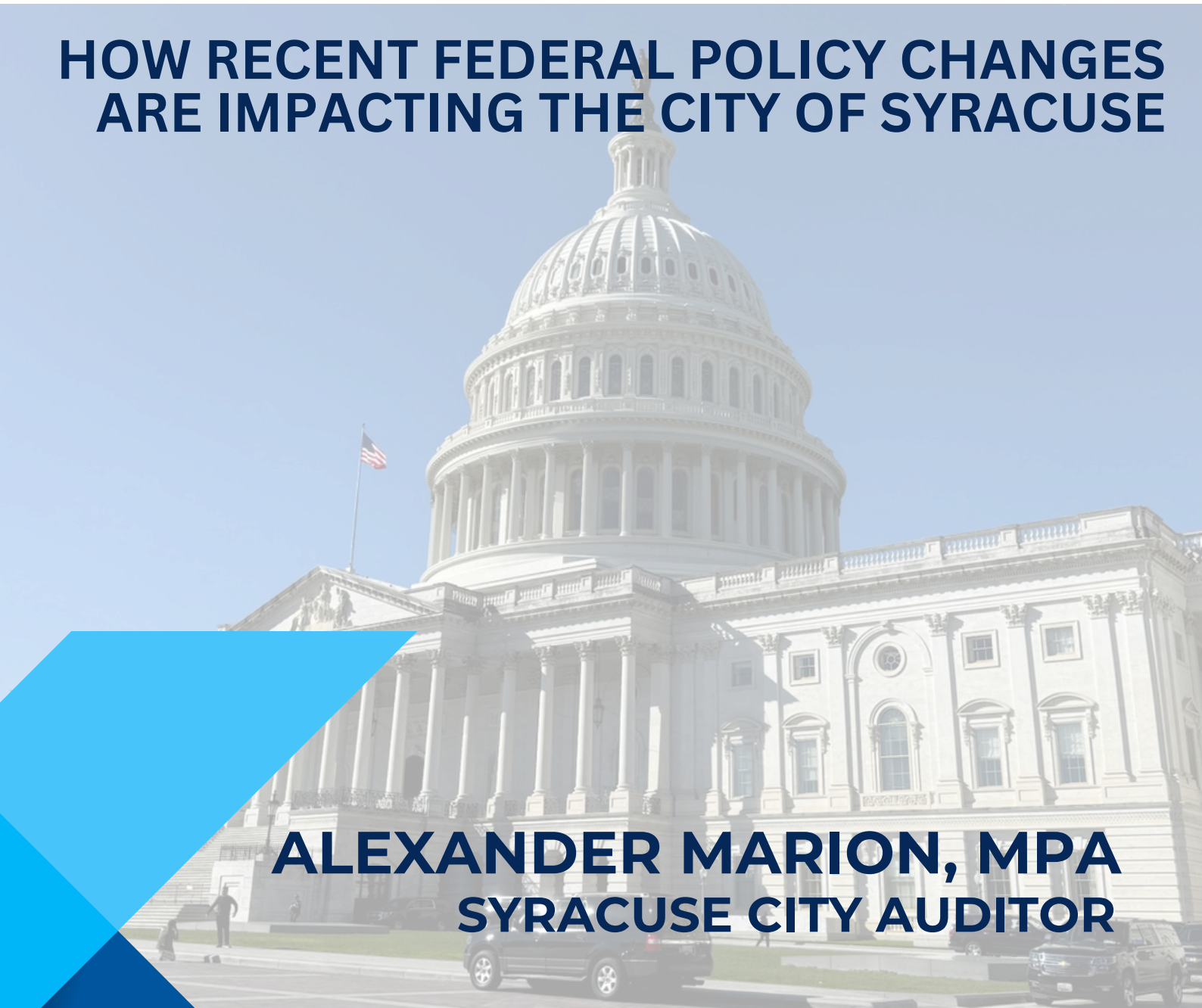




WASHINGTON WORRIES

**HOW RECENT FEDERAL POLICY CHANGES
ARE IMPACTING THE CITY OF SYRACUSE**

The background of the lower half of the slide is a faded image of the United States Capitol building in Washington, D.C. The building's iconic dome and neoclassical architecture are clearly visible. In the foreground, there are some cars and a few people walking on the grounds.

**ALEXANDER MARION, MPA
SYRACUSE CITY AUDITOR**

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Message From the Auditor

October 8, 2026

In January of 2025, I released a report called *Consequences of Change*, which previewed concerns about the forthcoming transition of power at the federal level. I highlighted the potential impacts of a new administration, led once again by President Donald Trump, and new Congress on aspects of life in Syracuse that are touched by the federal government. From infrastructure to immigration to the ongoing development around Micron, Central New Yorkers had valid reasons to be concerned.



Nearly two years into this federal government, I felt it was time to revisit some of these concerns. Americans now feel the influence and impact of the federal government in ways they never have before. For the first time, many people are deeply conscious about the role of the federal government in their lives. People are now worried about affordability, civil rights, international conflict, and unregulated technology in new and stressful ways. Local governments are not immune from the panoply of worries Americans face.

