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MEMORANDUM

TO County of Monterey Board of Supervisors

FROM Ballard Spahr LLP

DATE January 9, 2026

RE Legislative Program: 2025 Federal Advocacy Report

Introduction

The First Session of the 119th Congress faced considerable challenges in reaching consensus and advancing legislation. From a purely numbers perspective, Congress enacted only 222 pieces of new legislation in its First Session—on par with the limited 224 bills enacted during the Second Session of the 118th Congress—even though Republicans now hold a narrow majority in the House and a majority in the Senate. Budget reconciliation and matters impacting the federal budget were two defining themes for this Congress. While lawmakers were able to agree to a clean continuing resolution to fund the federal government for FY2025, they were initially unable to reach a consensus for FY2026, resulting in a historically long government shutdown. Eventually, Congress came to an agreement to pass a clean continuing resolution through January 30, 2026, along with three appropriations bills. As of the time of writing, appropriators have announced a plan to enact the remaining appropriation bills, and we will continue to track the impact of the appropriations process for the County.

The most significant piece of legislation by far this Congress is the One Big Beautiful Bill Act (OBBBA), which Congress passed on July 3, 2025. OBBBA sought to re-balance the federal budget and included many permanent extensions of provisions of the Tax Cuts and Jobs Act, the elimination of taxes on tips and overtime pay, along with the expansion of HSA eligibility and childcare credits. OBBBA also contained several elements that Republican leadership has referred to as “savings” provisions, while Democrats maintain that these are funding cuts notably, to Medicaid and the Supplemental Nutrition Assistance Program (SNAP). From the County’s perspective, the policies will affect already thin margins at rural healthcare facilities and local governments, which will be burdened with the task of filling the funding gaps.

Most federal impact in 2025 came from action and policy change in the Executive Branch. In the first days after taking office, President Trump issued several executive orders which sought to rescind previous executive orders, implement a funding freeze, and restore in-person work policies. These orders were followed by an effort to decrease the federal workforce and eliminate non-statutory functions of agencies to “reduce the size” of the federal bureaucracy. For the County, this brought challenges to on-going efforts to obtain federal funds with agencies, such as FEMA, moving at half the normal speed.

In addition, the Administration imposed many new tariffs affecting trade policy and acutely impacting the agricultural industry. While the tariffs led to many new trade deals, they have also significantly strained the United States-China trade relationship. Exports to China have dropped by over half and the country has not purchased a single cargo of soybeans for this season. To support farmers, the administration, through its U.S. Department of Agriculture, announced a \$11 billion stop-gap measure for row crop farmers at the end of 2025. The Ballard team is continuing to monitor the impact of tariffs and other federal action on farmers, specifically farmers in California’s central valley.

Despite challenges and uncertainties for the County with the rapidly changing federal landscape, we worked closely with the Legislative Committee and County staff to address federal policy priorities with the County’s Congressional delegation. The following is a summary of our federal advocacy efforts on behalf of the County and policy updates on key federal issues included in the 2025 Legislative Program.

Engagement with Monterey County Officials

- **BOS Legislative Workshop**

The Ballard team virtually attended the Board’s Legislative Workshop in February. We also assisted County staff with the preparation of issue briefs for the meeting and secured the attendance of representatives from the County’s congressional delegation, including representatives from Senator Schiff’s office and Representative Lofgren’s office, and virtual attendance by Representative Panetta.

- **Legislative Committee**

The Ballard team provided monthly written and oral reports to the Legislative Committee on federal matters impacting the County.

Summary of Legislative Advocacy

- **Community Project Funding**

In the Spring of 2025, the County submitted nine Community Project Funding/Congressionally Directed Spending requests (CPF/CDS or “earmark” requests)

to the Congressional delegation as part of the FY2026 appropriations process. Representative Lofgren championed two projects: San Lucas Clean Drinking Water and Salinas Regional Soccer Complex, which have both successfully passed out of committee. While the appropriations process is not yet complete, the San Lucas project has a draft funding level of \$1,092,000 and the soccer complex has a draft funding level of \$500,000. Senator Schiff also championed the San Lucas clean Drinking Water project at the \$3,668,000 level, but it did not pass out of committee. Additionally, Senator Padilla championed the Nacimiento and San Antonio Dams and Reservoirs Safety Project at the full \$6,000,000 level, which is still pending in committee. As of this writing, the FY2026 appropriations process is still underway and we hope for full funding, including earmarks, by the end of January when the current continuing resolution (CR) expires, although the CR may be extended.

