Holland & Knight

The One Big Beautiful Bill Act: Comprehensive Holland & Knight Analysis

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The One Big Beautiful Bill Act was passed by the U.S. House of Representatives through a dramatic 218-214 vote on July 3, 2025. This landmark legislation, representing the cornerstone of President Donald Trump's second-term domestic agenda, emerged from months of intensive negotiations and strategic legislative maneuvering. Structured as a budget reconciliation package to circumvent traditional filibuster requirements, the bill integrates policy priorities from across 10 Senate committees into a unified legislative framework designed to fundamentally realign federal priorities with the administration's economic and social vision. The extraordinary breadth and ambition of this package make it one of the most consequential pieces of legislation in recent congressional history.

When signed into law by President Trump, the legislation will deliver more than $1.5 trillion in deficit reduction and reshape federal policy across nearly every major sector of the American economy.

With its expansive scope spanning thousands of pages, this landmark legislation will impact virtually every industry and household in the U.S. through significant policy shifts, funding reallocations and regulatory changes.

This Holland & Knight alert breaks down the key provisions of the One Big Beautiful Bill Act by sector, highlighting the most consequential policy changes, funding shifts and regulatory implications across multiple domains, including:

- healthcare and public health initiatives
- tax reforms and incentives
- energy policy and environmental regulations
- defense and national security provisions
- education funding and policy changes
- agricultural supports and rural development
- transportation and infrastructure investments
- immigration and border security

For each section, Holland & Knight's Public Policy & Regulation Group provides detailed analysis for organizations navigating these changes. The goal is to equip you with actionable insights that will help position your organization to respond effectively to this transformative legislation as it moves toward implementation.

Healthcare and Public Healthcare Initiatives

Changes to Federal Healthcare Programs

H.R. 1 makes significant changes to the Medicaid/Children's Health Insurance Program (CHIP), Medicare and Affordable Care Act (ACA). Changes include new requirements states must meet to maintain federal support for the Medicaid programs, as well as more strict criteria beneficiaries must meet to qualify for and maintain enrollment in federal healthcare programs.

Medicaid/CHIP

- **"Community Engagement" Requirements.** Able-bodied adults must affirm monthly that they spend no less than 80 hours per month working, participating in a work program, completing community service, participating in an educational program or participating in a combination of those activities. Exceptions are made for certain individuals including those under 19 years of age and individuals experiencing certain short-term hardship events.
- **Limits Certain Noncitizen Access to Federal Health Services.** Prevents certain non-citizens from enrolling in or receiving benefits under Medicaid/CHIP.
- **Enrollment Changes.** Requires states to complete quarterly reviews of Death Master Files to verify deceased beneficiaries and providers do not remain enrolled in Medicaid programs.
- **Eligibility Redeterminations.** To be conducted every six months, starting on or after Dec. 31, 2026.
- **Preventing Dual Enrollment.** States are required, beginning not later than Oct. 1, 2029, to submit to the U.S. Department of Health and Human Services (HHS) secretary information to determine whether an enrollee continues to be eligible for Medicaid and prevent dual enrollment of individuals in multiple Medicaid programs. Funding of $30 million for implementation is provided, including $10 million for fiscal year (FY) 2026 to establish the system and an additional $20 million for FY 2029 to maintain the system.
- **Limits Payments to "Prohibited Entities."** No federal funding may be used to make payment to prohibited entities, including 501(C)(3) nonprofit organizations, essential community providers primarily engaged in providing family planning services, reproductive health or related services, or entities that provide abortions except under certain circumstances.
- **Federal Matching Assistance Percentage (FMAP) Reductions.** Sunsets the FMAP incentive offered to states that elect to expand their Medicaid programs after Jan. 1, 2026.
- **Increased Cost-Sharing.** Beginning Oct. 1, 2028, requires states to impose cost-sharing requirements or levy similar charges totaling no more than $35 for certain services, care or items furnished to Medicaid enrollees, excluding primary care, mental health, substance use disorder services, or services provided by federally qualified health centers (FQHCs), certified community behavioral health centers (CCBHCs) or rural health clinics. Cost-sharing may not exceed 5 percent of a family's income.
- **Medicaid State Directed Payment Programs (DPPs).** Currently, a Medicaid DPP program can pay providers up to average commercial rates (ACR). The bill establishes a new cap on these rates at 100 percent of Medicare payment rates for ACA expansion states and 110 percent for ACA non-expansion states. However, the bill has language that would grandfather DPP programs that meet certain submission/approval deadlines:

  - those approved (or applied for in good faith) before May 1, 2025
  - those for rural hospitals submitted before the enactment date and as added at the last minute
  - those submitted before the date of enactment

If approved, such timely submitted programs would be grandfathered and the reduction in payment limits would not begin until the Jan. 1, 2028, rating period. Programs would also be phased in through a 10 percent annual reduction in the DPP program total payment amount until the required percentage of Medicare rate is reached.

- **State Provider Taxes.** Current law allows provider taxes up to 6 percent of provider revenues. Starting in 2028, the bill limits provider taxes in ACA expansion states (that have an enacted provider tax as of the date of enactment of the bill) through a gradually decreasing cap – from 5.5 percent of net patient revenues in

2028 down to 3.5 percent by 2032. Non-expansion states will be prohibited from imposing new provider taxes in certain situations but are not subject to the graduated step down to a 3.5 percent cap. The bill also contains provisions preventing states from designing tax structures that are based on unit measures of Medicaid revenues. This directly impacts seven states that have enacted provider taxes that are assessed based on managed care organization (MCO) managed care revenues and will likely prohibit future approaches based on Medicaid revenue metrics.
- **Budget Neutrality for Medicaid Demonstration Projects.** Beginning Jan. 1, 2027, the secretary may not approve an application to begin or renew a demonstration project under Section 1115 unless it is budget-neutral.

Medicare

- **Limits Certain Noncitizen Access to Federal Health Services.** Prevents certain noncitizens from receiving premium tax credits to reduce the cost under Medicare.
- **Temporary "Doc Fix."** Includes a temporary "doc fix" with a 2.5 percent increase under the Medicare Physician Fee Schedule for 2026. This increase is a one-time adjustment as in not being implemented as an inflationary adjustment.
- **Exemption of Orphan Drugs from Medicare Drug Price Negotiation.** The Inflation Reduction Act (IRA) exempted orphan drugs – medicines designed to treat rare diseases – from being subject to the Medicare Drug Price Negotiation Program if the drug was intended to treat only a single indication or condition. H.R. 1 expands the exemption to include orphan drugs approved for more than one rare disease starting in 2028. The language also extends the time that orphan drugs may be exempt from Medicare Negotiation if a non-rare disease indication is added to a drug.

ACA

- **Limits Certain Noncitizen Access to Federal Health Services.** Limits the availability of premium tax credits (PTCs) for plans through the ACA marketplaces to certain noncitizens, disallows the availability of PTCs during the time certain noncitizens are not eligible for Medicaid and requires monthly verification of eligibility for receipt of PTCs.
- **Enhanced Advanced Premium Tax Credits.** The bill does not extend enhanced advanced premium tax credits (APTCs) that are currently set to expire at the end of 2025.

Rural Health Transformation Program

The bill establishes a Rural Health Transformation Program that will provide $50 billion over five years to hospitals and other providers. To qualify for funding, states must submit a rural health transformation plan by Dec. 31, 2025, outlining how the plan will improve access to care, patient outcomes, and the long-term success and financial viability of rural hospitals. Applications will be approved or denied by Dec. 31, 2025. The annual funding distribution will be as follows:

- 50 percent of funds split equally among all approved states.
- 40 percent of funds allocated based on factors including:
  - percentage of the state population living in rural census tracts
  - proportion of rural health facilities within the state
  - financial status of state hospitals
  - additional factors as determined by the Centers for Medicare & Medicaid Services

Delay of Rules Finalized by Previous Administration

Three rules and amendments finalized by the previous administration will not be enforced, implemented, or administered until Sept. 30, 2034, rather than blocking the rules entirely as originally proposed. The three rules include Streamlining Medicaid: Medicare Savings Program Eligibility Determination and Enrollment (88 Fed. Reg. 65230); Medicaid Program: Streamlining the Medicaid, CHIP and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes (89 Fed. Reg. 22780); and Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting (89 Fed. Reg. 40876).

Expanded Access to Health Savings Accounts (HSAs)

H.R. 1 expands access to HSAs for patients with high-deductible health plans (HDHPs) and patients with bronze and catastrophic-level plans through the ACA marketplaces. HSAs allow individuals to put pre-tax dollars into an HSA for use in paying for qualified medical expenses. Unused HSA may be rolled over year over year. Under H.R. 1, patients with HSAs under newly eligible plans may also now use HSAs to pay for direct primary care, which is when patients pay a set monthly or annual fee to their primary care physician instead of having care reimbursed through their health insurance plan. In addition, H.R. 1 includes a provision allowing telehealth services to be covered on a pre-deductible basis for individuals enrolled in HDHPs.