This report looks at three specific areas where the federal government has impacted Syracuse: immigration, the I-81 project, and inflation. Syracuse has long been home to a large refugee and immigrant community, many of whom now live in fear of Immigrations and Customs Enforcement (ICE) breaking up their families and, for those who rely on temporary public assistance, a revocation of those benefits. Syracuse lost \$30 million in funding due to the *One Big Beautiful Bill Act*, which will impact our ability to build street-level infrastructure following the removal of the I-81 viaduct in Downtown Syracuse. We are also seeing our own gas bills go up for municipal vehicles and increases in sales tax revenue due, in part, to rising prices.

The federal government stopped doing urban policy in the 1970s and never picked up the ball again. To leaders and experts, it is no surprise the federal government is failing cities – they have been for two generations. What is surprising is the eagerness with which it is happening: not idle decline and neglect, but rather it feels like an active attempt to undermine diverse, urban communities. Yes, we have our challenges, but we also have a deep well of resolve if given the right resources and support along the way. It is always the right time to invest in our cities and in the potential cities offer. I will always be hopeful that the right leadership understands that potential and does the hard work to create a vibrant new generation of urban life across America.

A handwritten signature in blue ink that reads "Alexander Marion".

Alexander Marion, MPA
Syracuse City Auditor

Executive Summary

Since the beginning of President Donald Trump's second administration, the federal government has made a series of policy decisions that have negatively impacted Syracuse. Some of these decisions and the risks they carry were predicted in the City Auditor's previous report, *Consequences of Change*, issued in January of 2025. In this mid-term update, we review some of those risk areas and detail where the biggest challenges lie ahead and conclude with a series of findings and recommendations for how our community can best move forward.

One of the areas where the new federal administration has most prioritized has been around immigration enforcement. One of President Trump's biggest promises has been to reduce the number of undocumented immigrants living in the United States and cut off support for refugees and asylum seekers. Immigration raids have taken a toll on Central New York, including among employers who have relied on immigrant workers of various statuses. Cuts to federal benefits for noncitizens, such as through the food assistance program SNAP, will also have a negative impact on our community.

The I-81 project has been in the planning process for more than a decade in Central New York. A critically important piece of infrastructure, the removal of the viaduct will change the streetscape of Downtown Syracuse in a manner that has not been seen in over 60 years. The City of Syracuse was slated to receive \$30 million in funding from the federal government as part of the project to do street-level infrastructure, such as sidewalks and streetlights. That money has since been cut without a fully viable replacement source.

Inflation has hit every American's wallet in some fashion, and the City of Syracuse has felt this pain, too. The City is paying higher fuel costs for its fleet of vehicles, from police cars and fire trucks to snowplows and pickups. Additionally, the City expects its share of local sales tax revenue to increase as higher prices allow for a larger proportion to be collected. While additional revenue flowing into municipal coffers is a good thing, it is driven, at least in part, by higher prices paid by consumers. As a result, consumers are having to make difficult choices about their spending priorities and an eventual slowdown in consumer spending could occur.

This report will make two recommendations. First is that Congress must come up with an additional source of funding to help build street infrastructure, replacing what was removed from planned work on I-81, and that the City work with intergovernmental and non-profit partners to find ways to address forthcoming food access issues resulting from noncitizens losing food assistance. These are commonsense ways to address the challenges we have going forward and reflect a growing consensus that the federal government must be a transparent and reliable partner for American cities.

Immigration

Refugee Resettlement

Central New York was hit particularly hard by cuts to refugee resettlement programs. Since the early 2000s, the City of Syracuse has formally welcomed more than 10,000 refugees, in addition to growing populations of other immigrant communities (Scott 2024). Refugees and immigrants have been responsible for stabilizing Syracuse's population, which had been declining since the mid-twentieth century (Herbert 2017).

Among President Trump's first actions in office, he cancelled the federal government's refugee resettlement programs, ending the opportunity for individuals to come to the United States with refugee status (Associated Press 2024). This included more than 1,600 people who were promised refugee resettlement in the United States after helping American forces during the War in Afghanistan. America's refugee resettlement program works by funding local agencies that aid refugees and their families within local communities.

Two major local resettlement agencies, InterFaith Works and Catholic Charities were forced to lay off employees as the federal government wound down programs serving refugees. InterFaith Works laid off 19 employees as it faced a \$4 million cut in aid (Weiner, Syracuse nonprofit lays off 19 workers as Trump cuts funding for refugees 2025). Catholic Charities of Onondaga County eliminated 11 jobs and put another 40 employees on indefinite furlough (Weiner, Catholic Charities cuts 51 jobs in Syracuse after Trump halts refugee program 2025).

In June 2026, the New American Forum was forced to retool its annual celebration of World Refugee Day, cancelling the popular annual festival held at Grant Middle School in recent years. A somber observance was still held at City

Hall, with local officials and community leaders reading pre-written stories of impacted immigrant and refugee neighbors (Robertson 2026).

Immigration Enforcement

Another major challenge faced in Central New York has been ongoing raids and detentions by Immigration and Customs Enforcement, or ICE. These arrests and removals have, in many cases, targeted members of the LGBTQ+ community and union workers, such as the highly-publicized case of Alex Gonzalez and Yan Hidalgo, a married gay couple who were both union workers at SUNY Upstate. After being detained during a routine check-in with immigration officials in October 2025, they were finally allowed to return home in February 2026 (Youngs 2026).



