Arizona Leaders Call on Congress to Protect State's Energy and Manufacturing Investments

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News Release

June 11, 2025

69,000 jobs and $58 billion in investments in Arizona in jeopardy without federal tax credits

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Phoenix, AZ - Today, the Arizona Commerce Authority released new numbers highlighting the jobs and business investment at risk due to cuts from the Congressional Reconciliation Bill. In total, the reckless legislation would put 69,000 jobs and $58 billion in investments in Arizona at risk.

"The Arizona Promise is built on creating opportunities for working-class Arizonans and growing our economy," **said Governor Katie Hobbs**. "Over the last three years, Arizona's economy has boomed, and business investment and job creation have accelerated by leveraging federal tax credits created in the IRA. Since its passage, Arizona's economy has attracted 134 existing, potential, and announced projects that would be affected by the repeal of federal tax credits. These projects together represent more than 69,000 existing and potential new jobs, and $58 billion in capital investment to grow the state's advanced manufacturing, energy, technology, and infrastructure industries. The federal government should be working with us in furthering Arizona's economic success, not undermining our growth.

"Many Arizona communities are benefiting directly from these programs and businesses are choosing to build, invest, hire, and expand with these incentives. A repeal of the tax credits will jeopardize Arizona's economic momentum and the jobs of Arizona workers. Making matters worse, rolling back these tax credits would drive up energy costs at a time when Arizona families are already struggling to make ends meet. By 2029, Arizona households would see an 11.4% increase in electricity costs, and commercial and industrial users would experience a 15.9% increase. Politicians in Washington, D.C., are already creating uncertainty with unnecessary tariffs and an escalating trade war. Ending these tax credits early would slow down job growth, drive up costs, and hurt the progress Arizona has made. As Arizona's population grows and our economy thrives, now is the time to protect these federal investments and Arizona's economic future."

Arizona elected and business leaders join Governor Hobbs' call for Congress to protect the federal tax credit program that is driving job and economic growth around the state.

"Arizona has worked to make sure we're a great place to do business—with the help of both Democrats and Republicans over the years. Because of this we've benefitted more than other states from the Inflation Reduction Act's renewable energy tax credits. We see it in the big solar and battery storage projects bringing low-cost, reliable power to the grid and in the dozens of companies who have invested to bring manufacturing here, creating thousands of good-paying jobs. Republicans' plan to cut these programs will put thousands of Arizonans out of work and make energy prices go up. I'm working with Governor Hobbs and others to stop the bad Republican plan and protect Arizona's economy," **said Senator Mark Kelly**.

"Trump and House Republicans promised to make life affordable. Instead, they're actively cutting jobs. This isn't just a tax plan—it's a direct assault on Arizonans who simply want to get ahead and provide for their families. Slashing clean energy tax credit jeopardizes billions in investments by stalling our state's economic momentum," **said Senator Ruben Gallego.**

"If clean energy tax credits are repealed, Arizona loses out on tens of thousands of good-paying jobs and families' energy bills go up," **said Congressman Greg Stanton**. "I want the industries of the future here in Arizona, not overseas."

"Arizona's competitive edge in advanced manufacturing is no accident—it's the result of smart policy, strategic investment, and strong partnerships," **said Danny Seiden, President and CEO of the Arizona Chamber of Commerce & Industry**. "Targeted tax credits supporting domestic production and clean energy innovation have helped accelerate private-sector growth across the state. Preserving them is critical to sustaining Arizona's manufacturing momentum and keeping us at the forefront of next-generation industries."

"We are investing billions of dollars in Queen Creek and look forward to creating high quality jobs in Arizona, as we bring our advanced manufacturing expertise and experience to the United States. We hope Congress will endorse the current tax credit that will help secure a strategic U.S. supply chain and to manufacture leading-edge batteries in Arizona," **said Richard Ra, President of LG Energy Solution Arizona.**

"Continuation of 45X and other clean energy policies give businesses like Lucid certainty to deepen our investments in U.S. production and the communities where we operate. These pro-manufacturing, pro-clean energy, pro-worker policies support our commitment to Arizona and the U.S. as we create good-paying jobs, expand American high-tech manufacturing, develop domestic supply chains, and export more automobiles to foreign markets," **said Jessica Nigro, VP of External Affairs of Lucid Motors.**

"With our highly skilled workforce, reliable energy, and attractive business environment, Arizona has been a big winner for advanced manufacturing projects receiving investments under the Inflation Reduction Act," **said Sandra Watson, President and CEO of the Arizona Commerce Authority.** "Phasing out or eliminating these financial programs could seriously jeopardize projects in our pipeline as well as those that have already selected Arizona."

"Arizona leads the nation in building a clean energy economy that attracts investments, creates jobs, lowers costs, improves air quality, and saves water. A repeal of these tax credits will hurt Arizona workers, communities, and businesses," **said Maren Mahoney, Director of the Arizona Governor's Office of Resiliency.** "Without these federal investments in clean energy technology, Arizona families stand to lose out on good-paying jobs in manufacturing and construction, and risk even higher energy bills."

