects and federal grants
- County partnerships with federal agencies

FIRST 100 DAYS: EXECUTIVE ORDER ON INDEPENDENT FEDERAL AGENCIES

Key Actions

- Conduct assessment and review of priorities and strategic plans
- White House sets performance standards
- OMB oversight of funding
- Independent agencies are required to consult with president before issuing regulations, setting priorities, allocating fund
- Rules and regulations undergo White House review
- Rules require presidential approval

INDEPENDENT AGENCIES INCLUDE: FEDERAL TRADE COMMISSION, FEDERAL COMMUNICATIONS COMMISSION AND SECURITIES EXCHANGE COMMISSION



FIRST 100 DAYS: EXECUTIVE ORDER ON INDEPENDENT FEDERAL AGENCIES

County Impacts

- Regulatory Uncertainty: Counties rely on stable federal policies; increased presidential control may lead to abrupt shifts in regulatory enforcement and grant allocations
- Delayed Rulemaking & Funding: Federal agencies may take longer to approve new policies or disburse funding as they undergo increased oversight
- Reduced Local Autonomy: If independent agencies lose flexibility, counties may have less direct engagement in shaping federal policies that affect them

INDEPENDENT AGENCIES INCLUDE: FEDERAL TRADE COMMISSION, FEDERAL COMMUNICATIONS COMMISSION AND SECURITIES EXCHANGE COMMISSION



FIRST 100 DAYS: NEPA

The Council on Environmental Quality unveiled an IFR that rescinds 1977 order that authorizes NEPA rules – Effective immediately

CEQ Additional Guidance: NEPA Reform

- Expedite and simplify the National Environmental Policy Act (NEPA); Ensure consistency with the Fiscal Responsibility Act (FRA)
- Revokes environmental justice reviews
- Environmental Assessments (EA) and Environmental Impact Statements (EIS) review requirements
- Single document if multiple agencies involved
- NEPA reviews dependent on funding levels and project scope

CEQ Additional Guidance: Procedures

- Agencies are required to revise procedures within 12 months
- Continue project implementation
- OMB will review agencies' NEPA regulations
- Agencies are not required to collect public comments





Scan the QR code to read NACo's FRA analysis

FIRST 100 DAYS: NEPA



The Council on Environmental Quality unveiled an IFR that rescinds 1977 order that authorizes NEPA rules – Effective immediately

County Impacts

- Shorten NEPA timelines = Faster project implementation
- Shortened (or no) public comment period may limit feedback on proposed regulatory changes
- Additional clarification on "Major Federal Action" need clear guidelines for qualifications
 - Differing interpretation by agencies
- Potential alteration of eligibility requirements

FIRST 100 DAYS: CABINET NOMINATIONS

- Russell Vought Office of Management and Budget Director
- Howard Lutnick U.S. Department of Commerce
- Kash Patel Federal Bureau of Investigation Director
- Tulsi Gabbard U.S. National Intelligence Director
- Robert Kennedy Jr. U.S. Department of Health and Human Services
- Brooke Rollins U.S. Department of Agriculture
- Lori Chavez-DeRemer U.S. Department of Labor
- Linda McMahon U.S. Department of Education
- Scott Turner U.S Department of Housing and Urban Development
- Pam Bondi U.S. Attorney General
- Russ Vought Office of Management and Budget
- Scott Bessent U.S. Department of Treasury
- Doug Burgum U.S. Department of Interior
- Sean Duffy U.S. Department of Transportation
- Pete Hegseth U.S. Department of Defense
- Kirsti Noem U.S. Department of Homeland Security
- Marco Rubio U.S. Department of State
- Lee Zeldin Environmental Protection Agency Administrator
- Chris Wright U.S. Department of Energy
- John Ratcliffe Central Intelligence Agency Director

18 TOTAL CABINET-LEVEL NOMINEES HAVE BEEN CONFIRMED BY THE SENATE



FIRST 100 DAYS: REPEAL OF REGULATIONS

House leadership is looking to roll back Biden-era regulations through the Congressional Review Act