City Auditor Alexander Marion at the press conference welcoming Alex and Yan back to Syracuse

ICE has refused to cooperate with the Syracuse Police Department about providing basic information such as the location of an operation, in advance – a standard practice by law enforcement agencies (McCarthy 2025). This Syracuse Police Department has publicly

committed to not working with ICE on raids and found strategies to ensure their legitimate law enforcement activities are taking place in manners that distinguish them from ICE operations, such as the use of at marked SPD vehicles outside the perimeters of scenes.

New York State has taken decisive action to limit the chaos caused by ICE. New York State recently enacted the *Local Crimes Act* which limited the participation of law enforcement agencies with ICE. It banned 287-G agreements, which allow local jails to partner with ICE for detentions. The law also banned warrantless immigration searches in sensitive locations like schools, houses of worship, and healthcare facilities and created a path for people to sue federal agents for violations of their constitutional rights in state court (Office of NYS Governor Kathy Hochul 2026).



Onondaga County Sheriff Toby Shelley

Sheriff Toby Shelley, who oversees the Onondaga County Justice Center, has bucked the trend of some law enforcement agencies in the area by refusing to cooperate with civil detainer requests when asked by ICE (Weiner, Onondaga County sheriff won't detain immigrants for ICE: 'I took an oath' to protect people's rights 2025). Other area law enforcement officials have fought to protect their relationships with ICE, defying state laws to do so.

Public Assistance

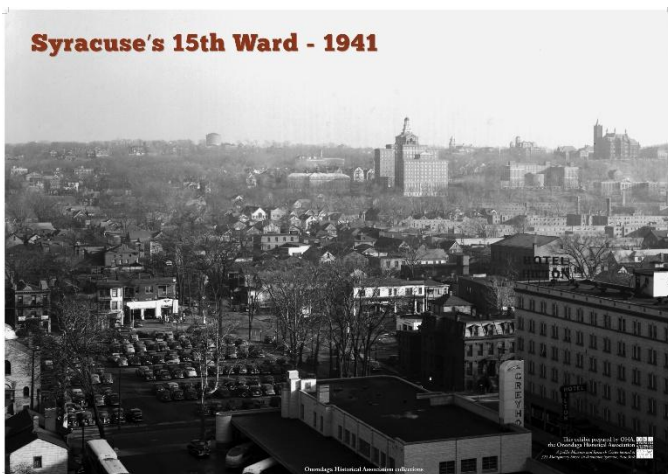
House Resolution (H.R.) 1, known as the *One Big Beautiful Bill Act*, was omnibus legislation addressing a variety of matters important to the incoming Trump administration. Among its provisions were changes to the Supplemental Nutrition Assistance Program (SNAP). This includes modifications to work requirements that can remove benefits for homeless individuals, veterans, older adults, and those 24 and younger who aged out of foster care (**Exhibit 1**).

SNAP changes would also end automatic eligibility for noncitizens, including refugees and asylees. Holders of a Lawful Permanent Resident Certificate (known as a Green Card) remain eligible for SNAP. Refugees must be in the country for at least one year before being eligible to apply for a green card (Legal Aid Society of NYC 2026).

Refugees will lose their SNAP benefits at their next recertification. According to testimony from Sarah Merrick, the Commissioner of Social Services in Onondaga County before the County Legislature in May, more than 5,100 refugees will lose their benefits during the next year. 50% of those, more than 2,500, live on the Northside of the City of Syracuse (Onondaga County Legislature 2026) (**Exhibit 2**). This includes standard refugee visa holders, Iraqi or Afghan Special Immigrant Visa Holders, Afghan Humanitarian Parolees, Amerasian Immigrants, Ukrainian Humanitarian Parolees.

Background on Interstate 81

The 1944 Federal Highway Act kicked off a decades-long era of road building across the country, and New York State's highway engineers soon began mapping out a statewide system (NYSDOT 2026). Syracuse's stretch of what would become I-81 first took shape in a 1947 regional plan as the Townsend Street arterial, and that concept was folded into the 1955 federal "Yellow Book" that laid out the future Interstate Highway System (NYSDOT 2026).



Syracuse's 15th Ward (Onondaga Historical Association)

In 1958, federal, state, and city officials decided to route the elevated highway along Almond Street, cutting straight through Syracuse's 15th Ward (NYSDOT 2026; Miller 2022). At the time, the 15th Ward was home to nearly 90 percent of the city's Black population and was a close-knit community of Black-owned homes and businesses, even as city leadership labeled it a "slum" (NYCLU 2021). Local officials and residents protested the plan, but the city moved ahead anyway, razing the neighborhood and displacing more than 1,300 families to make way for the highway (Miller 2022; NYCLU 2021). Construction ran in three phases from 1959 to 1969 (Miller 2022).

The consequences outlasted the construction itself. Rather than bringing new opportunity downtown, the highway funneled traffic and tax dollars out to the suburbs, and housing discrimination pushed displaced 15th Ward residents into a new, even less-resourced neighborhood just south of the viaduct (NYCLU 2021). Families living closest to I-81 bore the brunt of traffic-related air pollution, linked to higher rates of asthma and impaired lung function, and the highway's physical divide deepened segregation in a city that today ranks among the most segregated metro areas in the country (NYCLU 2021).

