



# Update on Federal Executive Orders and Directives

Finance Committee  
February 3, 2025

# Agenda

- Timeline of recent federal actions
- Federal funds in the City budget
- Next Steps

# Timeline

Date	Action
Monday, January 27	<p>Office of Management and Budget (OMB) issued memorandum M-25-13, <b><i>“Temporary Pause of Agency Grant, Loan, and Other Financial Assistance Programs.”</i></b></p> <p>Pause was set to go into effect on January 28 at 5:00pm Eastern Time</p>
Tuesday, January 28	<p>White House issued a Q&amp;A on the memo, specifying the funding pause would not apply to specific programs, including Medicaid, SNAP, and others that provide direct benefits.</p> <p>Federal judge temporarily blocked the funding pause through February 3.</p>
Wednesday, January 29	<p>OMB issued memorandum M-25-14 to rescind the prior memo pausing federal funds.</p>
Friday, January 31	<p>Second federal judge issued temporary restraining order that blocks the Trump administration’s efforts to suspend federal dollars to 22 states (including Wisconsin) and the District of Columbia that were party to the lawsuit.</p>

# Understanding the Scope of Federal Funding in the City Budget

- Staff are currently developing an inventory of all programs and projects that rely on federal funding.
- What information is currently available about federal funding?
  - **2025 Capital and Operating Budget:** The budget shows the amount of federal funds appropriated for the current year. However, many grants and capital projects are multi-year initiatives. Grants may have been authorized in a prior year budget or through a resolution and carried forward. As a result, the 2025 budget does not show all of the funding planned for this year.
  - **2023 Single Audit:** A single audit is required from entities that expend \$750,000 or more in aggregate federal financial assistance within a fiscal year. Every year, the Finance Department prepares two Schedules of Expenditures of Federal and State Awards (SEFA) (one for the City and one for Public Health) to comply with Single Audit requirements.

The most recent completed single audit is from 2023. Staff are currently working on the 2024 single audit. Reviewing historic expenditures provides context for scope of federal funding, but will not fully represent all current grants.

# Federal Funding Expenditures from the Single Audit

The following table reflects the City's total expenditures from the Schedule of Expenditures of Federal Awards (SEFA), submitted as part of the Single Audit.

- Totals exclude one-time COVID-19 relief funds and FEMA funds from the 2018 flood response
- Totals include formula grants and competitive grants
- City and PHMDC totals shown separately
- 2023 Total is higher than average from 2019 - 2022 due to U.S. DOT funding for E-W BRT and increased formula funding from U.S. HUD for CDBG, HOME, and Section 8 programs

# Prior Year Single Audits

SEFA Amount Expended	Year					
Row Labels		2019	2020	2021	2022	2023
<input type="checkbox"/> City of Madison						
INSTITUTE OF MUSEUM AND LIBRARY SERVICES		\$3,500		\$26,971	\$19,752	\$74,897
U.S. DEPARTMENT OF AGRICULTURE					\$46,500	\$43,500
U.S. DEPARTMENT OF ENERGY		\$110,161	\$41,398	\$14,359	\$294,805	\$359,660
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		\$21,869	\$14,330	\$51,320	\$31,665	
U.S. DEPARTMENT OF HOMELAND SECURITY		\$2,108,172	\$679,756	\$324,849		\$199,249
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		\$25,063,751	\$21,532,557	\$26,010,016	\$24,864,639	\$35,228,387
U.S. DEPARTMENT OF INTERIOR			\$7,450	\$5,550	\$752	\$19,154
U.S. DEPARTMENT OF JUSTICE		\$1,357,721	\$1,127,624	\$983,917	\$1,021,016	\$1,241,139
U.S. DEPARTMENT OF TRANSPORTATION		\$11,896,180	\$9,097,569	\$16,460,417	\$1,575,841	\$36,542,956
U.S. ENVIRONMENTAL PROTECTION AGENCY		\$1,483	\$108,194	\$110,359	\$92,919	\$4,701,044
U.S. EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		\$54,238	\$5,085	\$24,428	\$17,400	\$33,883
<b>City of Madison Total</b>		<b>\$40,617,075</b>	<b>\$32,613,963</b>	<b>\$44,012,186</b>	<b>\$27,965,289</b>	<b>\$78,443,869</b>
<input type="checkbox"/> PHMDC						
U.S. DEPARTMENT OF AGRICULTURE		\$986,136	\$1,043,228	\$1,040,783	\$983,362	\$1,191,610
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES		\$1,116,438	\$1,023,963	\$1,348,901	\$1,471,031	\$1,704,727
U.S. DEPARTMENT OF THE TREASURY					\$43,886	
U.S. ENVIRONMENTAL PROTECTION AGENCY		\$11,570	\$10,413	\$10,413	\$15,106	\$12,920
<b>PHMDC Total</b>		<b>\$2,114,144</b>	<b>\$2,077,604</b>	<b>\$2,400,097</b>	<b>\$2,513,385</b>	<b>\$2,909,257</b>
<b>Grand Total</b>		<b>\$42,731,219</b>	<b>\$34,691,567</b>	<b>\$46,412,283</b>	<b>\$30,478,674</b>	<b>\$81,353,126</b>

