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MEMORANDUM

то Legislative Committee

FROM Maria C. Tripplaar and Katlyn Koegel

DATE May 6, 2025

Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the May 12, 2025, Legislative Committee meeting.

a. Federal Government Update

i. Congressional Overview

Congress returned from its Easter recess at the end of April and quickly got to work on Budget Reconciliation. In the House, several committees held Budget Reconciliation markups, mostly passing propositions and amendments on party lines. The overarching theme was implementing existing White House Policy and President Trump's policy priorities. For example the Judiciary Committee's reconciliation markup used its \$110 deficit increase to propose tens of billions of dollars in funding for immigration authorities. It addition, the committee proposed establishing fees for legal applicants to the immigration system, including \$1,000 for asylees and \$3,500 for sponsors of undocumented children.

The House Armed Services Committee advanced a proposal to increase federal defense spending by just over \$150 billion, despite many attempts by Democrats to condition funds on changes to Secretary Hegseth's leadership. This \$150 billion figure mirrors the Trump Administration's priority of preserving defense funding while sourcing cuts from other areas of the federal budget. Likewise, the House's Homeland Security committee proposed an increase of \$69.1 billion and prioritized border security allocating \$46.5 billion to complete the border wall and otherwise improve the border barrier system. It also allocated \$5 billion for Customs and Border Protection (CBP) facilities and \$6.1 billion to recruit and retain CBP employees. The Education and Workforce Committee produced an estimated \$351 billion in savings, proposing to terminate and replace existing student loan repayment plans and limit

the amount of federal loans a borrower can take out. One proposal with bi-partisan support was the expansion of Pell Grant eligibility to cover short-term workforce training programs.

The House's Oversight and Government Reform markup found about \$50 billion in savings by raising federal employee contributions to the Federal Employees Retirement System to 4.4%. It also proposed an employment election which would allow newly hired federal employees to work "at-will" in exchange for higher take home pay. Transportation and Infrastructure proposed an \$8 billion decrease, while allocating\$12.5 billion to modernize the air traffic control system. The committee ultimately decided against the inclusion of a "car fee" which would have levied a \$20 tax on all passenger vehicles. Finally, Financial Services sought to decrease the federal deficit by proposing funding cuts to the Consumer Financial Protection Bureau (CFPB) along with the dissolution of the Public Company Accounting Oversight Board into the Securities and Exchange Commission. Other reconciliation markups are scheduled or likely to be scheduled in the coming weeks as House lawmakers aim to approve the overall plan by Memorial Day.

ii. Executive Order Updates

The Trump Administration issued an Executive Order on April 28, 2025 "Protecting American Communities from Criminal Aliens." This order requires the Attorney General and the Secretary of Homeland Security to "publish a list of States and local jurisdictions that obstruct the enforcement of Federal immigration laws" (also known as sanctuary jurisdictions) and notify each jurisdiction that it is in defiance. The order directs executive department and agency heads to suspend and terminate all grants and contracts with jurisdictions on the list. Should the jurisdictions continue to retain sanctuary status after notification, the Executive Order directs the Attorney General and Secretary of Homeland Security to pursue all legal remedies and enforcement measures required to end the violations.

In addition, the White House also issued orders "Ending Taxpayer Subsidization of Biased Media," which orders the Corporation for Public Broadcasting to stop the direct or indirect funding of NPR and PBS and "Enforcing Common Sense Rules of the Road for America's Truck Drivers" which empowers the Secretary of Transportation to enforce English language proficiency requirements for commercial truck drivers. The Order empowers the Secretary of Transportation to issue new guidance on inspection procedures and ensure that violations of the language proficiency requirement results in drivers being placed out-of-service.

The Ballard team will also be prepared to highlight any additional EOs of particular interest to the Legislative Committee at the meeting on May 12, 2025.

a. Budget Update, including Community Project Funding Requests

The White House released a "skinny" budget blueprint which contained over \$163 billion in funding cuts/savings while keeping military funding at almost \$893 billion. Highlights of the President's budget include an 84% cut to the State Department and tens of billion dollar cuts

to each of the Department of Health and Human Services and the Department of Education. Also reflected in the House budget markups, addressed above, the Trump Administration's priorities appear to be Immigration and Defense, with the President's budget allocating an additional \$113.3 billion to the Department of Defense and \$42.3 billion to Homeland Security. A more detailed version of the President's Budget is expected in the coming months.

