

Federal Funding Impacts

August 11, 2025



ARAPAHOE COUNTY

Purpose

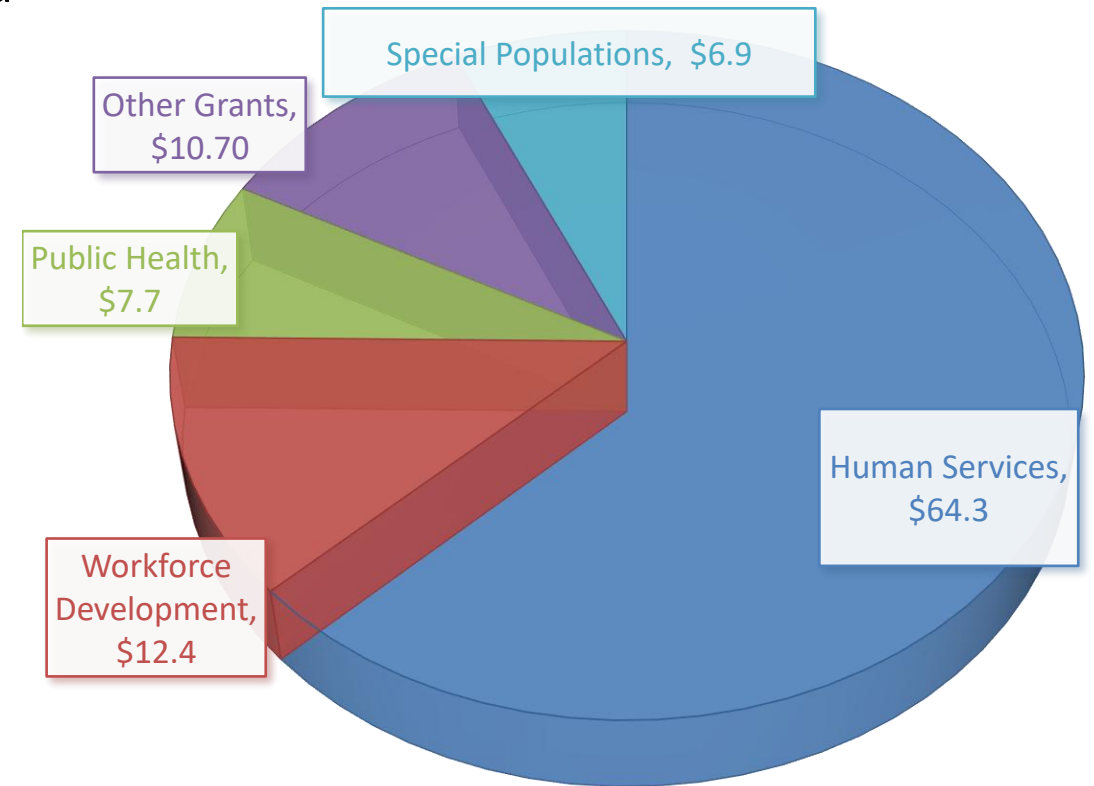
- Provide updated information on current federal funding knowns and unknowns.
- Highlight impacts of state budgetary constraints.
- Talk about known and unknown impacts on county programs and services.
- Discuss options for Board consideration during the 2026 budget process.



County Federal Funds

- \$102 million in federal funding for programs and services.
- Nearly 18% of \$571 million budget.
- Grants, pass throughs, or direct distribution from federal or state agencies.
- Primary funding agencies include:
 - Health & Human Services (HHS)
 - Housing & Urban Development (HUD)
 - Department of Justice (DOJ)
 - Department of Labor (DOL)
 - Department of Transportation (DOT)
 - US Department of Agriculture (USDA)

PROGRAMS AND SERVICES (\$M)



ARAPAHOE COUNTY

Funding By Department

Department*	Total Federal \$	Total State \$	% of State/Federal \$	Total Employees
Human Services	\$249,947,446.13**	\$62,595,995.74	91%	743
Community Resources	\$43,013,565	\$4,739,136	90%	259
District Attorney	\$1,220,112	-	5%	181
Public Health	\$7,607,428	\$6,804,235	58%	202
Public Works	\$7,038,152	\$10,549,839	24%	143
Sheriff's Office	\$2,243,199	\$1,954,410	3%	842
TOTAL	\$311,069,902.13	\$86,643,615.74		