# Federal Funding in the 2025 Operating Budget

Agency	Amount
CDA HOUSING OPERATIONS	\$24,647,945
CIVIL RIGHTS	\$41,500
COMMUNITY DEVELOPMENT	\$12,526,716
FIRE	\$65,651
FLEET SERVICES	\$35,500
LIBRARY	\$15,000
METRO TRANSIT	\$7,777,327
PLANNING	\$1,318,643
POLICE	\$840,342
PUBLIC HEALTH MADISON DANE	\$2,652,681
<u>TRAFFIC ENGINEERING</u>	<u>\$82,800</u>
TOTAL	\$50,004,106

The 2025 budget does not reflect all funding planned for this year. For example, the total may not include carry forward amount for grants issued in prior years.

For context, federal funds make up a relatively small portion of the City's total budget.

- Federal Grant funds = \$50.0 million
- 2025 all funds budget = \$828.8 million
- Federal grant revenues = 6% of all funds budget

A majority of City agencies do not rely on any federal funding, but it is an important revenue for some departments. The programs/ services that utilize the most federal funding include:

- CDA: Section 8 Housing vouchers
- CDD: CDBG grants
- Metro: Formula grants for operations
- Public Health: WIC and other programs
- Planning: MPO funding

# Federal Funding in the 2024 & 2025 Capital Budgets

Sum of Amount	Year	
Agency	Project Title	2024 2025
▢ CDA Redevelopment	Triangle Redevelopment	\$ 5,700,000
▢ Community Development Division	Affordable Housing-Consumer Lending	\$ 1,110,000 \$ 985,000
	Permanent Men's Shelter	\$ 1,000,000
▢ Economic Development Division	Small Business Equity and Recovery	\$ 100,000
▢ Engineering - Bicycle and Pedestr	Badger Rusk Path	\$ 667,000
	West Towne Path Phase 2	\$ 990,000
▢ Engineering - Facilities Managemen	Electric Vehicle (EV) Charging Infrastruc	\$ 12,000
	Energy Improvements	\$ 2,364,000 \$ 2,228,000
▢ Fleet Service	Fleet Equipment Replacement	\$ 50,000 \$ 100,000
▢ Library	Reindahl Imagination Center/ Library	\$ 500,000
▢ Metro Transit	Electric Transit Buses and Charging Equi	\$ 24,978,840 \$ 10,880,000
	Equipment and Facility Systems	\$ 692,500 \$ 217,500
	Facilities Repairs and Improvement	\$ 8,536,800
	Metro Satellite Bus Facility	\$ 9,447,200
▢ Parks Division	Conservation Park Improvements	\$ 5,000 \$ 5,000
	Park Facility Improvements	\$ 5,000
	Warner Park Community Center	\$ 500,000
▢ Stormwater Utility	Citywide Flood Mitigation	\$ 7,000,000
	Advanced Transportation Technology and Innovation Grant: Advancing Safety and Emergency Operations	\$ 5,037,606
▢ Traffic Engineering	Traffic Signal Installation	\$ 980,400
▢ Transportation	North-South Bus Rapid Transit	\$ 258,480 \$ 158,131,520
▢ Water Utility	Water Utility Vehicles & Equipment	\$ 7,500
<b>Grand Total</b>		<b>\$ 56,562,320 \$ 185,927,026</b>



# Inflation Reduction Act (IRA) Tax Credits in the Capital Budget

Beginning in 2024, the City budgeted for IRA tax credits in capital programs related to energy efficiency and electric vehicles, and large facility projects with energy efficiency components. The 2024 CIP included over \$12 million in investments planned through 2029.

Agency	Project	2024	2025	2026	2027	2028	2029
CDD	Bartillon Shelter	\$ 1,000,000					
Engineering -- Facilities	Energy Improvements Facility Electrical Improvements to Support Electric Vehicles	\$ 864,000	\$ 864,000	\$ 864,000	\$ 1,120,000	\$ 1,056,000	\$ 1,056,000
Fleet	Fleet Equipment Replacement	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
Library	Imagination Center @ Reindahl Park	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Parks	WPCRC Expansion	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -
Police	Police South District + Property/Evidence	\$ -	\$ -	\$ -	\$ 2,700,000	\$ -	\$ -
<u>Streets</u>	<u>Far West Facility</u>	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -
	<i>Subtotal</i>	\$ 2,926,000	\$ 926,000	\$ 2,926,000	\$ 3,882,000	\$ 1,118,000	\$ 1,118,000

# Next Steps

- City staff (Finance, Attorney, Mayor's Office) will continue to monitor developments and communicate with staff and alders
- Finance Department developing an inventory of current programs and projects with federal funding in 2025 to understand risk exposure
- Staff will provide updates to the Finance Committee as additional information is available