- Waste Emissions Charge for Petroleum and Natural Gas Systems: IRA provision places a "waste emission charge" on methane waste
- Energy Conservation Standards: Tightens conservation standards for gas-fired instantaneous water heaters
- Carbon Credit Derivative Contracts: Standardized marketplace to buy and sell carbon credits
- **Tire Manufacturing:** New standards for rubber tires limiting dangerous chemicals
- California Clean Air Act Waiver: Stricter emission standards



CRAs allow Congress to overturn rules within 60 days of being published in the Federal Register

House Budget Bill

Topline Numbers

- Deficit: \$4.5 trillion cap
 - 40 Expiring TCJA Provisions + other campaign promises
 - +\$900 billion
 - Growth to offset cost
- Debt Limit: \$4 trillion increase
- Mandatory Spending: \$300 billion increase
 - Armed Services Committee: \$100 billion cap
 - Homeland Security Committee: \$90 billion cap
 - Judiciary Committee: \$110 billion cap

Path Forward?

Full House consideration next week

HOUSE'S BUDGET PROPOSAL CONTAINS ONE BILL THAT INCLUDES TAX CUTS, BORDER AND DEFENSE SPENDING AND MANDATORY PROGRAM SAVINGS





House Budget Bill

Spending Cuts – Totals a \$1.5 trillion floor (\$2 trillion goal)

- Agriculture Committee: \$230 billion (SNAP)
 - County administered in 10 states
- Education and Workforce Committee: \$330 billion
- Energy and Commerce Committee: \$880 billion (Medicaid)
 - Counties contribute to Medicaid in 25 states
 - 19 mandate counties to contribute to the nonfederal share of Medicaid costs
 - 900 county-supported hospitals
- Financial Services Committee: \$1 billion
- Natural Resources Committee: \$1 billion
- Oversight and Government Reform Committee: \$50 billion
- Transportation and Infrastructure Committee: \$10 billion
 - Counties invest more than \$146 billion annually in infrastructure

HOUSE'S BUDGET PROPOSAL CONTAINS <u>ONE</u> BILL THAT INCLUDES TAX CUTS, BORDER AND DEFENSE SPENDING AND MANDATORY PROGRAM SAVINGS

Senate Budget Bill – Passed the Senate on Feb. 21

Topline Numbers

- \$342 billion in spending over 4 years/\$85.5 billion per year
 - Border Security: \$175 billion
 - Defense: \$15 billion
 - Coast Guard: \$17 billion

Deficit Increases/Decreases

- Agriculture: Reduce deficit by at least \$1 billion (SNAP)
- Armed Services: Increase deficit by no more than \$150 billion
- Commerce: Increase deficit by no more than \$20 billion
- Energy and Natural Resources: Reduce deficit by at least \$1 billion
- Environment and Public Works: Increase deficit by no more than \$1 billion
- Health, Education, Labor and Pensions: Reduce deficit by at least \$1 billion
- Homeland Security and Governmental Affairs: Increase deficit by no more than \$175 billion
- Judiciary: Increase deficit by no more than \$175 billion



SENATE'S RECONCILIATION PLAN CONTAINS **TWO** BILLS WITH THE FIRST FOCUSING ON BORDER AND DEFENSE SPENDING



How to Advocate for County Priorities

- Educating Federal Policymakers about county role: Cut or cost shift?
 - Infrastructure investments
 - Medicaid
 - Counties contribute to Medicaid in 25 states
 - Supplemental Nutrition Assistance Program (SNAP)
 - Counties are responsible for administering SNAP in ten states representing 34.3 percent of total participants (14.6 million people)
- County Tax Policy
 - Municipal Bonds
 - The tax-exempt bonds issued by state and local governments and nonprofit entities have financed more than **three-quarters of our nation's infrastructure**.

SALT Deduction

- Allows counties to maintain authority over local tax structures.
- Double standard: Businesses and landlords may deduct their state and local taxes

FIRST 100 DAYS: GOVERNMENT FUNDING

- Federal funding expires March 14
- House leaning towards a yearlong funding deal
- Projected final decision on path forward soon
- 2023 debt limit deal outlines 1 percent increase in for nondefense and defense spending OR 1 percent decrease if no deal is reached
- House and Senate Appropriators negotiating Halted due to federal funding pause
- Federal Government "shutdown" possible

FUNDING FOR THE FEDERAL GOVERNMENT EXPIRES ON MARCH 14, 2025





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