

Federal Affairs Update

Anne Maher, Office of Intergovernmental Relations

Leslie Pollner, Holland and Knight

Agenda

- Trump Administration: First 100 Days
- FY 2026 Appropriations
- Budget Reconciliation
- Key Department Issues
- Questions



Trump Administration: First 100 Days

- President Trump has signed over 100 executive orders since beginning his second term on January 20, 2025.
- **“Unleashing American Energy”**: On January 20, President Trump signed an executive order kicking off a comprehensive review of grant programs and awards made under the Biden Administration, centered around natural resources, energy, and the environment. Federal departments have begun to rescind unobligated grant dollars and change the terms and substance of some existing grant awards.
- **Sanctuary Cities**: On January 20, President Trump signed an executive order directing the Attorney General to evaluate and undertake any lawful actions to ensure that “sanctuary” jurisdictions do not receive access to Federal funds. Shortly after its release, the order was subject to a nationwide injunction as the courts determine its legality.
- On April 28, President Trump directed the Attorney General to publish a list of jurisdictions that obstruct the enforcement of federal immigration laws. The order also requires federal departments to investigate federal resources that can be restricted for sanctuary jurisdictions.
 - Note: On May 9, a federal judge ruled that the Trump Administration’s efforts to withhold funding for 16 sanctuary jurisdictions is likely unconstitutional. Judge indicated if Trump's latest order was used to instead target funds unrelated to sanctuary policies, their suspension would violate the U.S. Constitution just as the earlier executive orders did.
 - However, the judge also noted the administration could potentially identify funds to rescind if there was enough of a connection between the funding stream and the jurisdiction's "sanctuary" policies.
- **Strengthening Law Enforcement**: On April 28, President Trump ordered the Attorney General to expand legal protections for law enforcement officers.

Fiscal Year 2026 Appropriations

- On May 2, President Trump released his Fiscal Year (FY) 2026 “skinny” budget request, with a comprehensive budget expected at the end of May/early June.
- With the release of the budget request, cabinet officials have begun appearing before Congressional committees to defend their portions of the request.
- Top Congressional appropriators largely dismissed the President’s budget request due to its proposed cuts to several programs addressing housing, community development, and health.
- Differences between the varying factions of Congressional Republicans could complicate the path to a final funding deal on FY26 appropriations bills.

Fiscal Year 2026 Appropriations: Community Project Funding/Congressionally Directed Spending Requests

The City of Seattle submitted the following projects for CPF and CDS:

- Department of Transportation: **Third Ave Revitalization** (\$3.75M - Cantwell, Jayapal)
- Seattle Fire Department: **Post-Overdose Response Team Expansion** (\$1.52M - Murray, Cantwell, Smith)
- Seattle Waterfront: **Elliot Bay Seawall Phase II** (\$3M - Cantwell, Jayapal)
- Office of Housing: **Lake City Community Center & Affordable Housing Redevelopment** (\$4M - Jayapal)
- Seattle Public Library: **Columbia City Branch Seismic Retrofit** (\$5M - Smith)
- Office of Housing: **Fort Lawton Redevelopment** (\$10M - Murray, Jayapal)
- Seattle Center: **Westlake Multimodal Transit Hub** (\$1.4M- Murray)

Budget Reconciliation

- Budget reconciliation is a legislative process that allows Congress to pass certain spending bills with a simple majority in the Senate and House.
- Republican leadership intends to use budget reconciliation to:
 - Reauthorize the Tax Cuts and Jobs Act of 2017
 - Raise the debt ceiling
 - Allocate additional funding for immigration/border security
- Committees in the House have begun advancing their portions of the budget reconciliation bill. However, key differences over spending cuts and tax rates complicate the path to final passage.
- Potential cuts to Medicaid and SNAP and changes to the State and Local Tax (SALT) deduction are especially contentious.

Budget Reconciliation: Committee Highlights

- **House Armed Services (Spend up to \$100 billion):** Allocates \$150 billion for national defense, including \$34 billion for shipbuilding.
Approved on 4/29
- **House Education & Workforce (Cut at least \$330 billion):**
Establishes a Workforce Pell Program. Would require students to take 15 credits per semester rather than the current 12 to be eligible for the full Pell Grant. *Approved on 4/29*
- **House Homeland Security (Spend up to \$90 billion):** Allocates \$46.5 billion for a border barrier system, \$5 billion for CBP facilities, \$4.1 billion for additional frontline CBP personnel, and \$1.076 billion for non-intrusive inspection at ports of entry.
Approved on 4/29

Budget Reconciliation: Committee Highlights Cont'd

- **House Financial Services (Cut at least \$1 billion):** Rescinds any unobligated funding for the Green and Resilient Retrofit Program. *Approved on 4/30*
- **House Judiciary (Spend up to \$110 billion):** \$45 billion for ICE detention and \$14.4 billion for ICE transportation and removal operations. Creates a fund to hire more immigration judges and support staff. *Approved on 4/30*
- **House Oversight (Cut at least \$50 billion):** Adjusts federal employee pension contribution amount and changes existing system for federal workplace protections. *Approved on 4/30*
- **House Transportation & Infrastructure (Cut at least \$10 billion):** Introduces a \$250 fee for electric vehicles (EVs) and a \$100 fee for hybrid vehicles. Allocates more than \$21 billion for air traffic control tower and terminal radar approach control facility replacements and more than \$21 billion for the Coast Guard. Rescinds unobligated funding for the DOT Neighborhood Access and Equity Grant Program. *Approved on 4/30*

Budget Reconciliation: Committee Highlights Cont'd

- **House Natural Resources (Cut at least \$1 billion):** Authorizes new offshore oil and gas leases and resumes leasing for the National Petroleum Reserve in Alaska and the Arctic National Wildlife Refuge. *Approved on 5/6*
- **House Ways & Means (Spend up to \$4.5 trillion, can increase debt limit by \$4 trillion):** Reauthorizes 2017 Tax Cuts and Jobs Act. *Markup scheduled for 5/13*
- **House Agriculture (Cut at least \$230 billion):** Scale back Supplemental Nutrition Assistance Program (SNAP) benefits. *Markup scheduled for 5/13*
- **House Energy & Commerce (Cut at least \$880 billion):** Rescinds billions in unobligated Inflation Reduction Act (IRA) funding, including funding for the EPA Greenhouse Gas Reduction Fund, IRA Direct Pay, and DOE Loan Programs. Requires certain Medicaid beneficiaries between the ages of 19 and 64 meet employment requirements. *Markup scheduled for 5/13*

Key Department Issues

- Transportation: Surface Transportation Reauthorization
- Housing/Homelessness: HOME/Community Development Block Grants (CDBG), Pathways to Removing Obstacles (PRO)
- City Light: Low Income Home Energy Assistance Program (LIHEAP)
- Food: Supplemental Nutrition Assistance Program (SNAP), Women Infants and Children Program (WIC)
- Emergency Management: Building, Resilience Infrastructure & Communities (BRIC) grants
- Workforce: Workforce Innovation and Opportunity (WIOA) Reauthorization
- Water: EPA Clean and Drinking Water Programs Reauthorization

Questions?