"Arizona is leading the way in building a globally competitive high-tech economy, from semiconductors to clean energy," **said Steven G. Zylstra, president and CEO of the Arizona Technology Council and SciTech Institute**. "Phasing out these critical energy tax credits prematurely will pull the rug out from under companies that are actively investing, hiring and innovating in our state. Arizona so far has attracted billions of dollars in investment and tens of thousands of jobs. Pulling back these incentives now would undercut the very tools fueling our economic momentum. This is not the time to weaken what's powering Arizona's ecosystem of innovation."

ARIZONA INVESTMENTS AT RISK

These tax incentives have created historic investments in economic and workforce development around Arizona. Through growth in energy, advanced manufacturing, and other improvements in supply chains and innovation, these federal investments are growing and maintaining the energy and tech economy. The following is a summary of the impact of these programs in Arizona:

- **$58 billion** in potential, existing, and announced private-sector investment in Arizona and **69,000 potential new jobs created**, according to the Arizona Commerce Authority.
- **134 economic development projects attracted** statewide, according to the Arizona Commerce Authority.
- **Top-five ranking** nationally among states benefiting from Inflation Reduction Act investments, according to the Clean Investment Monitor.
- **Projected 11.4% increase in annual electricity bills per household** by 2029 if credits are repealed, according to the Clean Energy Buyers Association.

Republican Federal Budget Will Increase Energy Costs: Governor Polis Concerned By Proposed Federal Rollback of Clean Energy Funding and Money-Saving Initiatives

MONDAY, JUNE 16, 2025

Republicans in Washington pushing bill to increase cost of utility bills, destroy jobs,

DENVER - Today, Governor Polis and Energy Office Executive Director Will Toor sent an letter to Colorado's congressional delegation and the leadership of the Senate Finance Committee to raise the alarm over rollbacks in the Republicans' disastrous budget bill that eliminates initiatives that save Coloradans money and harms the clean energy industry.

"In Colorado, we work to save people money on energy. The Senate must scrap the House budget and start from scratch to remove these and other disastrous cuts that will increase costs, make America less competitive, and increase pollution," said Colorado Governor Jared Polis.

In 2024, 95 percent of new electricity capacity across the United States came from new solar, batteries, nuclear, and wind power. Rollbacks from House Republicans will take away money-saving solutions, raising energy costs on Colorado families by 10% by 2030 and knee-capping the fastest way to add much-needed energy to the grid. Proposed federal cuts will hurt Colorado landowners and farmers, hinder advanced clean manufacturing, destroy good-paying jobs, and weaken our economy.

“In addition to the loss of good paying jobs and stalled private investments, these federal cuts would hit Colorado families hard. Up to thirty percent of Colorado households are energy burdened, meaning a large part of their incomes are spent on electricity, heating, and cooling,” Governor Polis and Director Toor wrote. **“From farmers in the San Luis Valley and on the Western Slope installing solar panels to power irrigation systems on their land, to advanced manufacturers along the Front Range producing electric vehicle (EV) components, and households using at-home energy tax savings the investments and credits from the federal Inflation Reduction Act (IRA) are lowering costs.”**

“Rollbacks would be a self-inflicted wound to rural Colorado, erasing real progress across Colorado. The proposed cuts would strip away tools that Colorado farmers, ranchers, and landowners are using to lower costs, boost yields, and build resilience against drought and extreme weather,” the letter continued.

“By strengthening U.S.-based manufacturing of critical technologies, like batteries, solar components, and semiconductors, the IRA is reducing our reliance on unstable or adversarial foreign suppliers. This is smart economic policy, and it is essential to military readiness and energy resilience, especially for Colorado’s defense installations like Fort Carson, Buckley Space Force Base, and the Air Force Academy,” Governor Polis and Director Toor continued.

“Congress backtracking on these commitments now, after billions have been invested and supply chains established, would send a deeply destabilizing signal to free markets, developers, and manufacturers that have chosen Colorado because of our strong policy alignment and predictable federal support. If these provisions are included in a final bill, they will go against the best interests of the people we serve as well as the interests of future generations.”

Read Governor Polis’s full letter.

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Janet T. Mills
GOVERNOR

June 25, 2025

The Honorable Susan Collins
United States Senate
413 Dirksen Senate Office Building
Washington D.C. 20510

The Honorable Angus King
United States Senate
133 Hart Senate Office Building
Washington D.C. 20510

The Honorable Chellie Pingree
United States House of Representatives
2162 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Jared Golden
United States House of Representatives
1223 Longworth House Office Building
Washington, D.C. 20515

Dear Senators Collins and King and Representatives Pingree and Golden:

I write to express deep concern about the 2025 Federal budget reconciliation bill, which was passed by the U.S. House of Representatives last month and is now pending before the U.S. Senate. While I understand the details of various initiatives are still being developed, modified, or in some cases eliminated, and while my staff and members of my administration continue to keep your staff informed of the impacts of these proposals on the state, I also wanted you to hear directly from me about my concerns.

To put it plainly, this bill will have profoundly harmful consequences for Maine and our people. If enacted, thousands of Maine people will lose health coverage; vulnerable rural hospitals will face increased financial pressure; Maine families will lose access to healthy food, the end of clean energy and energy efficiency tax credits will eliminate jobs and raise energy costs, and hard-working Maine people will continue to bear an unfair tax burden while the wealthiest Americans will receive a tax cut.

