



City of  
Bellevue

City Manager's  
Office

**DATE:** May 13, 2025

**SUBJECT:** Federal Legislative Update, April 2025

### **OVERVIEW:**

Despite a two-week Congress recess in April, there has been plenty of action coming from the nation's capital.

The end of April marked the first 100 days of President Donald Trump's second term, one of the most active 100 days of any presidency. The flurry of activity from the White House continues with an additional focus this month on the Fiscal Year (FY) 2026 federal budget.

Congress returned from its two-week spring recess to head directly into budget matters. Foremost on the agenda for congressional Republicans and President Trump is a tax and spending package (reconciliation). Additionally, the FY26 federal budget process kicked off with release of President's budget outline.

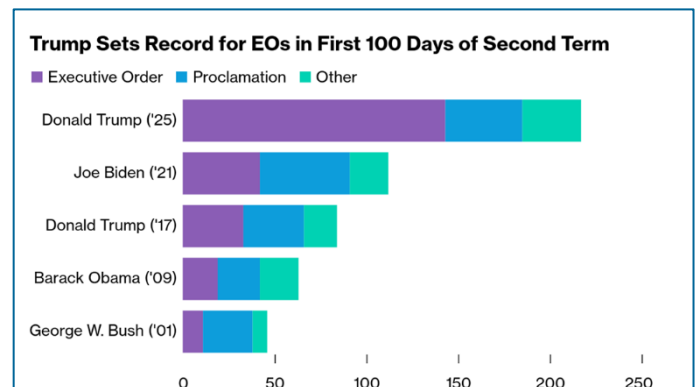
In the days and months ahead, expect Congress to focus on moving a tax and spending reconciliation package, which House Speaker Mike Johnson hopes to move by July 4. Alongside reconciliation, Congress will begin crafting the 12 appropriations bills required to fully fund the government.

### **TRUMP'S FIRST 100 DAYS**

The Trump Administration reached the milestone of its first 100 days, having set a record for activity and actions coming from the White House. During this period, over 200 Executive actions were issued: 143 Executive Orders and 70 Proclamations or other actions.

The primary focus of the Executive actions have focused on:

- *Trade & Foreign Policy:* Emphasis on tariffs and "America First" diplomacy.
- *Immigration:* Heightened enforcement and restrictions.
- *Federal Workforce & Government Reform:* Streamlining and restructuring agencies.
- *Energy Policy:* Promotion of fossil fuels, rollback of clean energy and climate rules.
- *Diversity, equity, and inclusion (DEI)* program rollbacks.



Source: Bloomberg Government

The legacy and actual impact of much of this activity, however, is still uncertain as many of the President's controversial actions have raised legal objections and challenges by numerous parties. As of April 29, fifty-eight Executive Orders are facing legal challenges.

On May 2, King County and seven other jurisdictions added another lawsuit to the mix challenging the Trump Administration's addition of new conditions they believe to be "unlawful" to receive federal funding. The national coalition behind the lawsuit includes King, Pierce, and Snohomish counties, San Francisco city and county, Santa Clara County, New York City, Boston and Columbus. The coalition plans to issue a temporary restraining order to block the Department of Housing and Urban Development (HUD) and the Federal Transit Administration (FTA) from imposing or enforcing the new grant conditions specifically on the HUD Continuum of Care Grant and FTA Master Agreements for transit agencies. Washington State is also party to numerous legal challenges to the Administration's actions. See: [KUOW/NPR – WA legal action Trump Tracker](#)

While there has been much activity around Executive Actions, only five bills have been signed into law during President Trump's first 100 days:

- The "Laken Riley Act", requiring detention of unauthorized migrants arrested for theft and other crimes (Public Law 119-1),
- A bill to extend FY 24 funding levels for the remainder of FY 25, and
- Three resolutions overturning Biden-era regulations pertaining to conservation and climate-related rules.

This is in contrast to Trump's first term when he signed almost 30 bills into law, the most of any recent president.

## **BUDGET & APPROPRIATIONS**

### **Congress: Tax & Spending Package (Reconciliation)**

In early April, Republicans in Congress pushed through a budget resolution that outlines reconciliation instructions for committees. Reconciliation is a fast-track process that allows fiscal measures to pass the Senate with a simple majority, avoiding the Senate filibuster. President Biden and congressional Democrats used reconciliation to pass the transportation reauthorization and infrastructure legislation (the Bipartisan Infrastructure Law) and a climate-tax package (Inflation Reduction Act).

The Republican-passed budget framework for reconciliation aims to extend the 2017 Tax Cuts and Jobs Act (TCJA) and adds another \$1.5 trillion in new tax cuts, totaling \$5.3 trillion in tax cuts. It increases the debt limit by \$5 trillion over ten years and adds new spending for defense, immigration and border priorities. To get the measure over the finish-line, fiscal conservatives in both the House and Senate pushed their leadership to agree to a higher-level of offsets (cuts) to counter-balance the new spending and tax cuts included in the plan.

