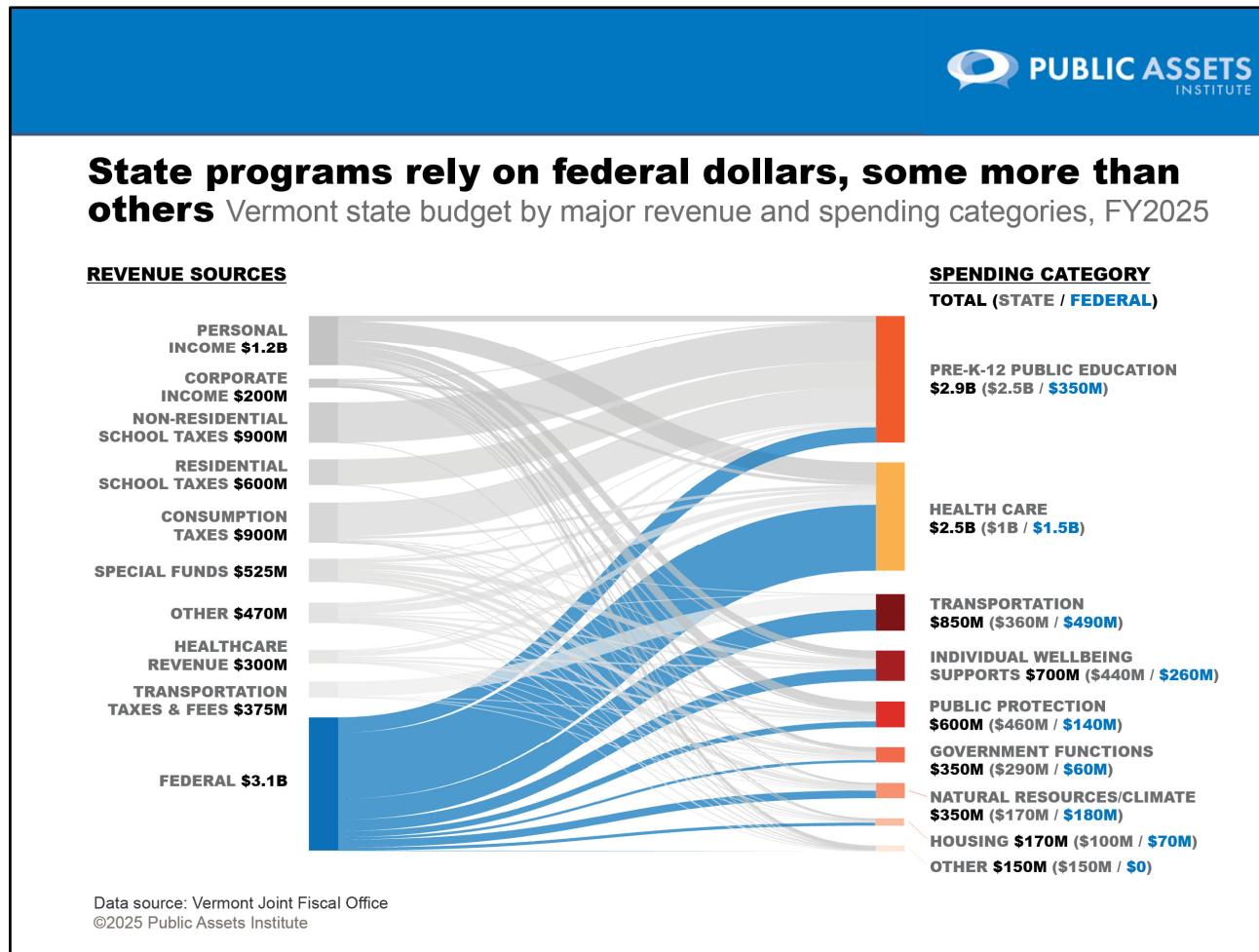




Responding to federal actions What can Vermont do?