Additionally, the legislative package now under consideration not only represents the largest cuts in history to Medicaid and the Supplemental Nutrition Assistance Program, or SNAP, as well as the Health Insurance Marketplace, but it also marks a historic shift of financial, administrative and human costs from the Federal government to the states. As you know, states like Maine do not have the financial resources to absorb cuts of this magnitude. This means that, if enacted, these measures will eliminate vital support from thousands of families, children, and seniors across Maine, strain the finances of state and local governments, destabilize safety net programs for vulnerable populations, and seriously harm our economy.

Below you will find more specific concerns. I hope you will take them, and their detrimental impacts on Maine, into consideration as you evaluate the bill now before you. While I support the desire for sensible policy to lower taxes for hard-working people, foster economic growth, and exercise fiscal restraint, slashing essential services in this manner will only do the opposite.

<u>Eliminating Health Care Coverage for Thousands of Maine People</u>

The Senate Finance Committee draft language of June 16 largely follows, and in some respects worsens, the House-passed reconciliation bill that shifts significant costs to states, tightens eligibility for essential programs, and weakens the infrastructure that keeps hundreds of thousands of Mainers healthy and able to work. Here are some of its impacts on Maine:

- **<u>Impacts to Medicaid</u>:** As of January, about 392,000 Maine people had health coverage through Medicaid (MaineCare), of which more than 140,000 were children. In some rural areas, such as Aroostook County, Washington County and Somerset County, about 40 percent of the population rely on MaineCare for health coverage. Under these proposals, tens of thousands of Maine people likely will lose health coverage, threatening access to necessary medical care and putting their health and lives needlessly at risk. An independent estimate of the bill provided to the State determined, if the Senate bill is enacted, Maine should expect a $5.9 billion cut to MaineCare over the next decade, and of this amount, $4.5 billion is lost federal funds.

- Even further, because of reduced health coverage, health care providers across Maine will see higher costs for uncompensated care and increased financial strain. The independent estimate provided to the State indicated Maine hospitals would lose nearly one-quarter of their funding from Medicaid over the next decade. Hospitals which serve a high share of patients with MaineCare must likely curtail certain services or close, resulting in lost health care access and jobs, particularly in rural communities where hospitals are large employers. As you are aware, curtailments of services at hospitals, reorganizations, and even the outright closure of a Maine hospital have become too common in recent times. Now, national studies show several Maine hospitals, particularly those serving rural communities, face increasing risks of closure if the reconciliation bill as stands is enacted.

- In addition to the above, the provider tax moratorium included in the bill would prevent Maine from leveraging additional Federal matching funds to help cover rising costs of care, which would put further strain on providers and patients. Also, proposed elimination or limitation of payment error waiver authority under the bill may expose Maine to potential multi-million-dollar penalties, which would make cuts even harder to absorb.

- **<u>Impacts to CoverME.gov Marketplace:</u>** Approximately 64,000 Mainers rely on Marketplace coverage to obtain private health care coverage, with 85 percent utilizing subsidies from the Federal government. Elimination of successful automatic re-enrollment process, and other changes to enrollment and eligibility, including restrictions on cost sharing reductions applied to plans covering non-Hyde abortion services, will create barriers for Marketplace coverage, especially with younger, healthier individuals. Younger, healthier people will become more likely to unenroll, or simply not enroll, in health insurance, which will make the insurance risk pool "sicker" and lead to higher premium and out-of-pocket costs for those purchasing coverage on the Marketplace. Moreover, if Congress also fails to extend enhanced premium tax credits by the end of 2025, private plans through the Marketplace will become unaffordable and people will likely be forced to forgo health insurance.

Putting Maine Families at Risk of Going Hungry

For the entirety of the Supplemental Nutrition Assistance Program, the Federal government has paid 100 percent of SNAP benefits, a key component in its ability to mitigate impacts of economic downturns. Under the Senate version of the reconciliation bill, beginning in Fiscal Year (FY) 2028, Maine would be required to provide a 15 percent cost-share for SNAP benefits. With annual SNAP benefits in Maine now totaling \$356 million, Maine's estimated 15 percent cost share would be \$53.4 million annually.

In addition to the cost-share, the State faces an increased share of SNAP's administrative costs of 50 percent to 75 percent. SNAP administrative costs in Maine are now \$26.6 million annually, of which the State is responsible for half, or \$13.3 million. Under the new cost sharing provision, the State would pay \$6.6 million for SNAP, for a new total of \$20 million per year. When both cost-sharing provisions are combined, the State's annual SNAP obligation would increase by \$60 million annually by FY 2028 – a cost the State simply cannot absorb. This burdensome shift would threaten the viability of Maine's SNAP program and risk 175,000 Maine people going hungry.

Increasing Energy Costs and Undermining Efficiency Investments

Over the past few years, Maine has made great strides to diversify its energy supply to offset our over-reliance on fossil fuels for home heating and electricity. This has resulted in significant new investment and growing innovation across the state, a clean energy job sector that's the fastest growing in New England and growing regional collaboration on long-term energy strategies to make electricity cleaner and more affordable. Federal support from across a variety of agencies and programs has underpinned these efforts.

