



City of Bellevue

City Manager's Office

DATE: December 10, 2024

SUBJECT: Federal Legislative Update, November 2024

November Federal Legislative Summary

Overview

The November election ushered in a right-ward shift in Washington, D.C. with the White House and Senate switching to Republican control for 2025. What remains the same, however, is that the margins of control in the House and Senate will continue to be very narrow. The House will remain under Republican control with a slightly narrower margin. As of this writing, the House Republican majority is at 220 seats to 214 Democrats. The Senate will flip to Republican control with 53 Republicans to 47 Democrats.

Bellevue's congressional delegation handily won reelection and will remain the same for the upcoming Congress: Senator Cantwell (59%), Rep. DeBene (63%) and Rep. Adam Smith (67%). Senator Murray is not up until 2028. The rest of Washington state's federal delegation is also largely unchanged with the exception of two new members that were elected to replace retiring members. Democrat Emily Randall will take over the 6th congressional district at the end of Rep. Derek Kilmer's term, and Republican Michael Baumgartner will replace Rep. Cathy McMorris Rodgers for the 5th congressional district at the end of her term.

While President-elect Trump will have GOP majorities in both chambers of Congress, Republicans will face many of the same challenges that they face in the current Congress – keeping their fractious caucus and narrow majorities united and/or needing to reach across the aisle to win over moderate Democrats to pass legislation. In the Senate, the filibuster is expected to remain in place so 60 votes will still be needed to break any filibuster. The exception are bills/proposals that can move with a simple majority under reconciliation rules (i.e. budget matters).

This month's federal update provides a summary of what Congress and the Biden Administration might prioritize and accomplish before the end of the year, President-elect Trump's potential administrative team, and the possible legislative and policy priorities of the Trump Administration and 119th Congress.

Lame-duck Session

Upon returning to D.C. after the elections, Congress focused immediately on organization and defining its leadership teams for the next Congress. In the House, Rep. Mike Johnson (R, LA) will be up for reelection as House Speaker in January when the new term of Congress begins. Democrats have already determined that Hakeem Jefferies (D, NY) will continue to lead the Democratic caucus as the House Minority

Leader. In the Senate, Senator John Thune (R, SD), the long-time Republican caucus Whip and lieutenant of Senator Mitch McConnell (R, KY), was elected to the role of Senate Majority Leader. McConnell announced his retirement from his leadership post earlier this year.

The jockeying for committee assignments is in full swing. Leadership roles on several key congressional committees, including Financial Services, Energy and Commerce, are up for grabs with the advancement, retirement or election loss of some committee chairs and members. Bellevue's delegation is expected to retain their same committees and similar leadership posts. Senators Murray and Cantwell are expected to remain the top Democrat on the Appropriations and Commerce committees but shift to the "ranking" member position when Republicans take control.

In addition to organizational matters, Congress faces a long list of legislative priorities that are teed up for year-end consideration. How and which of these items move before year-end depends in large part on where Republicans want to push their advantage as they prepare to take control of Congress and the White House in 2025.

Fiscal Year (FY) 25 Funding

At top of Congress' to-do list is funding the federal government. A continuing resolution (CR) passed in September extends federal funding to December 20. House Speaker Mike Johnson has stated that he plans to move another short-term CR to extend funding into the early-2025 (most likely to March). This gives Republicans more time and leverage to shape FY 25 bills.

In the Senate, appropriations bills have developed and moved through the upper chamber in a strongly bi-partisan manner and senators have expressed the desire to complete the FY 25 bills before 2024 ends. The potential of a protracted appropriations fight at the beginning of the new Congress runs the risk of derailing and delaying President-elect Trump's agenda before it even gets off the ground. Like most major spending packages, however, the fate of FY 25 funding may not be resolved until days or hours before the funding cliff deadline.

Disaster Funding

President Biden has sent Congress a request for \$98 billion in supplemental disaster funding. The request calls for \$40 billion for FEMA's Disaster Relief Fund, slightly more than \$12 billion for the U.S. Department of Housing and Urban Development's Community Development Fund (housing assistance), \$24 billion in Agriculture Department programs (farming assistance & nutrition programs), \$8 billion through the Transportation Department (Baltimore bridge collapse, etc.), and \$3 billion for State and Tribal Assistance Grants for water infrastructure, among other monetary requests.

There has been strong bipartisan support for additional disaster relief funding even before hurricanes Helene and Milton ripped through the southeast in September and October. Congress is expected to prioritize completing a disaster package, though

questions remain as to the size of the package and whether it will move as a stand-alone measure or be tacked onto a year-end CR or other bill.