Provisions Struck from the Senate Substitute Amendment

Several provisions included in prior versions of H.R. 1, including versions passed by the U.S. House of Representatives and released by the U.S. Senate Committee on Finance were ultimately struck from the bill before passing the Senate. Provisions no longer included in the legislation are:

- prohibition federal financial participation under Medicaid and CHIP for individuals without verified citizenship, nationality or satisfactory immigration status
- removal of the federal medical assistance percentage (FMAP) penalty for states that use state funding to provide access to Medicaid for certain immigrants
- banning spread pricing in Medicaid
- ACA Cost-Sharing Reduction payments
- prohibiting federal funding for gender affirming care

Tax Reforms and Incentives

Individual Tax Provisions

- Makes permanent existing tax rates and brackets; increases the standard deduction by $750 ($1,500 for married joint filers) and makes higher amounts permanent (subject to inflation adjustments)
- **State and Local Tax Deductions.** Capped at $40,000 for married joint filers for the next five years
- **No Tax on Tips and Overtime.** Provides temporary above-the-line deductions for tips ($25,000) and overtime pay ($12,500); phases down based income levels
- **Deduction for Car Loans.** Provides temporary deduction – up to $10,000 – for car loan interest associated with vehicles, the final assembly of which occurred in the U.S.; phases down based on income levels
- **Child Tax Credit.** Increases the child tax credit by $200 but requires Social Security numbers; makes provision and changes permanent

- **Business Income Deduction – Section 199A.** Permanently extends at 20 percent
- Limits the benefit of itemized deductions for the top bracket (37 percent), providing a benefit at only 35 percent

Business Tax Provisions

- **Bonus Depreciation – Section 168.** Permanently extends 100 percent bonus depreciation for qualified property acquired and placed in service after Jan. 19, 2025; an additional first year depreciation deduction is available for manufacturing, production and refining property
- **Research and Development – Section 174.** Restores the ability to permanently deduct research or experimental expenditures paid or incurred after Dec. 31, 2024, but only if domestic; small businesses (revenue of $30 million or less) can apply this change retroactively to expenditures after Dec. 31, 2021, and others can accelerate remaining deductions
- **Limitation on Business Interest Expense – Section 163(j).** Reinstates the limitation on Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) after Dec. 31, 2024 (see further below)
- **Enhancement of Advanced Manufacturing Investment Credit – Section 48D.** Creating Helpful Incentives to Produce Semiconductors for America (CHIPS) Act tax credit increased from 25 percent to 35 percent for property placed in service after Dec. 31, 2025. The amendment does not extend the credit's termination date of Dec. 31, 2026, and does not expand eligibility of the credit.

International Tax

- **Does Not Include Section 899, the So-Called "Revenge Tax"**
- **Global Low-Taxed Income (GILTI):**
  - renames GILTI to "Net CFC Tested Income"
  - effective rate is 14 percent after Dec. 31, 2025
  - eliminates most expense apportionment other than direct expenses and reduces Foreign Tax Credit (FTC) limitation to a 10 percent haircut
  - repeals Qualified Business Asset Investment (QBAI), applying the 14 percent rate to all Net CFC Tested Income
- Foreign-Derived Intangible Income (FDII):
  - renames FDII to "Foreign-derived Deduction Eligible Income"
  - effective rate is 14 percent after Dec. 31, 2025
  - makes modifications to Deemed Intangible Income (DII), excluding certain items
  - repeals QBAI, applying the 14 percent rate to all qualifying income
- Base Erosion Anit-Abuse Tax (BEAT):
  - applies a 10.5 percent rate (permanently)
  - permanently extends use of specified tax credits
  - no high tax exception, as contained in the initial Senate finance bill
- Controlled Foreign Corporation (CFC) Look Through – Section 954(c)(3): Made permanent
- Limitation on Business Interest Expense - Section 163(j): Adjusted Taxable Income computed using EBITDA (permanently) but definition modified to *exclude* CFC income exclusions under Sections 951(a), 951A and 78
- Restoration of Limitation on Downward Attribution – Section 958(b): Restores former Section 958(b)(4), which limits downward attribution; adds Section 951B, which would apply downward attribution from foreign persons in selected cases and apply the Subpart F and global intangible low-taxed income (GILTI) rules to persons denominated as "foreign controlled US foreign corporation" as if the former foreign person were a U.S. shareholder and the latter corporate entity were a CFC

- **Remittance Tax, Section 4475 – *New Provision*:** Imposes a 1 percent excise tax on all remittance senders of money; does not apply when withdrawn from an account at a financial institution or funded by a U.S. debit or credit card

Health and Taxes

- Premium Tax Credits
  - does not extend the enhanced credit (set to expire at the end of 2025)
  - eliminating eligibility for certain lawfully present aliens, namely those lawfully admitted for permanent residence
  - disallows lawfully present aliens who are ineligible for Medicaid due to their status ineligible
  - increases verification requirements that must be conducted by health insurance exchanges, eliminates eligibility for individuals who enroll during a special enrollment period (triggered only by a change in income), allows full recapture of advanced payments unless actual income is less than 100 percent of the federal poverty level (FPL)

Energy Tax Provisions

- See Holland & Knight's previous alert, "Senate Passes Bill to Scale Back Clean Energy Tax Credits Under Inflation Reduction Act," June 30, 2025.

Housing and Community Development

Expansion of the Low-Income Housing Tax Credit

- Permanently increases the state allocation ceiling by 12 percent
- Lowers the bond-financing threshold to 25 percent for projects financed by bonds beginning in 2026

Green Retrofit Program Rescission

- Rescinds all remaining unobligated balances of the U.S. Department of Housing and Urban Development's (HUD) Green and Resilient Retrofit Program (GRRP)

Preservation of Municipal Bonds' Tax-Exempt Status

- Protects a critical tool for local governments by maintaining the tax status of municipal bonds – localities rely on municipal bonds to help finance various transportation, housing, energy and water projects

College and University Endowments

Modification of Excise Tax on Investment Income of Certain Private Colleges and Universities:

- Limits the application of the endowment tax to educational institutions with at least 3,000 full-time students (increased from 500) in the preceding tax year and retains the student-adjusted endowment (full-time students/endowment) floor of $500,000
  - Change is estimated to raise $800 million over 10 years
- Modifies the tax rate based on the student-adjusted endowment as follows:

Student-Adjusted Endowment	Excise Tax on Endowment Investment Income
$500,000 to $750,000	1.4 percent
$750,000 to $2 million	4 percent
Less than $2 million	8 percent

Community Development

Permanent renewal and enhancement of Opportunity Zones (OZs):
- Creates a second round of OZs for census tracts that have a poverty rate of at least 20 percent or a median family income that does not exceed 70 percent of the area median income
- Excludes any census tract where the median family income is 125 percent or greater of the area median family income
- Requires that at least 33 percent of designated OZs must be comprised entirely of a rural area; in the case that there are fewer than 33 percent of rural qualified OZs, all eligible rural areas must be designated
- Adds significant reporting requirements for participants in the OZ program

Energy Policy and Environmental Regulations

Title V, Subtitle A: Oil and Gas Leasing
Subtitle A requires minimum oil and gas lease sales on public lands and offshore waters, repeals certain provisions of the Inflation Reduction Act (IRA) relating to minimum royalties and largely reinstates the frequency of oil and gas leases on public lands and waters held prior to the Biden Administration

Section 50101: Onshore Oil and Gas Leasing. The bill requires the U.S. Department of Interior's (DOI) Bureau of Land Management (BLM) to renew holding quarterly oil and gas lease sales on public lands in nine Western states (including Alaska) for the next 10 years, including requiring BLM to offer not less than 50 percent of available parcels nominated by in the industry for development. The bill increases the validity of drilling permits issued by the BLM to four years and amends the Mineral Leasing Act to allow for the public leasing of all eligible public lands. The bill reinstates BLM's authority to issue noncompetitive leases that was removed by the IRA, reverting to the "first-come, first-served" system of leasing public lands for oil and gas development. BLM is required to allow comingling or pooling of production from multiple leases if certain standards are satisfied to ensure appropriate allocation of royalty obligation of the various lessees. The bill also restores the royalty rate of 12.5 percent, reversing the 16.67 percent previously established by the IRA.

Section 50102: Offshore Oil and Gas Leasing. The bill requires DOI's Bureau of Ocean Energy Management (BOEM) to hold no fewer than two lease sales every year for 15 years in the Central and Western planning areas of the Gulf of America (GOA), comprising at least 80 million acres for each lease sale or all unleased acres if there are fewer than 80 million acres that are unleased and available, including at least one lease sale by Dec. 15, 2025, with all lease sales being conducted pursuant to the terms and conditions of Lease Sale 254 (85 Fed. Reg. 8010 (Feb. 12, 2020)) (as amended by the bill). The bill requires BOEM to hold at least six offshore oil and gas lease sales in the Cook Inlet Planning Area in Alaska, with a minimum of one lease sale in each calendar year from 2026 to 2032, with each sale offering at least 1 million acres. The offshore lease sales in Alaska are required to be conducted in accordance with the terms and conditions of Lease Sale 244 (82 Fed. Reg. 23291).

The bill proscribes the royalty rate for GOA to be 12.5 percent and not greater than 16.67 percent. Commencing in 2034, revenue sharing for Alaska lease sales is set at 70 percent paid to the state of Alaska and 30 percent deposited in the U.S. Treasury.

The bill directs DOI's Bureau of Safety and Environmental Enforcement (BSEE) to allow comingling or pooling of offshore leases unless the comingling will reduce safety or result in a decline in production, with the aim of increasing the value of future tracks offered in lease sales.

The Gulf of Mexico Energy Security Act of 2006 (GOMESA)is amended to increase the amount of proceeds generated from GOA oil and gas activity that is distributed to coastal states that is used for conservation and coastal restoration projects. The bill increases the share available to coastal states from $500 million to $650 million annually for each year through 2034, but subject to sequestration commencing in 2027, which reduces the spending to $500 million cap over the 2027-2032 period.