By the 2010s, the viaduct itself was wearing out. A 2013 state study, the I-81 Corridor Study, found that of the 76 bridges along I-81 and I-690, 9 percent were structurally deficient. 60 percent were functionally obsolete, including 18 bridges in the elevated downtown section (Miller 2022). Those bridges had been built with an expected 50-year lifespan and were approaching 56 years old (Miller 2022). NYSDOT considered rebuilding the viaduct in place, as well as a tunnel option modeled on Boston's "Big Dig," but dropped the tunnel idea over cost, even after then-Governor Andrew Cuomo asked for an independent review (Miller 2022).

In 2019, NYSDOT settled on the "community grid" alternative: tearing down the elevated viaduct, rerouting through-traffic onto the existing I-481 loop (which would take on the I-81 designation) and converting the old highway route into a signalized city street known as Business Loop 81 (NYSDOT 2026; Miller 2022). NYSDOT projected the community grid as the cheapest and fastest option, estimated at the time at \$1.9 billion and five years of construction (Miller 2022).

That decision followed years of advocacy from community and civil rights groups. The NYCLU

argued the highway's original construction amounted to an act of environmental and racial injustice and pushed NYSDOT to treat its removal as a chance to repair that harm, not just replace aging infrastructure (NYCLU 2021).

In 2021, then-Governor Cuomo and then-Mayor Ben Walsh confirmed the community grid would move forward, with \$800 million in state funding allocated and construction slated to begin in 2022 (Miller 2022). That November, President Biden's infrastructure law added \$11.5 billion in highway funding for New York State (Miller 2022). In April 2022, the state budget committed \$1.1 billion specifically to remove the viaduct, and the project's environmental impact statement set construction at six years across two phases; the Federal Highway Administration formally approved the community grid plan that May (Miller 2022). Total construction costs for the community grid alternative are now projected at roughly \$2.25 billion (NYSDOT 2026).

Moving Forward

The community grid is being built in two phases across eight separate construction contracts, each awarded individually as design and funding came together (NYSDOT 2026). Phase 1 covers the first five contracts. Contract 1 reconstructs the northern interchange of Business Loop 81 and I-81, converting the former I-481 into the new I-81 between Kirkville Road and the Thruway interchange (NYSDOT 2026). Contract 2 builds the southern interchange of Business Loop 81 and I-81, modifies the interchange with State Routes 5 and 92 in DeWitt, and widens the corridor between I-690 and Kirkville Road (NYSDOT 2026). Contract 3, a \$218.9 million award to Salt City Constructors in May 2024, builds new ramps to North Clinton Street and reconstructs city streets in the Inner Harbor and Northside, with completion expected by the end of 2026 (Office of Governor Hochul 2024; Equipment World 2025).

Contract 4, a \$313.5 million award to CNY Alliance in July 2024, began construction that summer on the Community Grid streets in the former 15th Ward on Syracuse's east side, with completion expected in summer 2027 (Equipment World 2025). Contract 5, worth nearly \$251 million and awarded to Salt City Constructors in April 2025, is the first contract to include removal of sections of the viaduct itself; it converts the stretch of I-81 north of Colvin Street to Burt Street into Business Loop 81, adds a roundabout at Business Loop 81 and Van Buren Street, and replaces a railroad bridge, with the viaduct set to close south of Harrison Street once the contract is roughly two-thirds complete (Office of Governor Hochul 2025; NYSDOT 2025). Work began that summer and is expected to finish by summer 2028 (NYSDOT 2025).



Rendering of the future of Downtown Syracuse following removal of I-81 viaduct

Phase 2 covers contracts 6 through 8. Contract 6, the centerpiece of Phase 2, is a design-build contract awarded to CNY Alliance in July 2026 for \$2.1 billion, the largest single contract in NYSDOT history; it covers a new West Street interchange, rebuilt connections between I-81 and I-690, and removal of the viaduct's northern end (Breidenbach 2026; NYSDOT 2025). That contract

is expected to run from summer 2026 to spring 2028 (NYSDOT 2025). Contracts 7 and 8 are expected to start in spring 2027 and finish in fall 2029, closing out the project (NYSDOT 2025).

Local hiring has been part of the project from early on. A local hiring program written into the Bipartisan Infrastructure Law, meant to direct job training and employment toward workers from the neighborhoods most affected by the original highway (Office of Senator Charles Schumer 2024). Contractors on the project's first five contracts operated under project labor agreements requiring 75 percent of workers to come from union halls, along with incentives paying contractors more for hiring workers from ZIP codes near the project who face barriers to employment, including single parents, people without a high school diploma, people with a criminal conviction, or people receiving federal food, housing, or health benefits (Breidenbach 2026).

The project has fallen short of its local hiring targets. A December 2025 report by the Urban Jobs Task Force found contractors met the 15 percent goal by number of local workers hired, but only 14 percent of hours worked and roughly 12 percent of total wages went to local workers; the report also credited the project with bringing 50 apprentices into jobs they can carry into future work (Breidenbach 2026).

The state eliminated the union-hiring requirement for the sixth I-81 contract, the largest single contract in state DOT history at \$2.1 billion, in what officials described as a preemptive move to win approval from the Trump administration (Breidenbach 2026). State officials and union leaders said the Federal Highway Administration had effectively stalled labor-agreement contracts without formally rejecting them. Assemblyman Bill Magnarelli, chair of the Assembly's transportation committee, said the delays were driving up costs and left the state little choice but to drop the requirement (Breidenbach 2026). The

winning contractor group, CNY Alliance, is being encouraged, though not required, to keep hiring union workers (Breidenbach 2026). State officials said the contract still retains its local-hire wage incentives and that they expect future I-81 contracts to include labor agreements again (Breidenbach 2026). The federal government's share of funding for the sixth contract also dropped to 41 percent, down from a 65 to 84 percent federal share on the first five contracts (Breidenbach 2026).