Additionally, as discussed at the April Legislative Committee meeting, both the House and Senate have provided entities, including the County, with the opportunity to apply for Community Project Funding (earmark) in the FY26 cycle. In mid-March, the Ballard team submitted earmark application requests to Rep. Panetta, and did the same in late March to Sens. Padilla and Schiff, as well as Rep. Lofgren in mid-April. We're thrilled to share that Rep. Lofgren has selected the San Lucas Clean Drinking Water project and the Salinas Regional Soccer Complex project to recommend to the House Appropriations Committee for federal funding. We continue to await decisions from the other members of the Federal Congressional delegation if any additional projects will move forward for Appropriations Committee consideration. We will continue update this chart each month in my written report as the earmark process progresses through Congress (the strikethrough represents project submissions that are not expected to move forward).

Additionally, we'd like to highlight that on April 29th, we coordinated with Chair Lopez, on behalf of the Board of Supervisors, to provide a letter of support to Rep. Lofgren for the Resource Conservation District of Monterey County's request for Community Project Funding to enhance the long-term resilience and stewardship of the Salinas River Watershed.

Lastly, we continue to monitor federal funding awarded to the County in previous appropriation cycles.

FY26 Project Submitted	Description	Submissions	Funding Requested	Submitted to House/ Senate
				Committee
San Lucas Clean	Partial funding request for a project to permanently	Sen. Padilla	\$2,000,000	
Drinking Water	address water quality problems in San Lucas,			
(PWFP)	which have occurred since 2006 and caused its	Sen. Schiff	\$2,000,000	
	residents to live under bottled water orders.			
		Rep. Lofgren	\$2,000,000	\$2,000,000
Nacimiento and	Partial funding request for the Nacimiento and San	Sen. Padilla	\$6,000,000	
San Antonio	Antonio Dams Reservoirs Safety Projects			
Dams and	(sometimes referred to as the Low-Level Outlet	Sen. Schiff	\$6,000,000	
Reservoirs Safety	Works Rehabilitation Project) to ensure the safe			
Project	operation of the dams during the state mandated	Rep Lofgren	\$6,000,000	
(MCWRA)	replacement of the San Antonio Dam spillway.			
Skate Park and	Partial funding request for development of a bike	Sen. Padilla	\$3,000,000	
BMX Pump	and skate park in Salinas. The site, and its			
Track	connection to multi-use trails, offers unique	Sen. Schiff	\$3,000,000	
(PWFP)	regional recreation options for the tri-county area.			

	This project is in partnership with the Salinas Regional Soccer Authority.	Rep. Lofgren	\$3,000,000
Salinas Regional	Partial funding request for the next phase	Sen. Padilla	\$2,500,000
Soccer Complex (PWFP)	expansion of the Salinas Regional Soccer Complex, envisioned to become the most	Sen. Schiff	\$2,500,000
(1 (111)	significant sports complex between Los Angeles	Seni. Senin	φ2,300,000
	and San Francisco, with the potential to serve	Rep. Lofgren	\$2,500,000 \$2,500,000
	18,000 children/ youth weekly (plus their families). This project is in partnership with the Salinas		
	Regional Soccer Authority.		
County Parks	Funding request to construct outdoor education	Sen. Padilla	\$635,500
Outdoor	facilities at Toro and San Lorenzo Parks.	Can Calaige	¢.c25,500
Education and Environmental		Sen. Schiff	\$635,500
Stewardship		Rep. Lofgren	\$ 635,500
Project			
(PWFP)		Rep. Panetta	\$635,500
County Parks	Funding request to construct outdoor inclusive	Sen. Padilla	\$509,600
Outdoor Accessible and	physical fitness facilities at Toro and San Lorenzo Parks to further support public health and	Sen. Schiff	\$509,600
Inclusive Fitness	wellbeing.	Sen. Senin	φ309,000
Project	, we have a single sing	Rep. Lofgren	\$509,600
(PWFP)			
		Rep. Panetta	\$509,600
Nacimiento Lake	Funding request to repave a degraded two mile	Sen. Padilla	\$2,100,000
Drive Repaving Project	segment of Nacimiento Lake Drive, directly over the Nacimiento Dam crest. The road serves	Sen. Schiff	\$2,100,000
(MCWRA)	emergency responders, residents, and recreational	Ben. Benni	φ2,100,000
,	visitors.	Rep. Panetta	\$2,100,000
Homeless	Funding request to rehabilitate 6.8 acres within the	Sen. Padilla	\$500,000
Encampment	existing Salinas Reclamation Channel	G., G.1.'CC	4.500.000
Resolution – Reclamation Ditch	(Reclamation Ditch No. 1665) system and maintain lands to support public use and enjoyment and	Sen. Schiff	\$500,000
Restoration	improve the riparian zone and waterway.	Rep. Lofgren	\$500,000
(MCWRA)	mpro to the reputation botto title materials.	Liep. Lorgion	φ500,000
Porter-Vallejo	This project would undertake critical	Rep. Lofgren	\$3,500,000
Library and	infrastructure and building improvements,		
Mansion	adding safety and egress features and enabling		
Historical	more of the structure to be used by the public		
Restoration	and as a hub for County services, including a		
Project	public library.		

