



City of Bellevue

City Manager's Office

DATE: March 11, 2025

SUBJECT: Federal Legislative Update, February 2025

OVERVIEW

President Trump continues to drive the agenda since his inauguration, and, thus far, he and Republicans have been able to hold their slim, fractious majorities together in Congress. The next couple months will put congressional Republican leaders through the real test as they seek to keep their team united around the details of their funding and tax proposals. Congressional Democrats are gearing up to turn up the heat legislatively and politically on Republican policy plans.

February was a busy month in DC and below is a summary of some of the key issues and highlights.

BUDGET AND APPROPRIATIONS

FY 2025 Funding

Congress does not currently have a deal on Fiscal Year 2025 (FY 25) appropriations bills that must be ready by the March 14 deadline when the current Continuing Resolution (CR) runs out. By all indications, the nuts and bolts of the FY 25 funding bills are largely ready, but leadership is stuck on broader issues.

The remaining hurdle is a demand by congressional Democrats that FY 25 appropriations be conditioned on President Trump not holding up agreed-upon funding. Republicans claim those demands are impossible to meet and have begun preparing for a year-long stopgap funding bill to cover the remainder of FY 25 and avoid a government shut-down.

While Senate Appropriations Committee chair Susan Collins (R, ME) continues to be personally opposed to the idea of a year-long CR, President Trump has endorsed it and Republican leaders are moving forward with plans for a bill that will extend current level funding through September 30.

Year-Long CR Presidential Requested "Anomalies"

The White House has already sent a list of "anomalies" or request to Congress for changes to current funding levels in a year-long CR. Specifically, President Trump is requesting that Congress include the following funding changes in a CR:

- Defense funding increases
 - Authority for the Pentagon to start new projects that were not funded in the previous year's appropriations law. Normally, agencies cannot start new projects under a CR.
 - \$1.6 billion to increase pay for junior enlisted service members,
 - \$640 million to cover increased costs for shipbuilding and \$419 million to fund Columbia-class submarines.
- \$485 million funding increase for Immigration and Customs Enforcement (ICE) to cover immigration detention beds, transportation, and removal costs.
- \$858 million increase for Federal Aviation Administration (FAA) operations to continue hiring and training air traffic controllers and maintaining aviation safety.
- \$6 billion increase to Veterans' medical funding.
- \$4.5 billion total increase for housing programs - \$3.7 million for the House Choice Voucher program and \$893 million for the Project-Based Rental Assistance program.
- \$567 million addition for the Women, Infants, and Children Program (WIC) to allow for continued operation at current levels.
- Reductions are requested for federal office space to comply with Trump's "vision for reduction and consolidation of space" and Internal Revenue Service (IRS) funds added in the Inflation Reduction Act (IRA).

The President also requested that congressional earmarks be excluded from any CR. Stop-gap spending bills do not normally include earmark funding but Trump made a point of highlighting this specifically. Beyond Trump's requested "anomalies," Congress may also add additional ones for consideration.

Budget Reconciliation – taxes, debt limit, immigration, energy, defense

The Republican majority in Congress successfully held their caucuses together to take the first key step towards achieving President Trump's policy goals around taxes, immigration, defense, and energy. This month, both the House and Senate Republican majorities passed budget resolutions that provide the necessary instructions for the development of a budget reconciliation package.

While the House and Senate have different approaches to reconciliation at this time, Republican leaders in Congress and President Trump were united in advancing their legislative priorities. This does not mean passing a detailed reconciliation package will be easy or a guaranteed success. It signals that it's possible despite deep divisions within the Republican conference. It was a major test in the leadership and negotiation abilities of House Speaker Mike Johnson (R, LA) and new Senate Majority Leader John Thune (R, SD).

With budget resolutions in place to provide a road map, Congress will focus on developing the exact proposals and bills to be included in a ***budget reconciliation package*** over the next month. Unlike federal appropriations bills or regular legislation, reconciliation legislation is tightly limited to only matters that have direct fiscal impacts (i.e. tax and spending). Reconciliation bills are also subject to expedited procedures and

require only a majority to pass in the US Senate, making it possible for the narrow Republican majority to bypass Democrat objections and avoid a filibuster. During the Biden Administration, the Democrat majority in the Senate used reconciliation as the mechanism to move the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) over Republican objections.

