



Federal Legislative Briefing

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Overview

- General Advocacy Objectives
- Community Project Funding Requests (Earmarks)
- 2025 Accomplishments – Grants
- Capital Edge Briefing

Federal Advocacy Objectives

- Secure federal grant funding
- Engage legislators on areas of legislation that impact the City
- Monitor and participate in the federal rulemaking process

Community Project Funding

- Community Project Funding requests (also called earmarks) allow legislators to allocate funding to specific projects in their districts.
- The practice of earmarks was discontinued in 2011 and reinstated by Congress in 2021.
- Individual Congressional members retain the discretion to establish their office policies regarding earmark requests, and until 2024, none of the Denton delegation members accepted earmark requests.
- Congressmen Ronny Jackson and Brandon Gill now accepts earmark requests.
- Staff have actively engaged in the FY25 earmark request process by submitting three proposals to Rep. Ronny Jackson's office.

2024-25 Community Project Funding Requests

- In March 2024, the City submitted three requests to Congressman Jackson's Office.
 - Denton PD Special Event/Downtown Security Protective Barriers (Bollards) – \$1,296,000 (80%)
 - Hickory Creek Wastewater Interceptor Project – \$560,000 (80% of design cost)
 - North Masch Branch Wastewater Improvement Project— \$6,960,000 (80%)
- In April 2024, Congressman Jackson notified the City of his intention to include the North Masch Branch Wastewater Improvement Project in his submissions to the House Appropriations Committee at \$4,342,240 (50% of the total project cost).
- In June 2024, the Transportation-HUD Appropriations Subcommittee released the Community Project Funding table for the FY 2025 Transportation-HUD Appropriations bill, which included \$2 million for the Masch Branch Wastewater Improvement Project under the HUD EDI account.
- Unfortunately, Congress passed a year-long Continuing Resolution instead of a 2025-26 budget, which meant no earmarks were allocated.

2025-26 Community Project Funding Requests

- In February, the City submitted three requests to Congressman Jackson's Office
 - **North Masch Branch Wastewater Improvement Project— \$2,000,000 (23%)**
 - Denton Public Safety Real-Time Information Center/EOC Improvements – \$1,000,000 (100%)
 - Denton PD Special Event/Downtown Security Protective Barriers (Bollards) – \$1,296,000 (90%)
- North Masch Branch was included in the Appropriations subcommittee markup of the budget, but a final budget has yet to be passed.

2025 Accomplishments – Grants

- Recent grant awards include:
- \$100,000 Routine Airport Maintenance Program Grant (FAA/TXDOT)
- \$75,000 Historically Underrepresented Communities Grant (NPS)
- \$750,000 Local Parks Grant for Lily Canty Inclusive Playground (NPS & TPWD)
- \$299,800 Work Zone Data Exchange Program (FHWA & NCTCOG)
- \$66,360 2024 Assistance to Firefighters Grant (FEMA)
- \$100,000 DWI Phlebotomy Program (USDOT & TXDOT)
- 2025 HUD Grants:
 - CDBG \$1,049,336.00
 - HOME \$462,239.32
- **Grand Total: \$2,902,735.32**

Federal Legislative Update

October 14, 2025



The background of the slide features a photograph of the United States Capitol dome on the left, partially obscured by the branches and vibrant orange and yellow leaves of a tree in the foreground on the right. The sky is a clear, bright blue.

Overview

- **Budget & Tax Issues**
 - Budget Reconciliation
 - FY 2026
- **Executive Actions**
 - Federal Workforce
 - Grant/Disbursement Pauses/Freezes
- **Housing & CD**
- **Surface Transportation Reauthorization**

Lay of the Land

House

219 Republicans

213 Democrats

3 Vacancies

Majority = 217

(218 with a full House)

Senate

53 Republicans (+VP)

47 Democrats

Threshold to pass most bills = 60

Threshold for budget
reconciliation bills = 51

Threshold for rescission bills = 51

Budget Reconciliation (OBBBA)

Local government priorities:

- Preserve the tax exemption for municipal bonds, including private activity bonds ✓
- Low-Income Housing Tax Credit extension and enhancement ✓
- NMTC extension ✓
- Opportunity Zones extension and reform ✓

Budget Reconciliation (OBBBA)

Local government priorities:

- Increase SALT deduction 
- Security funding for FIFA host cities (\$625m) 
- Preserve IRA grant programs 
- Preserve direct pay clean energy tax incentives 

Budget Reconciliation (OBBA)

Direct Pay Clean Energy Tax Credits

- OBBA moves the timeline up by several years on energy production and investment tax credits
- Under IRA, projects needed to begin construction by the end of 2032
- Under OBBA, they must do so by July 4, 2026, or be completed by the end of 2027

