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### MEMORANDUM

TO Legislative Committee

FROM Ballard Spahr LLP

DATE April 8, 2026

RE Federal Legislative Update

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This memo provides a Federal Legislative Update for items appearing on the agenda for the April 13, 2026, Legislative Committee Meeting.

a. Federal Government Update

*i. Congressional Overview*

During the month of March, two bills took center stage in Congress: the last remaining FY26 Appropriations bill to fund the Department of Homeland Security (DHS); and the Safeguard American Voter Eligibility Act (SAVE America) Act. At the end of March, lawmakers left town for a two-week recess without reaching a consensus on a bill to fund DHS, and some commentators anticipate that the shutdown may last well into the summer. A few days earlier, lawmakers seemed incentivized to find a solution with airport chaos and delays dominating headlines. However, on March 27, 2026, the Trump administration, through executive order, announced that TSA agents would begin receiving paychecks. Even when Congress returns, the path forward for DHS funding is unclear, with options ranging from a short-term continuing resolution to funding most everything with an exception for ICE. At the time of writing, the Senate has passed a funding package for DHS with the exception of ICE, but the bill is expected to face an up-hill battle in the House.

The SAVE America Act, which President Trump has called his number one priority in Congress, passed the Senate in December 2025, and in an amended form by the House in February 2026, and is still up for debate in the Senate on the amended version. The SAVE America Act would require voters to provide proof of citizenship when they register to vote, and also provide a photo ID at the time of voting. Federal law already imposes a citizenship requirement to vote and critics of the bill say that it could prevent many eligible citizens who

do not have documentary proof of citizenship from voting. For the moment, the SAVE America Act is also stalled due to the two-week recess, and lawmakers are likely to prioritize the DHS appropriation bill upon return. The Board of Supervisors opposed the language in the SAVE American Act in May 2025, and the Ballard team is closely monitoring this developing legislative push.

Finally, President Trump released his FY27 Budget Requests to Congress on April 3, 2026, which outlined his key funding priorities, aligned with his policy objectives. The budget requests reduce non-defense spending by \$73 billion and provide increased support for military and national security initiatives.

Funding cuts of note include the proposed elimination of the Community Development Block Grant (CDBG) program. The Administration criticizes CDBG as poorly targeted spending which has been used for projects that the federal government should not be funding. The budget also proposes the elimination of the HOME Investment Partnerships program, suggesting that state and local governments are better situated to address housing affordability programs which currently fall under the program's purview. It proposes to eliminate HUD's Continuum of Care program, due to "corruption" within homelessness assistance networks and to shift money to the Emergency Solutions Grant program to address homeless assistance instead. The budget would eliminate fair housing activities at HUD, including the Fair Housing Initiatives Program fair housing training, and fair housing funding used to translate HUD materials into non-English languages. It would also eliminate the Pathways to Removing Obstacles to Housing program due to "divisive" funding allocations. Finally, the budget would add an additional \$30 million in HUD funding to target "waste, fraud and abuse" in federal housing programs and focus on enhancing reporting, visibility and oversight of HUD assistance recipients.

## *ii. Executive Branch Updates*

### *a. Administration Updates*

The Federal Bureau of Prisons (BOP) is updating Policy 5260.01 – Management of Inmates with Gender Dysphoria. Under the policy update, the federal prison system will stop providing gender-affirming medical or social transition care to most transgender inmates. The policy limits transgender individuals' access to surgeries, clothing, or toiletry items that align with their gender identity. It also creates a mechanism for prisons to provide treatment for Gender Dysphoria (GD). Under this policy, the Bureau will not provide hormones to address GD for inmates who were not already receiving them prior to incarceration. For those already on hormone therapy, primary care providers must develop tapering plans, which are subject to review by a Multidisciplinary Review Team. The directive calls for rapid discontinuation of hormones for inmates who recently began treatment and an "appropriately paced" discontinuation for those who have been on long-term therapy.