Neighborhood Access and Equity Funding



Rendering of proposed park space in the East Adams neighborhood

In March 2024, Senate Majority Leader Chuck Schumer and Senator Kirsten Gillibrand announced Syracuse had won a \$180,010,000 federal award through the Neighborhood Access and Equity Program, a grant Senator Schumer helped create under the Inflation Reduction Act (Office of Senator Charles Schumer 2024). Syracuse and New York State beat out more than 500 other communities nationwide for the funding (Weiner 2025). Of the total, \$150 million went to NYSDOT and \$30 million went directly to the City of Syracuse, intended to rebuild streets, parks, bike paths, lighting, and sidewalks in the neighborhoods around I-81, including the 15th Ward and the Northside, once the viaduct comes down (Office of Senator Charles Schumer 2024). The city planned to use its share to help replace aging public housing with a mix of market-rate

and affordable homes as part of a 10-year redevelopment plan (Weiner 2025).

NYSDOT completed the steps needed to secure its full \$150 million share, but Syracuse received just \$300,000 of its \$30 million grant, because federal law required the city to first complete design work and an environmental review under the National Environmental Policy Act, a process expected to take up to two years before the money could be obligated (Weiner 2025).

Before that review could finish, the House of Representatives passed the budget reconciliation package known as the *One Big Beautiful Bill Act* on May 22, 2025, by a vote of 215-214, mostly along party lines (Weiner 2025). On page 724 of the 1,116-page bill was language permanently canceling all unobligated money from the Neighborhood Access and Equity Program nationwide, roughly \$2 billion of the program's original \$3.3 billion (Weiner 2025). Syracuse's outstanding \$30 million grant was among the funds cancelled. Nationally, the rescission covered \$3.2 billion and affected 55 projects (Edmondson 2025).

Representative Sam Graves (R-Missouri), chairman of the House Transportation and Infrastructure Committee, defended the cut as eliminating wasteful spending (Edmondson 2025).

Representative Marilyn Strickland (D-Washington) argued the rescission would leave localities with fewer opportunities and higher costs to complete projects that create jobs and improve street safety (Edmondson 2025). Senator Schumer called clawing back Syracuse's grant "outrageous" (Weiner 2025), saying the funding was being taken from Central New Yorkers to help cover tax cuts benefiting wealthy Americans.

City officials said they would keep pushing to restore the funding. Greg Loh, a spokesperson for then-Mayor Walsh, said the city planned to seek bipartisan support in Congress to have the \$30 million reinstated in any final version of the bill (Weiner 2025). The rescission was ultimately signed into law, leaving the highway construction itself intact but stripping the funding meant rebuilding the neighborhood around it.

Inflation

Inflation is the rate at which prices for goods and services rise over time, which reduces the purchasing power of a dollar. The federal government's primary inflation gauge, the Consumer Price Index (CPI), tracks the change in prices for a broad basket of household goods, from groceries and rent to gasoline and healthcare.

The City of Syracuse has not been immune from the effects of inflation, both as a consumer and as a community. Higher fuel prices have put pressure on municipal coffers. Higher sales taxes, driven in part by inflationary pressures, have brought in more revenue but left a heavier burden on City residents and consumers who pay those sales taxes.

Fuel Prices

According to a gas price tracking tool run by Brown University, gas prices have increased from a national average of \$2.98 per gallon on February 28 to \$4.37 per gallon on October 4, growing over 47%. Diesel prices have increased from \$3.67 to \$6.34 per gallon, an increase of more than 72% (Brown University Watson School Climate Solutions Lab 2026).

That trend began in late February 2026, when the United States and Israel launched military operations against Iran, and Iran responded by disrupting shipping through the Strait of Hormuz, a chokepoint for roughly one-fifth of the world's oil supply (CNBC 2026). Oil and gas prices spiked nationwide as a result.

The City's own fuel costs have ballooned over the course of the last year. From July 2025 to June 2026 costs increased nearly \$1 per gallon.

<u>Month</u>	<u>Unleaded</u>		<u>Diesel</u>	
	<u>Gallons</u>	<u>Average Cost</u>	<u>Gallons</u>	<u>Average Cost</u>
July 2025	49,991	\$2.3000	32,000	\$2.7100
August 2025	55,950	\$2.3300	32,894	\$2.5700
September 2025	50,001	\$2.4100	25,000	\$2.6000
October 2025	49,948	\$2.2400	33,500	\$2.5400
November 2025	43,001	\$2.3800	23,900	\$2.7200
December 2025	47,000	\$2.1300	28,000	\$2.5200
January 2026	50,500	\$2.0300	32,614	\$2.6400
February 2026	40,500	\$2.1600	28,001	\$2.8700
March 2026	54,999	\$2.8100	16,000	\$4.1500
April 2026	49,002	\$3.4800	21,000	\$4.2400
May 2026	49,973	\$3.8200	31,001	\$4.3000
June 2026	46,001	\$3.2800	26,501	\$3.8600

Sales Taxes

Sales taxes are the largest stream of revenue coming into City government. These taxes help pay for essential services like police and fire protection, infrastructure, and parks. Sales taxes are one of the most efficient taxes for a government to levy, collected directly by businesses at the point of sale. They are calculated by a percentage cost of the total purchase price.

