



The One Big Beautiful Bill Act (OBBBA): Federal Grants Landscape

Grants Management Services

August 28, 2025

forv/s
mazars

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OBBBA: Federal Grants Landscape

Agenda



OBBBA Impact on Grants



Develop Strategic Adaptation Plans



Navigate Compliance and Accountability Requirements

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OBBBA Impact on Grants



OBBBA Impact on Grants

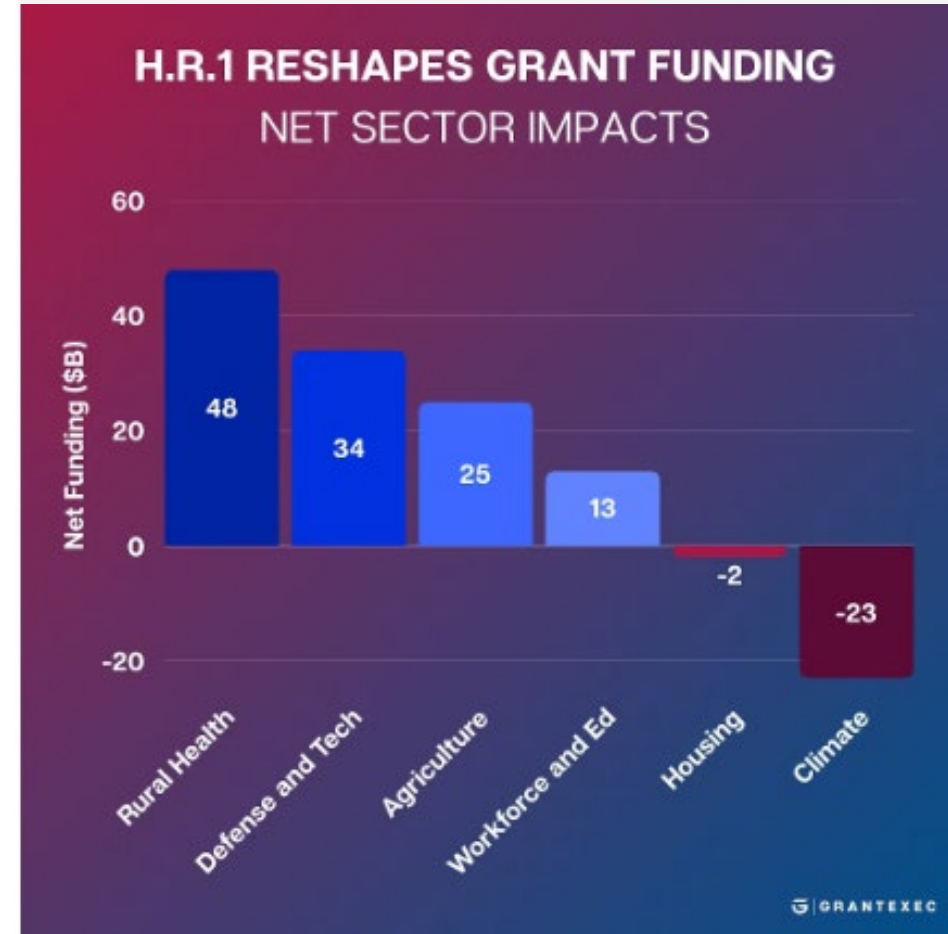
H.R.1 – 119th Congress (2025–2026): One Big Beautiful Bill Act



Signed into law on July 4, 2025



Represents a comprehensive \$2.4 trillion federal spending and tax package that significantly reshapes the federal grants landscape across all sectors