Section 50103: Royalties on Extracted Methane. The bill repeals the IRA's requirement for the payment of royalties on all methane extracted from federal onshore and offshore oil and gas leases.

Section 50104: Alaska Oil and Gas Leasing. The bill requires BLM to hold at least four lease sales over the next 10 years in the Coastal Plain Oil and Gas Leasing program, comprising at least 400,000 acres in each sale and commencing with a sale not later than one year following the enactment of bill, with the balance of the lease sales conducted over the 10 year period. The bill also directs 50 percent of the bonus, rental, and royalties income generated from the oil and gas program to be paid to the state of Alaska for 2025 through 2033 and 70 percent paid to Alaska beginning in 2034.

Section 50105: National Petroleum Reserve – Alaska. The bill requires at least five lease sales over the next 10 years in the National Petroleum Reserve, comprising at least 4 million acres in each sale with 70 percent of the proceeds of the activity being paid to the state of Alaska beginning in 2034.

Subtitle B: Mining

Subtitle B restores coal leasing activities conducted prior to the Biden Administration, reduces the royalty rate from 12.5 percent to 7 percent, and requires the Secretary of Interior to make available for leasing at least 4 million acres of public lands with known coal reserves in the 48 contiguous states and Alaska within 90 days of the bill's enactment, excluding certain protected public lands such as National Monuments and National Parks.

Subtitle C: Lands

Section 50301: Timber Sales and Long-Term Contracting for the Forest Service and Bureau of Land Management. The bill requires the U.S. Forest Service to annually sell at least 250 million board feet greater than the timber sold in the previous fiscal year through 2034 on forest reserves created from the public domain, subject to the maximum sale quantity of timber included in the applicable forest plan. The Forest Service is required to enter into at least 40 long-term timber sales with private entities for timber sales in the National Forest System between 2025 and 2034, with the contract length of the sales of at least 20 years. The funds generated on the sales are directed to be deposited in the general fund of the U.S. Treasury. The bill also requires the BLM to sell an annual quantity of timber that is 20 million board feet greater than was sold in the previous fiscal year through 2034. The BLM is also required to enter into at least five long-term contracts with private entities for the disposal of vegetative materials on public lands, with the proceeds being deposited in the general fund of the U.S. Treasury.

Section 50302: Renewable Energy Fees on Federal Land. The bill adjusts the rents and fees for wind and solar projects on public lands, including revising the fees charged for rights of way and acreage rents, and includes new formulas for public charges for these renewable projects.

Section 50303: Renewable Energy Revenue Sharing. The bill requires that 25 percent of rentals, fees and charges for renewable energy projects on public lands to be paid from the U.S. Treasury to the state where the project is located and another 25 percent to the counties where the revenue was generated (based on the percentage of country land used by the project).

Section 50304: Rescission of National Park Service and Bureau of Land Management Funds. The section rescinds the remaining funds created by the IRA and made available to the National Parks and Public Lands Conservation and Resilience, National Parks and Public Lands Conservation and Ecosystem Restoration, and National Parks Service employees.

Section 50305: Celebrating America's 250th Anniversary. The bill provides up to $150 million for events and celebrations in observance of the country's 250th anniversary held on public lands.

Subtitle D: Energy

Section 50401: Strategic Petroleum Reserve. The bill appropriates $28 million for maintenance of the Strategic Petroleum Reserve (SPR) and $171 million for the acquisition of petroleum products for storage in the SPR, which shall remain available for use until 2029.

Section 50402: Repeals, Recissions. The bill repeals and rescinds unobligated funds from the following programs established in the IRA:

- **IRA Section 50123.** State-Based Home Efficiency Contractor Training Grants
- **IRA Section 50141.** Funding for Department of Energy Loan Office
- **IRA Section 50144.** Energy Infrastructure Reinvestment Financing issued by the Loan Program Office
- **IRA Section 50145.** Tribal Energy Loan Guarantee Program
- **IRA Section 50151.** Transmission Facility Financing
- **IRA Section 50152.** Grants to Facilitate the Siting of Interstate Electricity Transmission Lines
- **IRA Section 50153.** Interregional and Offshore Wind Electricity Transmission Planning, Modeling, and Analysis
- **IRA Section 50161.** Advanced Industrial Facilities Deployment Program

Section 50403: Energy Dominance Financing. The section amends the U.S. Department of Energy (DOE) loan program to fund traditional energy projects and critical mineral projects that advanced American energy dominance and appropriates $1 billion to the revised program.

Section 50404: Transformational AI Models. The bill requires the DOE to partner its National Laboratories with U.S. industry to curate the DOE's existing scientific data to ensure that the data is structured and processed in way suitable for use by AI and initiate efforts for self-improving AI for science and engineering applications. The AI models developed by the program are directed to be provided to the scientific community. The section appropriates $150 million for the effort.

Subtitle E: Water

Section 50501: Water Conveyance and Surface Water Storage Enhancement. The section appropriates $1 billion to the DOI for the construction and related activities that restore or increase the capacity or use of existing water conveyance and storage facilities constructed by the Bureau of Reclamation.

DOE Loan Programs Rescinded and Refocused

The reconciliation package repeals several IRA loan authorities and rescinds billions in unobligated credit subsidy, including $3.6 billion for DOE's Title 17 loan guarantee program, $3 billion for the Advanced Technology Vehicles Manufacturing (ATVM) loan program and $5 billion for the Energy Infrastructure Reinvestment (EIR) program under Section 1706. The package also eliminates remaining IRA funding for the Tribal Energy Loan Guarantee Program and multiple DOE grant programs for transmission deployment and siting.

In their place, the bill revises and reauthorizes Section 1706 of the Energy Policy Act as a new Energy Dominance Financing authority. The updated 1706 program is capitalized with $1 billion and enables the DOE to guarantee loans that repower, repurpose or expand existing energy infrastructure – including fossil, nuclear and critical minerals projects. The revised authority also includes projects that improve grid reliability or increase capacity and output but explicitly bars support for projects receiving other forms of direct federal financial assistance.

EPA

- **Section 60012.** Pauses the EPA methane emissions fee for 10 years. The fee would have started at $900 per ton of methane in 2024, gradually ramping to $1500 per ton in 2026.
- **Section 60026.** Creates an optional permitting fee mechanism whereby projects can access expedited timelines for National Environmental Policy Act (NEPA) reviews by paying a fee of 125 percent of the costs to prepare the review. An environmental impact statement (EIS) must be completed within one year, and an environmental assessment (EA) must be completed within six months.
- **Section 60025.** Provides $257 million for repair, restoration and maintenance at the Kennedy Center for the Performing Arts in Washington, D.C.

The bill also rescinds all unobligated funding from EPA IRA clean energy and vehicles programs, listed here in descending order based on original program size under the IRA:

- **Section 60002.** Greenhouse Gas Reduction Fund (originally $27 billion) – also repeals authorization for this program
- **Section 60013.** Climate Pollution Reduction Grants (originally $5 billion)
- **Section 60016.** Environmental and Climate Justice Block Grants (originally $3 billion)
- **Section 60012.** Methane Emissions Reduction Program (originally $1.55 billion)
- **Section 60001.** Clean Heavy-Duty Vehicle Program (originally $1 billion)
- **Section 60004.** Plus-ups to various EPA air pollution programs to support air pollution, with an emphasis on monitoring and testing (originally $280 million)
- **Section 60011.** Environmental Production Declaration Assistance (originally $250 million)
- **Section 60017.** Endangered Species Act (ESA) Recovery Plans (originally $125 million)
- **Section 60015.** Low-embodied carbon labeling for construction materials (originally $100 million)
- **Section 60006.** Low-Emissions Electricity Program (originally $87 million)
- **Section 60003.** Plus-up for the Diesel Emissions Reductions Act (DERA) program for low-income and disadvantaged communities (originally $60 million)
- **Section 60014.** Plus-up for timely environmental reviews (originally $40 million)
- **Section 60005.** Plus-up for addressing air pollution at schools (originally $40 million)
- **Section 60008.** Plus-up for implementation of the American Innovation and Manufacturing (AIM) Act (originally $38.5 million)
- **Section 60009.** Enforcement technology and public information (originally $25 million)
- Methane monitoring (originally $20 million)
- **Section 60010.** GHG Corporate Reporting Program (originally $5 million)

- **Section 60007.** Plus-up for Renewable Fuel Standard lifecycle and environmental impact testing (originally $5 million)

The White House

The bill rescinds all unobligated funding from White House IRA clean energy and vehicles programs, including:

- **Section 60021.** GSA Low-Carbon Materials for Federal Buildings (originally $2.15 billion)
- **Section 60022.** GSA Emerging Technologies plus-up for sustainability (originally $975 million)
- **Section 60020.** GSA plus-up for green buildings conversion for federal buildings (originally $250 billion)
- **Section 60018.** CEQ – environmental and climate data collection (originally $32.5 million)

DOT

Section 40006. The bill repeals all civil penalties for violating National Highway Traffic Safety Administration (NHTSA) Corporate Average Fuel Economy (CAFE) standards upon enactment. It also rescinds all unobligated funding from Federal Highway Administration (FHWA) IRA clean transportation and vehicles programs, including:

DOT/FHWA

- **Section 60019.** FHWA Neighborhood Access and Equity Grant Program (originally $3 billion)
- **Section 60024.** FHWA Low-Carbon Transportation Materials Grants (originally $2 billion)
- **Section 60023.** FHWA Environmental Review Implementation Funds (originally $100 million)

Defense and National Security

DOD Funding

The U.S. Armed Services Committees' portion of the reconciliation legislation provides significant funding increases for strategic capability areas within the U.S. Department of Defense (DOD) and National Nuclear Security Administration (NNSA). It includes more than $150 billion in funding, divided across 11 major sections focused on enhancing military capabilities, strengthening the defense industrial base, improving military readiness, enhancing deterrence against near-peer competitors and supporting quality of life for service members and their families. Should Congress pass a full-year funding bill for FY 2026, the additional investment included in the Armed Services Committees' portion of the reconciliation bill would put the total DOD budget for FY 2026 over $1 trillion for the first time in history.