The City of Syracuse does not have its own sales tax; rather, the State of New York and Onondaga County levy sales taxes. The City of Syracuse shares a portion of the revenue with Onondaga County. When inflation drives prices up, that means the City of Syracuse may collect a larger amount of sales taxes revenue. Rates do not change, but when costs of goods goes up, so does

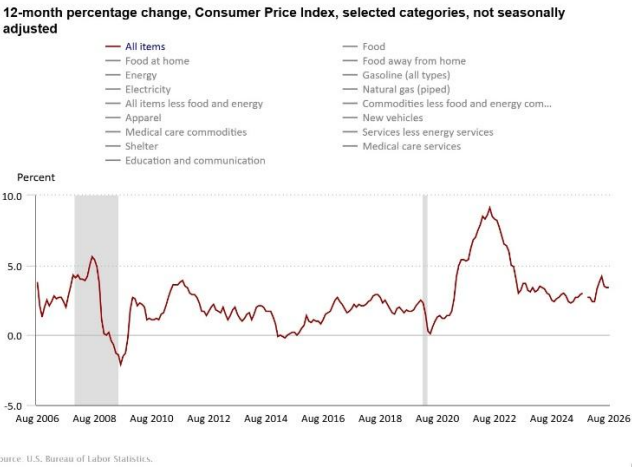
the amount of sales tax levied on the purchase price. While this means more revenue for the local government, it also means another level of higher costs for shoppers – which, eventually, could drive down consumer spending.

The City of Syracuse is seeing increases in sales tax revenue, driven in part due to inflationary pressures on the broader economy. While economic trends and consumer spending are not driven by singular reasons, higher inflation on goods leads to higher sales tax collections as part of transactions and is at least partly why collections are higher (Office of the NYS Comptroller July 2026). Years when inflation has run higher have led to higher sales tax collections, such as during the inflation spikes following the Covid-19 pandemic.

City of Syracuse Sales Tax Over Time

Comparison	Increase	Percent Change
FY22 vs FY21	\$8,860,488	+8.93%
FY23 vs FY22	\$7,704,008	+7.13%
FY24 vs FY23	\$3,695,678	+3.19%
FY25 vs FY24	\$1,661,542	+1.39%
FY26 vs FY25	\$6,196,652	+5.12%

So far this year, Onondaga County has collected more than \$330 million in sales taxes this year, which is well over their budgeted projections (Kirk 2026). This means the City of Syracuse is likely on track to receive a higher percentage of sales tax as



part of this agreement. The fastest-growing area of sales tax revenue in Onondaga County is from utilities, the sales taxes collected when consumers pay their energy bills, growing over 176% since the County’s 2020 fiscal year (Matt Mulchay 2026).

Findings

Finding #1: Syracuse's Sales Tax Revenue is Increasing, In Part Due to Inflation

The City of Syracuse budgeted for over \$120 million in sales tax revenue in fiscal year 2027 and can comfortably project exceeding that amount, based on reports from Onondaga County's collections. One driver of increased sales tax revenue is higher priced goods, so consumers pay a higher amount of sales tax when purchasing them.

Finding #2: Syracuse Experiencing Growing Fuel Costs

City fuel costs are growing quickly due to higher gas and diesel prices, largely driven by global fuel supply challenges due to the Iran War. Fuel is over \$1 per gallon more expensive than it was a year ago, which could lead to fiscal constraints for City departments that maintain fleet vehicles.

Finding #3: More than 2,500 Northside Residents Will Lose Food Assistance Beginning in October

According to the Onondaga County Department of Social Services, more than 5,000 noncitizen county residents will lose food assistance beginning this fall. More than 2,500 of those individuals live on Syracuse's Northside.

Finding #4: Immigration Enforcement Crackdown Continues to Have Economic Impact

Continued aggressive immigration enforcement continues to negatively impact employers across Central New York, especially those in the construction and service sectors. Immigration enforcement has had particular impact on hospitals and healthcare facilities, where employees have been detained by ICE.

Finding #5: City Lost \$30 Million In Funding From Federal Recissions

By eliminating the Neighborhood Access and Equity program funding in the *One Big Beautiful Bill Act*, Syracuse lost \$30 million of funding which could have been used to improve street-level infrastructure. A commensurate funding source has not been restored.

Recommendations

Recommendation #1: Restore Recissions from OBBA That Impacted I-81 Funding

Congress should immediately restore the \$30 million of funding Syracuse needed for the Neighborhood Access and Equity program to enable the City to perform needed street-level infrastructure following the I-81 project.

Recommendation #2: City, Non-Profit Partners Should Work Together to Address Food Access For All

The City of Syracuse should work collaboratively with non-profit partners to develop a strategy for food access for citizens and noncitizens losing their SNAP benefits in the coming months. Onondaga County has pledged funding for food assistance in their FY 2027 budget, as well.