OBBBA Impact on Grants

H.R.1 – 119th Congress (2025-2026) : One Big Beautiful Bill Act

Key Changes

 Major increases in defense, border security, and infrastructure funding

 Substantial cuts to social and environmental programs

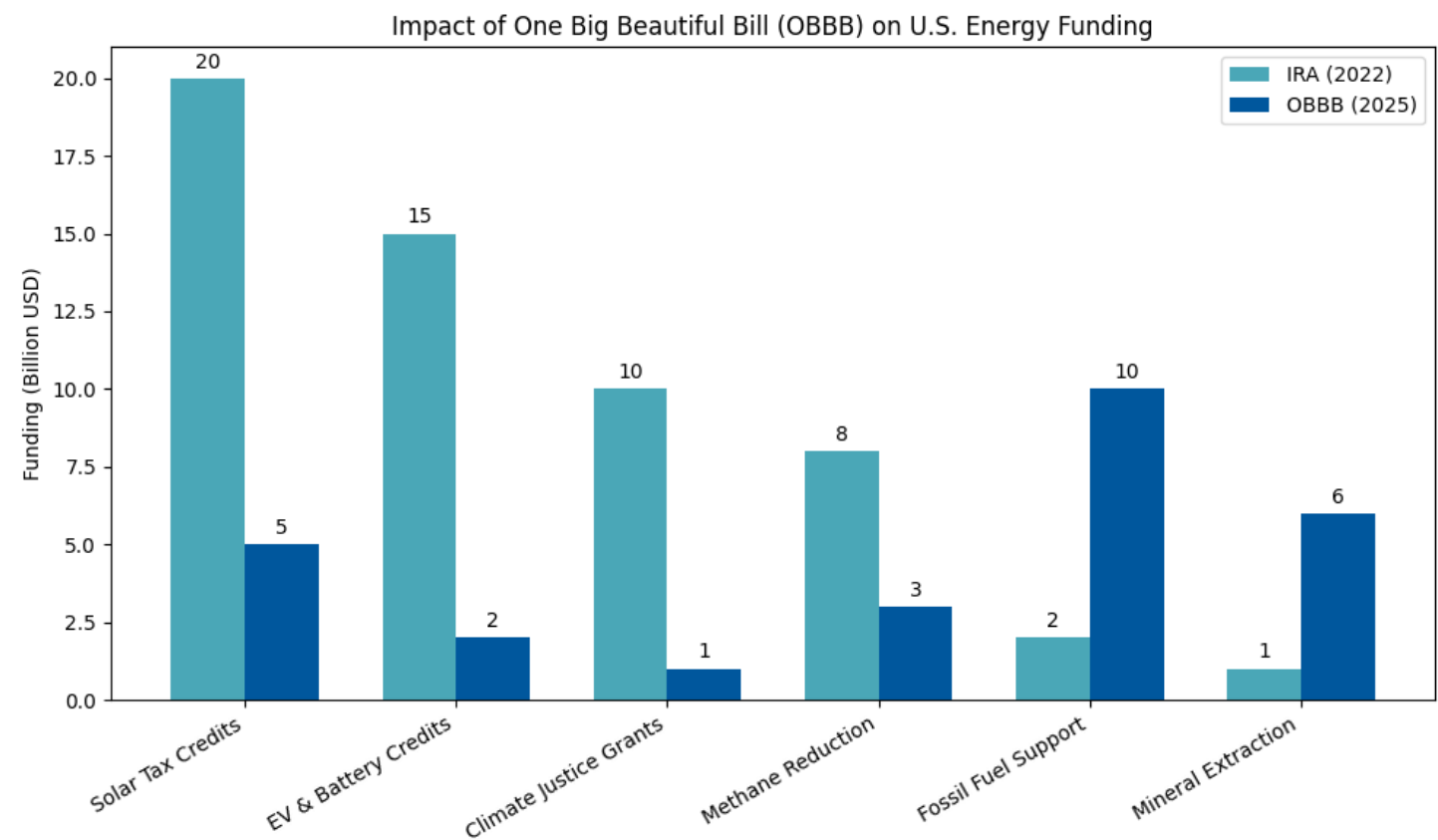
 New grant opportunities in workforce development and immigration enforcement

 Restructured education funding with expanded eligibility for short-term programs

 Healthcare funding shifts toward state flexibility and reduced federal oversight

OBBBA Impact on Grants

Energy – Overview



Sources: Inflation Reduction Act (2022), One Big Beautiful Bill (2025), Internal summaries from Bruce Kever and Liora Venset

OBBBA Impact on Grants

Energy – What's New



\$30M for developing, extracting, processing, transporting, or using coal, oil, natural gas, or nuclear energy



\$218M for maintenance or repairs to petroleum reserves



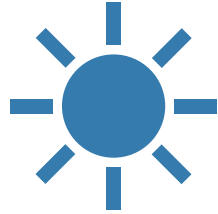
Support for domestic manufacturing of solar panels, wind turbines, and parts of batteries

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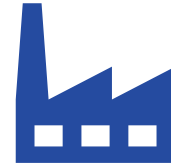
Energy – What's Going Away



