



# Update on Federal Funding: April 2025

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Finance Committee  
April 7, 2025

# Agenda

- Legal Update
- Federal Budget and Economic Policy Update
- Funding Highlight: PCED

# Legal Update

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Mike Haas, City Attorney

# Finance Update

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Dave Schmiedicke, Finance Director

# FFY 2025 – Continuing Resolution

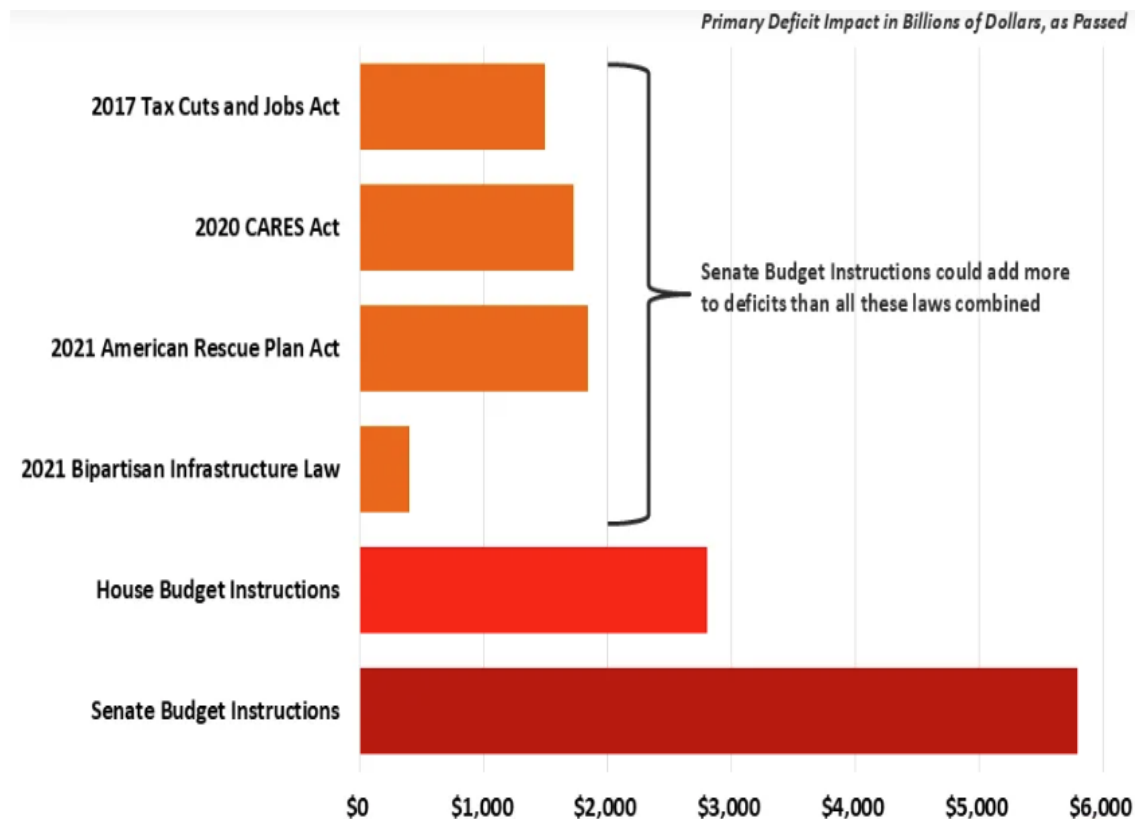
- Congress approved in mid-March
- Maintains appropriations at FFY 2024 levels, with some modifications to address higher costs/workloads/policy goals
- Modifications – total **\$10 billion increase over FFY 2024**:
  - Supplemental Nutrition (WIC) -- **\$500 million**
  - Housing -- **\$4.1 billion**
  - HHS – Medicaid / Foster Care / Child Support through Q1 of FY 2026
  - Defense -- **\$7 billion**
  - Homeland Security – **\$3.2 billion**
  - All Others -- **\$4.8 billion**
- Increases federal deficit by \$7 billion over the next 10 years through a net reduction compared to spending caps of \$54 billion, offset by revenue losses due to funding cuts for IRS tax enforcement.

