



Federal Funding Summary

As of October 1, 2025

As of October 1, 2025, Congress did not reach an agreement to pass a funding bill for the next fiscal year and the Federal Government has entered a shutdown. Recent shutdowns occurred in 2013, 2018, and 2019, and have lasted between 3 and 35 days. Some critical services will continue to operate, including the Postal Service, Social Security, and Medicare. Many other departments will halt operations and furlough employees until funding is restored.

The City has historically utilized Federal funding for programs throughout its operations as detailed in the table below:

	FY 2023-24	FY 2024-25	FY 2025-26		
Federal Funding Summary	Actual	Actual	Budget	YTD Actuals	Remainder
General Fund					
US DOJ Federal Grants	\$ -	\$ -	\$ 88,873	\$ -	\$ 88,873
Other Federal Grants	171,362	369,573	173,727	173,727	-
FEMA - COVID	58,406	393,948	-	-	-
FEMA - Jan 2023 Storms	-	11,411	-	166,418	(166,418)
FEMA - Mar 2023 Storms	-	103,754	-	680,630	(680,630)
Law Enforcement Fund					
US DOJ Federal Grants	16,271	13,747	13,000	983	12,017
CBDG Fund					
Other Federal Grants	417,368	-	-	-	-
Infrastructure Investment Fund					
Federal Stimulus Grants	9,094,894	105,106	-	-	-
Affordable Housing Fund					
Federal Stimulus Grants	1,264,467	-	-	-	-
Water Fund					
Other Federal Grants	-	15,000	-	-	-
Sewer Fund					
Other Federal Grants	-	5,000	-	-	-
Parking Fund					
Other Federal Grants	-	5,000	-	-	-
Transit Fund					
FTA 5307 (Capital)	684,498	798,943	2,693,785	-	2,693,785
FTA 5307 (Preventative Maintenance)	-	211,296	210,765	-	210,765
FTA 5307 (Operating)	-	-	2,647,775	-	2,647,775
Other Federal Grants	2,802,275	7,135,073	2,701,956	(742)	2,702,698
Total Federal Funding	\$ 14,509,542	\$ 9,167,851	\$ 8,529,881	\$ 1,021,016	\$ 7,508,865

As shown above, the Transit Fund is the primary beneficiary of Federal funding. The General Fund also budgeted for a US Department of Justice Grant to hire two additional police officers and received another grant from the Department of Energy for its Buildings UP program. The General Fund also awaits approximately \$8.7M in reimbursement for Winter 2023 storms that

was budgeted for in FY 2024-25 and is currently either obligated for reimbursement or pending final review from the Federal Emergency Management Agency.

In prior years the City also received significant funding from the American Rescue Plan Act and other programs that are critical for important projects, including the following federally funded projects:

Project Name	Project Budget	Remaining Budget	Anticipated funding
2 Battery Electric Buses and Associated Infrastructure	370,800	370,800	
3 Battery Electric Buses and 1 Cutaway Bus	6,314,035	6,314,035	
Broadband Plan	600,000	-	6,794,215
California & Foothill Railroad Crossing Upgrade	384,799	52,117	800,000
Higuera Widening at 50 Higuera	297,316	67,500	
ATP-South Broad Street Corridor			400,000
Transit Fleet Replacement: 2 Bus Replacements	2,709,371	534,835	
Transit Fleet Replacement: New Protera/Flyer Buses	785,373	135,909	
Building Electrification	75,000	75,000	
Prado Road Bridge Widening	8,065,000	8,065,000	
Grand Total	19,601,694	15,615,196	7,994,215

In addition to the direct exposure, the City partners with other agencies and organizations to fulfill its service mission. These agencies, including the Community Action Partnership of San Luis Obispo (CAPSLO), Transitions-Mental Health Association (TMHA), the County of San Luis Obispo, the State of California, and many more, depend on federal funding to fulfill their missions.

This government shutdown was widely anticipated, and staff were directed to draw down on all funding beforehand to the greatest extent possible. If this shutdown is brief, as is typically the case, staff expect limited impact to City operations.

While the majority of City operations are not supported by Federal funding, many of the City's partners including the County and many non-profit organizations rely heavily on Federal funding to provide important services to the community. While many "safety net" programs are funded in advance of services being provided, and the State has indicated that it will support some programs with its own reserves, the impacts to members of the community will be more severe the longer the shutdown lasts.

For City operations, the impact of a prolonged shutdown would be most acute for the Transit Fund, despite the fact that staff anticipates no immediate impact to SLO Transit operations. On September 30, 2025, the U.S. Department of Transportation released a plan for operations during a lapse in annual appropriations. The plan states that the Federal Transit Administration's (FTA) operations will continue as normal during a lapse in appropriations and that the FTA has sufficient funds to support several months of reimbursements for active grants. However, execution of new grant awards dependent on annual appropriations will be delayed. If the shutdown extends

beyond the available FTA funds, then Transportation Development Act fund reserves could sustain operations for at least one year.