



# COUNTY OF SAN MATEO

## COUNTY EXECUTIVE OFFICE

**Date:** February 27, 2025

**To:** Honorable Members, Board of Supervisors

**From:** Connie Juarez-Diroll, Chief Legislative Officer

**Subject:** March 4, 2025, Federal & State Legislative Updates

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The attached reports from the county's federal advocacy team, Carpi & Clay, and state advocacy teams, Political Solutions, and Cruz Strategies provide the latest information on legislative activities since the February 11 update to your Board.

The federal report includes updates on the following notable areas:

- Appropriations
- Federal Funding Freeze
- Congressional Budget Resolutions
- Federal Employee Reductions
- Trump Administration Appointments

The state reports highlight key areas, including:

- Important Legislative Dates and Deadlines
- Legislative Updates, including summaries of recent informational hearings on "Federal Funding in California" and key legislative proposals.
- State Budget Updates
- Attorney General Updates

Finally, a copy of the California State Association of Counties (CSAC's) letter to California's congressional delegation members on the urgency of protecting safety net programs from reconciliation cuts is attached.

The Intergovernmental and Public Affairs (IGPA) Unit of the County Executive Office will continue to provide monthly Board updates throughout the legislative sessions.

# San Mateo County Federal Update

February 28, 2025

## Appropriations Update

With roughly two weeks left until the expiration of the current Continuing Resolution (CR) on March 14<sup>th</sup>, House and Senate Appropriators are still working to find a path forward for the Fiscal Year (FY) 2025 appropriations bills. However, it is becoming increasingly likely that Congress will need to pass another CR to avoid a government shutdown, as bipartisan funding negotiations remain stalled. Negotiations have been hampered by Democrats' concerns that President Trump might block the disbursement of funds included in any final agreement. Even if a top-line deal is reached, appropriators will need additional time to finalize the 12 full-year spending bills, making it unlikely they will be completed before mid-March. Given these challenges, Congress may resort to a CR that extends current funding levels for the remainder of FY25, limiting agencies' ability to launch new initiatives or modify existing programs.

Looking ahead to Fiscal Year 2026, House Appropriations Chair Tom Cole (R-OK) has announced that the committee will begin marking up appropriations bills in April. Many Members of Congress are already moving forward with the request process, accepting proposals for programmatic funding, report language, and community project funding (earmarks). Meanwhile, the Senate Appropriations Committee has not yet announced its schedule for the FY26 appropriations process.

## Federal Funding Freeze Update

As of the writing of this memo, the federal funding freeze proposed by the Trump Administration at the end of January is still paused. Earlier this week, U.S. District Judge Loren L. AliKhan issued a preliminary injunction against the Trump Administration's attempt to freeze federal funding in the case brought forth by nonprofit organizations. This ruling effectively extends the earlier temporary restraining order (TRO) and prohibits federal agencies from delaying or withholding congressionally appropriated funds. This ruling is separate from a TRO issued by U.S. District Judge John James McConnell, Jr. in response to a lawsuit filed by 22 state attorneys general and the District of Columbia. This ruling aims to ensure continued access to federal resources for now. However, uncertainty remains, as the Trump Administration has signaled it will continue to try to challenge the Impoundment Control Act of 1974 and expand the executive branch's authority over federal appropriations, possibly escalating this issue to the Supreme Court.

## House and Senate Pass Separate Budget Resolutions

The House and Senate are advancing competing budget resolutions, both aiming to further the President's agenda. Tuesday evening, the House passed its budget resolution ([H. Con. Res. 14](#)) which includes \$4.5 trillion in tax cuts and over \$1.5 trillion in spending reductions. Earlier this month, the Senate passed its own budget resolution ([S. Con. Res. 7](#)), focusing on border security, defense, and energy spending but excluding an extension of the 2017 tax cuts. The House and the Senate will now need to come together to reconcile the differences in their resolutions.

## Federal Employee Reductions

The Department of Government Efficiency (DOGE) has overseen widespread staff reductions across multiple federal agencies, citing efforts by the Administration to streamline government operations and reduce spending. These layoffs, which have affected both career and probationary employees, span across all departments and agencies, including some independent federal agencies, totaling about 30,000 federal workers to date. There are growing concerns that additional job cuts could further disrupt government services, particularly those that support local governments.

## Trump Cabinet Nominations

The Senate continues to work through confirming President Trump's cabinet secretaries. The chart below details approval votes for confirmed nominees and the acting officials for pending nominations.

Dept/Agency	Position	Nominee	Confirmation
Agriculture	Secretary	Brooke Rollins	2/13 by a vote of 72-28
Commerce	Secretary	Howard Lutnick	2/18 by a vote of 51-45
Defense	Secretary	Pete Hegseth	1/24 by a vote of 51-50
Education	Secretary	Linda McMahon	<i>pending</i>
Energy	Secretary	Chris Wright	2/3 by a vote of 59-38
Health & Human Services	Secretary	Robert F. Kennedy, Jr.	2/13 by a vote of 52-48
Homeland Security	Secretary	Kristi Noem	1/25 by a vote of 59-34
Housing & Urban Development	Secretary	Scott Turner	2/5 by a vote of 55-45
Interior	Secretary	Doug Burgum	1/30 by a vote of 79-18
Justice	Attorney General	Pam Bondi	2/4 by a vote of 54-46
Labor	Secretary	Lori Chavez-DeReemer	<i>pending</i>
State	Secretary	Marco Rubio	1/21 by a vote of 99-0
Transportation	Secretary	Sean Duffy	1/28 by a vote of 77-22
Treasury	Secretary	Scott Bessent	1/27 by a vote of 68-29
Veterans Affairs	Secretary	Doug Collins	2/4 by a vote of 77-23
Central Intelligence Agency	Director	John Ratcliffe	1/23 by a vote of 74-25

Environmental Protection Agency	Administrator	Lee Zeldin	1/29 by a vote of 56-42
Office of Management and Budget	Director	Russel Vought	2/6 by a vote of 53-47
Office of National Intelligence	Director	Tulsi Gabbard	2/12 by a vote of 52-48
Small Business Administration	Administrator	Kelly Loeffler	2/19 by a vote of 52-46
United States Trade Representative	Ambassador	Jamieson Greer	<i>pending</i>
United Nations Representative	Ambassador	Elise Stefanik	<i>pending</i>
White House	Chief of Staff	Susie Wiles	Confirmation not required

## Trump Administration Appointments

President Trump and his Cabinet officials announced the below political appointees during February.