# FFY 2026 Budget – Competing Resolutions

- House and Senate budget resolutions give instructions to appropriations committees.
- Key issue is paying for the 10-year cost of extending the 2017 tax cuts – over \$4 ***trillion***.
- House -- \$2 ***trillion*** of cuts, including Medicaid, up to \$3.3 ***trillion*** increase in deficit, increases Debt Limit by \$4 ***trillion***.
- Senate – “Excludes” the tax cut extension from the deficit calculation and requires \$4 ***billion*** in cuts. Much higher deficit than the House – up to \$5.7 ***trillion***, increases Debt Limit by \$5 ***trillion***.
- Joint resolution required for reconciliation process, which allows budget to be adopted by simple majority – avoiding the 60 vote requirement for most legislation in the Senate.
- Other Issue – Debt Limit may be breached in August or September.

# Relative Impacts

## Federal Debt

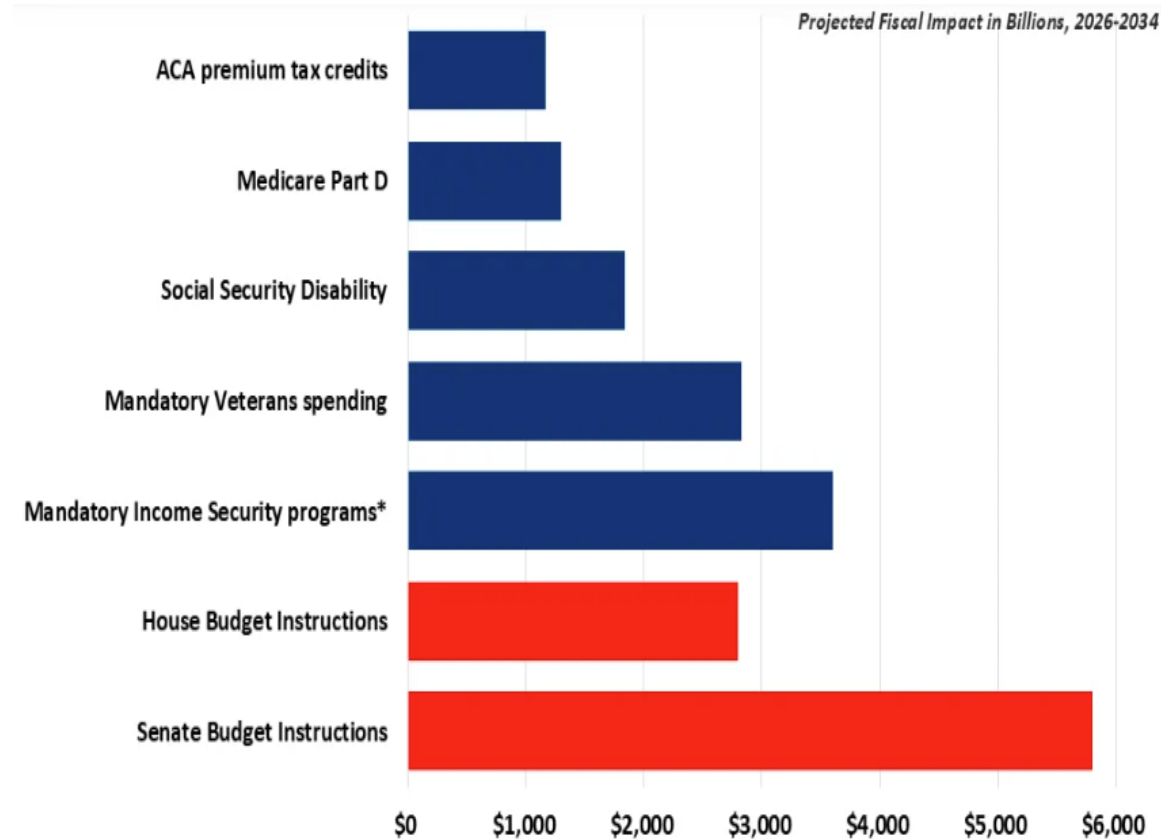


Source: Congressional Budget Office, CRFB estimates, House Budget Committee, Senate Budget Committee  
 Note: House Budget Instructions shown as \$2.8 trillion, but possibly totaling \$3.3 trillion without additional spending cuts

CRFB.org



## Federal Budget



\* Includes all SNAP, other nutrition, SSI, Unemployment, child support, foster care spending and refundable portions of EITC and CTC tax credits

Source: Congressional Budget Office, House Budget Committee, Senate Budget Committee  
 Note: House Budget Instructions shown as \$2.8 trillion, possibly \$3.3 trillion without additional spending cuts

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# Federal Grant Update

- Public Health -- \$11 billion (temporarily blocked by court order) in CDC grants  
PHMDC – Immunization grant with 6/30/2025 end date cancelled effective 3/24/2025; funds 4 project positions.
- FEMA – Building Resilient Infrastructure and Communities (BRIC)  
Stormwater – may have cancelled \$6 million grant for stormwater flood mitigation project; public works contract already awarded; less than \$1 million reimbursed.
- EPA – Community Change Grants  
Sustainability – suspended \$20 million grant for energy efficiency improvements in affordable housing via local non-profits.
- Institute for Museum and Library Services – effectively closed; awarded \$267 million in 2024; serves 35,000 museums and 123,000 libraries.
- National Endowment for Humanities – cancelling previously awarded grants for arts and cultural groups.