February 5, 2026



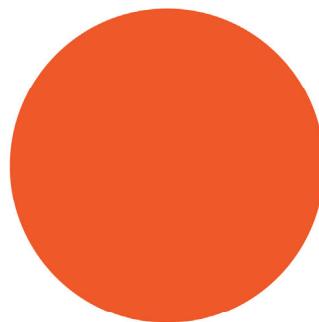


Federal dollars support almost everything in the state budget, with healthcare being one of the biggest areas of expenditure and the most reliant on federal funding.

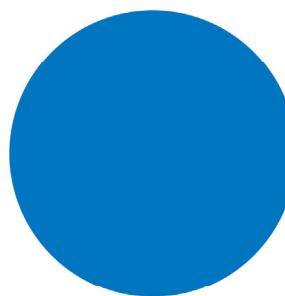


Federal funding goes to individuals, government, and nonprofits

Federal dollars, by recipient, Vermont, FY24



TO INDIVIDUALS:
\$3.9 billion



TO STATE GOVERNMENT:
\$3.2 billion

 **TO LOCAL GOVERNMENTS:**
\$144.3 million

 **TO NON-GOVERNMENT ENTITIES:**
\$323.9 million

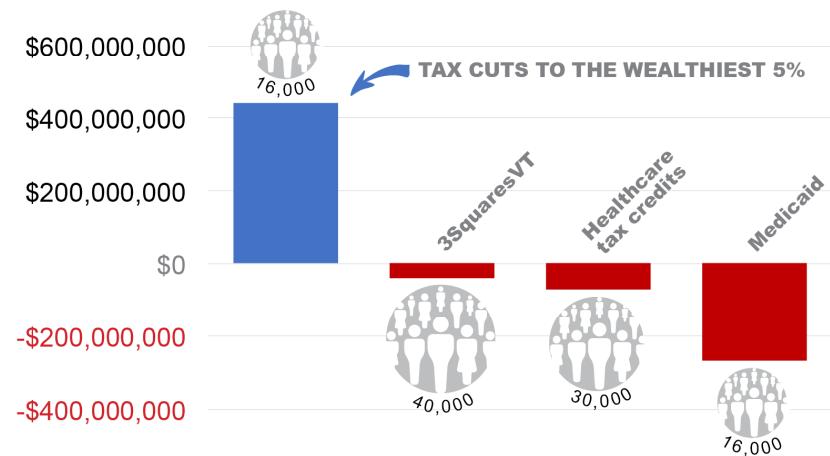
Data source: U.S. Department of Treasury
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Federal funding does not just go to the state budget, it flows to individuals through programs like Social Security, to nonprofit organizations through grants and contracts, and to local governments.



Federal cuts: lower taxes for the wealthy, fewer services for everyone else

Estimated annual federal tax cuts for wealthiest 5 percent, federal funding losses by program, and number of people affected, Vermont



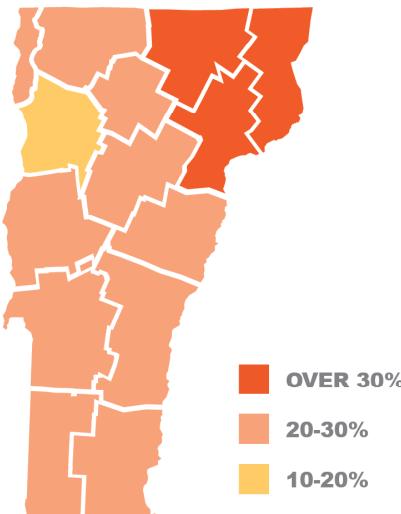
Data sources: Institute on Taxation and Economic Policy, KFF, Urban Institute, Vermont Joint Fiscal Office ©2026 Public Assets Institute

While this is not a comprehensive picture of everything in the 2025 federal reconciliation bill, these are some of the biggest impacts. Vermont will pay \$1 billion less in federal taxes each year, with \$440 million going to the top 5%. Meanwhile, Vermonters are facing cuts to critical services like food assistance, healthcare and housing.