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Appendix

Exhibit 1: U.S. Department of Agriculture Guidance on SNAP Changes

Exhibit 2: Testimony from DSS Commissioner Sarah Merrick



Food and Nutrition Service

U.S. DEPARTMENT OF AGRICULTURE

DATE: September 4, 2025

SUBJECT: Supplemental Nutrition Assistance Program Provisions of the One Big Beautiful Bill Act of 2025 – Information Memorandum

TO: All SNAP State Agencies
All Regions

On July 4, 2025, President Donald J. Trump signed Public Law 119-21, the One Big Beautiful Bill Act of 2025 (OBBA). The law contains several provisions that affect the Supplemental Nutrition Assistance Program (SNAP). These include changes to SNAP eligibility, benefits, and program administration.

Attached is an information memorandum describing the SNAP provisions and effective dates for most provisions. FNS will, as appropriate, hold States harmless for Quality Control (QC) purposes for 120 days from the implementation date.

Additional, detailed guidance on implementation of these provisions is generally forthcoming by September 30, unless specified otherwise. Please reach out to your FNS Regional Office with any questions.

Sincerely,

RONALD
WARD

Digitally signed by
RONALD WARD
Date: 2025.09.04
11:37:56 -04'00'

Ronald Ward
Acting Associate Administrator
Supplemental Nutrition Assistance Program
Food and Nutrition Service

Food and Nutrition Service, Braddock Metro Center, 1320 Braddock Place, Alexandria, VA 22314

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SNAP Provisions of the One Big Beautiful Bill Act of 2025

Sec. 10101. Re-Evaluation of Thrifty Food Plan.

Amends Sec. 3(u) of the Food and Nutrition Act (the Act), to revise how the Thrifty Food Plan is updated. It limits future re-evaluations from increasing the cost of the Thrifty Food Plan. It also requires annual adjustment of the cost of the Thrifty Food Plan each October to reflect changes in the Consumer Price Index for All Urban Consumers, published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period ending in June.

The OBBB also amends Sec. 3(u) to establish in statute the household adjustments for maximum allotments. This provision is effective October 1, 2025, and the market baskets of the Thrifty Food Plan may be reevaluated no earlier than October 1, 2027.

Sec. 10102. Modifications to SNAP Work Requirements for Able-Bodied Adults.

This provision modifies Sec. 6(o) of the Act changes which individuals are subject to the time-limited work requirements, the circumstances in which the Secretary may approve a waiver of the time limit in an area and creates new exemptions for Alaska and Hawaii. These requirements are sometimes referred to as the able-bodied adults without dependents (ABAWD) work requirement.

Changes to exceptions from the time limit are listed below.

1. Increases the upper age exception to 65 and older.
2. Limits the exception based on responsibility to care for a dependent child to those with a child under 14 years of age.
3. Removes exceptions for homeless individuals, veterans, and those 24 and younger who aged out of foster care.
4. Establishes new exceptions for “an Indian”, “Urban Indian” and “California Indian” as defined in the Indian Health Care Improvement Act.

The OBBB also amends Sec. 6(o)(4) to adjust when the Secretary may approve a waiver of the time limit. It removes the criterion that provides for waiver requests when an area does not have a sufficient number of jobs to provide employment for the individuals that reside there from the list of circumstances qualifying an area for a waiver of the time limit. This condition is replaced by an option for areas in Alaska and Hawaii to qualify for an ABAWD waiver if their unemployment rate reaches or exceeds 150% of the national average. States other than Alaska and Hawaii may now only request waivers when the unemployment rate meets or exceeds 10 percent in an area.

These changes were effective upon enactment. State agencies must apply updated exceptions to new and ongoing participants after they are screened, in accordance with 7 CFR 273.24(k). FNS will follow up with State agencies currently operating waivers of the time limit that are no longer eligible under the revised program rules.

The OBBB also establishes new exemptions for individuals residing in Alaska and Hawaii if the State makes a request to the Secretary and is demonstrating a good faith effort to comply with time limit work requirements. Exemptions granted will expire no later than December 31, 2028. Additional guidance for how Alaska and Hawaii may request exemptions under this provision is forthcoming.

Sec. 10103 Availability of Standard Utility Allowances Based on Receipt of Energy Assistance.

Amends how State agencies treat receipt of a payment under the Low-Income Home Energy Assistance Act of 1981 (LIHEAA) or other similar energy assistance programs for the purposes of the Heating and Cooling Standard Utility Allowance (HCSUA). Only households with an elderly or disabled member which receive a payment of more than \$20 under a LIHEAA program (or similar energy assistance programs), annually, in the month of application or immediately preceding 12 months are automatically eligible for the HCSUA to be applied to the household's case when determining eligibility and benefit amount.

Households without an elderly or disabled member are no longer eligible based on a payment of any amount from a LIHEAA program (or similar energy assistance programs). Households without an elderly or disabled member must incur heating or cooling expenses in accordance with section 5(e)(6)(C) to have the HCSUA used in determining their eligibility and benefit amount.

This provision also changes how SNAP treats third-party energy assistance payments provided under a State law depending on whether there is an elderly or disabled SNAP household member. The assistance will no longer count as income if the household includes an elderly or disabled member, and the household will continue to count expenses the assistance covers towards the excess shelter deduction. If the household does not include an elderly or disabled member, the assistance would continue counting as income, however, the household could no longer count the expense covered by the assistance towards the excess shelter deduction.

This provision is effective upon enactment. State agencies must apply this policy at initial certification for new applicants and, at a minimum, apply the changes to ongoing households at recertification.

