

Federal Reconciliation FAQ

On July 4, 2025, President Trump signed H.R. 1 into law, which makes drastic changes to federal spending, including federal assistance to New York State and its municipalities.

How does it affect New York?

- ❌ **\$10 billion in direct cuts and cost shifts** to the state budget
- ❌ **1.5 million** more uninsured New Yorkers
- ❌ **\$13 billion** in health care cuts, including **\$8 billion** in cuts to safety-net hospitals
- ❌ **300,000** New Yorkers will lose SNAP benefits



Frequently Asked Questions

How does this law impact New York State?

It cuts federal aid and shifts costs from the federal government to the states. These changes will amount to **\$10 billion in lost revenue and cost shifts for the state and local governments, and \$13 billion in cuts to our health care system.**

I work for a local government. This doesn't impact me, right?

No, these cuts will **impact all programs operated by the state and local governments.** With billions in less revenue, all state and municipal programs and jobs are at risk.

What will happen because of these cuts?

Public employers are likely to **freeze hiring and possibly layoff employees.** Due to their reliance on Medicaid, **safety-net hospitals and nursing homes** will see a significant impact, and will likely have to cut services and staff, and, for some, close. These cuts will also make it difficult to **negotiate fair collective bargaining agreements and reforms to Tiers 5 and 6.**

I heard I don't have to pay taxes on overtime any more - is that true?

The law allows workers who make up to \$150,000 (individual) / \$300,000 (filing jointly) to **deduct** up to \$12,500 / \$25,000 in overtime from their **federal taxes from 2025-2028.** While this is a positive for workers, it should have been done on its own, without cutting billions in federal assistance to New York State. The law as a whole will **cause long-term pain for public employees and citizens across New York.**

For More Information: <https://cseany.org/>