This policy change will also have implications for state facilities that receive federal funding. The policy change will pose a genuine and unresolved conflict: BOP's policy

directs discontinuation of care for transgender inmates, but the active court injunction in *Kingdom v. Trump*, requires continuity. This means that state facilities cannot defer to the BOP policy and assume it is insulated from liability. The County is likely to be affected by this change as the custodian of record for certain federal inmates. If a federal inmate in County custody experiences medical harm from discontinued care, the County—as the custodian of record—is the entity most likely to face a deliberate indifference claim under the Eighth Amendment. As custodian, the County’s obligations to inmates are determined by the Constitution and state law—not BOP policy statements. Further, the County could be implicated in this policy change through operation entanglement, such as transport, perimeter support or emergency services, even if it does not have formal custodial status.

We recommend that the County Board of Supervisors begin engagement on this change first through conversations with the County District Attorney and County Sheriff, as well as with the federal Congressional delegation. Once the conversations are concluded, the Ballard Team will formulate recommendations for formal action.

Another notable rule change took place at the Department of State in March. Rule 22 CFR Part 43, RIN 1400-AF76 amends how individuals petition for entry into the Diversity Immigrant Visa Program (DV), requiring each petitioner to provide information from a valid, unexpired passport and upload scans of both the passport biographic page and signature page as part of their electronic entry form—subject to limited exemptions. The rule also amends regulatory language, including replacing "gender" with "sex" and "age" with "date of birth." The rule aims to improve program integrity and combat fraud in the DV program. This change does not affect states or counties because they are preempted by federal law.

### ***b. Executive Order Updates***

On March 16, 2026, President Trump signed an Executive Order (EO) entitled “Establishing the Task Force to Eliminate Fraud.” The EO cites the recent estimates of “fraud and waste in Minnesota” regarding food stamps and childcare funding as mismanagement of programs contributing to inflation for health care services, housing, utilities, and groceries. The EO speculates that similar problems exist in other states, including California, Illinois, New York, Maine, and Colorado. In response, the EO establishes a Task Force to develop measures to improve the eligibility verification process in Federal benefits programs, develop appropriate controls that operate before funds are disbursed and “investigate and disrupt the mechanisms through which fraud is committed, including any mechanisms involving facilitation of fraud by Federal, State, local, tribal or territorial officials.” In addition, the relevant federal agencies must determine and advise on ways in which Federal funds may be withheld from jurisdictions deemed not to have adequate anti-fraud requirements in place.

Earlier in March, President Trump signed an Executive Order entitled “Removing Regulatory Barriers to Affordable Home Construction,” which seeks to review and revise requirements for federal permitting and other regulatory barriers. It requires the Secretary of

the Army to re-evaluate regulatory requirements related to stormwater, wetlands, lakes, rivers and other bodies of water to reduce housing construction and ownership costs. The EO also requires the Secretaries of Commerce, Housing and Urban Development, and Transportation to eliminate burdensome rules regarding development density and focus on increasing the construction of affordable single-family homes.

b. Appropriations Update, including Community Project Funding Requests

In March we submitted the County’s Fiscal Year 2027 Community Project Funding and Congressionally Directed Spending (“earmark”) requests to the relevant Federal Congressional Delegation members. Member requests are due to the Appropriations Committees and will be posted to member websites in early April. Below is a FY27 appropriations chart for the County of Monterey’s approved projects, which the Ballard team will update throughout the appropriations process. On April 2, 2026 Rep. Panetta informed us that he would not be advancing either of the County’s projects to the House Appropriation Committee. However, we are thrilled to officially report that Rep. Lofgren has submitted a request to the House Appropriations to favorably advance the San Lucas Clean Drinking Water project at the \$4,000,000 level.

