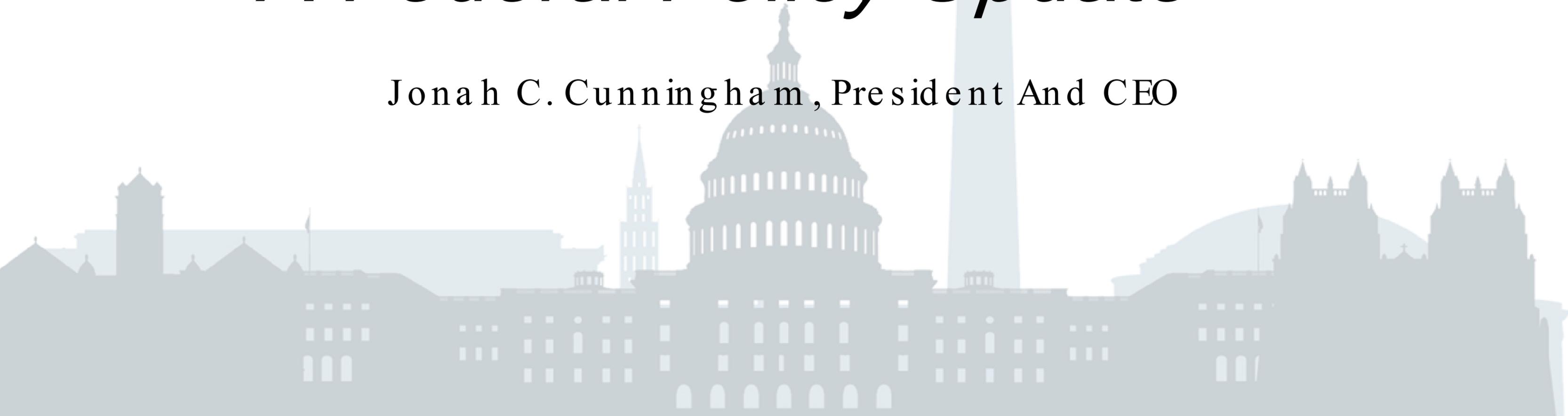




# *Rescissions, Rancor, and Budget Reconciliation: A Federal Policy Update*

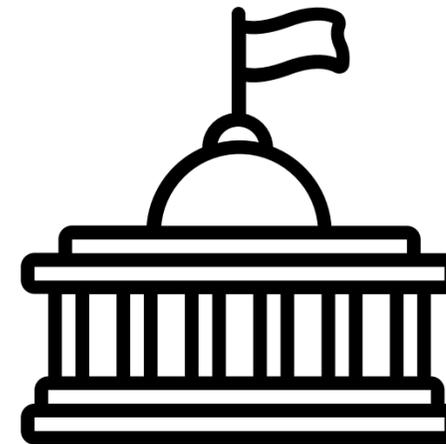
Jonah C. Cunningham, President And CEO





# About NACBHDD

- Founded in 1989
- Represents Local Authorities
- Dual Focus on I/DD and Behavioral Health
- Affiliate of NACo





# Ground Rules & Goals





# Goals for Presentation

- Share Context for Policy Developments
- Provide Updates
- Give Tools for Education & Outreach



