



City of
Bellevue

City Manager's
Office

DATE: September 9, 2025

SUBJECT: Federal Legislative Update, August 2025

OVERVIEW:

Congress was in recess during the month of August and will return to Washington, DC, after Labor Day. Some of the biggest federal news impacting local governments during the month came from the judicial branch with several key decisions announced regarding federal funding to local governments. The Administration and President Trump also continued to dominate the news with recent actions such as the ramp-up of federal enforcement actions in Washington, DC, are of particular interest and closely watched by state and local governments.

With the federal delegation in the region during August, Bellevue had the opportunity to showcase the city and several priority projects, including the Grand Connection, housing, and workforce, among others.

Looking ahead to fall, expect a great deal of action in Washington, DC over funding matters – FY 2026 funding bills, stop-gap measures, and another possible reconciliation package. Legislation dealing with digital assets and reauthorization of farming, housing and other issues may also hit the fall agenda.

BUDGET AND APPROPRIATIONS

Congress left for the August recess with plenty of work remaining to complete FY 2026 funding bills. Once Congress returns to the Capitol, there will only be four weeks remaining before the end of the fiscal year. With such limited time, leadership in the House and Senate are already positioning to get a stop-gap funding bill passed before that time. This will extend current year funding levels and prevent a government shutdown, giving Congress more time to work out deals on FY 2026 funding.

With narrow majorities in both the House and Senate, a bipartisan approach will be necessary to complete work on the 12 annual appropriations bills and move them through Congress. Bills that have moved through the Senate so far have had strong bipartisan support. House Republicans have also shown that they are not interested in going as far as President Trump when it comes to cutting funding for key programs, which provides some hope for bipartisan compromise. Both the House and Senate appropriations bills seek to preserve funding for programs such as the Community Development Block Grant program, Low-Income Home Energy Assistance Program

(LIHEAP), Clean Water State Revolving Funds, and FEMA disaster relief funding. The President had proposed eliminating these programs.

DC Beautification Funding

In other funding news, President Trump has announced that he will be seeking \$2 billion from Congress to make Washington, DC, "...safe and beautiful again." Throughout the summer, President Trump has been tightening federal control over the government of Washington, DC, with the stated goal of improving public safety in the nation's capital. President Trump has said that the city has been plagued by crime and decay, so he invoked emergency powers to seize control of the city's police department under the Home Rule Act and deployed National Guard troops. He has since threatened similar federal actions to other big cities including New York, Chicago, and Baltimore.

Federal Emergency Management Agency (FEMA)

At the start of the month, two major announcements were issued regarding FEMA.

First, FEMA announced the release of several grant funding opportunities to help state and localities manage response to disasters. These include the following:

- *The Emergency Management Performance Grant (EMPG) Program*, which makes money available for emergency preparedness.
- *The Homeland Security Grant Program*, which makes funding available to help state, local, and tribal partners to prevent, prepare for, and respond to acts of terrorism.
- *FEMA's Homeland Security National Training Program (HSNTP) National Domestic Preparedness Consortium*, which funds specialized training for state, local, tribal, and territorial law enforcement and first responders to prepare for high-consequence threats like a coordinated cyber-attack, biological weapon, or a nuclear explosive.
- *National Dam Safety Program*; and
- *National Incident Management System*.

Second, on August 5th a federal judge in Boston ruled that the Trump Administration could not reallocate more than \$4 billion in funding from the Building Resilient Infrastructure and Communities (BRIC) program away from communities. Twenty Democrat-leaning states, including Washington, had filed suit against the Trump Administration when it sought to terminate the program. The states argued that the program funds were allocated by Congress and attempts to redirect funds by the Administration would run afoul of the Constitution. They further argued that just the

threat of cancellation of the funds had already put numerous critical safety and preparedness projects at risk of delay, causing disruption to programs and plans to protect communities from disasters.