National Defense Authorization Act

Considered a “must-do” bill, the National Defense Authorization Act (NDAA) authorizes military pay and a broad range of national security activities. Currently, there’s a \$25 billion difference between the House and Senate versions of the bill. The Senate bill seeks to add \$25 billion in emergency funding that would allow it to exceed spending caps. The House bill authorizes the FY 25 NDAA at \$850 billion, an amount that is within the debt limit deal spending cap for discretionary defense spending.

In addition to spending issues, there are sticking points on policy between the House and Senate. For example, the House bill includes language that would ban the Pentagon from allowing troops to travel for abortion services and deny gender-affirming health care for transgender troops.

The package is currently in the hands of leadership to resolve differences and move the bill by mid-December.

Judicial Nominations

In the Senate, Democrats are focused on pushing through as many of President Biden’s judicial nominations as time will allow before the end of the year. This is a top priority for Senator Chuck Schumer (D, NY) while he still controls the Senate floor as the Majority Leader.

Administrative Actions

The Biden Administration is forging ahead to get as much done in the lame-duck session as possible. In the remaining few weeks, President Biden is rushing to increase aid to Ukraine, provide student loan relief, and complete work to codify immigration policies.

Immigration – Worker Visas:

With the incoming Trump Administration likely to focus on immigration enforcement, Biden officials are rushing to complete work to streamline the processing of visas for foreign talent. In October 2023, the Biden Administration released a proposal ([RIN: 1615-AC70](#)) to revamp the annual lottery system for H-1B specialty occupation visas and add more flexibility for many users of the program. While the lottery system overhaul was completed this past spring, several changes to the administration of the program remained unfinished.

One recent achievement H-1B program was the announcement by the administration that it was issuing 64,716 additional H-2B visas for seasonal workers for FY 25. This is in addition to the congressionally mandated 66,000 H-2B visas that are already available each fiscal year. See *announcement*: [DHS - Supplemental H-2B Cap for FY 25](#). The Department of Homeland Security and White House are also in the final review

of new regulations that would add new worker protections for H-2A and H-2B visa programs.

Student Loans:

Despite setbacks to canceling student debt, the Biden Administration continues to push forward on efforts to ease student loan obligations. At the end of October, the Department of Education released a proposed rule that would authorize the Secretary to waive all or part of any student loan debt on a determination of hardship related to the loan ([RIN: 1840-AD95](#)). It has also been reported that an interim final rule will be announced that could extend the deadline for student borrowers to enroll in long-term pay-over-time programs.

Ukraine:

President Biden is seeking to strengthen Ukraine's position against Russia before leaving office. The Administration approved Ukraine's use of US-made weapons to hit military targets inside Russia and approved sending anti-personnel land mines to Ukraine. It is also rushing to push out the remaining \$9 billion in aid that Congress authorized for Ukraine while forgiving \$5 billion in debt owed. The Biden administration also recently requested an additional \$24 billion in emergency funding for Ukraine from Congress. The funds would be split with \$8 billion for the Ukraine Security Assistance Initiative and \$16 billion for replenishing depleting US weapons stocks. The U.S. also recently sanctioned a Russian bank that handles payments for natural gas sales.

In response, Russia has escalated its position in recent weeks with Russian President Vladimir Putin approving a new nuclear doctrine lowering the threshold for launching tactical atomic weapons and has added North Korean Troops to bolster its frontlines against Ukraine.

119th Congress

Next year will usher in a new Administration and shift of control in Washington, D.C. with taxes, immigration, energy and climate, health care and international affairs (Ukraine, China) being front-center at the beginning of the 119th Congress

Trump Cabinet

Unlike during his first term, President-elect Trump is not wasting any time forming his new federal team with announcements about Trump's proposed new cabinet coming out daily. All cabinet positions will need to be confirmed by the Senate. While Republican control of the Senate will help President Trump move his picks into place, it's still a process that requires hearings, committee approval, floor votes, etc... The confirmation process for Trump's cabinet and other high-level, non-cabinet agency officials will likely take up much of the Senate's time in early-2025.