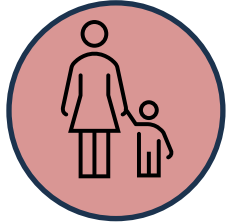
** Identified dollar amount reflects information within the 2025 budget; project specific information attached from public works & development.*

***The federal funding number from human services includes EBT monies, which increases the amount of funding above what is budgeted by the County.*

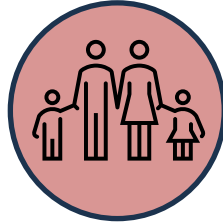


ARAPAHOE COUNTY

Direct Assistance



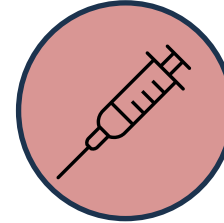
WIC – 12,300
monthly avg.
cases



Family Planning
– 280 clients
/month



Harm Reduction –
5,000 naloxone
kits in 2024



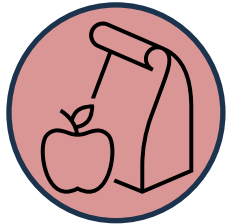
Immunizations –
300/month



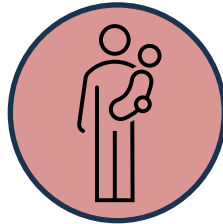
1,670 TANF
households



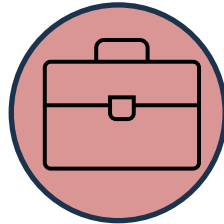
79,800
Medicaid
households



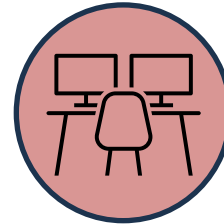
35,700 SNAP
households



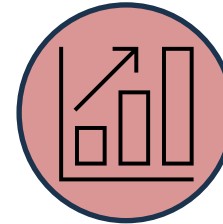
2,200 Child Care
Assistance
households



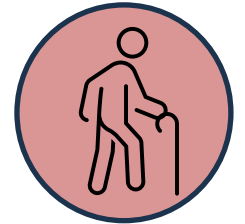
18,000 serve by
WIOA/Wagner-
Peyser



2,600
Employment First
cases (annual)



1,500 businesses
supported



300 older adults
supported



ARAPAHOE COUNTY

Federal Actions

H.R. 1

Medicaid

SNAP

Higher Education

Environment

Energy

Rulemaking

Changes in funding expectations

FY 2026 Budget

Appropriations Progress

Continuing Resolution



ARAPAHOE COUNTY

The Federal government is limiting their investment in social programs and associated caseloads.

States that want to maintain service levels can attempt to fund themselves. Highly unlikely for Colorado given high and rising budget constraints.

State Action

- State Budget
 - \$1.2B reduction in income tax revenue (FY 25-26)
 - Individual: -\$843.4M
 - Corporate: -\$336.3M
 - Anticipated deeper cuts to programs and services
 - No FATC/EITC in tax year 2026 or 2027
- Property and sales tax revenues are steady or declining
 - Previous special sessions = real funding impacts
- Potential to shift cost burdens to local governments or retain higher percentages of block grant funding for state staffing and program support.