Medicaid cuts hurt every county

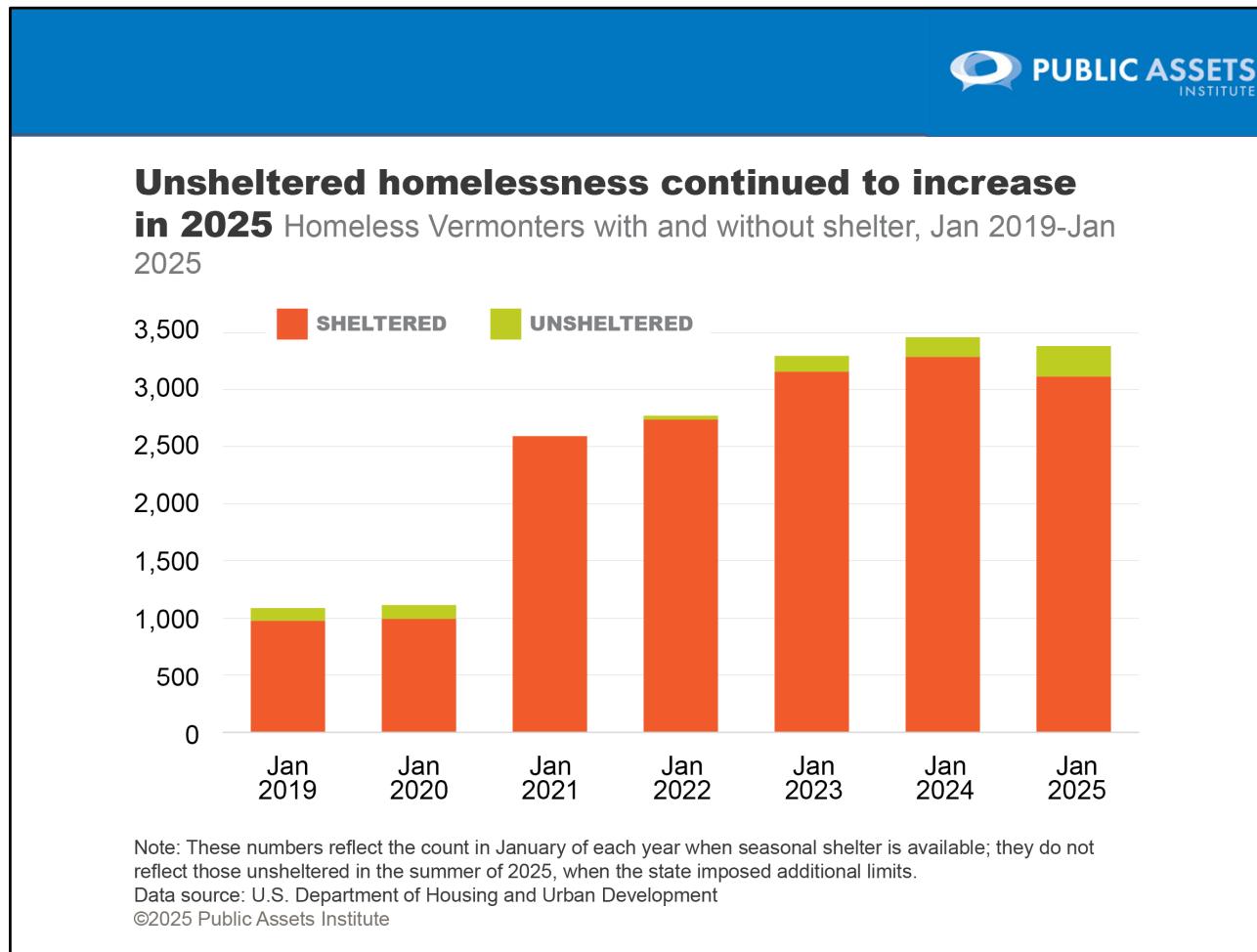
Estimated
Medicaid and CHIP enrollment as a percentage of county
population, 2025