- **Support for Federal Legislation**

In accordance with the County's Legislative Platform, the Ballard team recommended action on several pieces of federal legislation. As a result, the Board of Supervisors officially supported twenty-four pieces of federal legislation which would benefit the County and opposed one, which would be detrimental to the County if enacted. A detailed federal bill and issues track is attached for further reference.

- **Federal Budget and Funding**

The County of Monterey had several concerns related to Executive Branch action and federal funding in 2025. The Ballard lobbying team regularly helped the County communicate these concerns to the Congressional delegation. In February, in response to a memorandum from the Office of Management and Budget stating that "Federal agencies must temporarily pause all activities related to obligation or disbursement of all Federal financial assistance," the lobbying team coordinated a letter to the federal offices advocating against this action and outlining the harmful effects on the County.

In May, after discovering that the Environmental Protection Agency intended to cancel a grant to the Community Water Center for the Pajaro Sunny Mesa Water Consolidation Project, the Ballard team advocated with the federal delegation against this cancellation and continued to communicate the impact. Likewise in June, when it looked like Supplemental Nutrition Assistance Program (SNAP) benefits would be cut in budget reconciliation, the lobbying team quickly informed Representatives Lofgren and Panetta of the County's position and advocated against the bill's cost shifting provisions in advance of the House vote. Later, the Ballard team drafted and sent a letter to the delegation formalizing the County's opposition to bill provisions which would cut funding for federal safety net programs and urging the delegation to protect federal funding for programs like Medicaid, SNAP, CalFresh, TANF, and CalWORKs.

In July, the Ballard team expressed to the Congressional delegation the County's concern for protecting funding for the Migrant Education Program, which was eliminated in the President's draft FY2026 budget. And in August, the team advocated with the

Congressional delegation to urge OMB to release impounded education categorical funding. Representative Lofgren responded to these advocacy efforts, expressing her support for the programs—particularly as they impact the County of Monterey—and reiterating her commitment to advocating for this funding. She also outlined her efforts to help release the allocated education categorical funding, leading all California House Democrats to contact OMB and advocate for the release of funds.

- **FEMA Reimbursements**

In 2025, the Ballard team continued to coordinate outreach to the federal delegation regarding the appropriate communication with USACE and FEMA in order to facilitate reimbursement of expenses related to the 2023 and 2024 winter storms and Covid-19 response.

During the January and March 2023 storm events, Monterey County sustained over \$80 million in damages. The successive impacts of these storms have posed immense challenges. The magnitude of impact to the County cannot be overstated. Storm impacts were spread across the entire geographical expanse of the County, resulting in widespread flooding, large scale evacuations, major road closures, destruction of residential and commercial property, massive economic impacts, and extensive infrastructure damages. Across both storm events, widespread infrastructure damages have strained local resources and necessitated the monumental task of rebuilding and restoring the County's infrastructure.

In March 2025, communication between the County and FEMA regarding the storm reimbursements had stalled. The agency had requested additional information regarding the County's procurement methods but did not respond after the County provided the material. The Ballard team coordinated contact with the federal Congressional delegation to induce FEMA's response. On August 19, 2025, the County received FEMA grants to reimburse expenses related to: Project 747876, Right of Way debris removal for the community of Pajaro, and Project 748698 the March 2023 Emergency Operations Center. The County received reimbursements of \$1,201,748.53 for Debris Removal Operations and \$2,929,216.18 for emergency protective measures.

In response to the Covid-19 pandemic, the County utilized contract services to participate in the Great Plates Delivered Program. The program was designed to support adults 65 years of age or older or adults 60-64 years of age who are at high risk from COVID-19, to receive healthy and nutritious meals by delivery. All work and costs in this project fell between 11/23/2020 and 7/9/2021. Total project costs are \$3,060,968.00.

On April 3, 2025, FEMA announced Federal grants for the State of California. This funding included \$3,060,968.00 in federal funding to Monterey County for emergency protective measures as a result of FEMA-DR-4482-CA (COVID-19 Pandemic). This funding was provided under authority of Section 403 of the Robert T. Stafford Act and total project costs were funded at a 100% federal cost share.

