

APPENDIX N. Federal Cuts Response Funding

Special Act 25-1 of the November Special Session, as amended by Special Act 26-1 and the FY 27 Revised Budget, authorizes an additional \$550 million in spending generally to offset various federal policies. The additional spending authority was exempted from the spending cap pursuant to a 3/5 affirmative vote by each chamber of the General Assembly and declarations of emergency by the Governor on [November 12, 2025](#), [February 4, 2026](#), and [May 2, 2026](#). Resources to support the additional spending have been diverted from the volatile revenue category which otherwise would have been used to reduce long-term pensions debt.

Allocations of the funding are proposed by the Governor and subject to limited legislative review prior to implementation. As of mid-June 2026, approximately \$283.7 million had been allocated to fulfill various purposes with \$266.3 million remaining.

Table 1 Federal Cuts Response Funding
In Dollars

Reference	Amount (\$)
SA 25-1 of the November Special Session appropriates \$500m from the Budget Reserve Fund to fund certain efforts to mitigate the negative programmatic consequences of federal action/inaction – the expiration date for any unallocated amounts is Feb 4, 2026 (spending and corresponding revenues reflected in the General Fund)	500,000,000
First Round of allocations (12/18/25)	(167,930,000)
Technical update of allocations	(1,258,046)
Subtotal of allocations under SA 25-1	(169,188,046)
Lapsed appropriation under SA 25-1 on Feb 4, 2026	(330,811,954)
Balance of the SA 25-1 appropriation	-
A NEW appropriation under SA 26-1 and effective on passage essentially carries forward (until June 30, 2027) the authority to allocate / spend the approx. \$330.8m but for a broader set of potential purposes – the NEW appropriation is made to the newly established Federal Cuts Response Fund #12076	330,811,954
Second Round of allocations (1/29/26)	(18,743,000)
Third Round of allocations (5/15/26)	(87,300,000)
Fourth Round of allocations (6/3/26)	(8,500,000)
Current unallocated balance (as of 5/15/26) of the Federal Cuts Response Fund	216,268,954
Section 259 of PA 26-68 transfers (by June 30, 2026) an additional \$50m in revenue directly to the new Federal Cuts Response Fund	50,000,000
Estimated unallocated balance of Federal Cuts Response Fund, June 30, 2026	266,268,954