Non-Budgetary Changes

- Refine definition of eligible immigrants for benefits (HHS, DOL, DOT); **implementation has been delayed as a result of litigation**. Impacts programs such as
 - Community Services Block Grant (CSBG)
 - Projects for Assistance in Transition from Homelessness Grant Program
 - Title IV-E Educational and Training Voucher
 - Title IV-E Kinship Guardianship Assistance
 - Title IV-E Prevention Services Program
 - Title X Family Planning Program
 - Wagner Peyser workforce funding
- Work requirements and verifications associated with H.R. 1
- Use of Language (HUD)
- Recent Executive Order on Homelessness, Harm Reduction – impacts unknown



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Known Programmatic Impacts

Federal/State Actions

1. CCAP Funding shortfall – ~\$1.8M. Potential for a delay, per CDEC waiver. If so, no shortfall.
2. Reductions in state funding for CCCAP, SNAP and Medicaid could be as high as \$6M.
3. Cost sharing of SNAP program benefit and admin costs are \$31M state match with Arapahoe County's share as \$3.1M.
4. Medicaid provider fee reductions and Health First Colorado coverage.
5. Increased work requirements for SNAP and Medicaid recipients.

Local Impact

1. Approximately **790 eligible families** will be unable to access frozen services.
2. Reduce or eliminate community programs and partnerships.
3. Effective FY27 and FY28.
4. About **48,400 individuals** may lose Medicaid eligibility due to new work requirements; awaiting additional guidance.
5. An estimated **75,000 additional individuals** will need to meet work requirements, demonstrating a larger need to access workforce services.



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Known Programmatic Impacts

Federal/State Actions (July 1)

- 44% reduction for immunization program
- 34% reduction for sexual health program
- 25% reduction in public health emergency preparedness & response
- 55% reduction in harm reduction

Local Impact

- Potential increase in communicable disease outbreaks
- Reduced ability to respond to outbreaks, incidents, and disasters
- Increase in sexually transmitted infections
- Increase in unintended pregnancies
- Increase in opioid overdoses and infection disease transmission



ARAPAHOE COUNTY

Known Programmatic Impacts

Federal/State Actions

5% reduction WIC allocation



Local Impact

Impacts to service level and ability to see WIC families in a timely manner.

Loss of \$80,000 in Office of Emergency Management for local planning purposes.



Loss of 0.5 FTE after September 2025; will need to evaluate how to fund in the future.

Unreliable and ever-changing information makes it difficult to plan and prioritize recommendations to the Board.



ARAPAHOE COUNTY

Known Unknowns

- Implementation of work requirements:
 - SNAP – immediate.
 - Medicaid – not in effect until January 1, 2027.
- Cost-sharing approach for SNAP benefits and administrative costs.
- Public Health and Detention Center would lose Medicaid revenue (billing)
 - Impact unclear.
 - Detention Center recovered \$2.25 million over the past three years
 - Public Health has recovered over \$300,000 since opening in January 2023.
- Understanding how the state will address operational changes in constrained budget year, recognizing impacts will not occur until FY27-28.
- Impact of eligibility changes on our community and associated health and social outcomes.



ARAPAHOE COUNTY

Unknown Unknowns (Rumors)

- Potential impact to FY 2026 Budget Proposals:
 - Changes to workforce funding
 - Elimination of public health programs (like Title X) could have significant funding impact
 - Elimination/Reduction of HUD funded programming
 - Elimination/Reduction of Community Service Block Grant (CSBG) and Older Americans Act funding
 - Changes to food security programs (WIC, TANF)
 - Reduction of LEAP and/or WAP funding (Weatherization)
- New grant requirements



Good News-ish

- Multi-modal state funding reductions maintain dollars for county micromobility study.
- Weatherization allocations released.
- CDBG appropriation recommendations.
- Older Americans Act reauthorization.
- TANF reauthorization.
- Grant NOFOs.
- Slight Healthy School Meals for All revenue increase.



ARAPAHOE COUNTY

County Budget Constraints/Considerations

- Ability to backfill/replace \$102+ million of federal funding is challenging.
- True budget impact won't be known until spring FY26-27.
- Peer counties considering hiring freezes, capital funding reductions, or attrition.
- Everything should be on the table for consideration:
 - Essential services – if it's no longer funded/required, is it essential? How is this defined?
 - If program funding is cut completely, is it possible to provide minimum levels of program support?
 - If only a percentage is cut, is it possible to maintain programs at a reduced level?
 - Consider attrition vs. reduction in force – need to be consistent in approach.
 - Maintain additional fund balance to address unknown impacts.