c. Federal Advocacy

i. Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project On April 30th, I was alerted by Supervisor Askew that a critical federal grant for Pajaro-Sunny Mesa-Springfield was at risk. Specifically, Community Water Center (CWC) had received a \$20 million Community Change Grant after working alongside communities dealing with unsafe water to advance Phase 1 of the project to consolidate and provide drinking water to the low-income, primarily Latino communities of Pajaro, Sunny Mesa, and Springfield. Unfortunately, a domestic well community north of Moss Landing had been concerned about their water quality for decades. CWC has been working alongside residents since 2018 to better understand the issues and identify a feasible solution. For example, well testing and available data found that 81% of domestic wells tested have one or more contaminant above the legal limits. It also found the following issues in private wells tested in the area:

- Exceedances for <u>nitrate</u> of up to 76 mg/L (legal limit is 10 mg/L), which among other health issues is known to cause Blue Baby Syndrome, spontaneous abortions, stillbirths and Sudden Infant Death Syndrome
- Exceedances for <u>123-TCP</u> of up to 0.165 ug/L (33 times the legal limit), which among other health issues is known to cause cancer and is particularly concerning as exposure can happen through skin contact and inhalation in addition to consumption
- Arsenic and Chrome-6 above the legal limit in some wells
- Very high levels of Total Dissolved Solids due to seawater intrusion in the area

The community determined that the best <u>alternative</u> was/is to physically consolidate a subset of water systems and households within Pajaro, Sunny Mesa, and Springfield along with approximately 76 households north of Moss Landing currently served by domestic wells and state and local small water systems. The \$20 million grant is critical for the project to consolidate the water systems and households and tie into existing water pipelines in the area. However, on May 1, 2025 CWC received notice that the U.S. Environmental Protection Agency (EPA) is terminating Assistance Agreement No. 5F-97T28701-1 awarded to Community Water Center (the \$20 million grant). While there is not a direct connection between the grant and County public works, we are providing this update because there is likely to be a significant and direct impact on the low income residents of Pajaro, Sunny Mesa and Springfield. I have been in regular contact with the County's federal delegation about this emerging issue, and pending additional guidance from the Board of Supervisors, will continue to be a resource to advocate on behalf of County residents.

ii. Protecting the Federal Safety Net

On April 26, 2025, with support from the Legislative Program, the County Administrative Officer, Sonia De La Rosa, wrote to Sens. Padilla and Schiff, and Reps. Panetta and Lofgren, notifying the County's Congressional delegation of the County's position of support to protect federal funding for essential safety net programs that serve the County's residents. The County's goal is to ensure that families and individuals receive the necessary benefits for which they are eligible to provide stability and place them on the road to self-sufficiency. Currently, significant cuts to a wide range of mandatory safety net programs are under consideration as part of this year's budget reconciliation process. While the County

understands the need for fiscal discipline at every level of government, and the need to examine federal spending, the County wrote to the federal delegation to express deep concerns related to the proposals to make significant cuts to key programs, including Medicaid (Medi-Cal), the Supplemental Nutrition Assistance Program (SNAP/CalFresh), and the Temporary Assistance for Needy Families (TANF/CalWORKs) block grant. In the face of these significant cuts, the state may be unable to backfill billions of dollars to maintain services, potentially jeopardizing these programs, limiting their impact, and passing costs along to counties.

Notably, in 2024, 51% (222,518) of Monterey County residents were enrolled in Medicaid, including 95,226 children, 17,212 seniors, and 110,080 adults. Additionally, the County proudly supports 6,928 individuals receiving In Home Supportive Services (IHSS) and over 6,275 IHSS providers. Of the total IHSS providers in our county, 87% are family members caring for their loved ones, and over 33% are parent providers. California's 2024-25 budget projects federal funding to account for \$98 billion, or 61% of the total \$161 billion for Medi-Cal (Medicaid). In 2022, federal spending on Medicaid and the Children's Health Insurance Program (CHIP) represented \$1 billion in Monterey County. Cuts to Medicaid of the magnitude being discussed—whether through structural changes to its financing, reduced federal reimbursement rates, or new eligibility restrictions—would increase costs for the state and could lead to Monterey County residents losing health care coverage if the loss of federal funding cannot be backfilled.