The pending proposals under the reconciliation bill, however, would repeal critical clean energy and energy efficiency tax credits and funding, the end of which would substantially increase household and business energy expenses and dramatically impact the pace and cost of new energy project development and electric grid improvements. At a time when New England needs energy efficiency investments and new generation resources to meet our growing energy demand, this bill could increase costs, with some studies estimating that electricity rates for Maine households and businesses could increase by 20 percent due to the removal of clean energy tax credits.

With one of the nation's oldest housing stocks, the loss of programs for residential energy efficiency and rooftop solar could further derail Maine's efforts to reduce our nation-leading reliance on heating oil and successful programs to weatherize homes and install heat pumps for heating and cooling, including innovative approaches for mobile homes and affordable housing.

Challenging Tax Provisions

Changes to Federal E-filing Programs: The House and Senate bills would create a task force to study a public-private partnership "to replace free file and any IRS run direct file programs." As of today, approximately 90 percent of Maine individual income tax returns are filed using the IRS's Modernized e-File program. Data from this program has become vital for State tax administration and underpins the Legislature's revenue forecasting and economic modeling. Any significant cut, change, or termination of Modernized e-File could significantly harm Maine taxpayers and administration alike.

Tax Conformity and Retroactivity: When the Federal government makes changes to the tax code, the State considers similar changes to its tax code to maintain consistency between the two. This process, known as conformity, is not automatic in Maine as it is in some states, but, instead, is considered and adopted by the Legislature. Several proposed tax code changes proposed in this bill at the Federal level, particularly those that are applied retroactively, will prompt a conversation about conformity in the Maine Legislature – a conversation that will revolve around revenue reductions at the state level because any tax reduction provided by the State will reduce its revenues, thereby throwing the budget out-of-balance and requiring discussion about cuts to standing programs. These conversations become more difficult, and conformity becomes more administratively challenging to implement, when the tax code changes are applied retroactively, as provisions in the bill propose.

However, I want to note a tax provision in the bill that I do support. As you know, the 2017 Tax Cuts and Jobs Act limited the deduction for state and local taxes, known as the SALT deduction, to $10,000, regardless of filing status. A substantial numbers of Maine taxpayers have seen their Federal taxes increase because of this SALT cap. Increasing the SALT cap from $10,000 to $40,000, as the bill proposes to do, would provide substantial relief to Maine taxpayers and would be welcomed by my Administration.

Conclusion

As you can see, I have deep concerns about the significant impact this bill will have on the health and safety of Maine people, our state's financial future, and the stability of Maine's economy. While there are many other concerns not voiced here, my Administration will remain in touch with your offices to answer any questions you may have or to provide you with information as you continue to evaluate this package. I appreciate your hard work and am committed to working with all of you on navigating these proposals.

Sincerely,

Janet T. Mills
Governor

Office of Governor Tim Walz &
Lt. Governor Peggy Flanagan

July 1, 2025

Dear Members of the Minnesota Congressional Delegation:

As the reconciliation bill continues to work its way through Congress, I am writing to alert you to the significant impacts to Minnesotans and urge you to vote against its passage.

Analyses by state agencies of the legislation passed by the House of Representatives and proposed changes by the U.S. Senate indicate the budget reconciliation bill will negatively impact Minnesotans from all walks of life and in every corner of the state and increase costs to counties.

Low-income and middle-class Minnesotans will face higher health care costs or risk losing health insurance coverage entirely, limited access to needed food support at a time when food shelf visits are at record highs, and higher energy bills when the cost of living is already stretching Minnesotans' pocketbooks. Rural and critical access hospitals are at risk of closure, Minnesota businesses will see reduced investment and job creation in our expanding clean energy sector, and young people - the engine of our future economy - will have a harder time affording college. These are just a few of the many negative impacts of the legislation proceeding through Congress.

In total this bill will cost Minnesota billions of dollars in investment and support as detailed below. The State of Minnesota cannot backfill these cuts or mitigate the harm that will occur.

Federal Budget Changes Key Impacts

Medicaid

Both the House and Senate reconciliation bills make foundational changes to the existing federal-state government partnership that supports Medicaid. National estimates[1] indicate that implementing these changes could result in over 250,000 Minnesotans losing coverage and the Minnesota Department of Human Services' estimates lost federal funding to the state of approximately $500 million per year. The Senate version of the bill could cost Minnesota hospitals an additional hundreds of millions of dollars in reduced revenue at a time when many are struggling just to keep their doors open.

[1] https://www.kff.org/medicaid/issue-brief/allocating-cbos-estimates-of-federal-medicaid-spending-reductions-and-enrollment-loss-across-the-states/

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The so-called "community engagement" requirements would put red tape and bureaucracy between patients and their doctors, while doing little to incentivize work. Previous estimates on county workload in Minnesota to implement these requirements indicated a local government cost of $160 million per year. Reduced Medicaid eligibility, along with reductions to retroactive coverage and mandates for out-of-pocket costs, will likely result in increased uncompensated care for providers, at a time when so many providers, including hospitals in greater Minnesota, are already facing challenges.

A recent survey from the Minnesota Department of Health and University of Minnesota found that 7 in 10 Minnesotans said Medicaid was very important in their community and 8 in 10 opposed any federal cuts to the program[2]. These cuts not only threaten the health of Minnesotans who access Medicaid, but also the health care provider infrastructure on which all of us rely.