# Ground Rules

- We are Non-Partisan
- Situation is Evolving
- Questions are Welcomed



# Policy Context





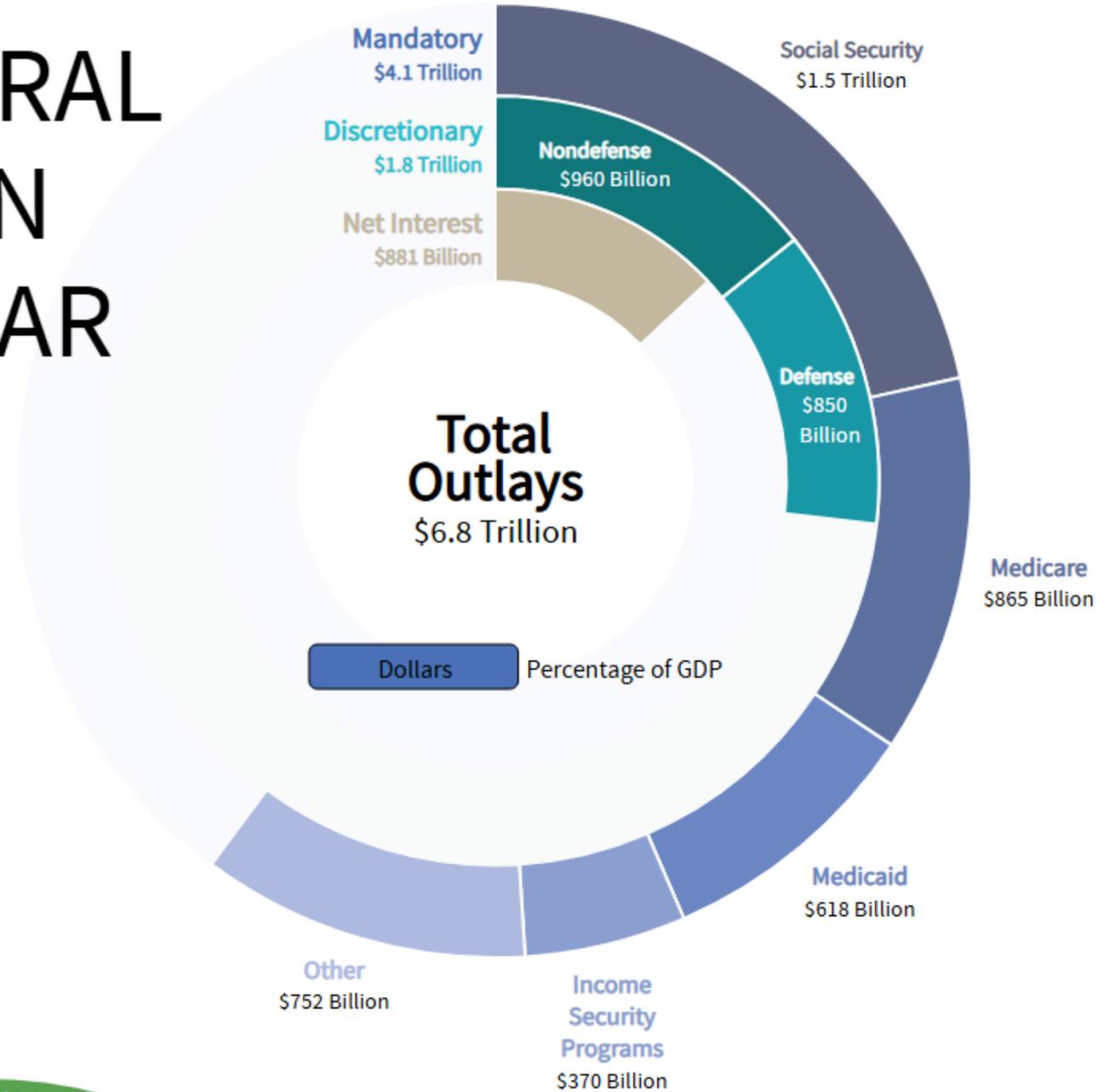
# Top Story Lines

- Broad Retrenching of Federal Activities
- Impacts Slowly Coming Into Focus
- “The Big Shift” Will Vary By State