Dept/Agency	Position	Appointee
EPA	Assistant Administrator, Office of Air and Radiation	Aaron Szabo
EPA	Assistant Administrator, Office of Water	Jessica Kramer
EPA	Chief Financial Officer	Catherine Paige Hanson
EPA	General Counsel	Sean Donahue
Health & Human Services	Assistant Secretary for Financial Resources	Gustav Chiarello
Health & Human Services	Assistant Secretary for Legislation	Gary Andres
Health & Human Services	General Counsel	Michael Stuart
Transportation	(Acting) Administrator, Federal Aviation Administration	Christopher Rocheleau
Transportation	Assistant to the Secretary and Director of Public Affairs	Alison (Ali) Soule
Transportation	Chief of Staff	Charles (Pete) Meachum
Transportation	Deputy Assistant Secretary for Congressional Affairs (House), Office of Governmental Affairs	Hannah Matesic
Transportation	Deputy Assistant Secretary for Transportation Policy	Loren Smith
Transportation	Deputy Chief of Staff	Ryan McCormack
Transportation	Director of Advance	Nicholas LaRotonda

Transportation	Director of Governmental and Legislative Affairs, Federal Transit Administration	Melissa Mejias
Transportation	Director of Public Liaison and Senior Advisor	Ben Siegrist
Transportation	Director of Scheduling	Sydney Fitzpatrick
Transportation	Press Advance, Office of Public Affairs	Madison McCreery
Transportation	Principal Deputy General Counsel	Gregory (Greg) Cote
Transportation	Safety Policy Advisor	Stephen Walling
Transportation	Senior Advisor, Office of the Assistant Secretary for Administration	Barry Plans
Transportation	Senior Advisor, Office of the Secretary	Daniel Abrahamson
Transportation	Senior Advisor, Office of the Secretary	Anne Byrd
Transportation	Senior Counselor to the Secretary	Owen Morgan
Transportation	Special Assistant	Monica Morrison
Transportation	Special Assistant, Federal Railroad Administration	John Schultz
Transportation	Special Assistant, National Highway Traffic and Safety Administration	Sofia Dudkovsky
Transportation	Special Assistant, Office of Governmental Affairs	Jonathan Priebe
Transportation	Traveling Press Secretary, Office of Public Affairs	Halee Dobbins

## LEGISLATIVE ACITIVITY AND COMMITTEE ASSIGNMENTS

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**Senate EPW Passes Brownfields Reauthorization and Recycling Bills.** On February 5<sup>th</sup>, the Senate Committee on Environment and Public Works (EPW) unanimously passed two bills, setting up a vote before the full Senate:

- *Brownfields Reauthorization Act of 2025 (S. 347).* This bill reauthorizes EPA’s Brownfields Program through FY30 and streamlines the application process to ease the burden for smaller and underserved communities seeking cleanup resources.
- *Strategies to Eliminate Waste and Accelerate Recycling Development (STEWARD) Act (S. 351).* This legislation would establish the Recycling Infrastructure and Accessibility Program at EPA to expand and improve recycling access in underserved communities by authorizing infrastructure improvements and public-private partnerships. It would also establish standardized data metrics for recycling and composting data to assess and improve waste management systems nationwide.

**Senate Commerce Committee Passes Kids Online Safety Bill.** The Senate Committee on Commerce, Science, and Transportation passed the *Kids Off Social Media Act (S. 278)*. According to the Committee, the legislation would “set a minimum age to use social media platforms at 13,

prevent social media companies from using algorithms to feed addictive content to users under the age of 17, and stop funding the tools that allow kids to doomscroll in their classrooms by blocking social media and other harmful content on federally funded school networks and devices.” The bill now heads for full consideration by the Senate.

**Bipartisan Disaster Recovery and Insurance Crisis Legislation Introduced.** California Representatives Mike Thompson (D) and Doug LaMalfa (R) introduced the *Disaster Resiliency and Coverage Act of 2025* ([H.R. 1105](#)) to provide homeowners in disaster-prone areas with incentives to mitigate wildfire and other natural disaster risks. The legislation seeks to incentivize homeowner investment to harden their properties against natural hazards by lowering costs to bring insurers back into the market and lower insurance rates. Specifically, the bill would provide states with funding to provide certain homeowners with up to \$10,000 in specified hazard mitigation project funding and a 30 percent tax credit for mitigation activities conducted by individuals, farms, and businesses. The legislation also establishes that state-administered disaster resiliency payments from federal emergency agricultural programs are not considered income for federal tax reporting. The legislation was referred to the Committees on Ways and Means and Transportation and Infrastructure for consideration.

**Bipartisan DRONE Act of 2025 Reintroduced.** Representatives Luis Correa (D-CA) and Troy Nehls (R-TX) reintroduced the Directing Resources for Officers Navigating Emergencies Act of 2025 or the DRONE Act of 2025 ([H.R. 1058](#)) which authorizes the Department of Justice (DOJ) grants to help purchase and operate unmanned aircraft to benefit public safety.

## CONGRESSIONAL LETTERS

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**Senate EPW Democrats Request Answers from DOT on NEVI Cuts.** Democratic members of the Senate Environment and Public Works Committee (EPW) [sent a letter](#) to Secretary of Transportation Sean Duffy to request answers as to why DOT cut off funding for the National Electric Vehicle Infrastructure (NEVI) Formula Program. The program provides funding to states for installing public zero-emission vehicle charging stations.

**California House Delegation Urges FEMA and SBA to Extend Disaster Relief Deadlines until End of Year.** All California Members of the House [sent a letter](#) to the Acting Administrators of the Federal Emergency Management Agency (FEMA) and Small Business Administration (SBA) to request an extension of the disaster relief application period for the California Wildfires and Straight-line Winds Major Disaster until the end of 2025. The current deadline applications is March 10, and the lawmakers argue that while “the standard 60-day application period is sufficient for many disasters,” the California wildfires were an “extraordinary [case]” that necessitates an extended relief application timeline.