Increased health care costs for middle class Minnesotans

The reconciliation bill does not include the extension of enhanced premium tax credits that have helped Minnesotans on the individual market pay for their health care. Congressional inaction will cause health care costs to go up for 62% of MNsure enrollees, with an average increase of $2,000 per year. If Congress does not extend these enhanced subsidies, 19,501 Minnesotans stand to lose all financial help that supports their access to health care coverage[3]. In 2024, Minnesotans received over $106M in enhanced federal premium assistance—support that will go away without Congressional action.

Reducing access to marketplace coverage

The reconciliation bill would make it harder for Minnesotans to maintain access to health insurance coverage through the marketplace, and harder for them to restore coverage once they've lost access. The codification of the federal Marketplace Integrity and Affordability rule, elimination of auto-enrollment, and reduced availability of open and special enrollment periods will mean more Minnesotans going without health care coverage. Other provisions reduce the availability of life-saving coverage for lawfully present immigrants, including asylees, refugees, and those with temporary protected status. The reconciliation bill would mean higher uninsurance rates and worse health outcomes for Minnesotans.

SNAP

For 50 years SNAP has not only provided grocery-buying benefits to lower income families and individuals, but it also has supported farmers, grocers, and local economies. SNAP

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[2] https://www.health.state.mn.us/data/economics/docs/maopinion.pdf
[3] https://www.mnsure.org/assets/enhanced_tax_credits-statewide-cds_tcm34-674144.pdf

helps more than 440,000 Minnesotans get the food they need to stay healthy and secure. Of those who benefit from this nutritional benefit, 36% are children, 18% are seniors, and 14% are adults with a disability.

The proposed work requirements and cost shift to states will result in cuts to SNAP that will have ripple effects across the state. It is estimated that the proposed cost shifts will cost Minnesota taxpayers up to $259 million per year, including approximately $220 million in the benefit cost shift and $39 million in administrative costs. This is not only a substantial cost shift onto states, and counties and tribes in Minnesota, but a dramatic shift in the federal government's role in providing a national, guaranteed nutrition lifeline to low-income families. This significant cost shift will strain state budgets across the country and could even force some states to leave SNAP altogether.

Clean Energy

The reconciliation bill functionally repeals critical energy tax credits and funding. This bill will increase household energy costs – raising the average American's electricity bills by 10%[4] and as much as $400/year.[5] In Minnesota, energy bills are projected to increase by 10.4% by 2029 under provisions in the House-passed legislation. Terminating clean energy tax credits and funding will also lead to the loss of over 800,000 jobs[6] and put $522 billion in investment[7] in the U.S. at risk. Minnesota is expected to lose 13,000 clean energy jobs and $7.8 billion in capital expenditures in green energy infrastructure by 2030 if these cuts are realized. The loss of these credits will also undermine grid reliability – at a time of rapid load growth it will reduce overall energy capacity installed on the grid by at least 50% over the next 10 years.[8] The net impact of the reconciliation bill on Minnesota will be higher energy costs, lost economic growth, and continued reliance on expensive, polluting, and unnecessary coal power generation.

Impacts on Access to Higher Education

The House reconciliation bill restricts access to higher education for lower income individuals through Pell Grant eligibility restrictions and limits on federal student loans.

For decades, Pell Grants have supported low- and middle-income individuals in accessing higher education. Under the House bill, part-time students would no longer be eligible and the definition of full-time would become more restrictive, making it harder for lower income

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[4] https://cebuyers.org/blog/ceba-report-repeal-of-technology-neutral-federal-energy-tax-credits-would-bring-adverse-economic-impacts/
[5] https://www.nytimes.com/2025/06/04/climate/electricity-prices-republican-big-beautiful-bill.html
[6] https://energyinnovation.org/report/assessing-impacts-of-the-2025-reconciliation-bill-on-u-s-energy-costs-jobs-health-and-emissions/
[7] https://rhg.com/research/ways-and-means-brings-the-hammer-down-on-energy-credits/
[8] https://www.americanprogress.org/article/the-one-big-beautiful-bill-act-is-crushing-americas-electricity-system/

students to balance work and school. Further, it is anticipated that the changes proposed in the House bill would increase costs to state funded financial aid due to these changes in federal Pell Grant eligibility. Specifically, changes in federal aid structure, including narrowing Pell eligibility and modifying the types of noncitizens eligible for federal student aid, are expected to shift the financial burden to state programs such as the Minnesota State Grant and Student Education Loan Fund (SELF).

Under the proposed change an estimated 10,000 Minnesota State Grant applicants would lose Pell Grant funding. This reduction in federal aid would increase spending in the State Grant program and lead to a structural deficit for the program. Without increased funding to fill in for the reduction in Pell Grants, State Grants would likely need to be reduced for all 72,000 State Grant recipients.

As demonstrated by the impacts referenced above, the reconciliation bill poses significant harm and increased costs for Minnesotans, all while adding trillions of dollars to our nation's deficit—just to give tax cuts to the wealthiest Americans. Overall, this bill represents one of the largest transfers of wealth from middle class and low-income Americans to the richest in US history. In short it is unfair, immoral, short-sighted, and should be rejected.