House committees have begun work on developing the proposals that will make up the reconciliation package. Details that have been released, thus far, include:

- Defense package that adds \$150 billion to boosts drone technology, munitions stockpiles, China deterrence and missile defense. The package includes \$27 billion for President Trump's "Golden Dome" project, \$29 billion for shipbuilding, \$11 billion for combat aircraft, \$6 billion for Indo-Pacific operations, \$5 billion for border security, \$2 billion for military intelligence program, \$11 billion for military "quality of life" projects such as housing, etc.
- Education and workforce package that seeks to make student aid changes and created incentives for higher education institutions to improve affordability and access. Proposals include limiting categories of noncitizens eligible for student aid, exempting assets (such as family farms and small businesses) when determining student need, and capping the total amount of student aid and loans to the "median cost of college." A new formula grant

program is created to award institutions that improve college affordability and access and it requires institutions pay back a share of unpaid student loan payments under the Direct Loan Program. It ends President Biden's loan repayment plans.

- Financial Services package makes changes to the oversight of the Consumer Financial Protection Bureau, Public Company Accounting Oversight Board and Office of Financial Research, and requires unobligated funds and fees be returned to the general fund. It rescinds unobligated balances from HUD's Green and Resilient Retrofit Program.
- Homeland Security would receive an additional \$69 billion for border wall construction, FEMA security grants for state and law enforcement, facilities and training for new personnel and to support other efforts to enhanced border security and combat drug trafficking.
- Judiciary package adds \$81 billion for immigration enforcement, facilities and additional immigration processing.
- Oversight and government reform package would cut \$50 billion from federal retirement premiums by raising retirement plan contribution rate requirements, requiring audits of dependents enrolled in the federal employee's health benefits program and establishing a fee for filing claims with the US Merit Systems Protection Board.
- Transportation and infrastructure package would increase funding to the Federal Aviation Administration (FAA) by \$12 billion to improve air traffic control technology, infrastructure, and increase staffing and training. It would rescind unobligated funds for the sustainable aviation program from the IRA. It would impose a new \$250 fee on electric vehicles and \$100 fee on hybrid vehicles to help shore up the Highway Trust Fund. It provides more than \$21 billion for the Coast Guard for Arctic Security Cutters, Offshore Patrol Cutters, Polar Security Cutters and shoreside infrastructure.

The House Ways and Means Committee, as well as the Energy and Commerce Committee have yet to release a proposed tax package. The committees have pushed back their scheduled mark-ups to try to work out deals within the Republican caucus over the amount of offsets, including potential Medicaid cuts, elimination of energy production tax credits created under the IRA, and additional state and local tax (SALT) tax deductions. The committees on Agriculture and Natural Resources also have work pending on their sections of the reconciliation package.

House Speaker Johnson has stated his goal is to have the House complete work on the reconciliation package by July 4<sup>th</sup>. The Senate has not announced any committee action yet and is not expected to start its work until later this summer.

### **President's Budget Outline for FY 26**

President Trump released his Fiscal Year 2026 budget outline on Friday, May 2. This proposal, often referred to as a "skinny budget," outlines the administration's top-line spending priorities and serves as a starting point for negotiations with Congress. A detailed budget, providing agency-by-agency funding proposals is expected in the coming weeks. The President's budget budget is not binding and is viewed as a "wish list" of the President's funding priorities. It is taken into consideration by Congress but generally ignored during the congressional appropriations process.

Unlike a budget reconciliation package, the annual federal appropriations bills are subject to Senate filibusters and will need 60 votes to pass in the Senate. Republicans have very narrow majorities in both the House and Senate and will need Democrat votes to pass the annual funding bills.

Already President Trump's budget proposal has been met with skepticism and hostility. Democrats are decrying the deep cuts to non-discretionary funding, defense hawks object to the freeze in defense funding, and members from both parties are expressing concerns over proposals to eliminate popular programs like the Low-Income Home Energy Assistance Program (LIHEAP).

President Trump's FY 26 proposal seeks to:

- Reduce non-discretionary spending by more than \$160 billion, building on the Administration's existing efforts to eliminate DEI initiatives. Roll back Biden Administration clean-energy goals and target programs, grants, and research funding that the administration asserts contribute to waste or promote a political agenda. It also encourages states to "take back ownership" of some programs under the Department of Education, the Federal Emergency Management Agency and other agencies.
- Increase funding for border security, defense, air and rail safety, veterans and law enforcement. However, defense advocates complain that many of the "increases" for defense contained in the budget proposal are already included in proposals for the reconciliation package. Therefore, there is no new funding increase included in this budget proposal for defense. The budget proposal essentially freezes defense spending.

