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Federal Budget Bill Could Alter State and Local IT Priorities.

An analysis of the One Big Beautiful Bill Act finds that state and local governments will likely need to focus on compliance and innovation to meet the new mandates, many of them unfunded.

The passage of the One Big Beautiful Bill Act (H.R. 1) could significantly alter state and local government IT spending plans as agencies respond to new and often unfunded compliance mandates, according to an e.Republic* analysis of the massive legislation.

The measure, passed by Congress in early July, cuts about \$1 trillion in federal funding to state and local governments over the next 10 years, primarily through Medicaid program changes. It also implements new mandates for enhanced eligibility verification, recipient work requirements and state matching funds.

The analysis, prepared by e.Republic President Dustin Haisler and Chief Innovation Officer Joe Morris, says complying with these mandates will likely force states to invest in new technology to automate processes, detect fraud, improve data integration, track compliance and more.

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