# Federal Budget Overview

## THE FEDERAL BUDGET IN FISCAL YEAR 2024

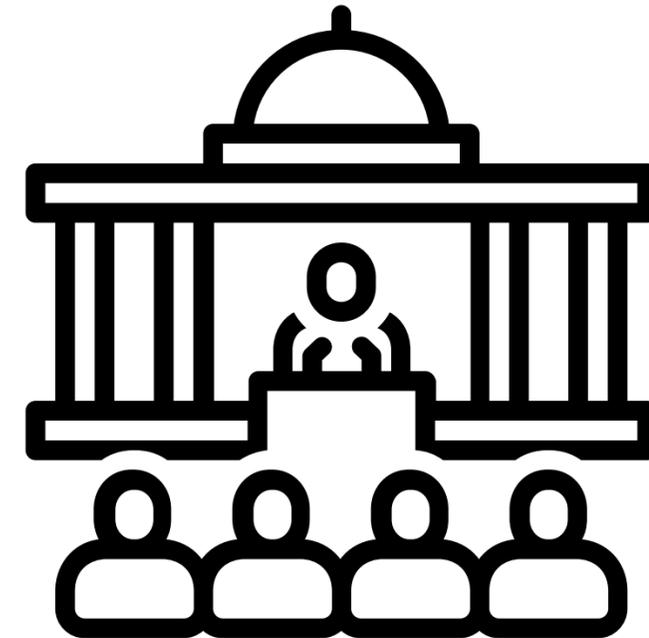


Data source: Congressional Budget Office, March 2025



# Fiscal Fights

- Small Majorities in Each Chamber
- Annual Appropriations & Previous Year
- Debt Limit
- Budget Reconciliation





# Policy Updates





# Annual Appropriations

- Pass 12 Bills to Fund Government
- End of Fiscal Year September 30
- Can Be Combined or Extended
  - Omnibus/Continuing Resolution
- No Funding=Gov Shutdown



# President's Budget

- Statement of Policy Priorities
- Proposed Cuts
  - \$33.3 billion (26.2% decrease) to HHS
  - Eliminate Programs of Regional and National Significance (PRNS)
  - Merger of SUD/MH Block Grants



# Reorganization of HHS

- RIFs of Staff
- Merger of SAMHSA/HRSA into AHA
- Merger of ACL/ACF

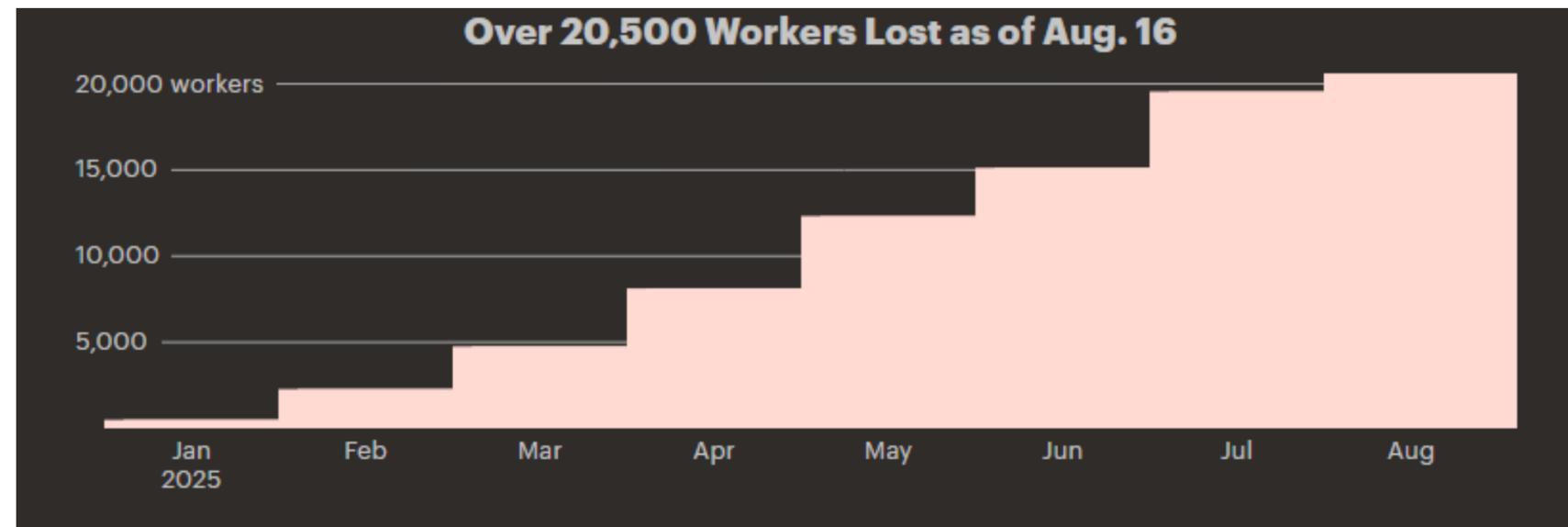


Source: [HHS Budget in Brief](#)



# RIFs of Federal Workers

- Reorganization of HHS (???)
- Estimated 18% of HHS Fired
- Deferred Resignation Program