# Economic Policy – Tariffs

- “Reciprocal” tariffs based on a calculation of bilateral trade deficits in goods; not based on tariffs in other countries, monetary policy, value-added taxes, or other policy goals.
- \$3.1 trillion impact over 10 years; \$2,100 tax increase per household in 2025 (Tax Foundation)
- Risk of higher inflation and higher unemployment – “stagflation” (Federal Reserve).
- Wisconsin could be heavily impacted due to concentration in agricultural products and manufacturing – imports total 15% to 20% of state’s GDP – among the top 10 nationally (Tax Policy Center)

# Funding Highlight: PCED

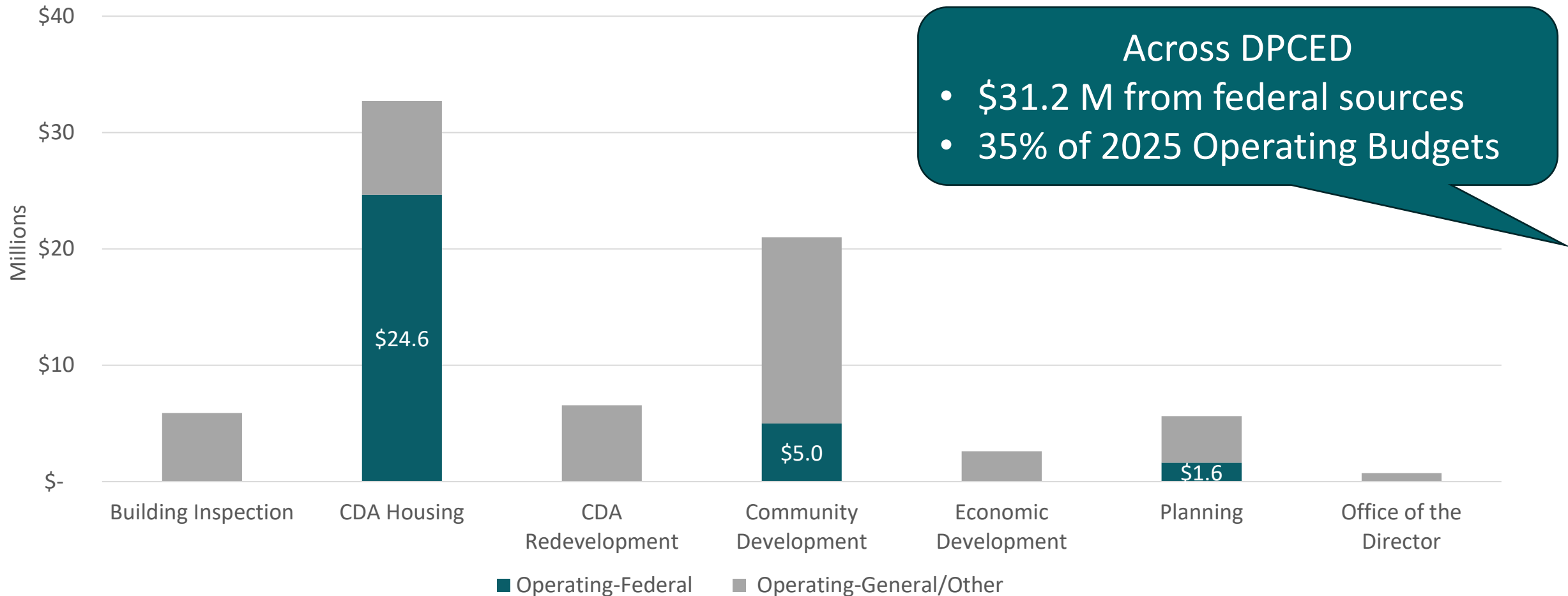
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Matt Wachter, PCED Director

