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Policy Update for Clark County DDAB

Prepared by PEACE NW (Darla Helt – Executive Director & Hattie Stigum – Program Manager)

Washington State Governor, Bob Ferguson signed the \$78 Billion 2025-27 operating budget on May 20, 2025. The budget included new taxes on electric vehicles, changes to capital gains and estate taxes and some eliminations of certain B&O taxes exemptions. Governor Ferguson used his line-item veto authority to eliminate approximately \$23 million. He also signed the 2025-27 Capital Budget on the same day. Together the Governor and Legislature's budget prioritized special education in Washington State through a combination of increased funding and policy changes including,

- \$775 million funding for special education increase
- Removal of the special education funding cap which aims to ensure that all eligible students receive the educational support they need
- Increased the funding multiplier
 - SB5263 increased the funding multiplier to 1.16
- Extended eligibility of services
 - SB5253 extends special education services until the end of the school year when a student turns 22

The capital budget also allocated \$55 million for the DD housing set aside.

Federal Policy and Information

Yesterday, July 1, 2025, the Senate's passage of the budget bill will likely lead to significant cuts in federal Medicaid funding, potentially reducing it by hundreds of billions of dollars over the next decade.

Medicaid

- The bill is estimated to cut federal Medicaid spending by nearly \$1 trillion over the next decade
- Increased Number of Uninsured
 - The Congressional Budget Office (CBO) projects that the Senate version of the bill could result in nearly 12 million more people being uninsured by 2034
- Work Requirements
 - The bill includes new work requirements for certain Medicaid recipients, mandating that adults work, volunteer, or study a certain number of hours per month to qualify for enrollment, unless they meet specific exemption criteria.
- Eligibility Redeterminations
 - Medicaid recipients may be required to prove their eligibility more frequently (possibly twice a year instead of annually)
- Provider Taxes
 - The bill includes provisions regarding state provider taxes, which are used to help fund Medicaid programs. The Senate version aims to incrementally lower these taxes in states that expanded Medicaid under the ACA.

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- Rural Hospital Funding:
 - Recognizing concerns about the potential negative impact on rural hospitals, the Senate bill includes a \$50 billion fund to support these facilities.
 - Risk of Service Cuts and Closures: According to Governor Ferguson, 31 rural hospitals in Washington are at risk of cutting services, 18 are at risk of closure, and seven are at immediate risk.

Reduced Food Assistance and Increased Food Insecurity

- Significant cuts to the Supplemental Nutrition Assistance Program (SNAP): The House bill proposed cutting federal funding for SNAP by nearly \$300 billion over ten years, and the Senate version includes similarly drastic cuts.
- Increased work requirements for SNAP: The bill expands SNAP work requirements, potentially causing 3.2 million adults to lose benefits. People with disabilities who may struggle with employment will be particularly vulnerable.
- Reduced SNAP benefit levels: The bill restricts future updates to the Thrifty Food Plan (the basis for SNAP benefit calculations), effectively cutting benefits for all participants, including people with disabilities.

Reduced Access to Affordable Housing:

- Cuts to HUD rental assistance programs: The Trump Administration's proposed budget included slashing funding for HUD rental assistance programs by \$26.72 billion, [according to the National Low Income Housing Coalition](#).
- Block granting housing assistance: Combining five major federal housing assistance programs into a state-administered block grant could lead to reduced funding and fewer households receiving assistance.
- Loss of housing assistance for seniors and people with disabilities: The proposed cuts could mean some elderly people and people with a disability currently receiving assistance would likely lose it.

Though overshadowed by all of the cuts, the bill does include minor funding increases for HCBS waivers and extended tax advantages for ABLE accounts!

In summary, the Senate-passed budget bill includes substantial changes to Medicaid and erosion of Social Safety Nets aimed to reduce federal spending. These changes are projected to lead to a significant increase in the number of uninsured individuals, impact state Medicaid programs and providers, and may require many recipients to meet new requirements to maintain coverage.

If you have any questions, please email HattieS@peacenw.org or call 360-991-6755.

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