Sec. 10104. Restrictions on Internet Expenses.

Prohibits inclusion of internet costs in a household's allowable shelter costs for the purposes of the excess shelter deduction. This includes a restriction on including internet costs in calculating standard utility allowances (SUAs).

This provision is effective upon enactment. FNS provided State agencies with additional instructions for calculating their Fiscal Year 2026 SUA values on August 15, 2025.

Sec. 10105. Matching Funds Requirements.

This provision amends Section 4(a) of the Act to establish a SNAP quality control incentive that consists of State matching funds requirements for the cost of SNAP benefit allotments. The matching requirements are determined based on a State's SNAP payment error rate and range from a State share of 0 to 15 percent of program allotments. These requirements generally begin in fiscal year 2028.

Sec. 10106 Administrative Cost Sharing.

This provision amends Section 16(a) of the Act and reduces the amount that USDA may pay a State agency for administrative costs involved in its operation of SNAP to 25 percent, from the current 50 percent, beginning in fiscal year 2027.

Sec. 10107 National Education and Obesity Prevention Grant Program.

This provision amends Section 28(d)(1) of the Act by ending required funding of the SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-ED) with the fiscal year 2025 grant allocation. Unexpended fiscal year 2025 SNAP-Ed grant funds may be used in FY 2026 to operate SNAP-Ed. Further guidance was released on August 13.

Sec. 10108 Alien SNAP Eligibility.

This provision makes changes to non-citizen eligibility for SNAP. Further guidance is forthcoming.

Corrections as of 5.28.26 – See highlighted areas

Notes for Health and Human Services Committee – May 19th

Impact of HR1 (June 2025)

- General
 - Two issues are impacting SNAP
 - End of ABAWD waiver, HR1 expanded impacted population (59 to 64, including households with children over 14)
 - Eligibility and Administrative changes as a result of HR1
- ABAWD waiver ended Feb. 2026. Wrapping up a three-year cycle.
 - Impact on households 18 to 64 years old without a child under age 14 living with them
 - Only eligible for 3 months of assistance in a three-year cycle if they do not:
 - Paid or unpaid work for at least 20 hours per week
 - Employment training
 - Community Service/Volunteer
 - Some of the populations exempt: Younger/Older than the age band, disabled, pregnant, taking care of an incapacitated person, receiving SSI, Native American
 - Offered in-person and virtual educational sessions
 - Currently closing 3,200 SNAP cases, effective June 1st
 - They can reapply but must show they are meeting the work requirements
 - New three-year cycle starts October 1, 2026

SNAP – HR1 Changes

- Client
 - Must follow ABAWD rules
 - Ending automatic eligibility for non-citizens
 - Rules just came out in April
 - Beginning at recertification, closing any case that does not have Lawful Permanent Residents certificate. **Refugees need to be in the US for one year to apply. The application period can take up to three months. The Federal government administers the process so approvals are contingent on their processes.**
 - We estimate 5,145 refugees will lose their benefits over a 12-month period. 50% of them live in the Northside of the City.
 - **Including Refugee, Iraqi or Afghan Special Immigrant Visa Holder, Afghan Humanitarian Parolee, Amerasian Immigrant, Ukrainian Humanitarian Parolee**

- FY24 – Average annual benefit was \$2,376 per person
- Administrative Changes
 - Tracking monthly employment, volunteer activities for thousands of cases
 - Shifting program administration costs from 50% Federal/50% Local to 25% Federal/75% Local. The shift starts October 2026. The annual increase in local cost is \$5,284,683 or an increase of \$1,761,561.
 - Imposing fiscal penalties on error rates. NYS has exceeded the average Federal Error Rate by 10%. NYS expects that this will result in \$1.2 billion dollars. It is unclear if the State or Counties will pay this.
 - FYI – What makes an error? – Incorrect wage/salary information, incorrect information the client has given the county, changes in rent

Medicaid

- Just a reminder that the administration of Medicaid is still split between NYS and counties. As of September 2025 data, 126,064 county residents are on Medicaid, 83K with State, 43k with county
- HR1 ended the subsidies in the Affordable Health Care Act. The numbers above do not represent clients unable to pay health care premiums.
- October 1, 2026, those not Lawful Permanent Residents certificate will lose their federally funded Medicaid coverage. NYS is planning on moving these individuals to State covered programs, Essential Plan or State Medicaid.
- January 1, 2027, work and community engagement requirements will go into effect for 19 – 64-year-olds unless they qualify for an exemption. (80 hours within 6 months) Renewals will go from 12 months to every 6 months.
- Retro coverage goes from three months for all populations to two for some and one for others.
- Much of what I described above will be handled by the State, but counties have to be prepared to be able to explain these changes and link clients with the appropriate State parties.
- To meet new requirements major administrative changes will occur. One delinking Temporary Assistance and Medicaid applications. This is a significant change and will have administrative impacts on county employees. More details are coming.



Office of the Syracuse City Auditor

Hon. Alexander Marion, MPA, City Auditor

C. Matthew Kutney, MPA, Deputy City Auditor

Michael Guckert, Auditor III | Deborah Somers, Auditor I

Roshmija Biswas, Secretary to the Auditor

233 East Washington Street

433 City Hall

Syracuse, New York 13202

(315) 448-8477 | www.syr.gov/syracuseauditor

@SyracuseAuditor | audit@syr.gov