The defense portion of the reconciliation bill addresses critical capability gaps identified by the Trump Administration, military leadership and members of Congress. It includes significant investment across multiple domains, with particular emphasis on shipbuilding, supply chain resilience, low-cost weapons and munitions production, DOD cybersecurity, nuclear modernization, Indo-Pacific Command capabilities and readiness initiatives. The legislation also provides an initial investment in the president's Golden Dome initiative, which is a comprehensive layered missile defense architecture.

The legislation allocates resources strategically to support immediate operational needs while also making long-term investments in capabilities essential for future conflicts. It provides substantial resources to accelerate development and production of key weapons systems, modernize aging infrastructure, invest in emerging technologies such as hypersonics, autonomous systems and artificial intelligence (AI), and support defense innovation to ensure the U.S. maintains its military technological edge. Several sections include significant industrial base investments aimed at expanding capacity and addressing supply chain vulnerabilities, particularly for critical minerals and other urgent operational needs identified by the DOD's Industrial Base Fund.

In its FY 2026 budget submission, the Trump Administration assumed approximately $119 billion of the national defense resources provided in this legislation will be spent in FY 2026.

Summary by Section

Section 20001: Enhancement of DOD Resources for Improving the Quality of Life for Military Personnel ($9 Billion). This section addresses the critical need to improve living conditions and support services for military personnel and their families. It recognizes that quality-of-life issues directly impact military readiness and retention. The $9 billion investment focuses on housing, healthcare, education and family support programs. It also includes items such as:

- $2.9 billion to supplement basic allowance for housing for service members, addressing the gap between housing allowances and actual housing costs in many military communities
- $2 billion for the Defense Health Program to improve medical care and services for military personnel and their families
- $1 billion for sustainment, restoration and modernization of military unaccompanied housing to improve living conditions for service members
- $590 million to increase Temporary Lodging Expense Allowance from 10 to 21 days, providing financial relief for service members during permanent change of station moves
- $230.48 million for restoration and modernization under the Marine Corps Barracks 2030 initiative, addressing deteriorating conditions in Marine Corps housing
- $100 million for tuition assistance programs to support continuing education for service members
- $10 million for the Defense Activity for Non-Traditional Education Support's Online Academic Skills Course program

The section also includes policy changes to enhance military housing options, such as temporarily increasing the percentage of authorized investment in certain privatized military housing projects and expanding authority for acquisition or construction of privatized military unaccompanied housing.

Section 20002: Enhancement of DOD Resources for Shipbuilding ($29 Billion). This section provides substantial funding to increase the size and capability of the U.S. naval fleet while also strengthening the domestic shipbuilding industrial base. It represents one of the largest investments in the bill and addresses both conventional and unmanned naval capabilities. This includes investments of:

- $5.4 billion for two Guided Missile Destroyers (DDG), expanding the surface fleet with modern multi-mission vessels
- $4.6 billion for a second Virginia-class submarine in FY 2026, enhancing undersea warfare capabilities
- $2.1 billion for development, procurement and integration of purpose-built medium unmanned surface vessels, expanding distributed maritime operations capabilities
- $1.8 billion for procurement of Landing Ship Medium to enhance amphibious operations
- $1.53 billion for expansion of small unmanned surface vessel production, strengthening distributed naval presence capabilities
- $1.47 billion for implementation of a multi-ship amphibious warship contract to achieve procurement efficiencies
- $1.3 billion for expansion of unmanned underwater vehicle production, expanding subsurface intelligence, surveillance and reconnaissance (ISR) capabilities

The section also makes substantial investments in the shipbuilding industrial base:
- $750 million for supplier development across the naval shipbuilding industrial base
- $600 million for lease or purchase of new ships through the National Defense Sealift Fund
- $500 million for advanced manufacturing techniques in the shipbuilding industrial base
- $500 million for additional drydock capability to address maintenance backlogs
- $500 million for cost to complete for rescue and salvage ships
- $492 million for next-generation shipbuilding techniques to improve productivity
- $450 million for maritime industrial workforce development programs
- $450 million for application of autonomy and AI to naval shipbuilding
- $450 million for U.S. additive manufacturing for wire production and machining capacity
- $400 million for expansion of collaborative campus for naval shipbuilding

Additional investments support specialized vessels and technologies:
- $300 million for production of ship-to-shore connectors for amphibious operations
- $295 million for development of a second Landing Craft Utility shipyard
- $250 million for expansion of U.S. Navy corrosion control programs to extend vessel service life
- $250 million for wave-powered unmanned underwater vehicles
- $188.36 million for maritime robotic autonomous systems and enabling technologies
- $174 million for Test Resource Management Center robotic autonomous systems proving ground
- $150 million for retention of inactive reserve fleet ships to preserve surge capacity

Section 20003: Enhancement of DOD Resources for Integrated Air and Missile Defense ($25 Billion). This section allocates substantial resources to develop and deploy advanced missile defense capabilities, with emphasis on space-based systems and protection against emerging hypersonic threats. It supports what has been referred to as the "Golden Dome for America" concept, which is President Trump's vision for a comprehensive, layered missile defense shield. This funding includes:
- $7.2 billion for military space-based sensors to detect and track missile threats globally
- $5.6 billion for space-based and boost phase intercept capabilities, developing the ability to destroy missiles in their most vulnerable phase
- $2.55 billion for development, procurement, and integration of military missile defense capabilities
- $2.2 billion for acceleration of hypersonic defense systems to counter advanced missile threats
- $2 billion for air moving target indicator military satellites to enhance tracking capabilities
- $1.98 billion for improved ground-based missile defense radars to enhance detection capabilities
- $800 million for accelerated development and deployment of next-generation intercontinental ballistic missile defense systems
- $530 million for Missile Defense Agency missile instrumentation range safety ship to support testing
- $500 million for national security space launch infrastructure to ensure reliable access to space
- $408 million for U.S. Army space and strategic missile test range infrastructure restoration and modernization in the Indo-Pacific region
- $400 million for Multi-Service Advanced Capability Hypersonic Test Bed program
- $250 million for directed energy capabilities development and testing as an alternative intercept method

Collectively, these investments aim to establish a more robust, multilayered missile defense architecture capable of defending against a wide range of threats from cruise missiles to hypersonic weapons and intercontinental ballistic missiles.

Section 20004: Enhancement of DOD Resources for Munitions and Defense Supply Chain Resiliency ($25 Billion). This section focuses on expanding munitions production capacity, strengthening supply chain resilience and addressing critical mineral dependencies. It represents a systematic approach to ensure the U.S. has sufficient stockpiles for sustained combat operations and a resilient industrial base:

- $5 billion for investments in critical minerals supply chains through the Industrial Base Fund
- $3.3 billion for grants and purchase commitments through the Industrial Base Fund to expand defense manufacturing
- $2 billion for improving U.S. stockpile of critical minerals through the National Defense Stockpile
- $1 billion for development of next-generation automated munitions production factories
- $688 million for long-range multiservice cruise missiles to enhance long-range precision strike
- $630 million for long-range Navy air defense and anti-ship missiles to counter naval threats
- $500 million for maritime mines to enhance sea denial capabilities
- $500 million for expansion of defense advanced manufacturing techniques
- $500 million for expansion of the Defense Exportability Features program
- $500 million for counter-unmanned aerial systems programs to address emerging drone threats

The section includes substantial investments in various munitions and counter-drone programs:

- $400 million for heavyweight torpedoes for naval underwater warfare capabilities
- $400 million for acceleration of hypersonic strike programs
- $380 million for production capacity expansion for long-range antiship missiles
- $350 million for non-kinetic counter-unmanned aerial systems programs
- $350 million for Navy long-range air and missile defense interceptors
- $325 million for production capacity improvements for air-launched anti-radiation missiles
- $250 million for medium-range air-to-air missiles
- $250 million for development of land-based counter-unmanned aerial systems
- $250 million for penetrating munitions production
- $225 million for medium-range air-to-air missiles production capacity expansion
- $200 million for lightweight torpedoes
- $200 million for acceleration of Army medium-range air and missile defense interceptors
- $200 million for ship-based counter-unmanned aerial systems

Multiple investments target supply chain vulnerabilities:

- $400 million for emerging solid rocket motor industrial base investments
- $200 million for solid rocket motor industrial base investments
- $150 million for additive manufacturing for propellant
- $42 million for second sources for large-diameter solid rocket motors for hypersonic missiles

This section also appropriates $1 million to establish the Joint Energetics Transition Office to coordinate energetics research and development across the DOD.