Sincerely,

Tim Walz
Governor

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STATE OF NORTH CAROLINA
OFFICE OF THE GOVERNOR

JOSH STEIN
GOVERNOR

June 11, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
511 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Mike Crapo
Chairman
Committee on Finance, U.S. Senate
251 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Thom Tillis
U.S. Senator
113 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Ted Budd
U.S. Senator
354 Russell Senate Office Building
Washington, DC 20510

Dear Leader Thune, Chairman Crapo, and Senators Tillis and Budd:

As you prepare for Senate consideration of the budget reconciliation bill (H.R. 1), I am writing to urge you to change provisions on energy and manufacturing tax credits that passed the House of Representatives that would have harmful impacts for people and businesses in North Carolina.

North Carolina has emerged as a top state for clean energy business investment. Our state is currently benefitting from decisions to locate advanced manufacturing facilities for clean energy technologies, including batteries for storage and vehicle applications, solar panels, cells, and wafers, electric vehicle charging stations, transformers, critical minerals, and a wide variety of grid-enhancing products in North Carolina. Altogether since the second quarter of 2022, more than $24 billion in clean energy technology investments have been announced across North Carolina, which already or will soon employ tens of thousands of people. This is in addition to the more than 100,000 people already employed in the clean energy sector in North Carolina.

The abrupt changes to these credits as proposed in H.R. 1 would jeopardize much of this investment and stifle the demand that many companies were counting on – and conflict with the goals of reshoring manufacturing that the Trump Administration has championed. Companies have been making significant investment decisions based on the assumption that these credits will remain in place. Demand for American-made products has been turbocharged by these tax credits, helping to make U.S. manufactured goods cost competitive while our domestic industry scales up and continues to innovate.

Businesses need certainty. Repealing these credits would hurt investor confidence and the ability of companies to make long term decisions and could lead to widespread freezes in investments. H.R. 1 would also hurt our national security by slowing the development of much needed supply chains for critical minerals, advanced batteries, and key technologies central to our military readiness.

Specifically, H.R. 1 effectively repeals a suite of vital tax credits that are both helping North Carolinians save money and driving economic growth across the state. This includes tax credits for clean energy, advanced manufacturing, rooftop solar and home energy efficiency products, and electric vehicles. Repealing these credits would threaten more than 20,000 jobs in North Carolina, put billions of dollars of investment at risk, and cause a significant increase in electricity prices— more than 13 percent for households and more than 20 percent for businesses across our state. Such an increase in prices will mean an average North Carolina family pays an additional $200 or more annually to power their homes.

H.R. 1 also includes complex restrictions around on-shoring that would make most of the credits unusable, disrupting existing investments. North Carolina and our companies in the clean technology sector share the Administration's goals of developing robust domestic supply chains for these technologies. However, H.R. 1's unworkable language regarding foreign entities of concern would prevent companies from establishing the foothold in the U.S. that they need to support the development of domestic supply chains. I urge you to work with industry to ensure these are designed in a workable manner that does not undermine U.S. competitiveness.

H.R.1 further includes detrimentally hasty sunsets to the clean electricity investment and production tax credits (48E and 45Y) that risk significant investments already made in North Carolina. The bill also includes harmful earlier sunsets of the advanced manufacturing production credit (45X) and many others. I urge you to provide a longer timeline with more gradual phasedown dates for the credits to ensure we can continue providing affordable energy, batteries, and other products to meet growing demand into the 2030s.

The true costs of H.R. 1 could be even higher than projected, given that many clean energy development projects underway across North Carolina would no longer be eligible for the 48E and 45Y credits because they may not meet either the bill's 60-day deadline to start construction or the bill's 2028 deadline to place the project into service. I urge you to remove this deadline. Developers have already invested in projects that cannot meet this deadline, which means that costs that could be saved by these credits will instead be passed on to household, business, and industrial electricity customers. I also urge you to ensure that the phaseout of the credits is based on when a project commences construction, rather than when it is placed in service. These provisions, if not fixed, will have a number of ripple effects—from making it harder to attract investment in the state because of higher energy costs and delayed or canceled projects, to making it extremely expensive or impossible to meet the growing electricity demand from AI infrastructure.

The changes I have mentioned will help ensure that North Carolina's boom in clean energy technology manufacturing and investment continues. Should the House language remain in place, repealing these tax credits would be extremely damaging for our families and businesses.

North Carolina has taken responsible, bipartisan steps to strengthen its business climate and attract investments and industry to our state. Clean energy projects and related advanced manufacturing contribute to communities across our state and are helping our nation become more secure and more prosperous. It is critical that we prevent the detrimental effects of repealing these credits and continue to promote a stable investment climate that can attract leading business to North Carolina and the rest of the country.

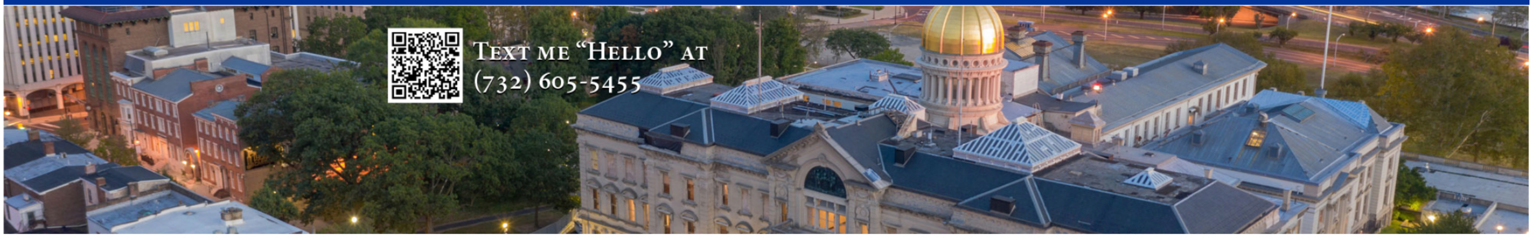
Thank you for your service and for your consideration of this critical issue.