# 2025 Federal Funding - Operating

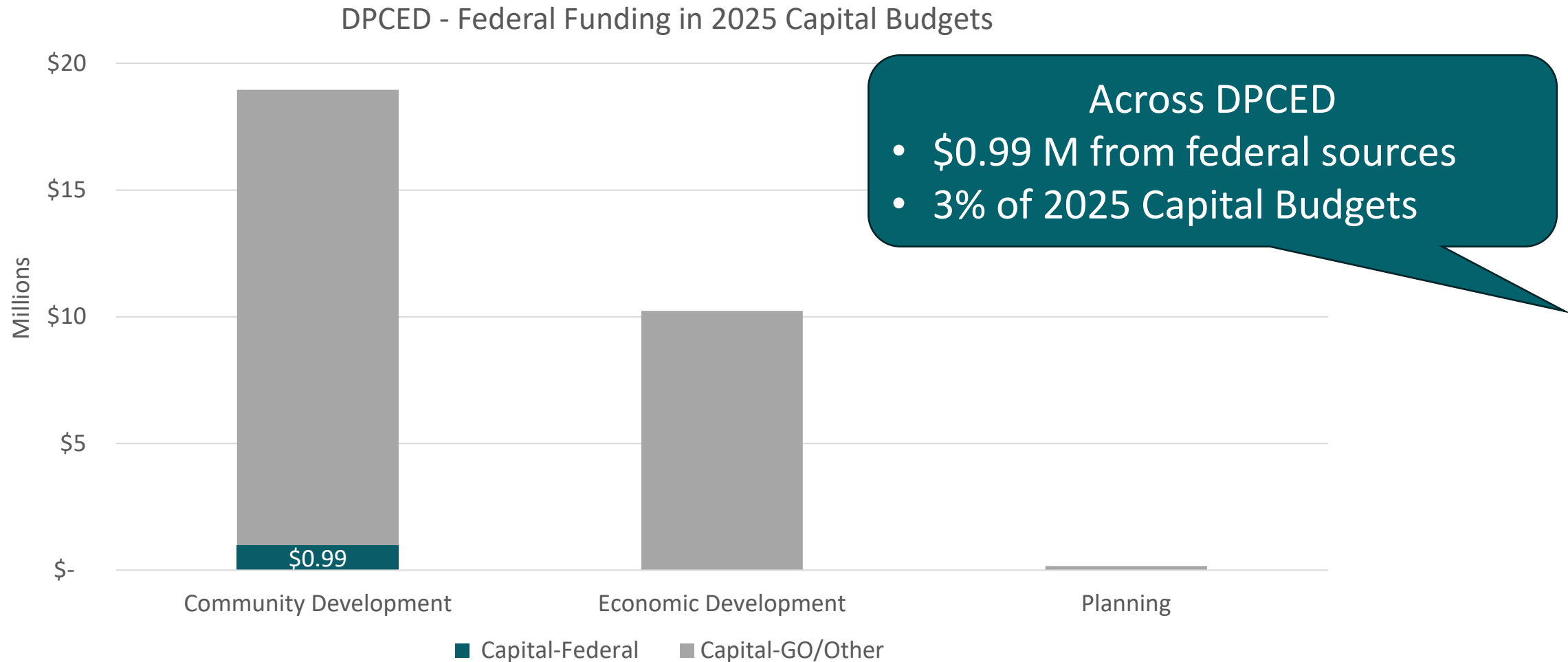
## Dept. of Planning, Community, & Economic Development

DPCED - Federal Funding in 2025 Operating Budgets



# 2025 Federal Funding - Capital

## Dept. of Planning, Community, & Economic Development



# 2025 Federal Funding CDA-Housing Operations

\$24.6 M (75%) Operating

Main Service Impacts

Housing Vouchers

Public Housing



# 2025 Federal Funding Community Development Division

\$5M (24%) Operating

\$0.99 M (5%) Capital

Main Service Impacts

Homeless Services  
& Housing  
Stability

Housing  
Development &  
Financing

Neighborhood  
Support

Small Business  
Assistance

# 2025 Federal Funding Planning Division

\$1.6 M (29%) Operating

Main Service Impacts

Transportation  
Planning (MPO)



GREATER MADISON  
**mpo**

# 2025 Federal Funding CDA-Redevelopment

\$48 M (64%) of Triangle B1 Construction

Projects Impacted

- Section 42 Tax Credits
- Section 48 Tax Credits
- Section 45L Tax Credits
- Greenhouse Gas Reduction Fund
- HOME
- ERA

Triangle B1



Park Badger