**Reps. Huffman and Larsen Seek Answers on Unscheduled California Water Releases.** Representatives Jared Huffman (D-CA), Ranking Member of the House Natural Resources

Committee, and Rick Larsen (D-WA), Ranking Member of the House Transportation and Infrastructure Committee, [sent a letter](#) to Defense Secretary Pete Hegseth and Interior Secretary Doug Burgum seeking answers on the US Army Corps of Engineers' unscheduled release of water from Terminus Dam and Schafer Dam in California's Central Valley.

## FEDERAL AGENCY REGULATORY ACTIONS

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**DOT Publishes Delay of Several Rulemaking.** On February 21<sup>st</sup>, DOT issued a delay for several final rules until March 20, 2025:

- [Periodic Revisions to Denied Boarding Compensation and Domestic Baggage Liability Limits](#)
- [Ensuring Safe Accommodations for Air Travelers with Disabilities Using Wheelchairs](#)
- [Transportation for Individuals with Disabilities: Adoption of Accessibility Standards for Pedestrian Facilities in the Public Right-of-Way](#)

**NHTSA Publishes Delay of Several Rulemakings.** NHTSA has published a delay for several final rules until March 20, 2025:

- [ATDs: Hybrid III 5<sup>th</sup> Percentile Female Test Dummy; Incorporation by Reference](#)
- [FMVSS: No. 305a Electric-Powered Vehicles: Electric Powertrain Integrity Global Technical Regulation No. 20; Incorporation by Reference](#)
- [FMVSS: Occupant Crash Protection, Seat Belt Reminder Systems, Controls, and Displays](#)
- [FMVSS: Child Restraint Systems, Restraint Anchorage Systems, Incorporation by Reference](#)

## FEDERAL AGENCY ANNOUNCEMENTS

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**President Trump Establishes Make America Health Again Commission.** On February 13<sup>th</sup>, President Trump signed an [Executive Order](#) (EO) establishing the Make America Healthy Again Commission. The Commission is chaired by Secretary of Health and Human Services Robert F. Kennedy Jr. and is a whole-of-government approach that will focus on improving the physical and mental health of Americans. The initial focus of the Commission is "Fighting Childhood Chronic Disease" and the EO requires a report titled the "Make Our Children Health Again Assessment" within 100 days of its establishment

**FEMA Borrows \$2 Billion to Cover NFIP Claims.** FEMA [announced](#) that it borrowed \$2 billion from the US Treasury to pay eligible National Flood Insurance Program (NFIP) policyholder claims. According to FEMA, the agency's "borrowing authority is \$30.425 billion, of which FEMA has

already borrowed \$20.525 billion in the aftermath of hurricanes Katrina, Sandy and Harvey between 2005-2017. The debt is now \$22.525 billion.”

**FHWA Suspends Approval of State EV Infrastructure Deployment Plans.** On February 6, the Federal Highway Administration (FHWA) [issued a memo](#) instructing state transportation directors to suspend all new obligations under the National Electric Vehicle Infrastructure (NEVI) program, pending a policy review by the Department of Transportation's new leadership. This suspension halts the approval of state EV infrastructure deployment plans and the allocation of new funds, though reimbursements for existing projects will continue to prevent financial disruptions. The NEVI program, established under the Infrastructure Investment and Jobs Act (IIJA), allocated \$5 billion for the strategic deployment of EV chargers.

**FRA Announces Review of California HSR.** The Federal Railroad Administration (FRA) [announced a review](#) of the California High-Speed Rail Authority (CHSRA) to assess whether approximately \$4 billion in federal funding should remain allocated to the high-speed rail project in California’s Central Valley, connecting Merced and Bakersfield. Originally planned for completion in 2020 at a cost of \$33 billion, the full San Francisco to Los Angeles project is now estimated to cost \$106 billion, with the Merced-to-Bakersfield segment exceeding the initial total estimate.

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February 27, 2025

**TO:** Connie Juarez-Diroll, Chief Legislative Officer  
San Mateo County

**FROM:** Stacy Dwelley, Yarelle Magallon and Chloe King  
Political Solutions, LLC

**RE:** Monthly Report – February 2025

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This report serves as an outline of key actions taken by the Legislature, Administration and Attorney General throughout the month of February.

- I. Key Legislative Dates/Deadlines
- II. Legislature
- III. Governor/Administration
- IV. Attorney General
- V. State Budget
- VI. Priority Bills
- VII. Other

### **Key Legislative Dates/Deadlines**

Key upcoming dates and legislative deadlines are as follows:

- March 17 – Assembly Spot Bill Deadline
- March 26 – Senate Spot Bill Deadline
- April 10 – Spring Recess
- April 21 – Legislature Reconvenes from Spring Recess
- Mid-May – Governor to Release Revised Budget
- May 16 – Policy Committee Deadline
- May 23 – Fiscal Committee Deadline

### **Legislature**

Earlier this year, legislative leadership announced a 35 bill-limit per Assemblymember and Senator for the two-year session. The newly imposed limit, in combination with the wildfires affecting the Southern California region, led to a slower roll out of introductions. But, by the bill introduction deadline on February 21 there were 2,350 bills in print - 1,500 Assembly Bills and 850 Senate Bills. Many of these bills are currently in spot form, meaning that they will be amended to include more detailed language before the spot bill deadlines listed above. The Political Solutions Team will work with County Staff to identify bills of priority and strategize possible engagement, if necessary.

The change in Administration at the Federal level also brought changes in priorities and policies with heightened attention on immigration, healthcare, diversity equity and inclusion and LGBTQIA+ issues. We have seen this trickle down to the State level with both sides of the aisle introducing legislation seemingly in response to Federal actions. Of note, Senator Minority Leader Brian Jones (R-San Diego) introduced [SB 554 \(Jones\)](#) Law enforcement: immigration enforcement, which aims to overhaul California's Sanctuary State law, set forward by [SB 54 \(2017\)](#), by preventing local jurisdictions from passing sanctuary city measures stronger than current law and would require law enforcement to cooperate with ICE for violent offenders and specific crimes. We will continue to keep the County up to date on developments regarding this bill, and others identified as priority.