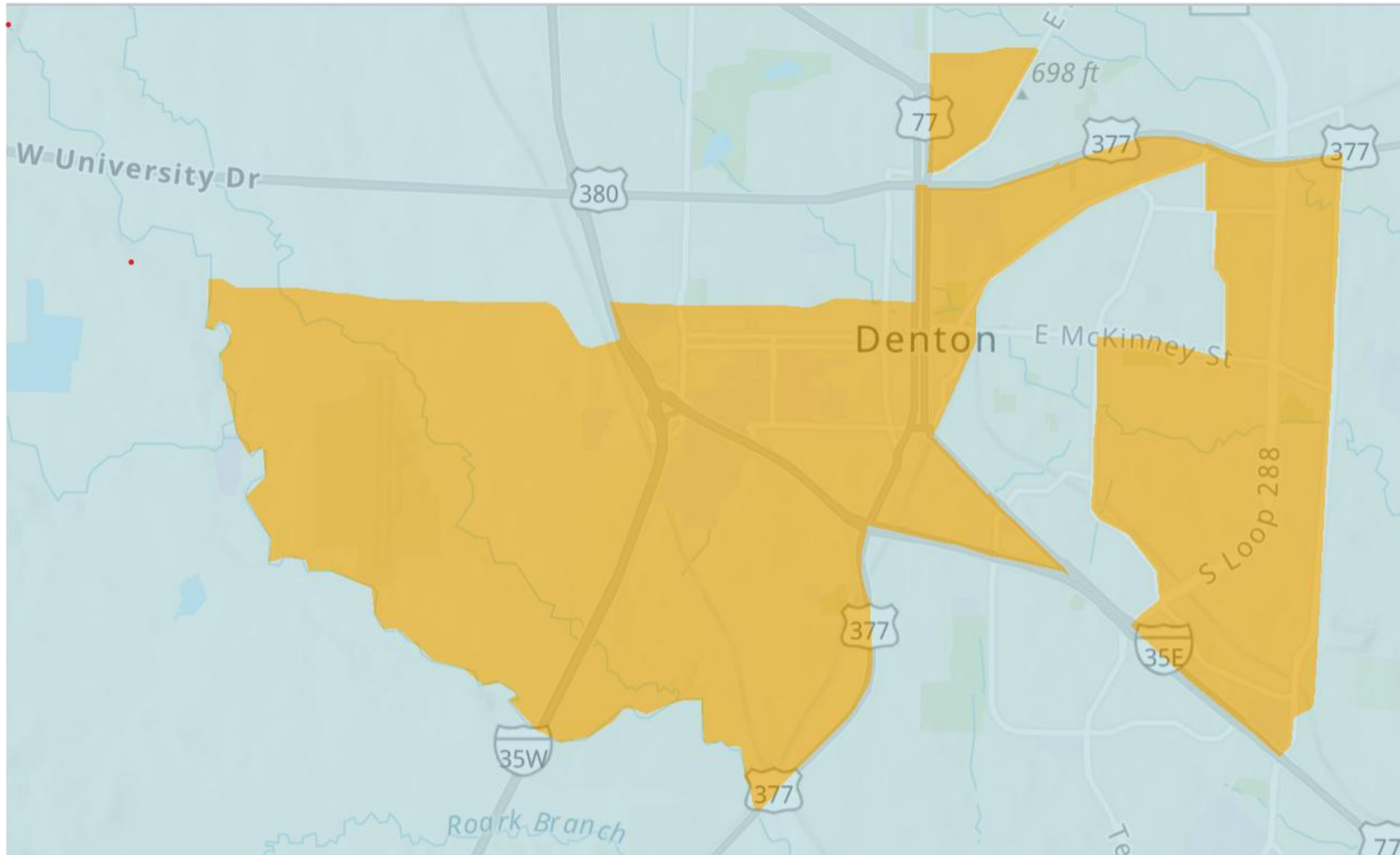
Budget Reconciliation (OBBBA)

Opportunity Zones

- Makes permanent
- Governors designate new Opportunity Zones every 10 years with the next designations in 2026
- Enhances tax benefits for investors
- Creates new reporting requirements for Opportunity Zone investors
- Creates new Treasury reporting requirements

Budget Reconciliation (OBBBA)

Opportunity Zones



FY 2026 – Where We Stand

Government shutdown

- Democrats almost unanimously opposed to a “clean” short-term CR absent:
 - Extension of expiring ACA premium subsidies
 - Assurances that Administration will spend money as directed by law
 - No rescissions

FY 2026 – What is a rescissions bill?

Rescissions Bill

- Rescinds previously appropriated funding
- Expedited process (45 days)
- Cannot be filibustered in the Senate
- Last rescission bill before this year: FY 1999 under President Clinton
 - President proposed \$35m; Congress enacted \$16.8m ([PL 105-74](#))
- Administration seeking authority to unilaterally enact rescissions

FY 2026 – Path Forward?



