

How States Fight Back Against Illegal Funding Cuts

The Problem

The Trump administration has signaled a complete decimation of federal funding to the states. His administration has already ignored Court orders to disperse critical funding approved by Congress. These attacks on critical state funds will only worsen.

The Solution

States must explore every single option to safeguard and reclaim the funding that they are legally entitled to. States make several billions of dollars in payments annually to the federal government across a number of areas, mostly in the federal taxes of state employees. It would be a disservice to their State not to explore ways to even out these detrimental attacks on funding.

Maryland House Bill 1545 (HB1545): Delinquent Federal Funds

- HB1545 empowers Maryland's Comptroller, in consultation with the Board of Public Works, to withhold state payments to the federal government if the federal government fails to make required payments to Maryland.
- This bill creates a process for the MD Board of Public Works to identify and declare the federal government delinquent in payments, such as for programs like Medicaid or infrastructure funding that have been congressionally approved and/or court ordered. The bill then allows the Comptroller to withhold payments to the federal government equal to the amount of funds deemed to have been delinquent.

New York Senate Bill 6915 (S6915): Reciprocal Enforcement of Claims on Unpaid or Reduced State Entitlements (RECOURSE) Act

- S6915 requires the State Comptroller to issue a report, updated monthly, enumerating funds that the Federal government has not paid to the State in contravention of a court decision, and projecting funds to be paid by the State to the Federal government over the course of the following year.
- The bill then gives the power to the Governor, State Comptroller, and Budget Director to unanimously agree to withhold funds from the Federal government, not to exceed the amount of unpaid Federal funds enumerated in the Comptroller's report.

Local Governments Can Act Too:

- Local governments act as the employers to various city, town, and village employees. In certain cases a local government may have more money to withhold than their state counterparts. For example, large cities like New York have more tax revenue at their disposal from public employees than the state of New York does.
- By signaling that the local governments are not going to be easily pushed around by the administration, local officials can help ensure that their residents are aware of the federal attacks on funding and attempt to reclaim those funds.

Get Involved!

Would you like to introduce legislation in your state or city to help safeguard important federal funds? Reach out to All* Above All and join our growing coalition of legislators and advocates looking to avoid harmful precompliance.

Email us at: statestrategies@allaboveall.org