Diesel Emissions
Reductions



Air Pollution Monitoring
and Reduction



Solar and Wind
Provisions – IRA*



Methane Emissions
Reduction Incentives

OBBBA Impact on Grants

Infrastructure – Overview

No Change to Obligated Funds

- H.R.1 does not affect already obligated grant funds

Administrative Challenges

- Rescission of administrative funds may:
 - Complicate grant management
 - Disrupt communication with agency contacts

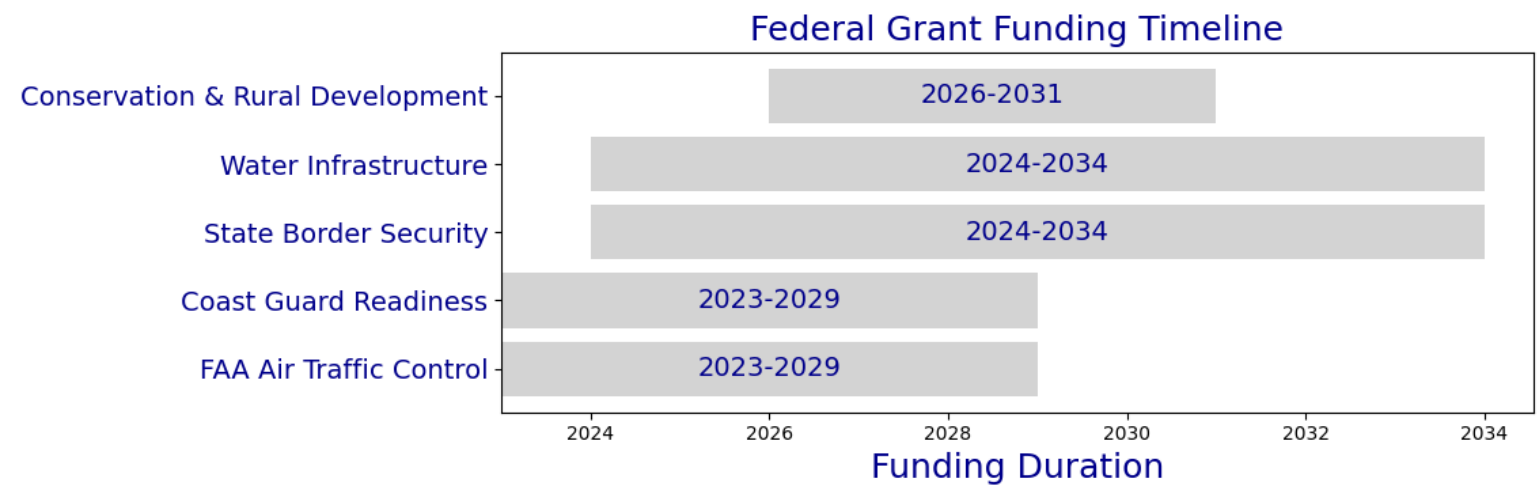
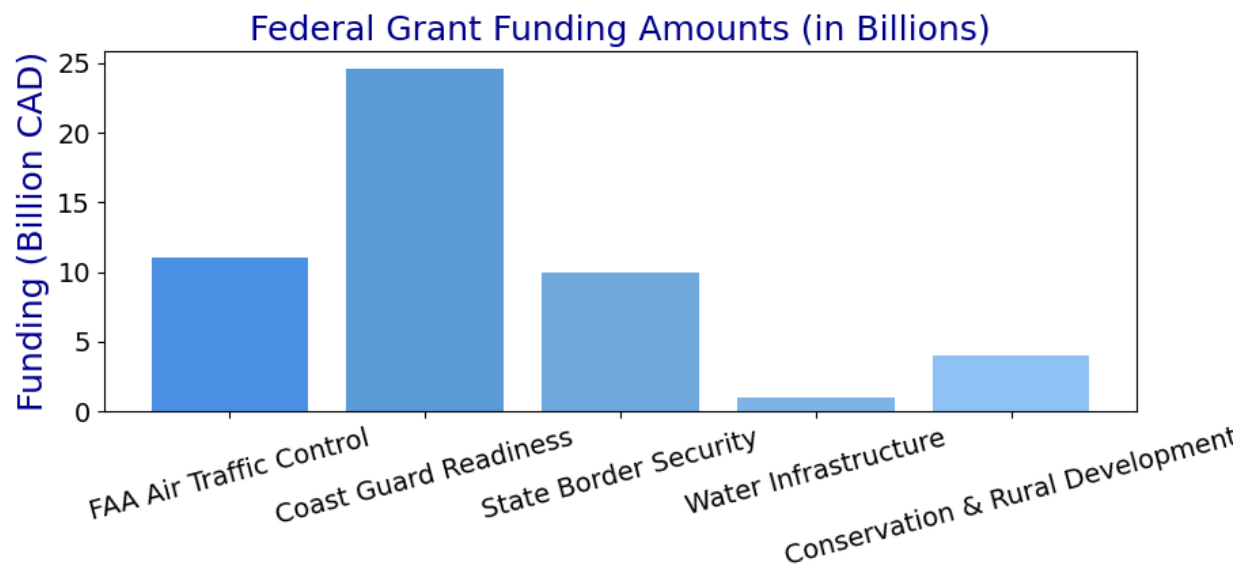
Unobligated Funds Rescinded