FY 2026

House Budget Resolution calls for \$1.8 trillion in discretionary spending cuts over 10 years or \$180 billion/year

- FY 2025 non-Defense discretionary spending cap = \$710 billion

So, 25% cut to non-Defense discretionary spending

- Easier said than done...

FY 2026

The federal government is an insurance company with an army...

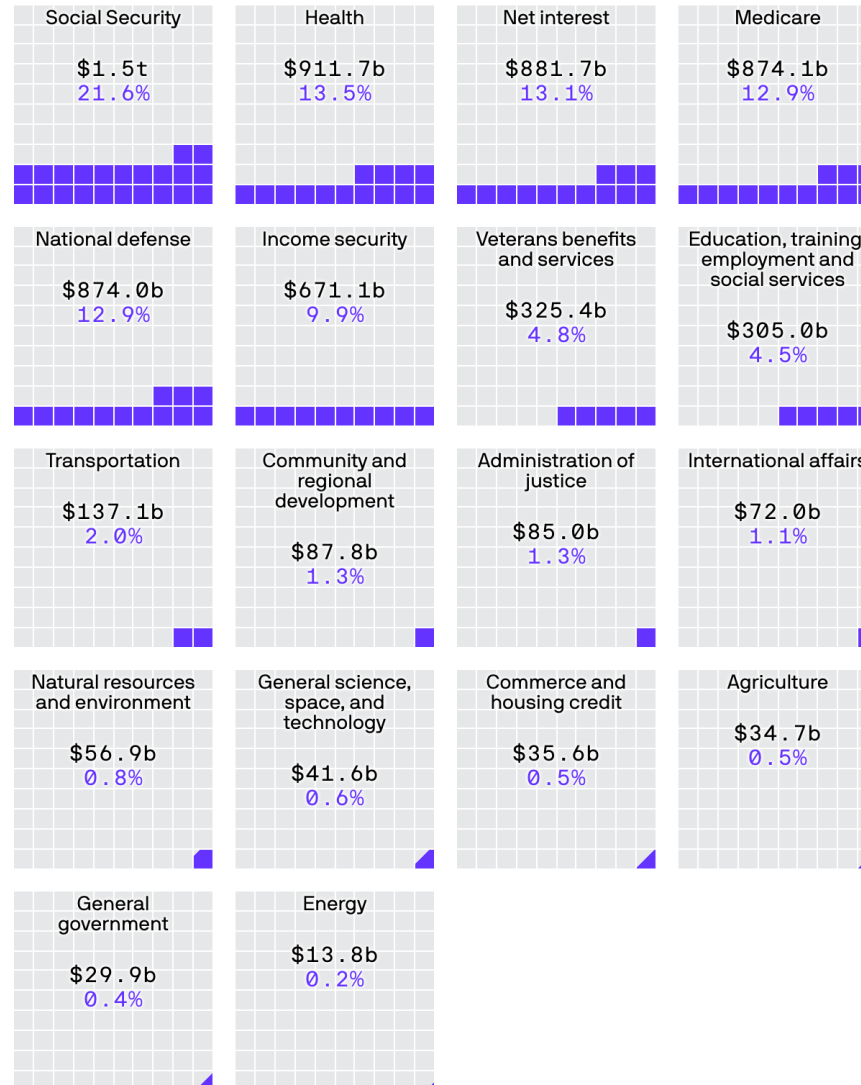
FY 2026

2024 U.S. government spending by function

Outlays through fiscal year 2024

Total spending: \$6.75t

■ 1% of total spending



Source: [Axios](#)

FY 2026

Even if 'DOGE' or Congress or OMB eliminated all non-Defense discretionary spending - \$710 billion in FY 2025:

- The deficit would be approximately \$1 trillion – *before extension of the 2017 tax cuts and other changes enacted by OBBA*

FY 2026

Local government priorities:

- CDBG
- HOME
- Homeless Assistance
- Homeland Security (UASI, SHSGP)

FY 2026 Community Project Funding

- Rep. Jackson - \$2m for Masch Branch WW Improvements
 - Outcome TBD
- (Now is time to start identifying FY 2027 requests)

Housing & Community Development

- Sens. Scott & Warren Road to Housing Bill (S 2651)
 - Senate Banking Committee unanimously approved in July
- House focus on HOME (Flood/Cleaver)
 - Looking to October markup perhaps packaged with other housing measures (“YIMBY” bill and streamlining)

Highway/Transit Reauthorization

Local government priorities

- Localization of highway program
- Safe Streets & Roads for All Program
- Transportation Alternatives Program
- Preservation of transit programs
- Avoid funding cliff

Highway/Transit Reauthorization

Key 'localism' thought/catchphrase:

The status quo, even with IIJA's record funding for discretionary grant programs, fails to address demands on local transportation networks exacerbated and accelerated by the pandemic, and to leverage the billions of dollars that local governments are investing in local networks with local revenue

Questions?

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