ADDISON	20%
BENNINGTON	27%
CALEDONIA	31%
CHITTENDEN	17%
ESSEX	35%
FRANKLIN	28%
GRAND ISLE	21%
LAMOILLE	27%
ORANGE	26%
ORLEANS	34%
RUTLAND	28%
WASHINGTON	24%
WINDHAM	29%
WINDSOR	23%

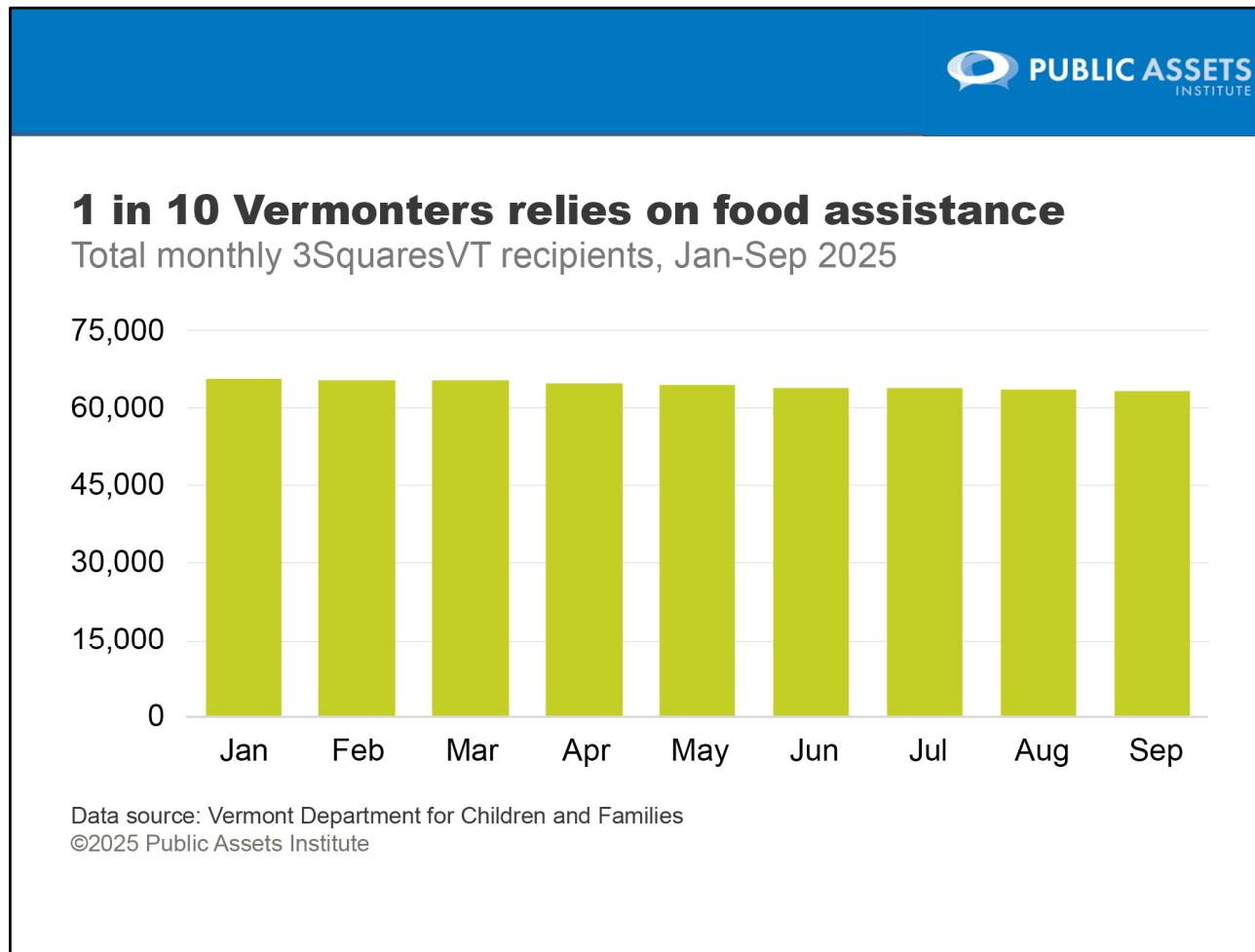


Sources: Center on Budget and Policy Priorities analysis of American Community Survey