- Affects several IRA & IIJA programs:
 - Environmental Justice Block Grants
 - Climate Pollution Reduction Grants
 - State-Based Home Energy Efficiency Contractor Training Grants
 - Department of Transportation's Neighborhood Access and Equity Program
 - Greenhouse Gas Reduction Fund

Source- Columbia Law School- Sabin Center for Climate Change Law

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Infrastructure – What’s New?



OBBBA Impact on Grants

Infrastructure – Surface Transportation & Highways

- \$200,000,000
- Truck parking projects under INFRA program
- States, local govts, tribes, private partners

INFRA (Truck Parking)



- \$1,085,176,742
- Community Project Funding for highways/bridges
- Recipients listed in bill table

Highway Infrastructure (Community Projects)



- \$46,825,000
- Hazmat emergency response/training
- States, local govts, eligible entities

Emergency Preparedness (Hazmat)



- \$200,000,000
- Tribal transportation projects
- Federally recognized tribes

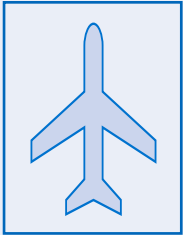
Tribal Transportation Program



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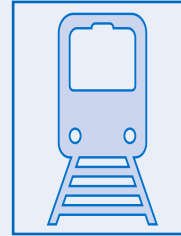
Infrastructure – Aviation, Rail, & Ports

Department of Transportation Approved Appropriations



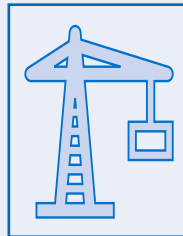
Grants-in-Aid for Airports (\$4B + \$260.9M)

- Purpose: Airport planning, development, noise, safety, small community air service
- Eligibility: Public-use airports, small communities



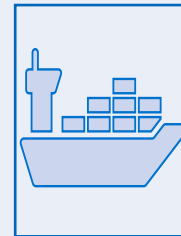
CRISI (Rail) (\$298.5M)

- Purpose: Rail infrastructure and safety improvements
- Eligibility: States, local governments, railroads, holding companies



Port Infrastructure Development (\$72.4M)

- Purpose: Port facility improvements
- Eligibility: Ports, listed recipients



Small Shipyards (\$8.75M)

- Purpose: Shipyard capital improvements
- Eligibility: Qualified shipyards (46 USC 54101)

OBBBA Impact on Grants

Infrastructure – Transit, Drones, & Other

Department of Transportation Approved Appropriations

Drone Infrastructure Inspection

- **Funding Amount:** \$10,000,000
- **Purpose:** Supports drone-based infrastructure inspection
- **Eligibility:** State and local governments, and agencies as defined by law

Transit Infrastructure (Community Projects)

- **Funding Amount:** \$115,638,210
- **Purpose:** Provides Community Project Funding for transit projects
- **Eligibility:** Recipients listed in the bill's Community Project Funding table