Below is a summary of the budget resolutions passed by the House and Senate that now tee-up reconciliation.

Senate-Passed Budget Resolution: two-track strategy

On February 21, the Senate voted 52-48 to adopt the first of two budget resolutions (S. Con. Res. 7). The first Senate budget resolution sets the stage for funding increases for defense and immigration enforcement, instructing the Senate committees to develop legislation by March 7 to pay for a border wall, immigration agents, missile defense and Navy procurement.

Spending from the bill is expected to be as much as \$517 billion but fully offset by reductions in other areas. The net spending increase is estimated to be \$85.5 billion over four years. According to the Senate Budget Committee news release, the bill specifically instructs Senate committees to:

- Provide funding to complete construction of President Trump's wall on the southern border and upgrade border technology.
- Increase the number of ICE officers, Border Patrol agents, immigration judges, detention beds, and assistant US attorneys who prosecute violent crime and immigration-related offenses.
- Provide additional funding to the Defense Department to defend US interests abroad, bolster the Navy and its industrial base, build an integrated air and missile defense system, and overhaul the US nuclear defense posture.
- Provide for more onshore and offshore lease sales and repeal the fee on excess methane emissions enacted under the IRA.

The second Senate budget resolution is expected to tee-up a reconciliation package that will focus on taxes and the debt limit. Senate leadership wanted to take a two-step approach because they did not want to delay funds for border enforcement. Development of a tax package is expected to be far more complicated and controversial.

House Budget Resolution – One bill strategy

The House successfully passed a budget resolution (H. Con. Res. 14) with instructions for the development of one reconciliation bill that will enact all of President Trump's legislative priorities. The package passed instructs House committees to produce legislation by March 27, including:

- Extending individual and business tax breaks from the 2017 tax law. President Trump has also requested other tax changes, such as ending taxes on tips and Social Security.
- Adding approximately \$300 billion in new border, immigration, and defense spending.
- Increasing the debt limit.
- Establish annual appropriations spending and revenue targets through FY 2034.

The resulting reconciliation bill is estimated to add up to \$3.3 trillion to the deficit on net, including a \$4.5 trillion reduction in revenue to cover tax cut legislation that would have to be partially offset. The resolution would require at least \$2 trillion in spending reductions, or the scope of tax cuts would need to be reduced by any shortfalls.

The House and Senate Budget Committees are expected to work together to combine the two versions of the budget resolutions and develop a joint strategy for getting a reconciliation package through both chambers.

ADMINISTRATIVE MATTERS AND ACTIONS

Agencies

Over the last month, almost all of President Trump's cabinet nominees have received Senate confirmation; appointees and their staff are populating key positions throughout the federal agencies. The only remaining nominee awaiting Senate confirmation is Lori Chavez-DeRemer for Labor Secretary.

Trump Administration Confirmed Cabinet and Appointees	
Department:	Appointee
Agriculture	Brooke Rollins
Commerce	Howard Lutnick
Defense	Pete Hegseth
Energy	Chris Wright
Education	Linda McMahon
Health and Human Services	Robert F. Kennedy Jr.
Homeland Security	Kristi Noem
Housing and Urban Development	Scott Turner
Interior	Doug Burgum
Justice	Pam Bondi
State	Marco Rubio
Transportation	Sean Duffy
Veterans Affairs	Doug Collins
CIA	John Ratcliffe
Director of National Intelligence	Tulsi Gabbard
Environmental Protection Agency	Lee Zeldin
Office of Management & Budget	Russ Vought
Small Business Administration	Kelly Loeffler

Trump Administration Confirmed Cabinet and Appointees	
Department:	Appointee
UN Ambassador	Elise Stefanik
US Trade Representative	Jamieson Greer

