

Bond Case Briefs

Municipal Finance Law Since 1971

Federal Grant Uncertainty's Challenges for Local Governments.

Proposed federal rules could make funding less predictable and force local governments to reconsider which opportunities are worth the financial and administrative risk.

Napa County, Calif., had already awarded \$27 million in contracts for wildfire prevention work when the federal government announced in April 2025 that it was ending the Building Resilient Infrastructure and Communities grant program and would stop funding previously approved projects.

The county began recalling contracts for work on the project, but it had already submitted approximately \$250,000 in reimbursable costs, and county officials did not know whether the federal government would pay them. A federal judge later [ruled](#) that the Federal Emergency Management Agency could not end the congressionally authorized program, and FEMA has since reopened the program.

Napa County's experience is one example of the dilemma that counties and other local governments across the country are facing as uncertainty grows around federal grant funding. In particular, [proposed new federal grant rules](#) would make it easier for the federal government to terminate grants.

[Continue reading.](#)

governing.com

OPINION | Sep. 28, 2026 • Jed Herrmann

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com