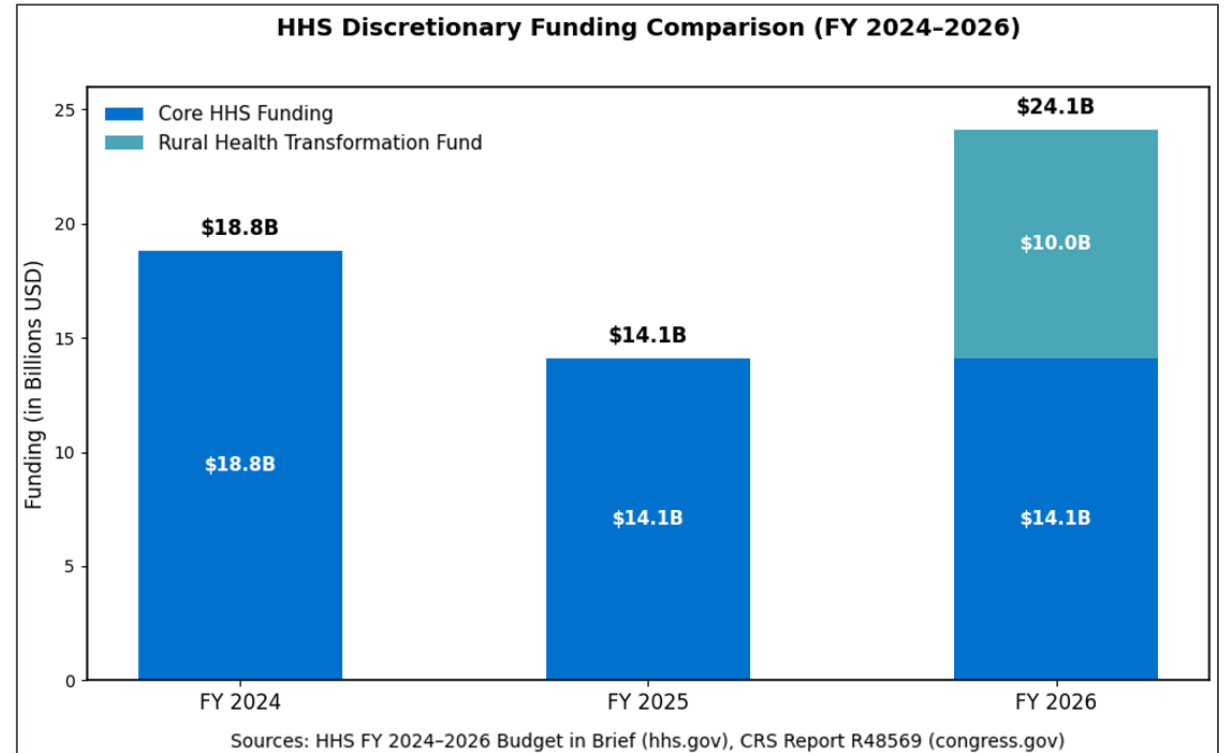
Capital Investment Grants (Transit)

- **Funding Amount:** \$754,733,000
- **Purpose:** Funds fixed guideway transit projects, including new starts and small starts
- **Eligibility:** Transit agencies and project sponsors

OBBBA Impact on Grants

Healthcare – Overview

- Shrinks federal healthcare grant flows
- Increases state-level responsibilities without proportional federal support
- Can lead to greater disparities in healthcare funding across states



OBBBA Impact on Grants

Healthcare – What's Going Away

Program	Changes Under OBBBA	Impact
Medicaid	<ul style="list-style-type: none"> • \$840.2B in federal Medicaid funding cuts over 10 years • Eligibility restrictions • Restrictions on provide taxes and state-directed payments 	Reduces the size and flexibility of Medicaid to states, especially those that expand Medicaid under the ACA
ACA and Private Insurance	<ul style="list-style-type: none"> • \$131.8B in cuts to ACA subsidies and related programs • Less funding to states through 1332 waivers 	Reduces the ability for states to support reinsurance and affordability program
Medicare	Delays the implementation of new Medicare rules: <ul style="list-style-type: none"> • Medicare Savings Program expansion • Long-term care staffing standards and eligibility modernization rules 	Increases Medicare outlays by \$8.6B over 10 years due to administrative changes and delayed cost savings reform

Source – OBBBA: Sections 71101-71121

OBBBA Impact on Grants

Healthcare – What Is New?