The Ballard team will continue to liaise between County staff and the County's Congressional delegation and facilitate the FEMA partnership as all stakeholders work toward reimbursement of the remaining projects, which are expected in the near future.

- **CRFREE**

The County secured FY2024 Community Project Funding to close a funding gap for this project. In February 2025, it was brought to our attention that Public Works, Facilities, and Parks had not been contacted by the Federal Highway Administration or the State Department of Transportation with any guidance about how to access the FY2024 funding for the CRFREE project. On February 27, 2025, the Ballard team met with Representative Panetta's staff to address concerns related to the CPF awarded for CRFREE, and to obtain additional information about the reimbursement requirements.

On March 13, 2025, Caltrans reached out to County staff and requested that the County complete and submit a specific form so that Caltrans can distribute the funds to the County for the CRFREE Project. On July 16, 2025, the Ballard team confirmed that the County received a \$1,000,000 grant from Caltrans. Then, in September 2025, PWFP staff confirmed that FEMA was working to release funds, currently processing a Finding of No Significant Impact. However, due to federal funding cuts, the agency is reportedly operating at about half its normal speed. Despite the slowdown, the process is still moving forward as anticipated.

The Ballard team will continue to monitor the status of federal funding and work with the federal delegation through any roadblocks to access funding.

- **Roads and Highways**

In June, PWFP informed us that it was applying to the Department of Defense, Defense Community Infrastructure Program for funding for the Jolon Road Safety Improvement Project. To support and strengthen the application, the Ballard team reached out to all four offices in the federal delegation to obtain letters of support for the project. We successfully secured letters from all four Congressional offices.

Similarly, in September, PWFP reached out about an application to the CalOES/FEMA Hazard Mitigation Grant Program for the Scenic Road Protection Project. Given that the project site is in Representative Panetta's district, the Ballard team again strengthened the application by obtaining a support letter from Representative Panetta for the County to submit along with its application.

Finally, Representative Lofgren was in County in late November and received a presentation from PWFP on updates for projects which she has previously supported along with a brief on other project priorities. Representative Lofgren took particular interest in the Nacimiento-Fergusen Road and Jolon Road improvement projects. The Ballard team is following up with Representative Lofgren's office to explore potential funding solutions for these projects.

- **National Outer Continental Shelf Oil and Gas Leasing Program**

The U.S. Department of the Interior began developing the 11th National Outer Continental Shelf Oil and Gas Leasing Program in 2025 to be implemented by October 2026. The County is a longtime opponent to offshore oil and gas drilling, and the Ballard team helped the County of Monterey take multiple avenues to communicate its stance to stakeholders in the federal government.

The County is concerned with both the environmental and economic impacts of the program after a 2021 ruptured pipeline from an existing oil well spilled more than 25,000 gallons of crude oil into the ocean and onto the beaches of Orange County. In addition, the County's economy relies on a healthy coast for its tourism, recreation, fisheries, deepwater port commerce, and Department of Defense infrastructure. According to the National Oceanic and Atmospheric Administration (NOAA), California's marine economy alone accounted for \$51.3 billion in GDP and \$26.7 billion in wages in 2021. The economic well-being of these sectors is dependent upon a healthy and clean coastline. Further industrialization off California's Central Coast will inevitably pollute beaches, spelling disaster for California's economy and detrimentally impacting the rest of the country, which relies on California as an economic engine.

Given the importance of maintaining its coastline to the County, the Ballard team suggested that the County of Monterey support two pieces of federal legislation: the Central Coast of California Conservation Act and The Outer Continental Shelf Lands Act. The County submitted a letter supporting the Central Coast of California Conservation Act which would prohibit oil and gas leasing off the Central California Planning Area. The County also supported The Outer Continental Shelf Lands Act which would permanently prohibit oil and gas exploration, development, and production on the outer Continental Shelf off the coast of California, Oregon, and Washington.

