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# REPORT

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TO: Santa Barbara County Board of Supervisors

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FROM: Don Gilchrest

## 2025 ANNUAL REPORT

The County of Santa Barbara's 2025 federal advocacy program has remained consistent with past years, but recent changes in the political landscape have had dramatic impacts on its implementation. With Republicans now holding unified control of the federal government, Congress has largely followed President Trump's direction, resulting in significant challenges in the federal legislation and policy processes.

Throughout this year, we have worked closely with CEO Miyasato and County staff to advance the Board's priorities in Washington and met regularly with the Legislative Program Committee to manage this advocacy and report on Congressional and Administration actions. Representative Carbajal, Senator Schiff, and Senator Padilla have provided crucial support for these efforts.

Congressional Republicans and the White House have focused heavily on reducing federal spending for domestic programs. Through the annual appropriations process, they have sought deep cuts to discretionary programs, while the budget reconciliation package passed in July reduced mandatory spending for several safety-net programs. Since Inauguration Day, a series of executive orders and policy directives have also sought sweeping changes to federal spending and how programs are implemented.

Within this difficult environment, we have worked with the County to develop bipartisan support for priority programs and made progress on legislative initiatives in the areas of public health, behavioral health, housing/homelessness, nutrition, and disaster response.

Looking ahead, Congress and the Administration still face major decisions before the end of the year, many of which could significantly impact the County's priorities. The following report provides an overview regarding federal legislative and policy outcomes so far in 2025 related to your adopted federal platform.

### **Fiscal Year 2025 Funding**

H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*, was enacted March 28 to extend the 2024 levels of funding for most federal programs through to the end of the next fiscal year. This ended the efforts of House Republicans to enact a 6 percent reduction in non-defense programs, with some specific agencies slated to be cut much deeper. In addition, the legislation provided an additional \$4.6 billion for increased costs of rental assistance programs.

### **Fiscal Year 2026 Appropriations Bills**

The funding priorities included in your Board's federal platform continued to be a major focus of our lobbying efforts. President Trump's Fiscal Year 2026 Budget Submission to Congress in May proposed an overall 23 percent reduction in domestic programs. So far this year, House Republicans have been drafting bills that would implement a 6 percent reduction, with some individual programs seeing deeper cuts. Although the House bills generally cut far less than the deep cuts proposed by the President, they would still result in negative impacts on numerous programs that touch on County priorities. Senate appropriators are taking a much different approach, and are generally rejecting the cuts, with many programs actually seeing small increases. But the lack of an agreement on the overall plan has slowed the process down, necessitating interim funding through a Continuing Resolution.

In addition to the disputes about funding levels, Congressional Democrats are seeking to use their support for funding legislation as an opportunity to address concerns they have about health care programs and Administration actions to restructure spending priorities through executive authority. These disputes are currently making a lapse of funding on October 1 very likely. However, if an agreement can be reached on an interim funding measure, Congress will spend the rest of the year working to complete the annual funding bills.

### **Community Project Funding**

We worked with the Legislative Program Committee, County staff and your local Congressional Delegation to identify potential project opportunities through House Community Project Funding or Senate Congressionally Directed Spending. Through Representative Carbajal's efforts, the House version of the *FY 2026 Transportation, Housing and Urban Development Appropriations Act* (H.R. 4552) includes \$850,000 for improvements at the Lompoc Animal Shelter. This support by the Committee is a very important step in the process and puts the project in contention for funding in the final version of this legislation that will be negotiated at the end of the year.

### **2025 Federal Funding to the County**

While most federal programs support the County through formula allocations to the State or through distributions directly to recipients, the following federal funding allocations this year have special significance for the County:

- \$2,426,961 from the Payment in Lieu of Taxes program.
- \$3,759,419 from Homeless Assistance grants for continuum of care efforts in Santa Barbara County.
- \$1,177,513 through the Community Development Block Grant Program.
- \$1,073,695 through the HOME Investment Partnership Act.
- \$11,554,262 in disaster reimbursements obtained by the County Office of Emergency Management and Office of Public Works, which were expedited with Representative Carbajal's assistance.