The County of Monterey's Health Department operates 12 Federally Qualified Health Centers (FQHCs) and has over 43,000 assigned patients, with 86% enrolled in Medi-Cal. Any reduction in funding for Medi-Cal would have a devastating impact on the health and well-being of county residents and the Medi-Cal provider network, as one in two residents are enrolled in Medi-Cal.

Similarly, SNAP is a strong and effective tool in the state's fight against hunger and poverty. The federal government must maintain its partnership with the state and counties in funding this critical program, which primarily benefits vulnerable families, seniors, and children. In 2024, 34% of Monterey County's population, or 81,276 residents, received \$89,934,113 in CalFresh benefits, which assisted 41,773 children, 10,272 seniors, and 29,231 adults. Changes to SNAP that would reduce participation among eligible households, cut benefits, further shift costs to the state, or impose costly and unnecessary administrative requirements on county employees tasked with delivering the program is unacceptable.

The County is also responsible for administering the TANF program. In 2024, 14,189 families received CalWORKs, which aided 11,835 children. In FY 2024-25, the County received \$40,300,659 in federal TANF spending.

As you know, reductions to these safety net programs would have ripple effects, potentially leading to increased health care costs, higher unemployment, greater interactions with law enforcement, and rising homelessness. In addition, if the state requires counties to keep

funding these services without providing alternate funding, the County of Monterey would be forced to cut spending elsewhere, such as public safety, parks, and county initiatives to address homelessness. The Ballard team will continue to monitor relevant developments for these programs that may be impacted by reductions in federal funding.

d. <u>Legislation</u>

i. Safeguard American Voter Eligibility (SAVE) Act (H.R. 22) - Recommend Oppose (requested by Sup. Askew)

Advocates of this bill claim it would prevent voter fraud in federal elections, however opponents state it would hinder millions of eligible Americans from registering to vote by requiring citizens to present a birth certificate or passport in person to register, and many Americans don't have easy access to these documents. According to 5 Calls:

- More than <u>21.3 million Americans</u> lack immediate access to documentary proof of citizenship.
- More than <u>140 million Americans</u> do not have a passport, and <u>elderly Americans</u> are one of the demographic groups least likely to have one.
- <u>69 million women</u> who have taken their spouse's last name do not have a birth certificate that matches their legal name.
- Similarly, transgender people who change their name to reflect their gender identity may be <u>denied new passports</u> and become ineligible to register.
- Disabled people are already <u>much more likely to encounter a difficulty while</u>
 <u>voting</u> compared to a nondisabled voter; more stringent requirements will just make
 this worse.
- Citizens of color are <u>three times more likely</u> than white citizens to lack documents such as birth certificates, passports, naturalization certificates, or certificates of citizenship.
- An in-person registration requirement would prevent military members serving abroad from easily registering to vote.

Additionally, in a recent letter, the California Association of Clerks and Election Officials (CACEO) identified several technical concerns with the bill as written, and submits that if enacted in its current form, it risks disenfranchising thousands of eligible California citizens, significantly increases the cost of election administration at the local level, and may impose criminal penalties on officials who are simply fulfilling their legal duties. In that letter, CACEO is very clear that it supports and recognizes the principle that citizenship is a requirement for voter registration and voting. CACEO further states that it will follow all laws passed by Congress and the California State Legislature.

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H.R. 22 has already passed the House, and awaits action in the Senate. For that reason, we recommend that the letter be addressed to Senator Padilla and Senator Schiff, with Rep. Panetta and Rep. Lofgren copied.

ii. Digital Equity Act Funding

On April 21, 2025, the Board of Supervisors joined with the Monterey Bay Economic Partnership and others to ask Rep. Panetta and Rep. Lofgren to advocate to preserve \$137.9M in federal Digital Equity Act funding allocated to California through the Bipartisan Infrastructure Law. As stated in the letters, these critical investments are at risk in upcoming budget negotiations, and their loss would stall essential programs that close the digital divide. Accessing reliable, affordable internet and devices is no longer a luxury – it's a necessity for one's education, healthcare, economic opportunity, and civic engagement. More than 80% of our region's residents belong to a Covered Population, including racial and ethnic minorities, veterans, seniors, individuals with disabilities, and English learners. These groups face the greatest barriers to affordable broadband, digital literacy, and technology access – barriers that directly impact their ability to thrive in today's economy. In Monterey, Santa Cruz, and San Benito counties, these investments provide low-income, rural, and underserved communities with access to computers, digital skills training, and cybersecurity resources. Without sustained funding, these vital programs will be disrupted, leaving thousands of residents and businesses behind. I note this legislative provision does not include a recommendation as the BOS has already supported the advocacy effort.

e. Federal Bill/Issues Track

Attachment(s):

Federal Bill/Issues Track