Source: [How Many Federal Health Workers Have RFK Jr. and the Trump Administration Cut? — ProPublica](#)



# FY2026 Status

- Differing Funding Levels Between House & Senate
- Continuing Resolution Passed by House, Failed in Senate
- Disagreements on Policy Riders (ACA Marketplace, Medicaid), Duration



# What Happens in a Shutdown?

- Government Services Scaled Back
- Prohibition of New Spending\*
- Decision by Agency Heads on Exempted Work

Source: [Government Shutdowns and Executive Branch Operations: Frequently Asked Questions \(FAQ\) | Congress.gov | Library of Congress](#)



# HHS Shutdown Plans

## Lapse Plan Summary Overview<sup>1</sup>

Category / Description	Details / Number of Employees
Estimated time (to nearest half day) required to complete shutdown activities:	.5 days
Total number of agency employees expected to be on board before implementation of the plan:	79,717 employees
Total number of agency employees expected to be furloughed under the plan (unduplicated count):	32,460 employees
<b>Total number of employees to be retained under the plan for each of the following categories</b> (may include duplicated counts):	
Compensation is financed by a resource other than annual appropriations:	35,096 employees
Necessary to perform activities expressly authorized by law:	12,206 employees
Necessary to perform activities necessarily implied by law:	2,654 employees
Necessary to the discharge of the President's constitutional duties and powers:	1,609 employees
Necessary to protect life and property:	7,898 employees



# RIFs Continued

3. As a result of data discrepancies and processing errors, RIF notices were issued on October 10, 2025, to approximately 1,760 employees instead of to the 982 employees who were intended to receive RIF notices. Employees have been working since October 10, 2025, to rescind the notices that had been issued in error. The final number of RIF notices that have been issued to HHS employees is 982.

Source: [AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, AFL-CIO, et al., Plaintiffs, v. UNITED STATES OFFICE OF MANAGEMENT AND BUDGET, et al., Defendants.](#)



# Other Fiscal Fights





# Im p o u n d m e n t

- Ability of POTUS to “Impound” Funds
- Restricted by Impoundment Control Act of 1974
  - POTUS Must Request Recissions from Congress
  - Allows for Expedited Process



# Rescissions History

Table 1. Presidents Have Not Routinely Relied on the ICA’s Rescissions Authority in Recent Years, \$U.S. Billions

Administration	President Initiated	Congress Accepted	Congress Initiated
Trump 47	\$9.4	\$9.0	Analysis not yet available
Biden	\$0	\$0	*Analysis not yet available
Trump 45	\$42.2	\$0	\$61.6
Obama	\$0	\$0	\$125.2
G.W. Bush	\$0	\$0	\$83.4
Clinton	\$6.7	\$3.6	\$48.8
G.H.W. Bush	\$13.4	\$2.4	\$26.6
Reagan	\$43.3	\$15.7	\$33.4
Carter	\$5.7	\$2.8	\$3.5
Ford	\$6.8	\$0.5	\$1.4
<b>Totals</b>	<b>\$127.5</b>	<b>\$34.0</b>	<b>\$383.9</b>

Source: [Government Accountability Office](#), [White House Archives](#), and authors’ analysis of presidential rescissions requests since July 2020.