As we move beyond the bill introduction deadline, the Legislature will begin holding policy committee hearings, budget and budget subcommittee hearings as well as general informational hearings on topics of importance. The Political Solutions Team screens the daily file for hearings of interest, covering as necessary and providing a summary of discussion to County Staff.

### **Governor Newsom/Administration**

With the impending inauguration of President Donald Trump and the expected/rumored executive orders, Governor Newsom and his Administration took a protect and preserve stance and [called for a special session](#) late in 2024. The special session was to be centered around the creation of a \$25 Million “litigation fund to bolster the state’s legal resources in response to the incoming federal administration’s signaled policy proposals that would be harmful.” The legislative package included the following bills:

- [SBX1-1 \(Wiener\) Budget Act of 2024](#). Appropriates up to \$25 Million for the purpose of defending the state against enforcement and legal actions taken by the federal government, filing affirmative litigation challenging actions taken by the federal government, and taking administrative action authorized under state law to mitigate the impacts of actions taken by the federal government.
- [SBX1-2 \(Wiener\) Budget Act of 2024](#). Appropriates up to \$25 Million for nonprofits providing legal aid to immigrants facing deportation, eviction and other threats from the federal government.

The package of legislation was signed by the Governor on February 7, 2025 with the following signing message

*“I am signing Senate Bill X1-2, which will bolster funding for legal services programs that are vital to safeguarding the civil rights of California’s most vulnerable residents, including people with disabilities, youth who are homeless, victims of human trafficking and wage theft, people facing unlawful evictions, immigrants and more.*

*None of the funding in this bill is intended to be used for immigration-related legal services for noncitizens convicted of serious or violent felonies. To the extent further clarification is necessary, I encourage the Legislature to pass subsequent legislation providing that this funding is to be allocated consistent with the restrictions set forth in paragraph 3 of subdivision (b) of Section 13303 of the Welfare and Institutions Code.”*

### **Other:**

- The Governor announced the launch of a new online tool, [accountability.ca.gov](https://accountability.ca.gov), which brings together locally reported data points to “provide a clear picture of local communities’ work on California’s most pressing issues, including homelessness, housing, and behavioral health.”

### **State Budget**

As constitutionally required, Governor Gavin Newsom released his 2025-26 state budget proposal on January 10<sup>th</sup>. Since then, the Administration has sustained that this framework is outdated since it was crafted prior to the change in Federal Administration and, as we understand, there remains many uncertainties surrounding the Federal budget and the allocation to California.

The uncertainty playing in the background of budget decisions is not lost on the Legislature and California’s leadership and has already taken center stage in budget negotiations and related hearings. The Assembly Budget Subcommittee No. 7 on Accountability & Oversight, held an [informational hearing](#) earlier this month on the topic of “Federal Funding in California” and what the Federal cuts would mean for Californians – see attachment (A). Panelists from the hearing included the Department of Finance, the Legislative Analyst’s Office, the University of California, Ventura County and the California Budget and Policy Center, all tasked with providing initial insight as to what perceived cuts would mean to their systems. The reigning message; although the true impact is yet to be determined, preliminary

assessments show a devastating reality for Californians and core services. It is worthy to mention that this hearing took place prior to House Republicans and Senate Republicans reaching separate agreements on a budget framework.

The Assembly Budget Subcommittee No 7 plans to review a broader array of Federal funding and the impact in April, and have asked the Department of Finance to provide an assessment report by April 1, 2025 that outlines how the State budget may be impacted by Federal policies at that time. The Political Solutions Team will provide the County with that report once published, and track any actions that may come from it.

Lastly, would flag that the Newsom Administration will be releasing an updated proposal for the 2025-26 state budget in Mid-May, known as the “May Revise.” This will reflect latest State revenues as well as incorporating the shakeout from the Federal administration and the agreed budget.

### **Attorney General**

As we have previously reported, California Attorney General has been on the frontlines of response and has been very active in preparing California for litigation against the Federal government. To date, the Attorney General has announced several actions, including:

- Amicus Brief Filed: As part of a coalition of 23 attorneys general, California AG filed an amicus brief with the U.S. Supreme Court in support of the Affordable Care Act’s (ACA) preventive care mandate, which requires private insurers to cover at no cost certain preventive services — such as routine examinations, blood pressure checks, and cholesterol screenings — as determined by the Preventive Services Task Force (Task Force).
- Lawsuit Filed: Challenging Elon Musk’s unlawful exercise of power. Argument that Mr. Musk, an unconfirmed, unelected government employee, is exercising authority that exceeds what the U.S. Constitution permits.
- Motion Filed: Intervening in defense of a rule expanding healthcare access for Deferred Action for Childhood Arrivals (DACA) recipients by making them eligible to participate in the Affordable Care Act’s insurance marketplace.
- Lawsuit Filed: Challenging the Trump Administration’s unconstitutional executive order seeking to end birthright citizenship.
- Lawsuit Filed: Blocking implementation of a threat by the Office of Management and Budget to freeze up to \$3 trillion in federal assistance funding.
- Lawsuit Filed: Challenging Trump Administration’s executive order to expand DOGE personnel access to Americans’ personal and private information, including bank account and social security numbers

**ATTACHMENT A: Assembly Budget Subcommittee No 7 Informational Hearing - February 20**

**Background Materials:**

- [February 20 Agenda: Federal Funding in California](#)
- [LAO Attachment](#)