### **2025 Federal Legislation Summary**

#### *Public Health/Health Care Programs*

- H.R. 1, the “*One Big Beautiful Bill Act*,” was enacted on July 4, and significantly impacts Medicaid by cutting the program by nearly \$1 trillion over 10 years. The legislation imposes work requirements on certain enrollees, tightens eligibility for immigrants, and restricts provider taxes and state directed payments. The legislation establishes a \$50 billion Rural Health Transformation Program intended to mitigate some of the impacts of the Medicaid changes in rural areas.
- H.R. 5304, the House version of the *Fiscal Year 2026 Labor, Health and Human Services Appropriations Act*, would reduce funding for the Department of Health and Human Services by 6 percent, although that is far less than the 18 percent reduction sought by President Trump. The Senate version, S. 2431, would increase HHS funding by 1 percent.
- The Federally Qualified Health Centers program was most recently extended through October 1 by H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*. The Republican (H.R. 5371) and Democratic (S. 2882) alternatives in the current short-term funding debate would both provide short-term extensions for the Federally Qualified Health Care program. We are continuing to advocate for legislation such as S. 891, the *Bipartisan Health Care Act*, that would provide a multi-year reauthorization and funding increase for FQHCs.
- Enhanced tax subsidies for the purchase of Affordable Care Act marketplace insurance plans will expire at the end of this year. S. 2882, the Democratic alternative in the current short-term funding debate, would permanently extend these tax credits. Republican leaders are opposing the inclusion of this issue in the debate over a Continuing Resolution.
- H.R. 2483, the *SUPPORT for Patients and Communities Reauthorization Act of 2025*, to provide support for prevention, treatment, and recovery programs

for the opioid crisis, was passed the Senate on September 18, 2025, and is awaiting the President's signature.

### *Housing*

- H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*, provided level funding for Department of Housing and Urban Development programs, with an additional \$4.6 billion included to maintain service levels in rental assistance programs.
- H.R. 4552, the House version of the *Fiscal Year 2026 Transportation, Housing and Urban Development Appropriations Act*, rejects the 44 percent reduction in housing programs sought by the White House, though it does propose a 2 percent reduction next year. The Senate version, S. 2465, would increase these programs by 4 percent.
- H.R. 1, the “*One Big Beautiful Bill Act*,” included provisions supported by the County to expand the Low-Income Housing Tax Credit. This includes an increase in the volume of tax credits available for low-income housing by 12.5 percent and a decrease in the private activity bond financing required to access the credit to 25 percent.
- S. 2651, the *Renewing Opportunity in the American Dream (ROAD) to Housing Act*, was approved by the Senate Banking Committee on July 29. The bill would reauthorize the Home Investment Partnerships Program and includes numerous other provisions to support or incentivize housing construction.

### *Nutrition*

- H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*, provided a one-year extension to the nutrition programs in the 2018 Farm bill.
- H.R. 1, the “*One Big Beautiful Bill Act*,” significantly altered the Supplemental Nutrition Assistance Program by reducing federal funding by about \$300 billion over ten years, shifting costs to states and expanding work requirements.
- H.R. 4121, the House *Fiscal Year 2026 Agriculture Appropriations Act*, would provide almost level funding for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), which would not be sufficient to account for the number eligible people and the increase in food costs. The Senate bill, S. 2256, would address this need by providing a 7.9 percent increase for WIC.

### *Social Services*

- The Temporary Assistance for Needy Families (TANF) Program was extended through October 1 by H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*.

An additional extension for the program is needed through the pending Continuing Resolution for fiscal year 2026.

- When the House Budget Committee suggested the possibility that the TANF program could receive a funding cut or additional work requirements through budget reconciliation, local and state governments opposed this proposal. H.R. 1, the “One Big Beautiful Bill Act,” did not enact any TANF reductions.
- We also successfully lobbied in coordination with the National Association of Counties against proposals that would have eliminated the Social Services Block Grant when H.R. 1 was considered.
- H.R. 1 increased the maximum value of the Child Tax Credit from \$2,000 to \$2,500 per qualifying child but reduced the eligibility of some low- and moderate-income families.