Federal Trucking Safety Funding

Secretary of Transportation Sean Duffy [announced](#) on August 26 that three states, New Mexico, California, and Washington state are at risk of losing federal trucking safety funding from the Motor Carrier Safety Assistance Program. The Administration is accusing the states of failing to comply with English-language rules for commercial drivers. States have 30 days to come into compliance with the mandate or risk losing 100 percent of the grant funding. It is estimated that the three states receive more than \$46 million per year in federal trucking safety funding, with Washington state's share of this funding reported at \$10.5 million.

Litigation

Transit and Homelessness Funding Injunction Expanded

Jurisdictions around the country, including King County, Bellevue, and Seattle, achieved another victory in the lawsuit against the Trump Administration's attempts to impose funding conditions on \$12 billion in grants for homelessness and transit infrastructure. Judge Barbara J. Rothstein from the US District Court for the Western District of Washington issued a preliminary injunction in June, preventing the Administration from requiring 31 grant recipients to agree that they'll use the funds consistent with the mandates of executive orders and in compliance with antidiscrimination laws and immigrant status verification requirements under the Personal Responsibility and Work Opportunity Reconciliation Act. A ruling by Judge Rothstein this month expanded the preliminary injunction to cover an additional 30 local governments.

The original case involved grants from the Continuum of Care Program, which provides federal funding for nonprofits and state and local governments to rehouse homeless individuals and support other resources that facilitate the ability to keep housing, such as job training. It also covered grants created under *The Fixing America's Surface Transportation Act* to help state and local governments maintain and improve transit systems. The plaintiffs to the expanded injunction also claim that the US Department of Health and Human Services was seeking to add similar unlawful conditions to the grant programs it administers.

The case is [Martin Luther King, Jr. Cty. v. Turner](#), W.D. Wash., No. 2:25-cv-00814-BJR.

Sanctuary Cities Injunction Expanded

Dozens of local governments, including King County and Seattle, won a new court injunction prohibiting the Trump Administration from defunding local governments that refuse to work with federal immigration enforcement. Judge William H. Orrick of the US District Court for the Northern District of California extended his initial injunction from April to cover more local governments, citing that the Administration had offered no opposition except to say that his first order was incorrect. Judge Orrick's first order stated that the cities are likely to prevail on their claims that the Trump Administration's threats to defund "sanctuary cities" is unconstitutional. The judge added that federal agencies may not rescind federal money to the cities on the condition that they comply with Trump's immigration enforcement executive orders.

One of President Trump's first actions after coming into office was to crack down on "sanctuary cities" through issuance of an executive order to defund such cities. The Department of Justice was also directed to prosecute state and local officials who don't assist federal immigration enforcement.

The case is City and County of San Francisco v. Trump, N.D. Cal., No. 3:25-cv-01350

BELLEVUE FEDERAL AFFAIRS

The City of Bellevue had the pleasure of hosting several congressional delegation visits during August, including the following federal delegation offices:

Senator Patty Murray – Senator's staff visited the BRIDGE Housing Spring District Project, an example of a LIHTC affordable housing development, and the PorchLight emergency shelter and housing services facility. The Senator's transportation senior staffer was also provided a tour and briefing of the Grand Connection. The city is also coordinating with the Senator's office on a Transportation Infrastructure Finance and Innovation Act (TIFIA) celebration event, which will be a celebration of a major milestone in the BelRed Transformation – the completion of 12 new multimodal facilities that represent a significant achievement in the region's transit-oriented development. This work was made possible through nearly \$100 million in TIFIA financing, which enabled Bellevue to deliver critical road network infrastructure that will serve as the foundation for sustainable growth in a key development center.

Representative DelBene – The City hosted Rep. DelBene's staff for tours on housing and economic development and workforce. Visits included the BRIDGE Housing Spring District Project, an example of a LIHTC affordable housing development, and the PorchLight emergency shelter and housing services facility. Bellevue staff were also able to provide a briefing on regional workforce challenges and gaps and StartUp 425, a small business accelerator program.