Sincerely,

Josh Stein

Josh Stein
Governor of North Carolina

Cc: North Carolina Members of the House of Representatives



Statement from Governor Murphy Urging U.S. Senate to Oppose Reconciliation Bill

Posted on - 06/30/2025

“This week, Congress has a simple choice: stand for affordable access to health care and food security or stand for tax cuts for the wealthiest. I call upon Congress to be on the right side of history and to resist cutting billions of dollars in federal funding from lifeline services.

“If approved, the Congressional Republicans’ budget reconciliation bill will have disastrous ramifications for New Jersey families. The proposal would force New Jersey families to jump through unnecessary bureaucratic hoops to access care, impose conditions that go against New Jersey’s values, and erode federal financial partnership in our healthcare system. Hundreds of thousands of New Jerseyans stand to lose coverage, and our taxpayers will lose billions in federal resources that should be coming back to our state.

“One in five currently enrolled New Jersey residents are expected to lose Medicaid – which enables children with complex health needs to receive specialized care, individuals with disabilities to live independently, and seniors to afford medications and behavioral health care. SNAP helps more than 400,000 households meet basic nutritional needs each month. Premium tax credits currently support over 450,000 New Jersey residents to maintain affordable health coverage. These are immensely important programs that New Jerseyans rely on.

“Every vote to advance this bill is morally reprehensible. It will leave our state with an unfillable funding gap – destabilizing New Jersey’s vast health care system and jeopardizing the well-being of our most vulnerable community members.

“My Administration will continue to fight for New Jersey’s working families.”

STATE OF NEW YORK
EXECUTIVE CHAMBER
ALBANY 12224

KATHY HOCHUL
GOVERNOR

June 05, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20515

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Thune and Minority Leader Schumer:

As Governor of New York, I am writing to you ahead of the Senate's consideration of the House reconciliation legislative package to underscore the detrimental impact this bill would have on my state. If enacted, the proposed bill would gut New York's healthcare system, strip families of crucial nutrition benefits, trigger billions in economic losses through the removal of clean energy tax credits, stagnate growth in education and critical technology sectors, and continue to unfairly tax hard-working New Yorkers by failing to fully repeal the SALT cap. Passage of this legislation would worsen the affordability crisis and inject further instability into an already fragile economy.

Restricting Access to Healthcare: The House bill slashes $13.5 billion in funding for our healthcare economy through cuts to Medicaid and the Affordable Care Act (ACA) marketplace. Make no mistake: if the Senate passes this legislation and it is signed into law, nearly 1.5 million people in New York will lose their health insurance. Over $3 billion will be lost to our hospitals, with safety net hospitals in rural and low-income areas at significant risk of shuttering their doors permanently. These closures will harm all New Yorkers, regardless of their insurance coverage.

Reducing Food Security: The bill also significantly shrinks federal support for SNAP nutrition and food benefits, making it more difficult for the nearly three million New Yorkers who rely on SNAP to put food on the table for their families. The bill places significant administrative burdens on our state and counties and will create headaches for eligible families in receiving their benefits. States have always played a key role in SNAP; this bill decimates the longstanding federal-state partnership by penalizing states with recurring annual costs. We expect the House-passed bill to cost New York State alone over $2.1 billion annually.

Undermining Energy Modernization and Resilience: The House reconciliation package would put the safety and reliability of our power grid at risk by repealing tax credits that support major renewable and energy storage projects. The financial impact to New York from the loss of the investment tax credit alone would be $25 billion to the state's current portfolio of large-scale clean energy investments and would further make new projects more expensive for businesses and threaten good-paying union jobs. Added fees on electric vehicles, canceled IRA transportation funding, and the rollback of EV and home energy credits would also drive-up costs statewide. The bill would also curtail efforts to reduce housing energy costs and improve resilience by eliminating the Green and Resilient Retrofit Program (GRRP), an important resource to retrofit our nation's affordable housing stock.

Education Undermined, Disparities Widened: The House bill threatens to dismantle essential supports for low-income and nontraditional students by imposing restrictive eligibility changes for working, part-time learners; establishing harsh institutional penalties; and eliminating key federal loan programs. In New York, where nearly half of community college students attend part-time and rely heavily on Pell Grants, these changes could force thousands to drop out or incur deeper debt. Additionally, the bill eliminates some subsidized student loans and forces loan risk onto education institutions. Taken together, these provisions represent a regressive shift that threatens to widen educational disparities, destabilize community colleges and minority-serving institutions and undermine national efforts to promote affordable higher education.