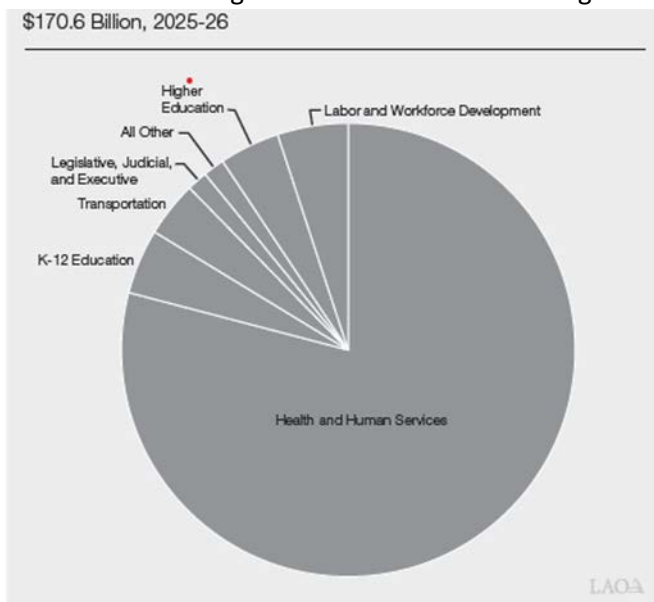
**Welcome and Opening Remarks**

- Assemblymember Hart, Chair: California is the 5<sup>th</sup> largest economy in the world. California is also the largest manufacturing state. Our agricultural productivity feeds the nation. Forward thinking climate policies lead innovation and are an example to other countries. Embraced the idea that healthcare to all creates a better healthcare system. California economy pays far more than their fair share, we are a donor state. This hearing is intended to highlight what these Federal cuts will mean for Californians. We do not yet know the full impact but the news is grim.
- Assemblymember Gabriel: This is the most important conversation we will have in Budget committees. As the Chair said, we are subsidizing the rest of the country. Californians need to get their fair share of resources. Small changes to allocations will have profound and dramatic consequences, especially in the healthcare space.
- Assemblymember Flora: There is a lot of concern and unknown with the Federal government but that does not relieve us of our responsibilities and being responsible with our state dollars. Let's have a holistic approach to the budget.

**Perspectives on Federal Funding in California**

*Ann Hollingshead and Carolyn Chu, Legislative Analyst's Office (LAO)*

- Provided an overview of how federal funding flows to California residents. The state government retains some of the money but much of it is then directed to other entities around the state.
- How federal funding interacts with the state budget:



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- Money that goes directly from the Federal to individuals, businesses and other private entities.
  - Estimate about \$452B being direct to individuals

*Mary Halterman, Department of Finance (DOF)*

- President has signed a number of executive orders calling into question the future availability of funding related to numerous federal programs including DEI, or programs funded by infrastructure and jobs act or inflation reduction act. Federal funding comprises 1/3 of the State Budget. In the current year the budget anticipates over \$100B in federal funds. Cancellation of federal/state contracts will impact the state's ability to serve its residents. Big areas of impact include MediCal, CA Dept. of Education, CA Dept. of Transportation, federal workforce. Without assurance, state agencies may not be able to outlay funds. California does not have sufficient resources to backfill funds.

*Dr. Sevet Johnson, Ventura County*

- Preliminary assessment identified over \$280M in active federal awards with \$153M yet to be incumbered. A broad federal funding freeze could have serious consequences. Any disruption would have a delayed but substantial impact to cashflow. Absorbing the cost of affected grants would cause strain on our budgets should they be put in position to reimburse work that has already been completed. Tapping into County general funds is not an option.
- Regarding health and human services, closely monitoring potential impacts and have been proud to provide culturally relevant services to constituents. Identified \$150M in federal funds that could be subject to cuts. Proposed changes to service certification such as new work requirements will increase workload demands while resources are being decreased. In 2024-25 CDPH total budget was \$5.5B - \$2.2B of which were federal funds. Family health programs, infectious disease programs, public health emergency preparedness and healthy communities' program could all be on the chopping block.

*Dr. Katherine Newman, University of California*

- Receive federal funds in three main buckets (1) Patient care, (2) research and (3) student financial aid. \$17.3B in federal funds and accounts for 30% of budget. UC cannot absorb cuts to federal funding and are asking for help in voicing concerns.

*Scott Graves, California Budget and Policy Center*

- Reiterate that federal funding is the foundation that supports a broad range of public services, most notably, MediCal and CalFresh. 1/3 of residents or more are covered by MediCal. Cal Fresh is also a critical source of support, enrollment ranges from 30,00 to 130,000 throughout districts.
- Federal policymakers are considering deep reduction to healthcare, food assistance and other services. These cuts were made to help corporations with tax cuts.
- State cuts to MediCal will be hard to avoid.
- If congress approves, state leaders will have to make hard choices on how to respond. The budget center's perspective is the goal should be to prevent or mitigate impact of harmful policy changes on California's diverse communities. State spending cuts to vital services should be a

last resort not the first response. Need to look at increasing state revenue, and scrutinize the current tax breaks.

### Member Questions and Comments

- Assemblymember Ahrens: I share the feeling for greater accountability and oversight on the State's waste. However, the threats and proposals coming from the Feds completely overshadow and do a lot of harm to the folks who want to make programs more efficient. Letters of support are not enough to move the needle, need to look at more comprehensive and tangible ways to raise the alarm. On long-term impacts, have there been any initial thoughts to how to compensate?
  - DOF: This is still new and developing, so we are looking at this towards the May-Revision.
  - Ahrens: Any conversation on the number of jobs that would be lost?
  - DOF: Still looking into it.
  - Ahrens: Are you aware of any federal reduction that could affect BioTech?
  - DOF: Other than NIH funding freezes that courts have put a hold on, still trying to track all targeted programs.
- Assemblymember Bennett: I would like to emphasize the impact to the children of California. Our children will grow up in a poorer California.
- Assemblymember Jackson: Seems to me that when you look at Republican budget resolution, we are seeing a transfer of wealth. Taking support from the poor and middle-class and transferring it to corporations and the ultra-wealthy. Am I wrong in that assessment?
  - Scott Graves: I would not dispute that.
  - Jackson: So what I am hearing is that California no longer has to provide tax credits and rebates to corporations and ultra-wealthy. Is it reasonable to eliminate all rebates and subsidies?
  - Scott Graves: I will not say eliminating every one is the solution, but asking hard questions is. Need to assess the shadow budget in California.
- Assemblymember Quirk-Silva: This is chaos and devastation. These impacts reach all districts in California, many of our constituents will be hurt.
- Assemblymember Addis: Have felt the terror from the community and the magnitude of what we are hearing from the Administration. 14-15 Million people are on Medi-Cal in California.
- Assemblymember Patterson: Are there tax expenditures that the center support removing?
  - Scott Graves: Support taking a close look at expenditures on a yearly basis so they can make decisions about maintaining or eliminating. We have a tax policy team we can refer to, but an example is the water's edge election allows corporation to take money offshore and evade state taxes.