Executive Orders

In February, new Executive Orders ranging from trade and foreign policy to government efficiency were introduced, with some including the following:

- 10-to-1 Deregulation Initiative – requires that every new rule, regulation or guidance must identify, at least, 10 existing rules, regulation or guidance documents to be repealed. This builds upon a directive during President Trump's first term that required two existing rules or regulations be repealed for every new rule or regulation.
- Sovereign Wealth Fund – establishes a sovereign wealth fund to promote fiscal sustainability and lessen the burden to taxpayers of government operations and investments.
- Trade and Foreign Policy – tariffs on Canada, Mexico, and China continue to be considered and various Executive Orders were issued, withdrawn, and amended.
- An Executive Order was issued to withdraw the US from the United Nations Human Rights Council and directs the Secretary of State to review the US's membership in the [UNESCO](#) and other United Nations organizations.
- Designation of English as the Official Language of the United States.
- Implementing the President's Department of Government Efficiency (DOGE) – this order officially creates DOGE to transform "...Federal spending on contracts, grants, and loans to ensure Government spending is transparent and Government Employees are accountable to the American public."
- Ensuring transparent and accurate healthcare pricing - orders agencies to rapidly implement and enforce Executive Order 13877 that sought to improve price and quality transparency in healthcare for patients.
- Expanding access to In Vitro Fertilization (IVF) – the order seeks to "ensure reliable access to IVF treatment, including by easing unnecessary statutory or regulatory burdens to make IVF treatment drastically more affordable."
- Ending Covid-19 vaccine mandates in schools.
- Ending the procurement and forced use of paper straws by the federal government.
- Eradicating anti-Christian bias.
- Keeping men out of women's sports.

For details on all Executive Orders see: [Presidential Actions](#)

Status of Legal Challenges to Previous Executive Orders

Many of the President's Executive Orders have been met with strong objections and immediate court action. While several challenges to Executive Orders are still being reviewed by the courts, several others have been adjudicated.

Birthright Citizenship - Several judges have blocked Trump's bid to end birthright citizenship for children of immigrants if neither parent is a US citizen or a permanent resident. This case is still in the courts in several jurisdictions.

Government Operations - Several cases involving government operations, in particular cases that challenge the right of DOGE to access government information, fire probationary federal works, reduce the federal workforce or direct funding cuts, have been denied by the courts.

Gender Identity and Gender Affirming Care – In several cases, temporary restraining orders were granted on Executive Orders pertaining to gender identity and care.

Diversity, Equity, Inclusion and Accessibility Initiatives – Cases against Executive Orders blocking DEI initiatives are under appeal by the federal government.

Grant Funding Freeze – Trump's order to freeze grant funding has been blocked by a US District Judge in Washington. A similar case in Rhode Island won a temporary restraining order; the judge is expected to decide soon if a long-term restraining order, like the one issued in Washington, is in order.

Refugee Funding Freeze and Suspensions – Judges have placed restraining orders on Executive Orders that seek to freeze or suspend funds for refugees. The federal government is appealing.

USAID – Several cases have been filed against the Executive Order shutting down USAID. The government is appealing cases where restraining orders have been granted.

BELLEVUE MONITORING FEDERAL IMPACTS

Following the large number of Executive Orders in January, Bellevue staff stood up an internal citywide ad hoc group to monitor those orders and related Administration actions to gain a clear understanding of how those federal policy changes might impact Bellevue programs, policies, or funding. This work will be ongoing in order to assure coordination and real-time information sharing about changes to funding or policy.

BELLEVUE FEDERAL AFFAIRS

The National League of Cities annual Congressional Cities Conference kicks off in early March in Washington, DC. Bellevue Councilmember Lee will attend, and staff have been preparing for the trip. In addition to participating in the conference, preparations are underway for Councilmember Lee and officials from other Puget Sound cities to meet with delegation offices about the region's wastewater infrastructure needs and challenges.

The Bellevue federal affairs and leadership team will soon start consideration of updates to Bellevue's federal agenda and FY 2026 federal funding requests.