Section 20005: Enhancement of DOD Resources for Scaling Low-Cost Weapons into Production ($16 Billion). This section focuses on accelerating the development and deployment of innovative weapons systems, particularly low-cost "attritable" platforms and advanced technologies that can be rapidly fielded. It emphasizes the transition from prototypes to production:

- $2 billion for Defense Innovation Unit (DIU) scaling of commercial technology for military applications and an additional $50 million for DIU OnRamp Hubs to expand regional engagement
- $1.69 billion for military cryptographic modernization activities to enhance communications security
- $1.5 billion for low-cost cruise missiles to expand precision strike capacity at reduced cost

- $1.4 billion for small unmanned aerial system industrial base expansion
- $1 billion for qualification activities and technical data management to enhance competition
- $1 billion for Office of Strategic Capital credit subsidy to support critical technology investments
- $1 billion for programs to accelerate procurement of innovative technologies
- $750 million for innovative military logistics and energy development
- $650 million for Mission Capabilities office joint prototyping and experimentation
- $600 million for Strategic Capabilities Office programs to develop asymmetric capabilities
- $500 million for attritable autonomous military capabilities
- $500 million for advanced 5G/6G technologies for military use
- $400 million for Joint Fires Network and battle management capabilities
- $400 million for advanced command-and-control tools for combatant commands

The section also includes investments in emerging technology areas:
- $250 million for quantum computing through the Quantum Benchmarking Initiative
- $250 million for AI ecosystem advancement
- $250 million for Cyber Command AI capabilities
- $250 million for Test Resource Management Center digital test environment
- $145 million for AI to enable one-way attack unmanned systems
- $125 million for small, portable modular nuclear reactors for military use
- $124 million for Test Resource Management Center AI capabilities
- $120 million for long-endurance unmanned aerial systems for surveillance
- $100 million for shared secure facilities for the defense industrial base
- $90 million for APEX Accelerators and the Mentor-Protege Program to support small businesses
- $90 million for reusable hypersonic technology for military strikes

Section 20006: Enhancement of DOD Resources for Improving Efficiency and Cybersecurity ($380 Million). This section addresses long-standing challenges with DOD financial management and cybersecurity, with emphasis on using advanced technologies to improve efficiency. These investments aim to help DOD achieve a clean audit, improve financial transparency and enhance cybersecurity against evolving threats. They include:
- $200 million for deployment of automation and AI to accelerate DOD financial audits
- $150 million for business systems replacement to improve financial management and accelerate audits
- $20 million for DARPA defense cybersecurity programs to develop cutting-edge security technologies
- $10 million for improvement of Office of the U.S. Secretary of Defense budgetary and programmatic infrastructure

Section 20007: Enhancement of DOD Resources for Air Superiority ($9 Billion). This section provides substantial funding to maintain and enhance U.S. air dominance through a mix of legacy platform sustainment, next-generation aircraft development and unmanned systems:
- $3.15 billion for F-15EX aircraft production, accelerating the replacement of aging F-15C/D aircraft
- $750 million to accelerate the FA/XX aircraft program, the Navy's next-generation air dominance platform
- $678 million to accelerate the Collaborative Combat Aircraft program, developing autonomous wingman aircraft
- $600 million for development of U.S. Air Force long-range strike aircraft capabilities
- $500 million for development of Navy long-range strike aircraft capabilities
- $474 million to increase EA-37B electronic warfare aircraft production
- $440 million to increase C-130J tactical airlift production
- $400 million to accelerate F-47 aircraft production

- $361 million to prevent the retirement of F-22 advanced fighter aircraft
- $270 million for U.S. Marine Corps unmanned combat aircraft development
- $187 million for F-16 electronic warfare capability enhancements
- $127 million to prevent the retirement of F-15E Strike Eagle aircraft

Additional investments support mobility and other specialized capabilities:

- $160 million to accelerate V-22 nacelle improvements for enhanced reliability
- $116 million for C-17A Mobility Aircraft Connectivity
- $100 million for MQ-25 carrier-based unmanned tanker aircraft production
- $100 million for Advanced Aerial Sensors production
- $96 million for infrared search and track pods to enhance fighter detection capabilities
- $84 million for KC-135 Mobility Aircraft Connectivity
- $50 million for F-15EX conformal fuel tanks to extend range capabilities

Section 20008: Enhancement of Resources for Nuclear Forces ($15 Billion). This section provides substantial funding to modernize all three legs of the nuclear triad and supporting infrastructure, ensuring the continued credibility of the U.S. strategic deterrent:

- $4.5 billion for B-21 Raider long-range bomber aircraft production expansion
- $2.5 billion for Sentinel intercontinental ballistic missile program risk reduction
- $2 billion for nuclear-armed sea-launched cruise missile development
- $1 billion for NNSA facility construction to modernize aging nuclear infrastructure
- $750 million for NNSA primary capability modernization for nuclear warhead components
- $750 million for NNSA secondary capability modernization for nuclear warhead components
- $540 million for NNSA deferred maintenance and repair at critical nuclear facilities
- $500 million for Minuteman III ICBM system improvements to maintain reliability until replacement
- $400 million for warhead development for the nuclear-armed sea-launched cruise missile
- $400 million for Trident D5LE2 submarine-launched ballistic missile development
- $210 million for MH-139 helicopter production to replace aging UH-1N helicopters for ICBM security
- $200 million for NNSA Phase 1 studies for future nuclear weapon systems
- $168 million for Survivable Airborne Operations Center program to replace aging E-4B aircraft
- $150 million for military nuclear weapons delivery programs
- $148 million for D5 missile motor production for submarine-launched ballistic missiles
- $120 million for domestic uranium enrichment centrifuge deployment
- $115 million for AI applications in nuclear national security missions
- $100 million for ICBM reentry vehicle enhancements
- $65 million for nuclear command, control and communications modernization
- $62 million for Ohio-class submarine tube conversion to increase missile capacity
- $10 million for evaluation of spent fuel reprocessing technology

Section 20009: Enhancement of DOD Resources to Improve Capabilities of United States Indo-Pacific Command ($12 Billion). This section focuses on strengthening U.S. military posture and capabilities in the Indo-Pacific region to counter China's growing military power and ensure regional stability in the Western Pacific:

- $3.65 billion for U.S. military satellites development and protection
- $1.1 billion for infrastructure development in INDOPACOM area of responsibility
- $1 billion for offensive cyber operations capabilities
- $1 billion for the X-37B military spacecraft program
- $850 million for replenishment of military articles to support regional partners
- $533 million for the Pacific Air Force biennial large-scale exercise

- $528 million for DARC and SILENTBARKER space situational awareness programs
- $500 million for personnel and operations costs for INDOPACOM forces
- $500 million for economic competition effects within DOD to counter Chinese influence
- $450 million for airfields development in INDOPACOM to enhance operational flexibility
- $365 million for Army exercises in Western Pacific to improve readiness and interoperability
- $350 million for military space command and control systems
- $300 million for mesh network communications for SOCOM Pacific
- $200 million for Guam Defense System program to protect this critical territory

Additional readiness and deterrence initiatives include:
- $143 million for anti-submarine sonar arrays to enhance undersea warfare capabilities
- $125 million for military space communications development
- $115 million for Arctic infrastructure exploration and development
- $100 million for Air Force regionally based cluster pre-position base kits
- $90 million for non-kinetic capabilities development
- $80 million for Navy Operational Support Division
- $60 million for combined surveillance and reconnaissance capabilities for AFRICOM and INDOPACOM
- $53 million for Special Operations Command exercises in Western Pacific
- $47 million for Marine Corps exercises in Western Pacific
- $35 million for military additive manufacturing capabilities in INDOPACOM
- $30 million for economic competition workforce development
- $20 million for INDOPACOM military exercises
- $19 million for naval small craft capabilities development

Section 20010: Enhancement of DOD Resources for Improving Readiness ($16 Billion). This section focuses on addressing maintenance backlogs, improving facilities and enhancing the operational readiness of U.S. military forces across all services:
- $2.5 billion for Air Force facilities sustainment, restoration and modernization
- $2.12 billion for Air Force aircraft mission capability maintenance and spares
- $2 billion for Navy depot and shipyard modernization to address maintenance backlogs
- $1.64 billion for Special Operations Command equipment, readiness and operations
- $1.5 billion for Army depot modernization and capacity enhancement
- $1.5 billion for increased depot and shipyard maintenance activities
- $1.4 billion for maritime spares and repair rotable pool to improve fleet readiness
- $700 million for maritime spares for amphibious ships
- $500 million for U.S. National Guard unit readiness enhancements
- $400 million for Marine Corps readiness and capabilities
- $320 million for Joint Special Operations Command
- $310 million for next-generation vertical lift aircraft development
- $250 million for Army tracked combat transport vehicles
- $250 million for Air Force depot modernization and capacity enhancement
- $241 million for Marine Corps amphibious vehicles
- $230 million for Army wheeled combat vehicles

Smaller but critical readiness initiatives include:
- $98 million for Army light rotary-wing capabilities
- $93 million for Robotic Combat Vehicle prototyping completion
- $75 million for antilock braking systems for Army wheeled transport vehicles

- $63 million for advanced rotary-wing engines development
- $20 million for Marine Corps utility helicopter upgrades
- $10 million for Air Force Concepts Development Office

Section 20011: Improving DOD Border Support and Counter Drug Missions ($1 Billion). This section provides $1 billion specifically for DOD support to border security operations, which includes activities such deployment of military personnel, operations and maintenance, counter-narcotics and counter-transnational criminal organization mission support activities. It also funds activities that support the administration's temporary detection of migrants on DOD installations.

Section 20012: DOD Oversight ($10 Million). This section allocates funding to ensure proper oversight to the DOD Inspector General of the substantial appropriations in the bill. This section also directs special attention to programs with mutual technological dependencies, requires oversight of programs with related data management and data ownership considerations, and focuses on programs particularly vulnerable to supply chain disruptions and long lead components.