Artificial Intelligence (AI) Moratorium: The House legislation also includes a highly-problematic and broad prohibition on state AI regulation for a decade. States like New York have passed laws to both invest in the incredible potential of AI and thoughtfully address potential AI harms in the face of federal inaction. Under my leadership, New York has enacted several first-in-the-nation AI safety measures, including the Safe for Kids Act to curb the addictive nature of social media for kids, and safeguards for AI Companion chatbots to reduce harmful interactions. If this federal prohibition remains in reconciliation, the impact is not merely a bureaucratic moratorium; it undermines the states' fundamental right and responsibility to protect the safety, health, privacy, and economic vitality of its citizens.

Unfair Tax Burdens: Not only does this bill guarantee higher costs, it also fails to deliver on a key promise made by New Yorkers in your caucus to their constituents: a full repeal of the SALT cap. House Republicans' decision to impose a new, permanent SALT cap upholds a double-tax on New York taxpayers and unfairly burdens households. The bill also levies outrageous taxes on nonprofits including universities, and eliminates the popular direct-file program that simplifies the tax filing process – all in an effort to cut taxes for the richest Americans.

These are just some of the more egregious harms this bill would inflict on my constituents. If New York Republicans in the House refuse to advocate for the best interests of their state, I will. As Governor, I must stand up for middle-class New Yorkers who cannot afford the consequences of this budget. I urge you to reject the House proposal and instead work with Leader Schumer on a bipartisan reconciliation package that delivers for working families, invests in the future, and reflects the real needs of the people we serve.

Sincerely,

Kathy Hochul

Kathy Hochul
Governor

GOVERNOR JOSH SHAPIRO

June 27, 2025

Dear Members of the Pennsylvania Congressional Delegation:

Pennsylvania has a long legacy of energy leadership. From the first oil wells that powered the industrial revolution, to the coal that fired the steel furnaces that built the arsenal of democracy, to the atomic power that was first commercialized in our Commonwealth, Pennsylvania has led the way throughout history. Pennsylvania's energy puts us in a stronger position than any other state to lead on AI development — as evidenced by my recent announcement that Amazon would invest an initial $20 billion to build data centers here in our Commonwealth. Demand for energy is at an all-time high — earlier this week, our grid experienced the greatest peak demand in its nearly 100-year history. Thankfully, here in Pennsylvania, we are a net energy exporter with capacity to develop even more.

With that in mind, you should be aware of the negative impacts we anticipate on our energy industry, as well as Pennsylvania companies and workers if the current language in H.R. 1 — the budget reconciliation proposal that has already passed the House of Representatives — becomes law.

Over $3 billion in direct investment in Pennsylvania energy projects would be undermined by H.R. 1's tax increases. That includes potential impacts to over 70 facilities that have been announced across the Commonwealth, directly threatening more than 26,000 jobs by 2030 due to the effective tax hikes. The impact will be particularly severe on the nearest-term energy sources that are coming online to meet surging demand, on which the legislation raises taxes almost immediately. Those projects are critical to minimizing hikes on energy bills.

This legislation would threaten more than $1 billion in investments that have already been announced in near-term energy projects — projects that would provide additional electrons at a time of increasing demand, helping improve grid reliability and reducing consumer electricity bills. The impacts will be felt all across the Commonwealth by ending or scaling back at least the following projects:

- Up to $480 million in federally-supported investment for a project in Clearfield County that promises to generate more than 400 megawatts of electricity. The project could power more than 70,000 homes and create more than 750 jobs, and it is estimated to provide

$1.1 million annually to the local townships, county, and school district, including $200,000 annually to the Townships of Girard and Goshen that will support improvements in those communities.

- A $300 million investment in Clearfield and Cambria Counties that is supporting a new large-scale wind development that will provide 114 MW of power. This project is currently scheduled to come online by the middle of 2026. The project is expected to create more than 200 construction jobs, generate $150,000 in annual revenue for local governments, and provide the power for 32,000 homes.

- More than $130 million of planned investment in Bradford County by Vesper Energy, which would generate more than 100 megawatts of low-cost electricity. Once the facility comes online, the Bradford County project will generate enough electricity to power over 10,000 homes, creating good-paying construction jobs and revenue for local communities, and planting new vegetation to protect local viewsheds.

- Production of energy-related components by Pennsylvania manufacturers like Vitro Glass, PDC Machines, and JM Steel. Tens of millions of dollars are being invested in Volvo's expansion of its innovative Mack Truck production facilities in Lehigh County alone. That facility is manufacturing Mack's first fully electric truck — the Class 8 Mack LR Electric. Raising taxes on these facilities would create severe challenges for Pennsylvania's manufacturers and could lead to job losses.

- The Senate bill would also halt projects that are lowering costs for some of our most important community institutions. For instance, today the First United Presbyterian Church of Crafton Heights in Allegheny County is saving $500 each month on its electric bills, an outcome that would be out of reach for other places of worship if these tax increases take effect. Likewise, historic towns like Kulpmont Borough in Northumberland County, which would receive $1.5 million in savings and $2 million in revenue for its residents from a planned energy project, stand to lose under the bill's proposed significant restrictions on Direct Pay for tax-exempt entities. Our Commonwealth's Solar for Schools program — which aims to lower energy costs for school districts — will also be severely impacted, potentially losing up to $30.2 million in elective payments back to school districts across the program.