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- Assemblymember Ransom: We have to be of the same mindset that this is too important to get a “cheap win” for political notes. We will all lose. On oversight, a NYT article discussed a proposed cut to HUD funds. How would this impact our fire recovery?
  - LAO: Would have to follow up.
- Assemblymember Ransom: What is our exposure for unreimbursed FEMA claims?
  - DOF: For 2025-26 proposed budget it is \$4.2B in outstanding claims.
- Assemblymember Patel: The cuts hit the core of our California values. What impacts CA, will also impact the rest of the Country. What is the strategy for working with other states on working through cuts? Like Medicaid and SNAP.
  - Dr. Katherine Newman: In Higher Ed we are in constant touch with our red state colleagues who are seeing impact of NIH cuts.
  - Patel: Looking at the targets to education, what are the opportunity to partner with labor and workforce? Business community should also be involved in the discussion.
  - Dr. Katherine Newman: Have had conversation with UAW.
- Assemblymember Hadwick: When do you think Californians will feel the impact of this?
  - LAO: Depends on what actions specifically are taken. We are gathering more information to see what actions will be taken.
  - Hadwick: Programs that we all know and love will have a hit of some kind so would like to be responsible and transparent in our budget.
- Assemblymember Bonta: Focused on funding we received from Feds to support vital health and human services. The purpose of Government is to protect residents and citizens and promote general welfare. We are very focused on affordability issues. Especially focused on ACA and the elimination of enhanced subsidies. 69,000 additional Californians would become uninsured. Any comment on that?
  - LAO: Set to expire at the end of 2025 so they do require re-authorization from congress. Have seen mixed messaging on states that want to renew or let expire. That is one area where if Feds were if not to renew, we have the option to increase subsidies but is an tradeoff for other fiscal pressures.
- Assemblymember Bonta: MediCal is a \$160B program. Should we have the dire changes to the funding of MediCal, the changing of formula of medical assistance – have been told that we have 20 public hospitals that would have to close overnight. Can anyone speak to the impact of hospital systems?
  - Dr. Katherine Newman: UC is now responsible of 10% of the nation’s care, if those hospital close, the word devastating would be mild. Would see more devastating health inequalities.

POLITICAL  
SOLUTIONS

- Assemblymember Bonta: We are at an unprecedented moment, where the current President is trying to mandate and dictate one particular culture and viewpoint into our schools. One that would essentially defund California schools for choosing to maintain curriculum around DEI, LGBTQ+ etc. Can you give a sense on what the impacts and overall economic heft would be if we chose to settle for those cuts.
  - Dr. Katherine Newman: 85,000 UC students receive federal financial aid and that would be an immediate impact.

**Adjournment – Closing Comments**

- Chair Hart: We heard in stark terms the likely devastating impacts the Federal cuts would have to pay for massive corporate tax breaks they promised their billionaire donors. We do not have the state revenue to backfill lost funding, nor do the counties. We plan to review a broader array of Federal funding impact in April - ask that DOF provide an assessment report by April 1, 2025 that outlines how State budget may be impacted by federal policies at that time. Next hearing will be on March 11<sup>th</sup> at 1:30pm on state homelessness and accountability measures.





**February 27, 2025**

**TO:** Connie Juarez-Diroll, San Mateo County

**FROM:** Audrey Ratajczak, Cruz Strategies

**RE:** February 2025 Monthly Legislative Update

### **Sacramento Update**

The capitol is facing a perfect storm of issues in the first quarter of 2025. From wildfires to homelessness, public safety, and the antagonistic Trump Administration; state leaders are responding with legal, legislative, and budget actions on all fronts.

The Trump administration's recent executive orders and funding freezes have created uncertainty for California's budget. Over [\\$170 billion in federal funds flow through the state budget](#) - largely to the health and human services agency. Meanwhile, over \$450 billion in federal funding directly supports individuals and entities in the state - including social security, Medicare, and various grants. Attorney General Rob Bonta, along with other Democratic state attorneys general, filed a lawsuit challenging the funding freeze, arguing that it is unprecedented in scope and potentially illegal. AG Bonta has also responded to [various](#) recent federal actions including on birthright citizenship and other immigration related issues.

Another stirring issue is the [implementation of Proposition 36](#), which enhanced and reinstated felony sentences for certain repeat theft and drug crimes. The proposition is expected to lead to an increased caseload in courts and prisons, with local governments struggling to provide mandated treatment services for offenders. State leaders are now tasked with figuring out how to fund and implement the proposition; however, the Governor's January budget did not include new funding support.

There is growing buzz around a potential extension of the cap-and-trade program beyond 2030. With several new members in both houses and an evolving political landscape,

lawmakers are beginning [review of the current programs](#) funded by proceeds, including the high speed rail, and assessing changes. The extension would require a  $\frac{2}{3}$  vote approval in both houses. Relatedly, budget committees have begun to review the Governor's [spending plan](#) for the \$10 billion climate bond approved in November (Proposition 4).

On the issues of addressing homelessness, the Governor unveiled a new online tool, [accountability.ca.gov](#), which consolidates data from local governments on homelessness, housing, and behavioral health actions. This is the Governor's latest attempt to strengthen accountability and reporting measures for use of state housing and homelessness funds, including the latest Behavioral Health bond (Proposition 1).

### **Legislative Update**

Legislators did not hold back on introducing thousands of new bills through the February 21 introduction deadline. Despite a reduced bill limit (now 35 per member), lawmakers introduced over 2,300 bills with nearly 40 percent being placeholders or "spot bills" awaiting substantive language in the coming weeks.

The bills will now be referred to one or more policy committees for first housing hearings throughout March and April.