Section 20013: Military Construction Projects Authorized. This section authorizes appropriations for military construction, land acquisition and military family housing across all service branches. It establishes a 30-day timeline for each military department secretary to submit detailed spending plans to the Armed Services Committees, requiring project-by-project breakdowns of all military construction funded through this legislation.

This provision ensures proper authorization for construction activities while creating transparency and accountability in how these funds will be used. By requiring specific project details, Congress maintains visibility into infrastructure investments and creates a mechanism for tracking implementation progress.

Education Funding and Policy Changes

Student Loan Repayment Plans

- Ends existing Income-Contingent Repayment (ICR) Plans for new borrowers beginning July 1, 2026, and replaces them with a single Repayment Assistance Plan (RAP)
- New borrowers will choose between the following:
  - **Standard Repayment Plan:** Fixed monthly payments over 10 to 25 years based on total principal
  - **Repayment Assistance Plan (RAP)**: Income-based repayment based on adjusted gross income, with a minimum payment of $10 per month. Payments continue until the loan balance is $0 or the borrower makes 360 qualifying monthly payments, whichever is earlier
    - Borrowers ineligible for RAP may be placed in the existing Income-Based Repayment (IBR) Plan, which determines payment amounts based on discretionary income
    - Payments under RAP count toward Public Service Loan Forgiveness (PSLF) eligibility
  - U.S. Department of Education (ED) will transition existing borrowers on an ICR to RAP or IBR no later than July 1, 2028
  - Eligibility for RAP or IBR will be recertified annually, with procedures to be developed by ED

Termination of Grad PLUS Loans

- Ends the Federal Direct Graduate PLUS Loan Program for graduate/professional students beginning July 1, 2026

Student Loan Limits

- Adjusts annual and lifetime loan limits for graduate and professional student borrowers and parent borrowers beginning July 1, 2026. The amounts below are in addition to any amount borrowed for non-graduate education:
  - Graduate Students:
    - Annual limit: $20,500
    - Aggregate lifetime limit:
      - If never a professional student: $100,000
      - If also a professional student: $200,000 (minus any amount borrowed for professional programs)
  - Professional Students:
    - Annual limit: $50,000
    - Aggregate lifetime limit:
      - If never a graduate student: $200,000
      - If also a graduate student: $200,000 (minus any amount borrowed for graduate programs)
  - Parent PLUS Borrowers:
      - Annual limit: $20,000 for each dependent student
      - Aggregate lifetime limit: $65,000 for each dependent student
  - Lifetime Maximum Aggregate for All Students (Other Than Parent PLUS loans): $257,500
- Caps for part-time student borrowers are reduced in direct proportion to enrollment
- Borrowers with loans for programs that are in process as of June 30, 2026, may be exempt
- Institutions can impose their own loan limits, as long as they are applied consistently to all students

Loan Student Loan Deferment and Forbearance

- Ends unemployment and economic hardship deferments for Direct Loans issued after July 1, 2027
- Caps forbearance for Direct Loans at nine months over two years
- Allows two opportunities to rehabilitate defaulted Direct, Federal Family Education Loan (FFEL) or Perkins loans beginning July 1, 2027, instead of the existing one opportunity

Student Aid Eligibility Adjustments

- Need Analysis:
  - Beginning with the 2026-2027 award year, excludes certain family-owned assets when determining student need for federal student aid, including:
    - A family farms on which the family resides
    - Family-owned and controlled small businesses with fewer than 100 full-time equivalent (FTE) employees
    - Family-owned fishing businesses and related expenses
- Pell Grant Eligibility:
  - Includes foreign income in adjusted gross income for purposes of determining Pell Grant eligibility beginning July 1, 2026
  - Students with a Student Aid Index (SAI) that equals or exceeds twice the amount of the maximum Pell Grant will be deemed ineligible for the Pell Grant for that academic year
  - Students are ineligible for the Pell Grant if they receive non-federal grants exceeding the cost of attendance

Workforce Pell Grants

- Expands Pell Grant Program to students in short-term workforce programs at accredited postsecondary institutions beginning July 1, 2026

- Program eligibility requirements:
  - 150-600 clock hours or equivalent credit hours over 8 to 15 weeks
  - Determined by states to align with high-skill, high-wage, or in-demand sectors or occupations, and meet the hiring requirements of potential employers in those sectors and occupations
  - Leads to a recognized credential and prepares students for certificate or degree programs at institutions of higher education
  - One-year operational history with:
    - A 70 percent completion rate within 150 percent of the normal time for completion
    - A 70 percent job placement rate, measured 180 days after completion
    - Tuition and fees that do not exceed the "value-added earnings," measured based on the median earnings of student completers in the program relative to the poverty line

Institutional Risk-Sharing and Accountability

- Institutions cannot award federal student aid for programs with "low-earning outcomes."
- Programs have low-earning outcomes if the median earnings of a specified graduate cohort are less than the median earnings of a working adult with a lesser credential or no credential for the corresponding year, measured in accordance with the statutory formula.
- Institutions must warn students if a program does not satisfy the earning outcomes requirements for one year during the covered period.
- Programs that lose eligibility under this section may not apply to regain eligibility for two years.

Further Delay of Student Loan Discharge Rules

- Further delays implementation of the Biden-era borrower defense to repayment (BDR) and closed school discharge (CSD) regulations, which were already delayed due to a court challenge.
- Restores the BDR and CSD regulations that took effect July 1, 2020.

Agricultural Supports and Rural Development

Nutrition

Reevaluates the Thrifty Food Plan. Section 10101 requires all future updates to the Thrifty Food Plan (TFP) to be cost-neutral and that the cost of the plan to reflect changes in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics. This section also adjusts the percentages of a four-person household allotment received by households falling outside of this number.

- **SNAP Reforms.** The bill revises supplemental Nutrition Assistance Program (SNAP) eligibility requirements, tightens utility considerations and benefits and, after undergoing challenges from the Senate parliamentarian, the Senate reworked language to require states to match and share costs for administering the program as well as funding the benefits themselves
  - Section 10102 expands existing work requirements under SNAP Work Requirements to include able-bodied adults ages 55 to 65 and parents or guardians of children over the age of 14. This section also removes the U.S. Department of Agriculture (USDA) secretary's discretionary authority to issue work requirement waivers based on insufficient job openings to areas with an unemployment rate of more than 10 percent.
  - Section 10103 revises the automatic eligibility for SNAP Standard Utility Allowance (SUA) program through Low-Income Home Energy Assistance Act (LIHEAP) participation to apply only to households with elderly or disabled members. For households without elderly or disabled members, the section also counts state assistance as household income when calculating federal benefits eligibility.

- Section 10104 prohibits households from including internet costs in the calculation of excess shelter deductions, a primary mechanism for determining benefit amounts.
- Section 10105 requires states to contribute a percentage of the cost of SNAP benefits based on their payment error rate beginning in FY 2028. In the first year of implementation, FY 2028, the state may use either its FY 2025 or FY 2026 error rate, but in subsequent years beginning in FY29, the state must use the error rate calculated using the payment error rate that is three fiscal years prior.
  - States with a payment error rate below 6 percent would pay zero percent of the SNAP benefit costs.
  - States with a payment error rate between 6 percent and 8 percent would pay a 5 percent share.
  - States with a payment error rate between 8 percent and 10 percent would pay a 10 percent share.
  - States with a payment error rate equal to or greater than 10 percent would pay a 15 percent share.
- Section 10106 reduces the federal cost share of administering SNAP from 50 percent to 25 percent beginning FY 2027, effectively increasing state cost sharing requirements by 25 percent.
- Section 10107 eliminates the National Education and Obesity Prevention Grant Program, commonly known as SNAP-Ed.
- Section 10108 revises SNAP-eligible populations to effectively bar undocumented immigrants from utilizing the program.

Forestry

Rescission of IRA Program Funds. Section 10201 rescinds unobligated IRA funds intended to create new policies for old-growth forests, establish new grants for climate projects and support urban tree planting.

Commodities

Increases Reference Prices for Row Crops. Section 10301 increases reference prices for all covered commodities beginning in the 2025 crop year. Beginning in 2031, these reference prices, which are used to calculate crop insurance benefits, will be increased to the previous crop year reference price multiplied by 1.005 with the caveat that it cannot exceed 113 percent of the reference price.

- **Extends Base Acre Coverage.** Section 10302 maintains all current base acres and provides a one-time voluntary allocation of 30 million new base acres for farm owners who currently do not have base acres.
- **Extends the PLC and ARC Programs through 2031.** Section 10303 requires landowners to elect to obtain either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) on a commodity-by-commodity basis through crop year 2031.
  - Section 10304 extends PLC through 2031.
  - Section 10305 extends ARC through 2031.
- **Expands the definition of "Qualified Pass-Through Entity."** Section 10306 expands the definition of "qualified pass-through entity" to include a wider range of partnerships and joint ventures.
- **Increases the Limit to Title I Payments.** Section 10307 increases the payment limitation under Section 1001 of Title I of the Food Security Act of 1985 from $125,000 to $155,000.
- **Expands Access to Disaster and Conservation Programs.** Section 10308 expands access to disaster and conservation programs by expanding eligibility to producers who derive 75 percent or more of their income from farming, ranching, or forestry.
- **Increases Marketing Assistance Loans and Sets Repayment Rates.** Section 10309 increases Marketing Assistance Loan rates for all loan commodities and extends the availability of a series of commodity-specific loans through 2031. Section 10310 establishes assorted repayment rates for cotton commodities.