and Centers for Medicare and Medicaid Services data
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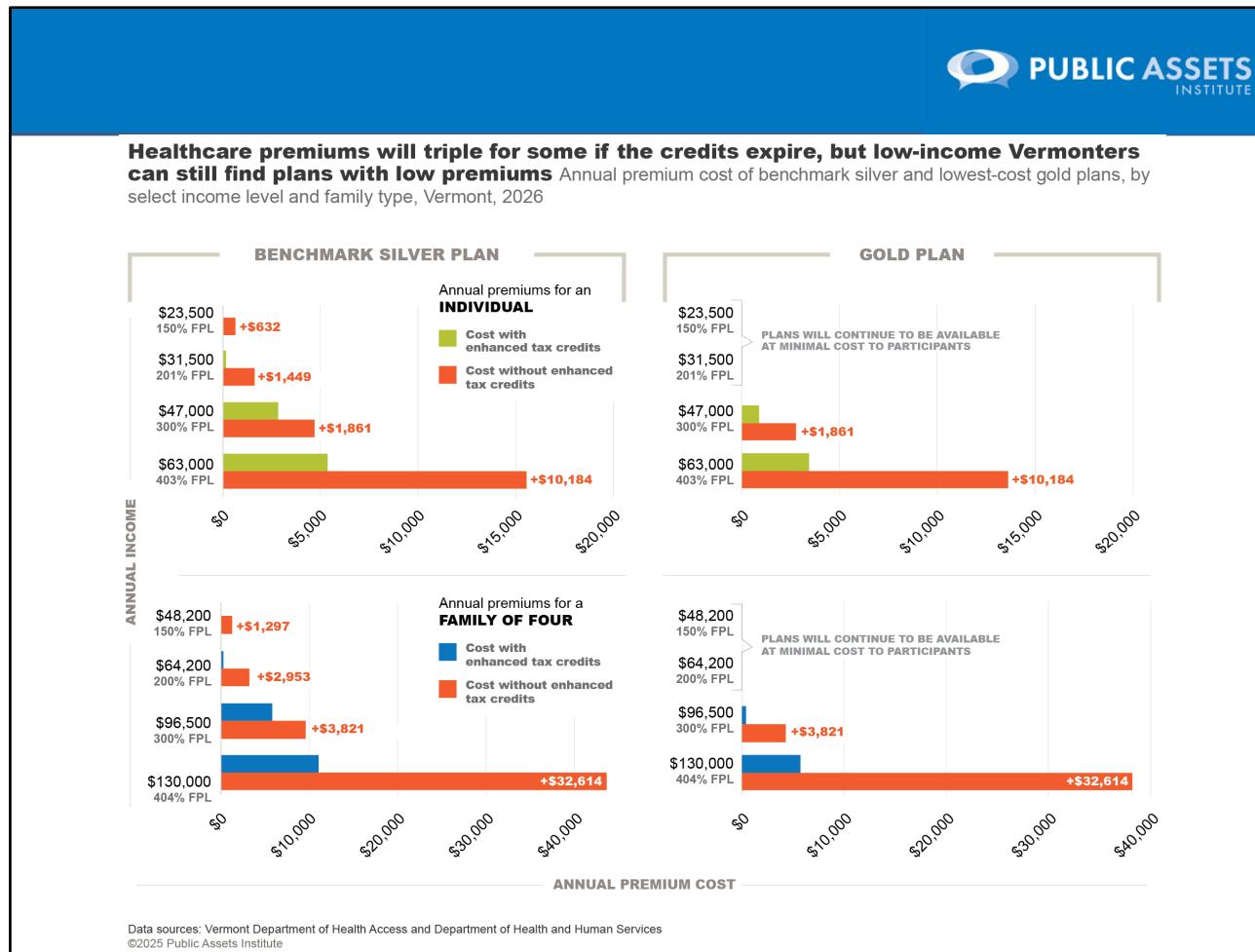
More than a quarter of Vermonters – over 180,000 people - rely on Medicaid, and some counties more than others.