# *Reconciliation Bill*





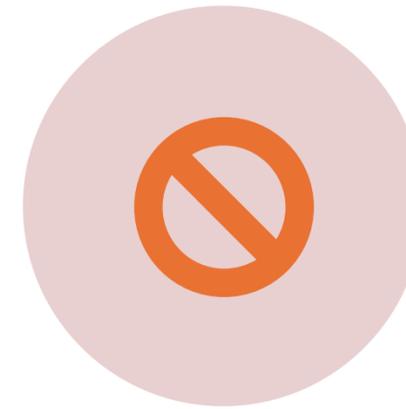
# Budget Reconciliation



OPTIONAL PROCESS



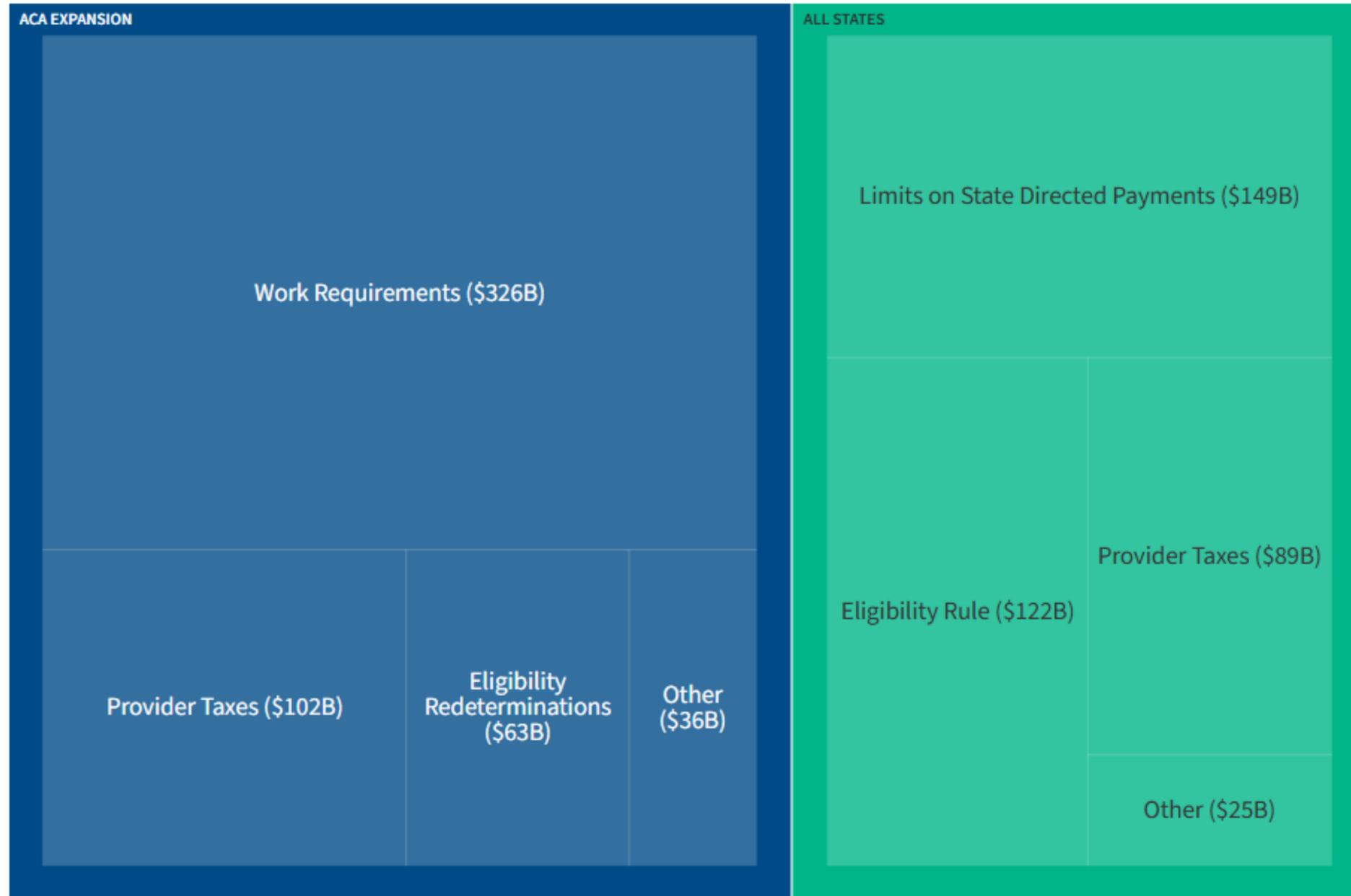
CAN ONLY FOCUS ON FISCAL  
MATTERS (BYRD BATH)



NOT SUBJECT TO FILIBUSTER



# Effects on Medicaid



Note: Over the 10-year period, the Medicaid spending reductions total \$911B, including \$79B in estimated Medicaid spending interactions. Without accounting for interactions, the total is \$990B. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package" for more details.  
 Source: KFF analysis of CBO estimates of the enacted reconciliation package