- **Supports Economic Assistance Programs for Specific Industries.**
  - Section 10311 increases the Economic Adjustment Assistance for Textile Mills payment rate from 3 cents per pound to 5 cents.
  - Section 10312 makes updates to the sugar program, extending the updated program through 2031.
  - Section 10313 updates the Dairy Margin Coverage program and extends the program through 2031.
- **Funds Program Implementation and Streamlining.** Section 10314 provides $50 million to the Farm Service Agency (FSA) to improve implementation programs through streamlining processes, surveys, studies and educational tools.

Disaster Assistance Programs

- **Establishes and Updates Supplemental Agricultural Disaster Assistance Programs.** Section 10401 increases reimbursement rates for losses due to predation (100 percent) and adverse weather events (75 percent) of market value of the loss and updates eligibility and definitions in the following disaster assistance programs:
  - Livestock Indemnity program
  - Livestock Forage Program
  - Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish
  - Tree Assistance Program

Crop Insurance

- **Extends Beginning Farmer and Rancher Benefit.** Section 10501 extends the Beginning Farmer and Rancher Benefit established under the Federal Crop Insurance Act
- **Increases Coverage Levels.** Section 10502 increases the overall level for the Whole Farm Revenue Protection Plan, Supplemental Coverage Option plan and other area-based insurance policies.
- **Provides State Administrative and Operational Expense Assistance.** Section 10503 introduces a new mechanism for states with high loss ratios to receive additional administrative and operating expense reimbursements beginning in the 2026 reinsurance year.
- **Increases Premium Support.** Section 10504 increases premium support for individual-based crop insurance policies across all coverage levels by 3 percent to 5 percent. Section 10502 also increases premium support for the Supplemental Coverage Option to 80 percent.
- **Poultry Insurance Pilot Program.** Section 10507 launches a pilot program for contract poultry growers access insurance policies that protect against extreme weather-related events.

Additional Investments in Rural America

- **Funding for Conservation Programs and Reallocation of IRA Funds.** Section 10601 provides additional baseline mandatory funding for the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP) and Regional Conservation Partnership Program (RCPP) by repurposing unobligated IRA funding for these programs. In addition, funds the following working lands programs until FY 2031:
  - Grassroots Source Water Protection Program
  - Voluntary Public Access and Habitat Incentive Program
  - Watershed Protection and Flood Program
  - Feral Swine Eradication and Control Pilot Program
- **Funds the Supplemental Agricultural Trade Promotion Program.** Section 10602 provides $285 million for FY 2026 and each fiscal year thereafter for the Supplemental Agricultural Trade Promotion Program.

- **Extends The Emergency Food Assistance Farm to Food Bank Projects.** Section 10603 extends mandatory funding for Farm to Food Bank Projects under the Emergency Food Assistance Program (TEFAP) by $4 million for FY 2025 through 2031.
- **Extends Research Funding.** Section 10604 provides millions in mandatory funding for the following research projects:
  - Urban, Indoor, and Other Emerging Agricultural Production Research, Education, and Extension Initiative (extends program until FY 2031)
  - Foundation for Food and Agriculture Research ($37 million, until expended)
  - Scholarships for Students at 1890 Institutions ($60 million for FY 2026)
  - Assistive Technology Program for Farmers With Disabilities ($8 million for FY 2026)
  - Specialty Crop Research Initiative ($175 million for FY 2026)
  - Research Facilities Act ($125 million for FY 2026)
- **Extends Funding for Advanced Biofuels.** Section 10605 extends mandatory funding of $7 million for each fiscal year through 2031 for the Bioenergy Program for Advanced Biofuels as established by Section 9005 of the Farm bill.
- **Funds Horticulture Programs.** Section 10606 extends and for some programs increases mandatory funding for the following horticulture programs:
  - Plant Pest and Disease Management and Disaster Prevention Program ($90 million for FY 2026)
  - Specialty Crop Block Grants ($100 million for FY 2026)
  - Organic Production and Market Data Initiative ($10 million for FY 2026 through 2031)
  - Modernization and Improvement of International Trade Technology Systems and Data Collection ($5 million for FY 2026)
  - National Organic Certification Cost-Share Program (extends program until FY 2031)
  - Multiple Crop and Pesticide Use Survey (additional $5 million for FY 2026 until expended)
- **Funds Miscellaneous Grant Programs.** Section 10607 extends mandatory funding and increases amounts for some additional agricultural programs not otherwise covered in the bill, including:
  - Animal Disease Prevention and Management ($233 million for FY 2026 through 2030)
  - Sheep Production and Marketing Grant Program ($3 million for FY 2026)
  - Pima Agriculture Cotton Trust Fund (extends program through FY 2031)
  - Agriculture Wool Apparel Manufacturers Trust Fund (extends program through FY 2031)
  - Wool Research and Promotion (extends program through FY 2031)
  - Emergency Citrus Disease Research and Development Trust Fund (extends program through FY 2031)

Transportation and Infrastructure Investments

The budget reconciliation bill includes significant new investments in transportation and infrastructure projects, including air traffic control (ATC) modernization, U.S. Coast Guard mission readiness and NASA priorities, while rolling back numerous climate and sustainability-focused programs championed by the Biden Administration.

New Spending. The bill includes a $12.5 billion down payment on President Trump's $31 billion ATC modernization focusing on improvements to federal infrastructure to bring the U.S. air traffic management in to the 21st century. The bill includes $24.6 billion in Coast Guard funds to support mission readiness, including procurement of new cutters, aircraft and shore infrastructure. The bill also contains $10 billion for NASA priorities, including funds for a Mars Telecommunications Orbiter, the Artemis program's Lunar Gateway, Space Launch System and Orion multipurpose crew vehicle, and the International Space Station.

Revenue Raisers. The bill rescinds unobligated funds from a number of programs funded through the IRA to the:

- Federal Aviation Administration (FAA) alternative fuel grant programs
- Federal Highway Administration (FHWA) Neighborhood Access and Equity (NAE) grants
- FHWA environmental review implementation funds
- FHWA Low-Carbon Transportation Materials grants
- U.S. Environmental Protection Agency (EPA) Clean Ports grants
- National Oceanic and Atmospheric Administration (NOAA) climate change and environmental projects

The bill restores Federal Communications Commission (FCC) authority to auction spectrum, which is expected to raise more than $85 billion. The bill requires the U.S. Department of Transportation (DOT) secretary to renegotiate its lease for both the Washington-Dulles International Airport (IAD) and Ronald Reagan Washington National Airport (DCA) to bring the Metropolitan Washington Airports Authority (MWAA) leases up to market rate, which is expected to raise more than $62 million.

The bill also rescinds the unobligated balances of the Public Wireless Supply Chain Innovation Fund from the CHIPS and Science Act (P.L. 117-167) for National Telecommunications and Information Administration (NTIA) advanced communications research grants, which is expected to save $803 million.

What the Bill Does *Not* Include. Notably, the final bill does not include $500 million for AI infrastructure spending that was in the House-passed version of the bill and remained in the Senate version until a late night amendment stripped the language out. This provision became controversial because it required state recipients of federal AI funds to agree not to enact or enforce certain state laws that would regulate AI. A deal brokered between Sen. Marsha Blackburn (R-Tenn.) and Senate Commerce Committee Chair Ted Cruz (R-Texas) very publicly fell apart during the Senate floor consideration, resulting in an amendment being adopted 99-1 to remove the AI infrastructure funding altogether.

The final bill also does not include language from the House-passed budget reconciliation bill that would have established an annual fee for electric vehicles (EV) and hybrid vehicles that would have increased revenue to the Federal Highway Trust Fund. The Highway Trust Fund currently is funded by the federal gas tax and House Transportation and Infrastructure Committee Chairman Sam Graves (R-Mo.) had supported the annual fee for EVs and hybrid vehicles as a way to ensure all roadway users were paying into the Trust Fund. However, the Senate ultimately stripped out the House-passed language.

The following provides a summary of the key transportation and infrastructure provisions in the Senate Commerce Committee's title (Title IV) of the bill.

Aviation and Air Traffic Control

Modernizing the ATC System. The Trump Administration has made ATC modernization a key priority for its second term. ATC modernization was thrust onto Trump Administration's priority list after the crash on Jan. 29, 2025, of an Army Black Hawk and American Airlines Flight 5342 on approach to DCA. This crash occurred nine days after President Trump was inaugurated and had a significant impact shaping his priority placed on ATC modernization. Congress has committed to enact legislation to provide funding and authority to implement the ATC modernization plan, which will provide members of Congress an opportunity to put their own imprint on ATC modernization and related aviation safety issues.

On May 8, 2025, DOT Secretary Sean Duffy announced the administration's ATC modernization plan with the goal to build "a new, state-of-the-art, air traffic control system in three years." Secretary Duffy did not publicly provide an estimated cost associated with the administration's ATC modernization plan, but it is understood from contacts at DOT that it is estimated to cost $31 billion in FY 2025-2028.