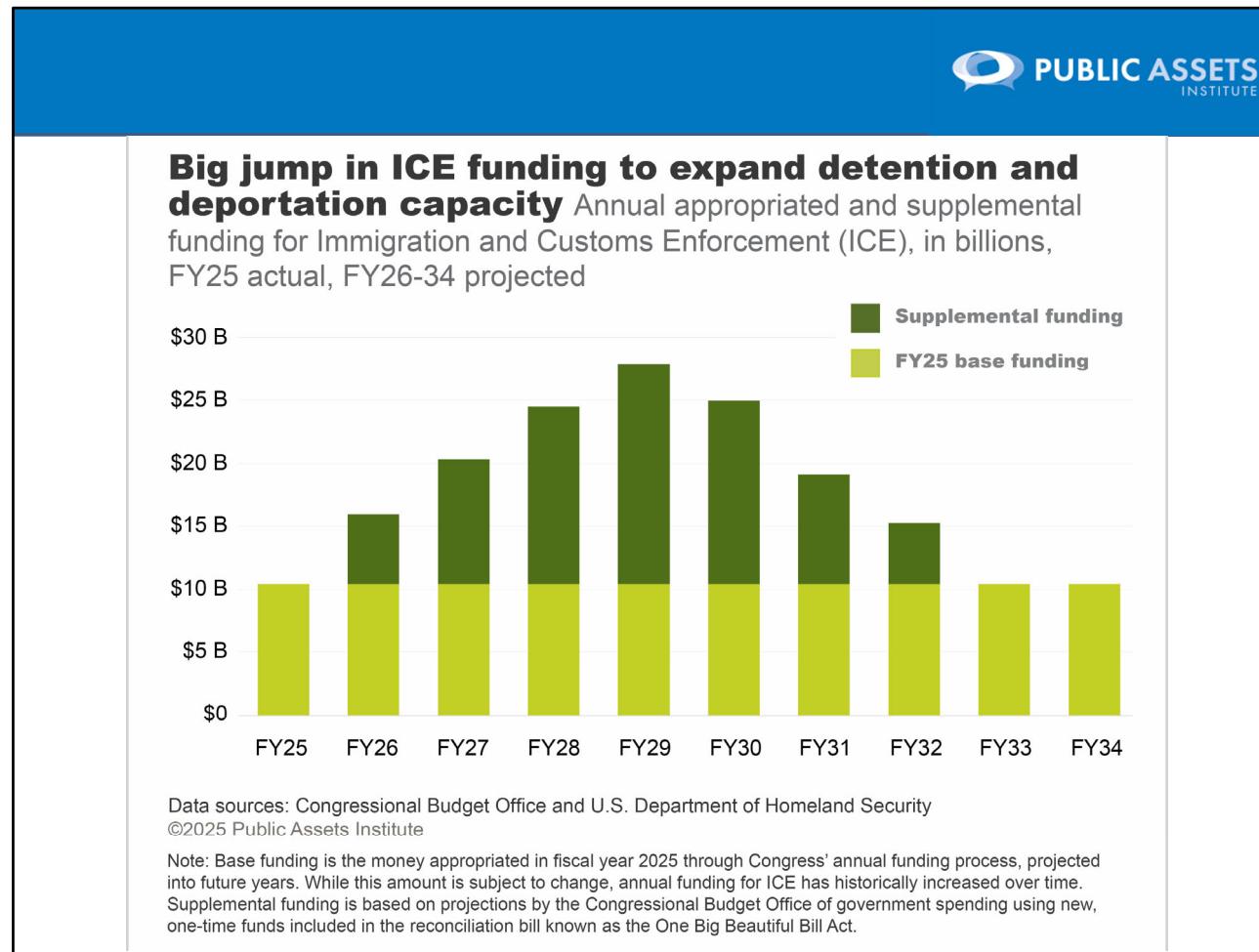
The number of homeless Vermonters tripled during the pandemic and has not come back down. Federal Covid relief funds helped keep people sheltered in 2021 and 2022, but when that funding ended Vermont returned to pre-pandemic shelter criteria. Federal actions reduced other housing supports as well.



