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MEMORANDUM

TO Legislative Committee
FROM Maria C. Tripplaar and Katlyn Koegel
DATE March 4, 2025
RE Federal Legislative Update

This memo provides a Federal Legislative Update on the items appearing on the agenda for the March 10, 2025, Legislative Committee meeting.

a. Federal Government Update

i. Congressional Overview

On February 25, 2025, the House narrowly passed a fiscal year 2025 budget resolution with a vote of 217-215. The resolution instructs the House Ways and Means Committee to approve \$4.5 trillion in net tax cuts over the next decade. Under what the House terms its "one big, beautiful bill" reconciliation approach, the resolution mandates that other House committees reduce federal spending by a minimum of \$1.5 trillion. However, the full implementation of the \$4.5 trillion tax cut package is contingent upon Congress achieving a more ambitious \$2 trillion in spending reductions. Additionally, the House budget resolution proposes raising the statutory federal debt ceiling by \$4 trillion from its current limit of \$36.1 trillion.

Similarly, the Senate approved a limited FY 2025 budget resolution on February 20, 2025, with a 52-48 vote along party lines. This resolution contains reconciliation instructions addressing border security, defense funding, domestic energy development, and requires additional undefined spending reductions. I note that in contrast to the House, the Senate resolution excludes tax reconciliation instructions. The Senate has instead opted for a dual-reconciliation approach, planning to address tax policy modifications and further spending cuts through a separate reconciliation process under a forthcoming FY 2026 budget resolution.

ii. Executive Order Updates

As of March 3, 2025, President Donald Trump has signed 82 executive orders (EOs), 13 proclamations, and 21 memoranda in his second presidential term, the most in a president's first 100 days in more than 40 years. The Ballard team will be prepared to highlight any EOs of particular interest to the Legislative Committee at the meeting on March 10, 2025.

b. Budget Update, including Community Project Funding Requests

As discussed in previous federal reports, in late December 2024, both the House and Senate passed an extension of the stopgap funding, called a continuing resolution or CR, to avoid a federal government shutdown. The CR extends FY 2025 funding for all 12 annual spending bills, including the Labor, Health and Human Services, and Education bill, through March 14, 2025.

However, we are quickly approaching the March 14th deadline, and it does not appear that a deal to fully fund the government is on the table. At this stage, Congress is exploring options an additional stopgap measure to fund the government. The prevailing theory is that the measure will fund the government through the end of the current fiscal year (i.e. September 30, 2025), but Democrats have raised concerns with this proposal. Specifically, many Democrats in Congress would like to include guardrails on the ability of the Executive Branch and Elon Musk/DOGE's efforts to unilaterally close or otherwise significantly reduce federal agencies. Because of the tight margins in both chambers, Democrats are leveraging their voting power to try and extract these concessions surrounding DOGE before agreement to the extension on funding. Unsurprisingly, Republicans are pushing back on this attempt to negotiate the terms of the proposed stopgap measure, and I expect that we will see further jockeying over the exact parameters of the proposal.

Unfortunately, as we've discussed in the past, until Congress completes the regular appropriations process, we will not know the outcome of the County's Community Project Funding/Congressionally Directed spending requests – also called earmarks – for FY25. As I presented in previous meetings, the \$1,105,800 earmark requested by Rep. Lofgren for the Pajaro County Sanitation District (PCSD) Sewer System Improvements project is expected to continue moving forward. At this stage, the PCSD project was successfully included in the Interior-Environment bill that passed the House, and currently awaits Senate consideration. I will continue to monitor all developments closely, including independent Senate consideration or any conference negotiations.

Given the state of FY25 appropriations, it remains unclear what the future will bring for FY26 appropriations. At this time, Rep. Panetta remains the only member of the County's federal Congressional delegation who is accepting applications for Community Project Funding (earmark) requests, and has stipulated a deadline of March 14th for such requests. I am working closely with County staff to prepare the packages for the eight projects approved for consideration so that the County is best positioned to apply for federal funding, and many of these projects will be submitted to Rep. Panetta next week (there are a some

projects that do not impact his district and those will instead be submitted to Rep. Lofgren for consideration).

Additionally, I am working closely with County staff to ensure that the County is able to access previously awarded Community Project Funding. I met with Rep. Panetta's staff on February 27, 2025 to address concerns relating to the FY24 earmark awarding for CRFREE, and to obtain additional information about the reimbursement requirements. I will continue to work with the Departments to resolve any issues so that they can draw down any federal funding as expeditiously as possible.

c. Federal Bill/Issues Track

Attachment(s):

Federal Bill/Issues Track