The bill includes $12.52 billion in total federal spending for ATC modernization spending that that includes spending in the following buckets:

- $4.75 billion for telecommunications infrastructure modernization and system upgrades to transition the 1960s-era Federal Telecommunications Infrastructure (FTI) to modern internet protocol (IP) technology
- $3 billion in radar systems to replace the FAA's radar fleet that detects airborne targets
- $1.9 billion for construction of a new Air Route Traffic Control Center (ARTCC) after the FAA divests three aging ARTCCs
- $1 billion for Terminal Radar Approach Control (TRACON) recapitalization and consolidation
- $500 million to install Surface Awareness Initiative (SAI) systems at 200 airports that do not have Surface Movement Radars, replace the existing 44 Surface Movement Radars that are essential to runway safety systems and upgrade runway lighting systems
- $350 million to fund unstaffed infrastructure sustainment and replacement
- $300 million to replace the FAA's outdated information technology that relies on obsolete hardware, such as floppy disks
- $300 million to fund completion of three key next-generation programs that will make air traffic more efficient, as directed in Section 619 of the FAA Reauthorization Act of 2024 (P.L. 118-63)
- $100 million for the ARTCC Realignment Effort, which will involve consolidating at least 10 existing ARTCCs to facilitate the recapitalization of aging en route centers
- $100 million for the FAA's Tower Simulation System (TSS), which is a modern training tool for air traffic controllers that replicates real-world airport layouts
- $80 million to install no fewer than 50 Automated Weather Observing Systems (AWOS), no fewer than 60 Visual Weather Observing Systems (VWOS) and no fewer than 64 weather camera sites, along with weather stations
- $50 million to fund the FAA's Center for Advanced Aviation Technologies (CAAT) established in Section 961 of the FAA Reauthorization Act of 2024 (P.L. 118-63) and located in Dallas
- $50 million to fund the FAA's deployment of Remote Tower (RT) technology at currently airports without towers
- $40 million to carry out certain aviation safety projects in the Don Young Alaska Aviation Safety Initiative (44745 of title 49, U.S.C.)

Rescinding IRA Sustainable Aviation Funds. The bill rescinds unobligated funds for FAA alternative fuel and low-emission aviation technology programs authorized under Section 40007(a) of the IRA. This includes unobligated spending for the Biden Administration's Fueling Aviation's Sustainable Transportation (FAST) grant program. The Congressional Budget Office (CBO) estimates the rescission will save $208 million over the 10-year budget window.

Renegotiating the Dulles and DCA Airport Lease. The bill requires the DOT secretary to renegotiate DOT's lease for both IAD and DCA to bring the leases up to market rate. The bill requires MWAA to pay not less than $15 million per year and require the DOT secretary to renegotiate the lease every 10 years thereafter. This provision is expected to raise more than $62 million.

Reducing Brand USA Travel Promotion Fund. The bill reduces the Brand USA travel promotion fund transfers from $100 million to $20 million. Brand USA markets travel to the U.S. to international travelers and receives its funding from the collection of Electronic System for Travel Authorization (ESTA) fees paid by international travelers visiting the U.S. for short durations. The CBO estimates this transfer would save $150 million over the 10-year budget window.

Surface Transportation

Rescinding IRA Sustainability Funds. The bill rescinds unobligated funding from several IRA surface transportation programs, including FHWA Neighborhood Access and Equity (NAE) grants, FHWA environmental review implementation funds, FHWA Low-Carbon Transportation Materials grants and EPA Clean Ports grants.

Eliminating NHTSA CAFE Civil Penalties. The bill eliminates the NHTSA CAFE civil monetary penalties against automakers.

EV and Hybrid Fees Not Included. The bill does *not* include the House-passed annual fee for EVs and hybrid vehicles that would have increased revenue to the Federal Highway Trust Fund. This is likely a topic that will return when Congress considers the surface transportation reauthorization, which is required by September 2026 when the Infrastructure Investment and Jobs Act, also known as the bipartisan infrastructure law, expires.

Space Launch and Reentry Fees

The bill requires the DOT secretary to impose fees for space launches and reentries based on payload weight. The fees, which increase annually, are to be paid into a new Office of Commercial Space Transportation Launch and Reentry Licensing Fund, to be used to fund the licensing activities of the Federal Aviation Administration's (FAA) Office of Commercial Space Transportation. These funds will be available without further appropriation.

NASA Missions

The bill adds $9.995 million, available until the end of FY 2032, as follows:

- $700 million for a Mars Telecommunications Orbiter
- $2.6 billion for the Artemis program's Lunar Gateway
- $4.1 billion for the Space Launch System for Artemis missions IV and V
- $20 million for the Orion multipurpose crew vehicle for Artemis mission IV and subsequent missions
- $1.25 billion for the International Space Station
- $1 billion for infrastructure improvement at NASA manned spaceflight centers
- $325 million for the International Space Station deorbit vehicle

The bill also includes a provision intended to transfer the Space Shuttle Discovery orbiter from its current location on display at the National Air and Space Museum's Udvar-Hazy Center in Virginia to Houston for display at NASA's Johnson Space Center.

Coast Guard

The bill provides a generational investment in the Coast Guard with an appropriation of $24.6 billion for Coast Guard mission readiness that includes spending in the following buckets:

- $1.142 billion for the procurement and acquisition of fixed-wing aircraft (six C-130J aircraft), training simulators, related equipment and program management for such aircraft
- $2.283 billion for the procurement and acquisition of rotary-wing aircraft (over 40 MH-60 rotor craft), training simulators, related equipment and program management for such aircraft

- $266 million for the procurement and acquisition of long-range unmanned aircraft, base stations and related equipment
- $4.3 billion for the procurement of approximately nine Offshore Patrol Cutters, related equipment and program management for such cutters
- $1 billion for the procurement of approximately 10 Fast Response Cutters, related equipment and program management for such cutters
- $4.3 billion for the procurement of two Polar Security Cutters for heavy polar ice breaking, related equipment and program management for such cutters
- $3.5 billion for the procurement of Arctic Security Cutters for medium polar ice breaking, related equipment and program management for such cutters; this funding would provide three Arctic Security Cutters
- $816 million for the procurement of more than 10 light and medium domestic icebreaking cutters, related equipment and program management for such cutters
- $162 million for the procurement of three Waterways Commerce Cutters, related equipment and program management for such cutters
- $4.379 billion for targeted investments in shore facilities; this funding would help to address a multibillion-dollar shore infrastructure backlog that is impeding mission accomplishment and detracting from service member quality of life; of the amount appropriated by this section:
  - $425 million for the enlisted boot camp barracks and multiuse training center
  - $500 million for construction, improvement and dredging at the Coast Guard Yard and acquisition of a floating drydock at the Coast Guard Yard
  - $2.729 billion is provided for homeports and hangars for cutters and aircraft for which new funds are appropriated
  - $300 million for homeporting of the existing polar icebreaker commissioned into service in 2025
- $2.2 billion for aviation, cutter and shore facility depot maintenance and maintenance of command, control, communication, computer and cyber assets
- $170 million for the improvement of maritime domain awareness on the maritime border, at U.S. ports, at land-based facilities and in the cyber domain
- $75 million to contract for the services of, acquire or procure and rapidly integrate autonomous maritime systems

Telecommunications and Spectrum Auctions

Restoring FCC Spectrum Auctions. The bill restores FCC authority to auction federal spectrum through 2034. The bill requires the FCC to auction at least 800 MHz – 500 MHz of federal and 300 MHz of non-federal spectrum. The CBO estimates that the net auction proceeds would raise $85 billion over the 10-year budget window.

Rescinding NTIA Public Wireless Supply Chain Funds. The bill rescinds the unobligated balances of the Public Wireless Supply Chain Innovation Fund from the CHIPS and Science Act (P.L. 117-167), which requires the National Telecommunications and Information Administration (NTIA) to distribute as grants for advanced communications research. The CBO estimates the rescission would save $803 million over the 10-year budget window.

NOAA

Eliminating IRA Climate Funds. The bill rescinds any unobligated balances of amounts appropriated or otherwise made available for NOAA climate and environmental projects under Sections 40001, 40002, 40003 and

40004 of the IRA. The CBO estimates these rescissions would save $193 million over the 10-year budget window.

Immigration and Border Security

Fee Increases

- imposes new or higher fees for asylum, visas, temporary protected status (TPS) and certain employment authorizations
- new fees include a $100 fee for any individual applying for asylum, $1,000 for individuals paroled into the U.S., $500 for individuals applying for TPS and a $550 employment authorization application fee for any TPS recipient seeking employment authorization

Immigration Enforcement and Border Security Funding

- appropriates billions for the U.S. Department of Homeland Security (DHS), U.S. Immigration and Customs Enforcement (ICE), U.S. Department of Justice (DOJ) and border wall infrastructure
- $45 billion is included to expand U.S. detention capacity for those whose removal is pending
- includes over $29 billion to expand ICE activities, including hiring and retention of agents, facility upgrades and transportation costs
- approximately $3.3 billion to expand DOJ capacity to hire new immigration judges and related staff to prosecute and advance immigration cases; funding will also be used for Byrne JAG and COPS grants for state and local law enforcement and to reimburse local entities for detention costs

State and Local Assistance

- $10 billion to reimburse state and local governments for border security efforts conducted on or after Jan. 20, 2021; eligible activities include but are not limited to work necessary to prepare for the establishment of a border barrier system, efforts to detect the transport of illicit substances and the relocation of individuals found to be illegally present in the U.S.
- $3.5 billion to issue grants to state and local governments for immigration enforcement activities on or after Jan. 20, 2021; eligible activities include locating and apprehending individuals, conducting investigations to counter gang or other criminal activity, court operations and the temporary detention of individuals
- $2.5 billion through the State Homeland Security Grant Program for state and local readiness and event security; includes $625 million for planning and security costs for the 2026 FIFA World Cup, $1 billion for the 2028 Olympics in Los Angeles and $450 million for the Operation Stonegarden grant program

Next Steps

Clients should assess potential impacts and prepare for regulatory and funding shifts.

Holland & Knight's Public Policy & Regulation Group, along with other attorneys in relevant practices, stand ready to assist clients who have questions about potential impacts to your business. Holland & Knight will issue additional alerts and analysis in the coming days regarding specific implications to various sectors.