In addition to letters regarding pending legislation, the Ballard team drafted comment letters on behalf of the County of Monterey to submit directly to the U.S. Department of the Interior, Bureau of Ocean Energy Management opposing the 11th National Outer Continental Shelf Oil and Gas Leasing Program. The Ballard team first submitted a comment letter on August 14, 2025, in opposition to the proposed program. Then when the Department of the Interior released a draft program, on behalf of the County, the Ballard team drafted and submitted a comment letter in opposition to reiterate the County's position. The Ballard team will continue tracking the developments related to the development of the Oil and Gas Leasing Program and update the County at each step.

Outlook for 2026

The focus of 2026 will be the mid-term elections in November. With the sudden death of Representative Doug LaMalfa (R-CA) and the resignation of Marjorie Taylor Greene (R-GA), the slim Republican majority in the House recently shrunk to 218-213. Historically,

mid-term elections favor the party which is not in power, and early opinion polls show voters favoring Democratic candidates. But, given the slim margins and substantial time until Election Day, either party may win the House majority, effective in 2027. For 2026, Representative Mike Johnson and Senator John Thune will retain their roles as House Speaker and Senate Majority Leader, respectively. House Minority Leader Hakeem Jeffries and Senate Minority Leader Chuck Schumer will also retain their current roles in the Second Session of the 119th Congress.

As for the County's federal Congressional delegation, Representative Jimmy Panetta will continue to serve on the House Committee on Ways and Means and the House Committee on the Budget. He will also continue to serve as the Chief Deputy Whip for House Democrats. Representative Zoe Lofgran will continue to serve as Ranking Member of the House Science, Space, and Technology Committee, which has jurisdiction over much of the non-defense Federal research and development portfolio, including programs at DOE, EPA, NASA, and NOAA. She will also serve on the House Committee on the Judiciary (including the Subcommittee on Immigration and Citizenship; Subcommittee on Courts, Intellectual Property, and the Internet; and Antitrust, Commercial, and Administrative Law).

Senator Padilla will continue to serve as Ranking Member on the Committee on Rules & Administration. He will also serve on the Senate Committee on The Judiciary (including the Subcommittee on Immigration, Citizenship, and Border Safety); the Committee on The Budget; the Committee on Environment and Public Works; and the Committee on Energy and Natural Resources. Senator Schiff also serves on the Senate Committee on the Judiciary and three Subcommittees including: Intellectual Property; The Constitution, Privacy, Technology, and the Law; and Antitrust, Competition Policy and Consumer Rights. Senator Schiff will also continue serving on the Committee on Environment & Public Works, the Committee on Agriculture, Nutrition & Forestry, and the Committee on Small Business & Entrepreneurship.

While the 2026 midterms will certainly influence the political landscape, we are hopeful that the existing federal legislature will find enough common ground to pass the remaining appropriations bills by the end of this month and early into 2026. Right now, there is a good chance that these bills will include the draft funding levels for the two Monterey CPF projects. We remain hopeful that the third project will receive an allocation in the Senate. The House passed three additional appropriations bills on January 8, 2026, which will now advance to the Senate for action, and appropriators are giving early indications that the remaining bills may pass before the continuing resolution (CR) expires on January 30, 2026. That said, if any of the remaining appropriations bills are not enacted prior to the expiration of the CR, Congress must pass another CR to keep the federal government fully open after January 30th. While Congress is focused on FY2026 funding, the Ballard team is currently preparing projects to submit in the FY2027 earmark process, which we expect to proceed as it has in previous years.

Finally, of key concern for the County, and the subject of most advocacy above, are the continued executive actions and policies that are proposed and that have been implemented

under the Trump Administration. We understand that Executive Orders (EOs), altered federal funding parameters, and agency action have been the subject of dynamic discussion at Legislative Committee meetings and within the Board of Supervisors. These concerns have also been echoed by County staff in every department. We want to reiterate our commitment to advocating on behalf of the County to the Congressional delegation to ensure there is partnership to reflect the County's priorities. We are also committed to advocating for the County's interests and values to other stakeholders in the federal government, such as through submitting comment letters, when appropriate. In speaking with the Board of Supervisors and the County's Department Heads, we have been provided with clear guidance of the County's priorities as outlined within the Legislative Platform. The Ballard Spahr team will continue to monitor and provide counsel to the County on any Congressional and Executive action, which is misaligned with the County's values, as well as on other priorities as directed in its Legislative Platform.

Attachment(s):

Federal Bill/Issues Track