A few of Trump's key agency nominations include:

Cabinet Position	Selected Cabinet Appointee
State Department	Senator Marc Rubio (R, FL)
Secretary of Defense	Pete Hegseth, National Guard veteran and Fox News commentator
Attorney General	Pam Bondi, former Florida Attorney General and one of Trump's defense lawyers
Department of Interior	Doug Burgum, Governor of North Dakota
Department of Agriculture	Brooke Rollins, served in the 1st Trump Administration and is President of America First Policy Institute
Department of Commerce	Howard Lutnick, CEO of Cantor Fitzgerald and co-chair of Trump's transition team
Department of Labor	Lori Chavez-DeRemer (R, OR), former House member and Mayor of Happy Valley, OR
Department of Health & Human Services	Robert F Kennedy Jr., former presidential candidate and attorney
Department of Housing & Urban Dev.	Scott Turner, former NFL player and member of Trump's 1st Administration
Department of Transportation	Scott Duffy, former House member and Fox News contributor
Department of Energy	Chris Wright, CEO of Liberty Energy (a fracking company)
Department of Education	Linda McMahon, former SBA head during Trump's 1st term, co-chair of transition team and founder of World Wrestling Entertainment.
Department of Homeland Security	Kristi Noem, Governor of South Dakota and former House member
Department of Veterans Affairs	Doug Collins, former House member, lawyer and chaplain in the US Air Force Reserve
Environmental Protection Agency	Lee Zeldin, former House member
Food & Drug Administration	Marty Makary, Johns Hopkins Medicine surgeon, health researcher and author
US Surgeon General	Janette Nesheiwat, Fox News contributor and doctor
Treasury	Scott Bessent, founder of Key Square Capital Management
CIA	John Ratcliff, served as director of National Intelligence in 1st Trump Administration
UN Ambassador	Elise Stefanik (R, NY), House member
National Intelligence Advisor	Tulsi Gabbard former House member representing Hawaii & a lieutenant colonel in the Army Reserve
National Security Advisor	Mike Waltz (R, FL), House member and former Army Green Beret
Border Czar	Tom Homan, Director of Immigration & Customs Enforcement during Trump's 1st term
White House Chief of Staff	Susie Wiles, Trump's campaign manager in 2024

Additionally, Elon Musk and Vivek Ramaswamy have been appointed to lead the new Department of Government Efficiency.

Taxes

A top priority for the incoming Trump Administration and Republicans in Congress is extension of the 2017 tax package. Republicans in Congress have been laying the

groundwork to renew the 2017 tax law for months with some voicing that they intend to push it through within the first 100 days.

In addition to containing a number of corporate tax items, the 2017 tax law also doubled the maximum child tax credit from \$1,000 to \$2,000. There is general bi-partisan agreement on extending this enhanced child tax credit, but some Republicans may want to tie work requirements to eligibility. In addition to extending the 2017 tax package, President-elect Trump has also prioritized eliminating taxes on tips, overtime and Social Security payments. He has also called for a reduction of the corporate tax rate from 21 percent to 15 percent.

The size of the tax package is likely to become the main sticking point as members look to off-set its cost, which is estimated at \$4.6 trillion over a decade, if extended. In addition to Trump's new proposals, the debate over the state and local tax (SALT) cap, another very expensive item, is likely to resurface and will further balloon the cost of the package. This will set up a tense debate within the GOP caucus between fiscal conservatives and deficit hawks.

To help offset the costs, President-elect Trump is likely to push to repeal some of the Inflation Reduction Act clean energy tax credits (EV credits, etc.) and propose tariffs as offsets. Congress is also likely to propose canceling remaining IRS enforcement and modernization funds.

Republicans are expected to use the budget reconciliation process to push the tax package forward, as it allows passage of budget-related legislation with simple majorities in both chambers as long as provisions meet budget conditions of the Byrd Rule. The Byrd Rule is a Senate procedure that limits extraneous matter in budget reconciliation legislation.

Immigration

Another top priority of the Trump Administration and Republicans is immigration enforcement. While the Trump Administration is expected to push forward many enforcement proposals by executive action (i.e. use of existing immigration enforcement mechanisms to increase the pace of deportations), it will likely need congressional approval to increase funding for such actions and funding for the border wall.

Republicans will consider including border security funds in a potential reconciliation bill. A move that would have been previously barred as discretionary funding items were once excluded from reconciliation packages. In 2021, however, Democrats passed a swath of grant funding in the American Rescue Plan (ARP) by redesignating discretionary funding as mandatory spending. The Senate parliamentarian who dictates what measures are eligible under reconciliation rules gave the green-light for this maneuver. This potentially opens the door for Republicans to use the same tactic for some immigration and border enforcement funding increases. Limitations will remain on policy changes that are not budget-focused (i.e. changes to asylum laws are expected to be blocked).

What can be achieved under the budget reconciliation process could cover some of Trump's immigration goals (wall funding) but certainly would not support a broad change to immigration policy. There may also be limits to what Republicans will support in a reconciliation package if immigration enforcement funding ends up jeopardizing tax reform.

Energy and Climate

The Trump Administration is expected to promote fossil fuels in comparison to the Biden Administration which promoted renewable energy to reduce fossil fuel dependence. President-elect Trump's administration will likely approve more oil and gas leases and liquified natural gas (LNG) applications. Whether this will create a significant increase in oil and gas production remains to be seen. Oil and gas producers in the U.S. expect that some amount of drilling will increase but practical reasons may create some natural limitations to Trump's interests.