Grant/Program	Amount of Funding	Eligible Recipients	Use of Funds
Rural Health Transformation Program	Provides \$50 billion over 5 years	Direct Recipients AND Subrecipients	<ul style="list-style-type: none"> • Chronic disease prevention and management • Technology advancements • Workforce recruitment and training, etc.
Medicaid Implementation Funding	Provides \$634 million mostly in FY26, but some through FY33	<ul style="list-style-type: none"> • \$434 million to CMS • \$200 million available to states for implementation of new community engagement requirements for Medicaid eligibility 	<ul style="list-style-type: none"> • Administrative system upgrades • Staff training • Compliance and reporting
HCBS Waiver Demonstration Grants	\$50 million in FY26 and \$100 million in FY27	State Medicaid Agencies	<ul style="list-style-type: none"> • Pilot HCBS programs for new populations • Expand access without increasing wait times for existing HCBS recipients

Source – OBBBA: Sections 71101-71121, 71401

OBBBA Impact on Grants

Healthcare – Rural Health Transformation Program

Funding & Allocations

- Total Funding: \$50B over 5 years
- 50% allocated to states equally
- 50% allocated based a formula
 - Formula factors:
 - % of rural population
 - # of rural facilities
 - Low-income hospital data

Eligibility & Applications

- States
 - Submit a Rural Health Transformation Plan by 12/31/25
- Entities
 - Rural Hospitals & Clinics
 - Federally Qualified Health Centers
 - Mental Health Centers
 - Opioid Programs
 - Some Urban Providers If Serving Rural Populations

Eligible Uses

- Prevention & Care
- Provider Payments – Reimbursements for Rural Health Services
- Telehealth, Tech Solutions, & IT Infrastructure
- Training & Technical Assistance
- Workforce Recruitment – Incentives for Rural Service Commitments
- Innovative Care Models – Value-Based Care
- Mental Health & Substance Abuse
- And More

OBBBA Impact on Grants

Workforce & Economic Development

– Overview



Key Insights:

- Short-term training grants and sector-specific funding has increased
- Rural development incentives are more emphasized
- Opportunity Zone incentives have decreased slightly due to redesignation and stricter eligibility

OBBBA Impact on Grants

Workforce & Economic Development – What Is Going Away

WIOA Pilot Programs

- Terminates programs authorized under section 169 of the WIOA
- No new pilot programs or demonstration projects until 2026

Equity Focused Workforce Grants

- Ends discretionary grants focused on racial equity

Environmental & Infrastructure Program Cuts

- Moving away from broad-based renewable energy deployment
- Toward carbon management, clean fuels, and energy security with an emphasis on domestic sourcing

OBBBA Impact on Grants

Workforce & Economic Development – What Is New

American Workforce Revitalization Fund (AWRF) – Total Funding \$15 Billion

Funding Category	Amount of Funding	Eligible Entities	Use of Funds
State Innovation Grants	\$5 Billion	State workforce agencies	Job placement, training, wraparound services
Employer Partnership Grants	\$3 Billion	Private employers, industry consortia, public-private partnerships	On-the-job training, wage subsidies for hiring individuals transitioning off assistance, and more
Community-Based Workforce Grants	\$2 Billion	Nonprofits, community colleges, local workforce boards	Literacy, digital skills, vocational training for underserved populations
Evaluation and Technical Assistance	\$2 Billion	Research institutions, technical assistance providers, federal contractors	Program evaluation, data infrastructure, best practices dissemination
Workforce Emergency Reserve	\$3 Billion	States or localities facing economic shocks or disasters	Rapid response workforce services

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Education – What Is New

Pell Grants – OBBBA Section 83003

Amount of Funding:

- **\$10.5 billion** in mandatory funding
- **\$12.67 billion** in additional funding

Eligibility Calculation:

- Foreign income now included in AGI for Pell eligibility (from July 1, 2026)
- Students with a Student Aid Index $\geq 2x$ the maximum Pell Grant are ineligible

New Grant

- Short-term workforce programs (<600 clock hours, ≥ 8 weeks) meeting state and federal criteria for high-skill, high-wage, or in-demand fields with $\geq 70\%$ completion and job placement rates

Use of Funds:

- Covers tuition and fees for short-term job training programs (8–15 weeks, 150–600 hours) leading to stackable credentials with $\geq 70\%$ completion and placement rates. Costs must be justified by expected salary gains

Eligible Entities:

- Accredited institutions
- Students enrolled in short-term programs

Exclusion Rule:

- Pell ineligible if non-federal grant aid covers full cost of attendance

OBBBA Impact on Grants

Education – What Is New

Borrower's Defense (Title IV Loan Discharge Regulations)

Program

Borrower's Defense to Repayment (Title IV Loan Discharge)

Eligible Entities

Federal student loan borrowers with claims against institutions

Use of Funds

- Legal and administrative processing of borrower claims
- Applies to loans issued under older rules (1994, 2016, 2019)
- 2022 regulations are delayed until July 1, 2035

