

Federal Actions: Impacts on Cities and Options to Address Likely Increase in Needs

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Our Mission

The Commonwealth Institute for Fiscal Analysis (TCI) advances **racial and economic justice** in Virginia by advocating for public policies that are **designed in partnership** with people most impacted, and **shaped by credible, accessible fiscal and policy research**.



Overview

- 1. Administrative Actions**
- 2. 2025 Reconciliation Bill**
- 3. State and Local Impacts**
- 4. Options to Help Meet Needs**



Administrative Actions



- Rescissions of funding
 - Further threats: The Trump administration has made it clear that they are looking to cut federal funds to state and local governments that do not obey their political and policy objectives. These threats include withholding funding for:
 - ◆ Public safety
 - ◆ Public education
 - ◆ Housing
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Reconciliation: Congress' \$1 Trillion Health Care and Food Security Threat



Last month, Congress passed a budget framework that calls for over \$1 trillion in cuts to the committees that oversee Medicaid and SNAP. Additionally, they are looking to make big tax changes.





Medicaid Threats



Hundreds of billions in cuts for House Energy and Commerce could come from:

- ◆ Cutting federal funding for Medicaid expansion
- ◆ Adding harsh work reporting requirements
- ◆ Implementing premiums, co-pays, and fees for certain Medicaid recipients
- ◆ Restricting Medicaid provider taxes



Katina Moss, Richmond

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Katina Moss is one of the over 629,000 Virginians who accesses her care through Medicaid expansion. Thanks to the expansion, Katina is able to run her small-business, care for her parents, and access critical health care.

Federal cuts could end Medicaid Expansion in Virginia

Locality	# enrolled in MedEx	% of pop.
Charlottesville	3,250	6.3%
Danville	6,298	14.7%
Emporia	843	15.0%
Hampton	14,198	10.4%
Harrisonburg	3,615	6.4%
Hopewell	3,482	15.4%
Lexington	349	4.8%
Lynchburg	7,946	9.7%
Martinsville	2,100	15.8%
Newport News	20,920	11.5%
Norfolk	26,558	10.8%
Petersburg	6,185	17.9%

Locality	# enrolled in MedEx	% of pop.
Portsmouth	12,590	13.2%
Richmond	30,245	13.0%
Roanoke	12,565	12.6%
Staunton	2,341	9.0%
Williamsburg	912	5.8%
Winchester	2,718	9.3%

Source: TCI Analysis of Virginia DMAS Data &
Weldon Cooper Center for Public Service Estimates

Other local impacts of Medicaid coverage loss and funding cuts

- Increased pressure on emergency departments, safety net providers, community service boards
 - ◆ Uncompensated care
 - ◆ Impact on rural facilities
- Work reporting requirements could lead to people being kicked off health coverage, being put out of jobs, and reduced state & local revenue
 - ◆ 98k - 111k people kicked off coverage
 - ◆ 8.4k - 11.6k fewer jobs
 - ◆ \$73m - \$102m in lost state and local revenue

Source: The Commonwealth Fund



SNAP Threats

\$230 billion in cuts for House Agriculture could come from:

- ◆ Cost-shift of SNAP program to states
- ◆ Expand work reporting requirements
- ◆ Cap SNAP benefit adjustments



Federal cuts to SNAP could impact food access in Virginia

Locality	# of SNAP Recipients	% of pop.
Charlottesville	4,790	9.3%
Danville	12,743	29.8%
Emporia	1822	32.5%
Hampton	21,176	15.5%
Harrisonburg	4,946	8.7%
Hopewell	6,735	29.9%
Lexington	407	5.5%
Lynchburg	12,612	15.4%
Martinsville	4,042	30.5%
Newport News	33,313	18.2%
Norfolk	38,297	15.6%
Petersburg	11,292	32.8%

Locality	# of SNAP Recipients	% of pop.
Portsmouth	22,155	23.3%
Richmond	37,957	16.3%
Roanoke	21,503	21.6%
Staunton	3,238	12.5%
Williamsburg	1252	8.0%
Winchester	3,817	13.0%

Source: TCI Analysis of Virginia DSS Data &
Weldon Cooper Center for Public Service Estimates



Tax Policy Threats



- Current proposals being floated by House Ways and Means include:
- ◆ Restricting federal Child Tax Credit
 - ◆ Ending ACA Enhanced Premium Tax Credits

Bottom Line: More people in our communities will turn to local resources to meet health, food, and economic needs

- **Work with your Congressional Delegation to reject draconian cuts to Medicaid, SNAP, and tax credits like CTC.**
- **Highlight what these needs would mean for your cities to media and how you cannot take on additional budget demands at this time.**

State and local governments have options moving forward

- **Possible legislative actions**

- VFC can take:**

- **Work with state lawmakers to use available state reserves to help address new funding gaps as a result of federal actions**
- **Support proposals to raise new state revenues**
- **Expand taxing authority localities have**

State and local governments have options moving forward

Thank you.

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