FY27 Projects to be submitted	Description	Submissions	Funding Requested	Submitted to House/ Senate Committee	Draft Funding Level	FY 2027 Awarded Funding
<b>San Lucas Clean Drinking Water (PWFP)</b>	Partial funding request for a project to permanently address water quality problems in San Lucas, which have occurred since 2006 and caused its residents to live under bottled water orders.	Sen. Padilla 3/13	\$4,000,000			
		Sen. Schiff 3/6	\$4,000,000			
		Rep. Lofgren 3/15	\$4,000,000	\$4,000,000		
<b>Nacimiento and San Antonio Dams and Reservoirs Safety Project (MCWRA)</b>	Partial funding request for the Nacimiento and San Antonio Dams Reservoirs Safety Projects (sometimes referred to as the Low-Level Outlet Works Rehabilitation Project) to ensure the safe operation of the dams during the state mandated replacement of the San Antonio Dam spillway.	Sen. Padilla 3/13	\$6,000,000			
		Sen. Schiff 3/6	\$6,000,000			
		Rep Panetta 3/4 ; 3/11	<del>\$6,000,000</del>			
		Rep Lofgren 3/15	\$6,000,000			
<b>Nacimiento Lake Drive Repaving Project</b>	Funding request to repave a degraded two-mile segment of Nacimiento	Sen. Padilla 3/13	\$2,100,000			

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<b>(MCWRA)</b>	Lake Drive, directly over the Nacimiento Dam crest. The road serves emergency responders, residents, and recreational visitors.	Sen. Schiff 3/6  Rep Panetta 3/4 ; 3/11  Rep Lofgren 3/15	\$2,100,000  <del>\$2,100,000</del>  \$2,100,000			
<b>Reclamation Ditch Restoration (MCWRA)</b>	Funding request to rehabilitate 6.8 acres within the existing Salinas Reclamation Channel (Reclamation Ditch No. 1665) system and maintain lands to support public use and enjoyment and improve the riparian zone and waterway.	Sen. Padilla 3/13  Sen. Schiff 3/6  Rep. Lofgren 3/15	\$500,000  \$500,000  \$500,000			
<b>Salinas Regional Soccer Complex (PWFP)</b>	Partial funding request for the next phase expansion of the Salinas Regional Soccer Complex, envisioned to become the most significant sports complex between Los Angeles and San Francisco, with the potential to serve 18,000 children/ youth weekly (plus their families). This project is in partnership with the Salinas Regional Soccer Authority.	Sen. Padilla 3/13  Sen. Schiff 3/6  Rep. Lofgren 3/15	\$4,719,200  \$4,719,200  \$4,719,200			
<b>Skate Park and BMX Pump Track (PWFP)</b>	Partial funding request for development of a bike and skate park in Salinas. The site, and its connection to multi-use trails, offers unique regional recreation options for the tri-county area. This project is in partnership with the Salinas Regional Soccer Authority.	Sen. Padilla 3/13  Sen. Schiff 3/6  Rep. Lofgren 3/15	\$3,000,000  \$3,000,000  \$3,000,000			

c. Legislation

*i. H.R. 7661, the Stop the Sexualization of Children Act – OPPOSE*

Hillary Theyer, Library Director, raised concerns about H.R. 7661, the Stop the Sexualization of Children Act, and the potential impact to the universe of available material from which librarians and educators would be able to educate county residents. The bill would prevent funds allocated under the Elementary and Secondary Education Act of 1965 from being used to provide or promote programs, activities, literature or other materials to children under the age of 18 which contain “sexually oriented material.” It prevents exposing children to nude adults, individuals who are stripping or lewd or lascivious dancing or other “sexually explicit conduct,” as that term is defined in the United States Criminal Code. The bill’s prohibition does not apply to standard science coursework, texts of major world religions, and classic works of literature or art. Although, “classic literature” is limited to works included in Great Books of the Western World (second edition, 1990), and books referenced in articles written by Thomas Purifoy Jr. and Mary Pierson Purifoy and published by Compass Classroom—a Christian Homeschool Curriculum. Classic art is limited to works represented in Smarthistory guide to AP Art History. This legislation is framed as a measure to protect children from “sexually oriented material.” However, the sweeping prohibition and limited exceptions, could, in practice, deter educators and public institutions from addressing topics such as human reproduction, personal safety, bullying prevention and respect for diverse identities. In addition, the bill specifically defines “sexually oriented material” as including “gender dysphoria or transgenderism” which would have a direct impact on support and education for LGBTQ+ youth.

Based on direction and policies detailed in the legislative platform, we recommend that the County take an oppose position on the Stop the Sexualization of Children Act.

Rep. Mary Miller (IL-15) introduced the legislation in the House. There is not yet a companion bill in the Senate.

**Attachment(s):**

d. Federal Bill/Issues Track