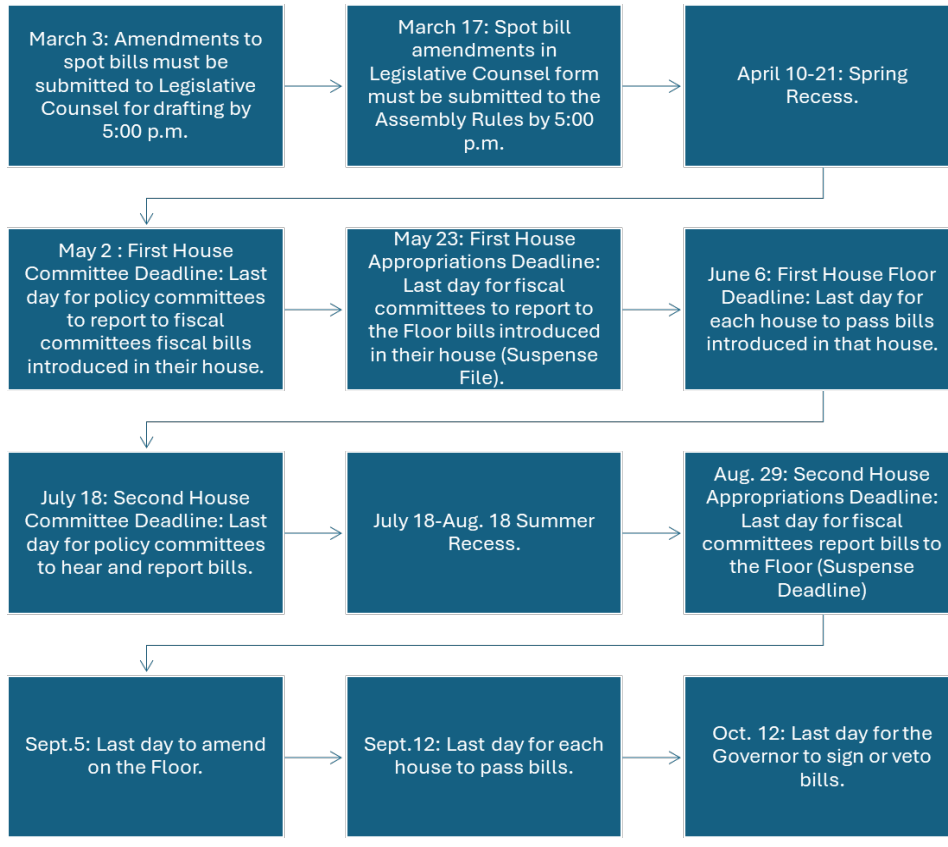
### **State Budget Update**

The Senate and Assembly have begun convening budget committees to review the Governor's January proposal, which outlined a \$322 billion expenditure plan. In light of the devastating wildfires in Los Angeles County and actions taken by the federal government, the legislature has approved billions in new spending for urgent actions including \$2.5 billion for wildfire recovery and \$50 million to support state litigation and nonprofit legal service providers.

In response to potential cuts and reductions to federal programs, the Department of Finance and budget leaders are assessing the state's ability to backfill critical programs. In general, however, the state will have limited capacity to backfill major programs like food stamps, medical/Medicare coverage, and research.

### **Key Deadlines Ahead**

- March 3 – Last day to submit spot bill amendments Legislative Counsel
- March 17 – Last day to amend spot bills.
- April 10 - Spring Recess



## **Responding to Los Angeles Wildfires**

The state's response to the Los Angeles wildfires continues. In recent weeks, the extent of the damage and financial impact is becoming clearer. The Legislative Analyst's Office [estimated](#) that “*assessed values likely lowered by at least \$10 billion. There are more than 19,000 parcels with about \$28 billion in assessed value—including over \$19 billion in land value and \$9 billion in improvement values—within the fire perimeters. The fires destroyed most structures within the fire perimeters but damaged properties retain some land value. Using Los Angeles County assessor data and damage reports from CalFire, we estimate the fires caused a reduction of \$10 billion to \$20 billion in assessed values.*”

Governor Newsom spent several weeks in Los Angeles directly engaging with recovery efforts. Some political observers characterize the wildfire recovery as the [Governor's “big test”](#) that will shape his legacy. The Governor recently requested \$40 billion in federal aid in a [letter](#) to congressional leadership.

[Here are all the actions](#) Governor Newsom has taken in response to the Los Angeles fires

In recent weeks, the state senate has unveiled a full package of legislative and budget solutions; many of which have yet to materialize into bill language:

## Key Legislative Proposals

### **Price-Gouging (Senators Umberg and Smallwood-Cuevas)**

- Curb price-gouging with civil remedies and penalties.
- Protect victims displaced by state or local emergencies.
- Authorize Attorney General warrant authority for price-gouging enforcement.
- Require online housing platforms to provide evidence of price-gouging to law enforcement.

### **Expand Protections for Homeowners, Tenants, and Mobilehome Residents (Senators Pérez, Allen, and Wahab)**

- Temporary mortgage loan forbearance for homeowners.
- Allow tenants to recover a portion of rent if tenancy terminates due to a wildfire.
- Temporary rent control for mobile homes in emergency areas.
- Extend court timelines for unlawful detainer cases in emergency areas.

### **Fight for Firefighters Act of 2025 (Senate President pro Tempore McGuire and Senators Grayson, Allen, and Pérez)**

- Transition seasonal CAL FIRE Firefighters to year-round permanent positions.
- Fully staff all CAL FIRE fire engines and heli attack bases year-round.
- Keep wildfire vegetation management crews working year-round.

### **Property Tax Relief During a State of Emergency (Senators Allen and McNerney)**

- Maintain welfare property tax exemption for damaged or destroyed properties.
- Extend timeline for filing a misfortune and calamity claim for property tax relief.

### **Speed-Up Residential Rebuilds Following an Emergency (Senators Wahab and Richardson)**

- Streamlined approval of housing developments damaged in a declared emergency by local governments.

### **Insurance Community Hardening Commission (Senators Rubio, Cortese, and Stern)**

- Create a statewide minimum fire standard for high fire risk communities.
- Simplify compliance with wildfire mitigation standards for homeowners and developers.

### **Commercial Insurance Nonrenewal Moratorium (Senators Pérez and Rubio)**

- Expand insurance nonrenewal moratorium to include commercial policies.
- Protect small businesses and condominiums after wildfires.

### **Extend CEQA Streamlining for LA Fires and Other Disasters (Senators Limón and Blakespear)**

- Apply CEQA streamlining to projects rebuilding communities after LA wildfires.
- Reduce months or years off CEQA review for rebuilding projects.