The number of Vermonters accessing SNAP benefits every month is consistent: over 60,000. As many as 40,000 could see cuts under the new program terms. And the state will bear additional costs related to program administration.



The elimination of the enhanced healthcare premium tax credits resulted in big jumps in costs for healthcare on the exchange for many Vermonters. When the credits ended in January, 2500 fewer Vermonters were enrolled, and many were paying thousands of dollars more for care.

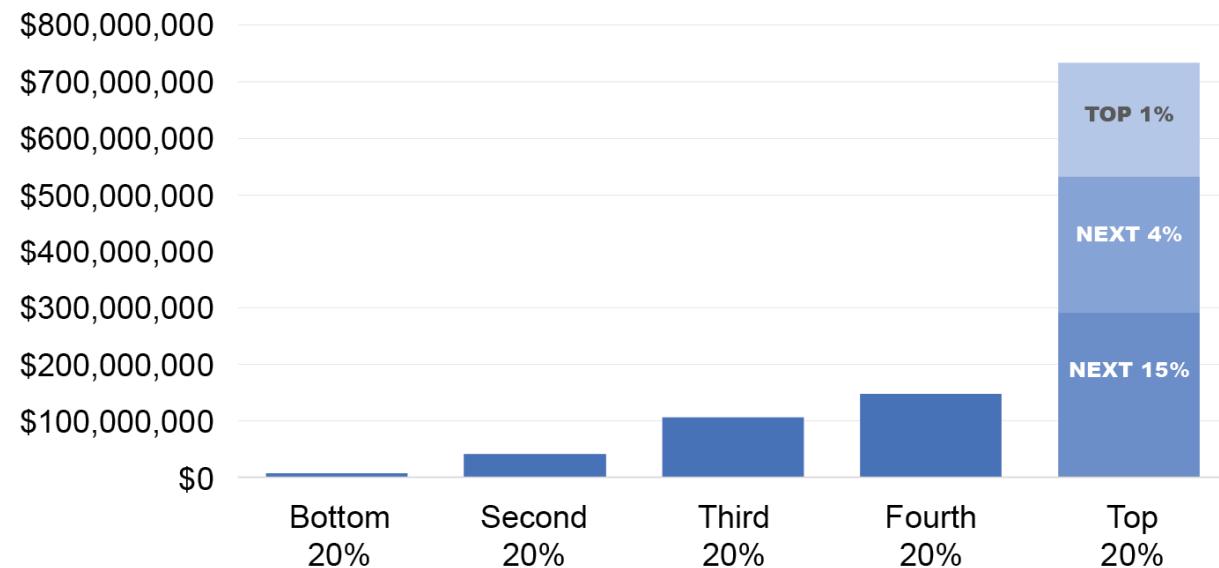


The federal reconciliation bill added \$75 billion for ICE and \$65 billion for Customs and Border Patrol (CBP) over the next decade for hiring and expansion of enforcement and detention capacity.



The top 20% of Vermont taxpayers get the biggest breaks from federal cuts

Estimated tax savings from extending the Tax Cuts and Jobs Act, by income percentile, Vermont, 2026



Data source: Institute on Taxation and Economic Policy
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The 2025 federal reconciliation bill extended and expanded the tax cuts in the Tax Cuts and Jobs Act of 2017. Vermonters will pay \$1 billion less in federal taxes each year, with over \$700 million going to the top 20%. The average tax cut for someone in the top 1% will be nearly \$60,000 per year.



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