Highlights that may be of particular interest to the City of Bellevue:

- *Education* – the proposal seeks to "streamline" K-12 education programs by consolidating 18 competitive and formula grant programs into a new \$2 billion formula grant. Additionally, a new Special Education Simplified Funding Program consolidates seven individual programs under the Disabilities Education Act (IDEA) and maintains funding at the 2025 level. Title I funding is preserved and an additional \$60 million is added for charter schools. Higher education programs and funding support is reduced under the notion that programs are no longer needed (TRIO programs and GEAR UP) or should be handled by the states and/or institutions of higher education, not the federal government (Federal Work Study, Adult Education, English Language Acquisition, Fund for the Improvement of Postsecondary Education). The Administration reduces the department's funding under the assumption most department operations will be winding down and the consolidation of programs will result in lower bureaucracy and administrative costs.
- *Low-Income Home Energy Assistance Program (LIHEAP)* is eliminated under the assumption that the Administration's efforts to increase energy production to lower energy cost will make the program irrelevant.
- *Community Services Development Block Grant (CSBG)* program is reduced by \$770 million to eliminate funding from this account that flows to Community Action Agencies. The Administration contends that these grants have been used to support DEI and other initiatives the Administration opposes.

- *Health Resources and Services Administration (HRSA)* programs are funded at \$6 billion but programs are consolidated or eliminated if they are deemed to be duplicative of other federal programs, DEI, or do not focus on “core” healthcare and support services directly to patients (i.e. education and training, maternal and child health programs that are duplicative of other federal programs, family planning, etc.).
- *Drinking water programs* see a proposed increase of \$9 million, for a total of \$124 million. The increase in funds is designated to help the Environmental Protection Agency (EPA) respond to drinking water disasters.
- *Clean and Drinking Water State Revolving Loan Funds (SRF)* are reduced by almost \$2.5 billion with only \$305 million available to allow states to adjust to alternative funding sources. The Administration argues SRF was not originally intended to be an ongoing federal appropriation and proposes to make states responsible for funding water infrastructure.
- *Transportation* funding increases are proposed for FAA, the INFRA Grant Program (nationally significant multimodal freight and highway projects), rail safety, and shipbuilding and port infrastructure. There is no information yet on federal transit or highway funding.
- *State Rental Assistance Block Grant programs* are consolidated into a state-based formula grant. Rental assistance from these funds would be capped at two years for able bodied adults and priority for funding is given to the elderly and disabled. \$25 million is maintained for housing grants for youth aging out of foster care.
- *Community Development Block Grant (CDBG)* is eliminated. The Administration believes this program is better funded and administered at the state and local level.
- *HOME Investment Partnerships Program* is eliminated. The Administration believes state and local governments are better positioned to fund and support the expansion of housing supply in their unique markets.
- *Homeless Assistance programs* are consolidated and a new formula program is proposed to target Emergency Solutions Grants to, “areas where homelessness needs are most severe.”
- *Workforce and training programs* – Job Corps and the Senior Community Services Employment Program are eliminated with the Administration claiming the programs have failed in their objectives. The Make America Skilled Again (MASA) program consolidates post-secondary education and training programs -- and provides states more control and flexibility to coordinate with employers in their states on job skills needed. At least ten percent of MASA grant funds must be for apprenticeship programs.
- *Veterans Affairs* receives significant increases for medical care and for electronic health record modernization efforts.

## **BELLEVUE FEDERAL AFFAIRS**

### **Rep. DelBene Visit to August Wilson Place**

On April 24, Bellevue hosted Congresswoman Suzan DelBene at August Wilson Place housing development to highlight the nationwide shortage in affordable housing. The federal Low-Income Housing Tax Credit (LIHTC) was used to help leverage funding to make the 57-unit housing development possible. Rep. DelBene participated in a roundtable discussion with local housing stakeholders, employers, residents and Bellevue officials.

Rep. DelBene included the following quote from Mayor Robinson in her press release about the visit:

*“LIHTC is the single most important source of financing for creating and preserving affordable housing in Bellevue,” said Bellevue Mayor Lynne Robinson. “Expanding LIHTC through the Affordable Housing Credit Improvement Act will help us to create more housing opportunities for families, seniors, low-wage workers, and people seeking stable housing.”*

Prior to the roundtable discussion, Mayor Robinson thanked Congresswoman DelBene for her ongoing support of Bellevue’s federal funding requests, including the

### **FY 26 Congressionally Directed Spending / Community Project Funding**

Congress will once again allow consideration of Congressionally Directed Spending/Community Project Funding (earmarks) proposals in the appropriations process. Like previous years, there are rules and regulations for submitting funding requests including: nonprofit eligibility restrictions, tighter submission deadlines, restricted eligible accounts, and prohibited project categories.

Bellevue submitted two funding proposals to our congressional delegation for their consideration during the FY 26 appropriations process.

<b>Project</b>	<b>Description</b>	<b>Amount</b>
Lake Washington Sanitary Sewer Lake Lines Program	Funding would help to complete the Management Plan focused on policy development, financial analysis, and capital program development.	\$500,000
Bellevue Grand Connection: I-405 Crossing - Downtown to Eastrail	Funds would support completion of the 30%-100% design.	\$3 million

### **June Federal Affairs Trip**

Planning is underway for Deputy Mayor Malakoutian and Councilmember Hamilton to visit the federal delegation in Washington, D.C. in June. The trip will be an opportunity to provide an update on developments in Bellevue, the city’s updated strategic target areas and priorities, and Bellevue’s federal priorities for 2025-26.