### **Health Facilities and Residential Care Facilities for the Elderly (Senator Stern)**

- Licensing flexibilities for Nursing Homes and Assisted Living facilities affected by LA fires.
- Expedited building permits and licensure approval for facilities.
- Placement preference for displaced individuals near family or caregiver support.

### **Strengthen Penalties Against Bad Actors During an Emergency (Senators Archuleta and Arreguín)**

- Increase penalties for impersonating first responders and looting in a fire evacuation area.
- Attach aggravated arson sentencing enhancement to damage amounts.

### **Keeping Communities Safe from Wildfires (Senator Durazo)**

- Designate wildfire-affected areas as Very High Fire Zones.
- Mandate annual inspection of properties for defensible space maintenance.

### **California Wildfire Mitigation Strategic Planning Act (Senators Becker and Laird)**

- State Fire Marshal to prepare Wildfire Risk Mitigation Planning Framework every three years.
- Establish Wildfire Risk Baseline and Forecast every three years.
- Submit Wildfire Mitigation Scenarios Report annually.

### **Consumer Protection and Business Recovery (Senator Ashby)**

- Establish timelines and certifications for debris removal.
- Prohibit unsolicited purchase offers in disaster areas.
- Waive licensure requirements for professionals impacted by wildfires or natural disasters.

### Budget Proposals

#### **Fire Relief Aid for Displaced Persons**

- Establish a one-time disaster relief fund for families and individuals impacted by fires.

#### **Supporting Displaced TK-12 Students**

- Provide attendance funding to schools losing students due to wildfires.
- Disaster relief for school districts enrolling displaced students.

### **Support for Impacted California Community Colleges**

- Enrollment protections to maintain consistent funding for community colleges affected by wildfires.

February 24, 2025

**Re: Protect Safety Net Programs from Reconciliation Cuts**

Dear California Congressional Delegation Member:

The California State Association of Counties (CSAC) urges you to oppose any budget reconciliation package that cuts funding for essential safety net programs that serve millions of California residents. CSAC represents the county supervisors responsible for serving local communities through a broad range of vital programs and services and committed to doing so in a manner that helps ensure the health and wellbeing of our residents. Our members are committed to serving vulnerable populations, including children and families in poverty, seniors and disabled individuals, and those in need of shelter. Our goal is to ensure that these families and individuals receive the necessary benefits for which they are eligible to provide stability and help put them on the road to self-sufficiency.

As you know, significant cuts to a wide range of mandatory safety net programs are under consideration as part of this year’s budget reconciliation process. While we understand the need for fiscal discipline at all levels of government and the need to examine federal spending, we are deeply concerned by current proposals to make significant cuts to key programs, including at least \$880 billion in cuts over 10 years to Medicaid (Medi-Cal), \$230 billion in cuts over 10 years to the Supplemental Nutrition Assistance Program (SNAP/CalFresh), and a 10 percent reduction in the Temporary Assistance for Needy Families (TANF/CalWORKs) block grant. In the face of these significant cuts, the state would need to backfill billions of dollars to maintain services, potentially jeopardizing these programs, limiting their impact, and passing costs along to county governments.

Medicaid is a vital federal-state-local intergovernmental partnership safeguarding the health and wellbeing of millions of residents. California counties help finance and administer this program, which serves approximately one in three Californians, including more than five million children. California’s 2024-2025 budget projects federal funding to account for \$98 billion of the total \$161 billion in Medi-Cal, or 61 percent. Cuts to Medicaid of the magnitude under discussion—whether through structural changes to its financing, reduced federal reimbursement rates, or new eligibility restrictions—would increase costs for the state and counties while leading to millions losing health care coverage if states do not backfill the loss of federal funding.

Similarly, SNAP is a strong and effective tool in the fight against hunger and poverty in California. Serving more than five million California residents in 2024 – 14 percent of the state population – SNAP provided more than \$12 billion in federal benefits redeemed at more than 28,800 retailers across the state. It is vital that the federal government maintain its partnership with the state and counties in funding this critical program, which primarily

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**CSAC Officers**

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Inyo County

**1<sup>st</sup> Vice President**  
Susan Ellenberg  
Santa Clara County

**2<sup>nd</sup> Vice President**  
Luis Alejo  
Monterey County

**Past President**  
Bruce Gibson  
San Luis Obispo County

**CEO**  
Graham Knaus

benefits families with children and individuals living below the federal poverty line. We oppose changes to SNAP that would reduce participation among eligible households, cut benefits, further shift costs to the state, or impose costly and unnecessary administrative requirements on the county agencies tasked with delivering the program.

California counties are also responsible for administering the TANF program, which serves 825,000 residents, 73 percent of whom are children. California is one of five states selected to pilot new, innovative metrics for TANF work and education outcomes under the bipartisan *Fiscal Responsibility Act (FRA) of 2023*. While our members have long called for substantive changes to TANF to modernize the program, we urge any reforms to take place in a bipartisan fashion that allows this critical resource to best meet the needs of local communities. In California, TANF primarily supports cash assistance, work activities, supportive services, child care and other programs that help vulnerable families meet their basic needs and eventually move towards self-sufficiency. Given the fact that counties contribute significant funds towards the state’s Maintenance of Effort (MOE) requirements, it is critically important that the federal government continue to pay its full share of TANF expenditures, which was \$3.6 billion in FY 2023. We urge you to protect TANF from funding cuts or programmatic changes aimed at reducing access to the program, particularly as the FRA pilots are being launched.

Cuts to these vital safety net programs would have ripple effects, leading to increased healthcare costs, higher unemployment, greater interactions with law enforcement, and rising homelessness. In addition, if the state requires counties to keep funding these services without providing alternate funding, counties would be forced to cut spending elsewhere – such as public safety, parks, and county initiatives to address homelessness. We ask you to protect these essential programs to help us preserve the well-being and stability of millions of Californians.

If you have questions about our positions, please have your staff contact Tom Joseph and Rachel Mackey, Washington Representatives for CSAC, at [tj@paragonlobbying.com](mailto:tj@paragonlobbying.com) and [rm@paragonlobbying.com](mailto:rm@paragonlobbying.com).

Sincerely,

Graham Knaus  
Chief Executive Officer  
California State Association of Counties (CSAC)

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