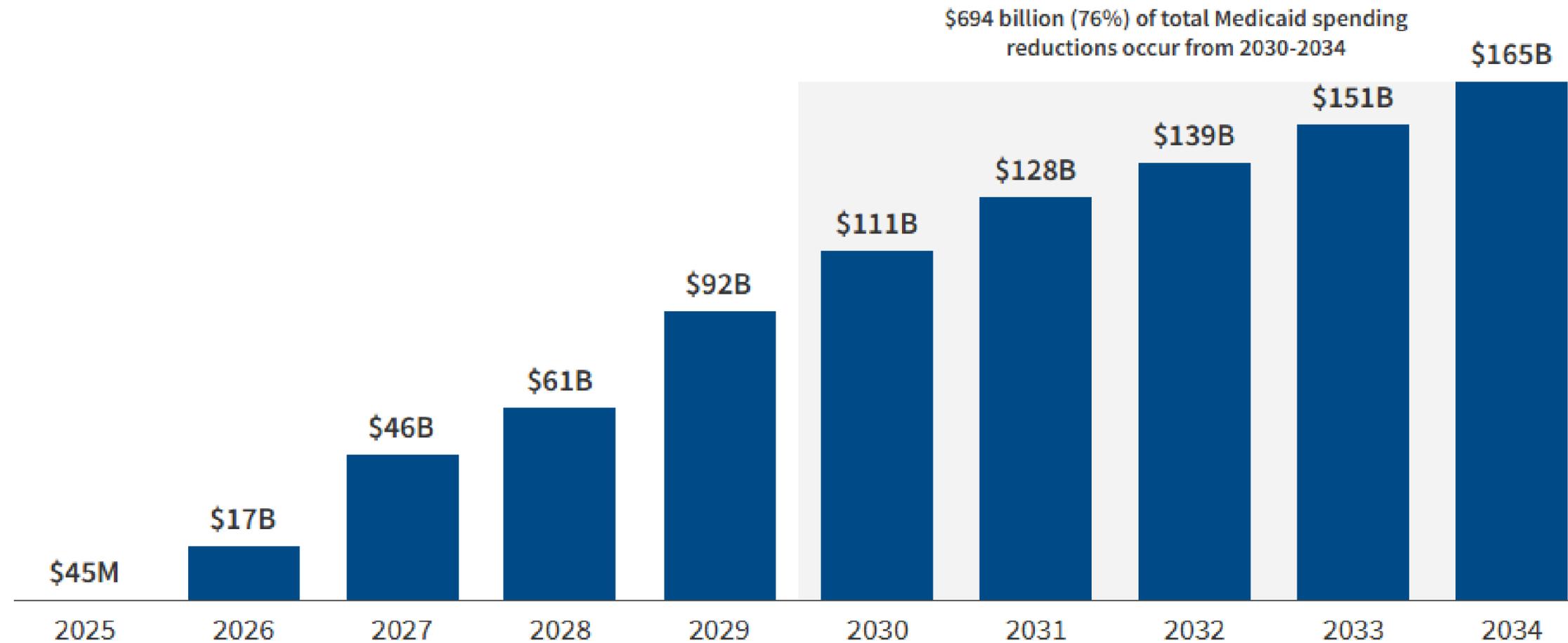
# Timeline for Implementation

Effective Date	Provision
October 1, 2026	Limit certain immigrant eligibility for Medicaid & CHIP
January 1, 2027	Limit certain immigrant eligibility for ACA subsidies & Medicare
January 1, 2027	Limit retroactive coverage
January 1, 2027	Redeterminations at least 2x a year
January 1, 2027 (optional 2 yr delay)	Work Requirements (expansion population)
October 1, 2028	Cost-Sharing (expansion populations)
FY 2028-2032	Provider taxes (% reduction)



# Medicaid Cuts Over Time

## Federal Medicaid Cuts in the Enacted Reconciliation Package, By Year



Note: Estimated interaction effects are included each year. Over the 10-year period, the Medicaid spending reductions total \$911B, including \$79B in estimated Medicaid spending interactions. Without accounting for interactions, the total is \$990B. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Enacted Reconciliation Package" for more details.

Source: [KFF analysis of CBO estimates of the enacted reconciliation package](#) • [Get the data](#) • [Download PNG](#)





# THANK YOU

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- NACBHDD.org