President-elect Trump has also promised to roll back electric vehicle incentives, clean energy tax credits and target the US Environmental Protection Agency's (EPA) tailpipe emissions rule and fuel economy standards. He will likely face opposition and challenges to some of these proposals, including from within the Republican party. Many Republican-leaning states and districts are benefitting from clean energy investments and several Republican members, including some in leadership, have expressed support for these programs. Senator John Thune (R, SD), who will be the new Senate Majority leader, has expressed support for wind and other renewable energy investments. As such, elimination of clean energy tax credits supporting the U.S. manufacturing of EV batteries and clean energy alternatives is likely to face mixed support in a Republican Congress.

Likewise, the White House could weaken the EV \$7,500 credit but it is not likely to be eliminated without congressional action. The Trump Administration is also likely to propose cuts to EPA staff and grant programs. Congress would have to approve/enact the cuts to agency staffing budgets and grant programs already authorized via the annual appropriations process.

Farm Bill

Reauthorization of the Farm Bill, which has been bogged down for months, is not expected to make it out of Congress this year. Efforts are underway to prepare a short-term extension of the current farm bill. Republicans will likely take advantage of their majority in the new congress to push through priorities such as nutrition assistance limitations (work requirements, etc.), redirection of climate conservation funds to other US Department of Agriculture programs and increased price supports for crops. Democrats will likely oppose any efforts to significantly reduce or limit access for Supplemental Nutrition Assistance Program (SNAP), child nutrition programs and conservation efforts. Even with a majority advantage, Republicans may find that moving the Farm Bill will continue to be a challenge.

Health Care

The 2010 Affordable Care Act (ACA) is set to expire in 2025, and with Republican control in D.C., there's likely to be efforts to overhaul parts of the bill. With slim majorities in both chambers, Republicans may look to modify parts of the Act and not repeal it completely. One area of focus could be to change the framework of the ACA by expanding the use of associated health plans and other private insurance plans. Bipartisan efforts on drug pricing and transparency, pharmacy benefit manager regulations and coverage of pre-existing conditions could also gain traction.

International Affairs and Trade

The Trump Administration will enter office facing challenges on several fronts on the international stage. On Ukraine, the Trump Administration will seek ways to end the war between Ukraine and Russia, as additional foreign military financing for Ukraine under the new administration will be closely scrutinized.

Support for Israel, on the other hand, is expected to increase with fewer restrictions on the use of U.S. military assistance.

Continued funding and participation in the United Nations (UN) and the North Atlantic Treaty Organization (NATO) are likely to be debated with some Republicans pushing to reduce or end U.S. participation and/or funding to the UN and NATO. National security minded Republicans and Democrats will likely work together to support continued U.S. engagement in international organizations with allies.

President-elect Trump plans to make import taxes a central tool in his economic strategy and international relations strategy. The Trump Administration will look to tariffs as revenue raisers in economic investment plans. Tariffs will also be used as a stick with international trade partners. In 2019, Trump threatened a 5 percent tariff on Mexico within 10 days unless the country stopped migrants from reaching the U.S. southern border. Mexico complied, and the tariff was not imposed. This time around, the President-elect is announcing his intent to rewrite the U.S. Mexico-Canada Agreement and impose import taxes of up to 25 percent on Canada and Mexico until there is stricter enforcement by these countries of the flow of illegal drugs, in particular fentanyl, and illegal immigration into the U.S. An additional 10 percent tariff on China is also proposed, in part, to encourage the country to crack down on the tide of fentanyl-producing chemicals and drugs that are reaching the U.S. via various trade and immigration routes. China produces most of the fentanyl and chemicals necessary to create fentanyl. Mexico, Canada and China account for 40 percent of U.S. trade according to Bloomberg Government.

Federal Funding Announcements

Safe Streets and Roads for All (SS4A) Planning and Demonstration Grants – The Department of Transportation (USDOT) has announced the third and final round of SS4A awards, awarding \$172 million in planning and demonstration grants to 257 communities. For the FY 2024 round, Washington state won a total of 18 planning and

demonstration grants totaling over \$5.2 million, but did not win any implementation awards (see: [FY 24 SS4A](#)). The FY 25 notice of funding availability is expected to be released in late-March 2025.

Carbon Utilization Grant Program - The Department of Energy is making \$50 million available in grants for the purchase and use of commercial products that are derived from carbon oxides or demonstrate reduction in greenhouse gas emissions with a deadline of April 30, 2025 [NOFO](#).