Impact

- Borrowers can still file claims under previous standards
- Institutions must follow older regulations
- 2022 rules are enjoined and not applicable for loans before July 1, 2035

OBBBA Impact on Grants

Education – What Is New

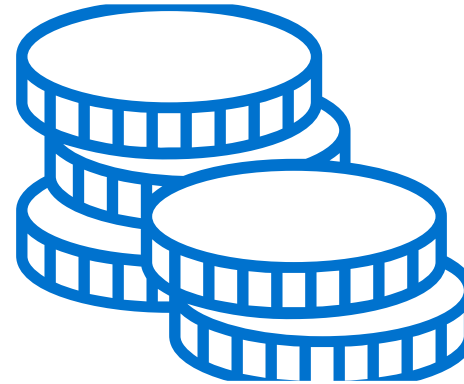
Campus-Based Aid



Program: Federal Work-Study (FWS) and Supplemental Educational Opportunity Grants (SEOG)



Eligible Entities: Postsecondary institutions participating in Title IV programs



Use of Funds:

- FWS: Student wages for part-time employment
- SEOG: Direct financial aid to low-income students
- Funds allocated based on institutional need and enrollment



Impact:

- No new funding mechanisms introduced
- Existing formulas and allocations remain in place

Source- OBBBA -Section 84001

2

Develop Strategic Adaptation Plans



Develop Strategic Adaptation Plans

Building Organizational Resilience

Proactive Financial Planning

Conduct immediate risk assessments to identify areas impacted by federal grant rescissions or reductions under the OBBBA



Develop contingency budgets and alternative funding strategies, including diversification of revenue sources



Preparing for Future Funding Challenges



Essential Techniques for Grant Writing Success

Develop Strategic Adaptation Plans

Building Organizational Resilience

- Build coalitions with other organizations, local governments, and the private sector to strengthen joint applications and maximize resource utilization
- Leverage regional networks or grant navigators to identify opportunities and share successful adaptation strategies

Partnerships and Collaboration



- Integrate flexibility into project plans and deliverables to make quick adjustments when funding changes are announced
- Document and communicate program successes and community impacts to strengthen future grant proposals

Adaptive Program Design



Develop Strategic Adaptation Plans

Tailoring Strategies by Sector

Healthcare

- Prepare data on rural patients served and hospital/clinic financial data to be used in applications for the RHTP
- Consider making use of funding for expanded newer services such as telehealth

Energy

- If you have funds related green-energy, go ahead and obligate those funds and try to spend them as soon as possible in case current funds are rescinded

Develop Strategic Adaptation Plans

Tailoring Strategies by Sector

Workforce & Economic Development

- Be prepared for changes in opportunity zones
- Capitalize on the AWRF program

Education

- Community colleges, technical schools, and workforce training providers can now avail federal funding for short-term programs

Infrastructure

- Capitalize on new grants for FAA modernization or water infrastructure

3

Navigate Heightened Compliance & Accountability Requirements



Navigating New Compliance & Accountability Requirements

Mastering Basic Grant Compliance



Update Grants
Management
Policies and
Procedures
Manual



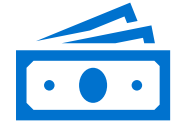
Develop a
Grant
Compliance
Matrix



Adhere to
Deadlines



Maintain
Accurate
Records



Focus on
Financial
Transparency

Navigating New Compliance & Accountability Requirements

Understanding the New Compliance Rules



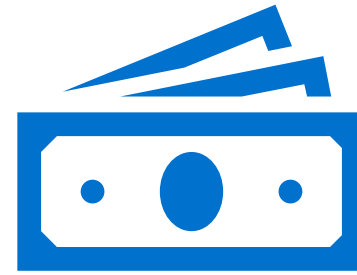
Review OBBBA
Regulation and
Grant
Agreement to
Understand
Compliance
Requirements



Stay Informed
on Updates



Identify
Accounting
Metrics and
Develop Plan to
Document



Map Funding
Conditions Tied
to Specific
Grants



Engage Expert
Help

Navigating New Compliance & Accountability Requirements

Implementing Effective Compliance Systems



Train Staff Thoroughly and Routinely



Establish Internal Audits



Track Updates to Compliance Requirements



Centralize Documentation Management



Upgrade Grants Management Procedures and Tools

Thank you!

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