### *Disaster Relief/Emergency Management*

- The Republican (H.R. 5371) and Democratic (S. 2882) alternatives in the pending short-term funding debate would both provide interim “spend-faster” authority that is needed to keep the Federal Emergency Management Agency Disaster Relief Fund solvent. Legislation that was enacted in December 2024 added \$29 billion to the Fund, but much more is going to be needed this fall to continue disaster response and recovery efforts.
- H.R. 4213 has been approved by the House Appropriations Committee to fund Department of Homeland Security emergency management grant programs next year. The Senate Appropriations Committee has not yet set a date for the consideration of its version of the bill.
- Both the House and Senate versions of the *Fiscal Year 2026 Commerce, Justice, Science Appropriations Act* reject the proposal in President Trump’s Budget Submission that would have reduced staff and operations at the National Weather Service. S. 2354 would provide level funding for NWS at \$1.25 billion, while H.R. 5342 includes an increase to \$1.4 billion.
- H.R. 979, which would require AM radio to be offered as a standards feature in cars, was approved by the House Energy and Commerce Committee on September 17.
- H.R. 4669, the *Fixing Emergency Management for Americans (FEMA Act) of 2025*, was approved by the House Transportation and Infrastructure Committee on September 3. H.R. 4669 would overhaul the Federal Emergency Management Agency to streamline disaster response and recovery programs while also making it a cabinet-level agency.
- The National Flood Insurance Program was extended through October 1 by H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*. An additional extension for the program is needed through the pending Continuing Resolution for fiscal year 2026.

## *Public Safety*

- Senator Padilla and Senator Schiff are sponsoring S. 2212, the *Visible Identification Standards for Immigration-Based Law Enforcement (VISIBLE) Act of 2025*, which would require officers of U.S. Immigration and Customs Enforcement, Customs and Border Protection, and deputized state and local immigration officers to display clearly visible identification during public-facing enforcement actions. Representative Carbajal is cosponsoring similar legislation in the House, H.R. 4176, the *No Secret Police Act of 2025*.
- H.R. 5342, the House *Fiscal Year 2026 Commerce, Justice, Science Appropriations Act* would increase State and Local Law Enforcement Grants by \$246 million to total \$2.25 billion. The Senate version, S. 2354, proposes a \$121.8 million reduction.

## *Environment and Land Management*

- The House and Senate versions of the *Fiscal Year 2026 Interior-Environment Appropriations Act* would fully fund the Payment in Lieu of Taxes program.
- S. 1462, the *Fix Our Forests Act*, was sponsored by Senator Padilla and a bipartisan group of Senators to improve wildfire response and streamline forest health land management processes. A similar bill, H.R. 471, was approved by the House on January 23 and includes Representative Carbajal's H.R. 2492, the *Fire Safe Electrical Corridors Act*.
- President Trump has proposed deep fiscal year 2026 cuts to EPA State and Local Clean Air Grants. Both the House and Senate versions of the *Fiscal Year 2026 Interior-Environment Appropriations Act* would sustain this funding at or near the current funding level of \$236 million.
- H.R. 1, the "*One Big Beautiful Bill Act*," repealed numerous climate change mitigation programs and renewable energy incentives.

## *Agriculture*

- Representative Carbajal is working to enact the County's priorities for agriculture programs in the reauthorization of the 2018 Farm Bill. H.R. 9494, the *Fiscal Year 2025 Continuing Resolution*, provided a one-year extension to these programs.

## *Transportation*

- We assisted County Public Works staff with advocating your priorities in the reauthorization of Surface Transportation Programs. Representative Carbajal, Senator Padilla, and Senator Schiff serve on committees that have jurisdiction over various parts of these programs. The current authorization will expire next October.

### **Trump Administration Executive Orders**

Throughout the year, we have tracked and advised the County on numerous Executive Orders and Administration directives, including:

- January 27 White House Office of Management and Budget comprehensive freeze of federal grants and loans in January. (Withdrawn by OMB on January 29, 2025, but multiple smaller efforts have subsequently continued.)
- January 20 Immigration Executive Orders.
- January 20 Executive Order targeting renewable energy programs and electric vehicle incentives/charging infrastructure.
- July 15 Department of Interior directive that increased review requirements for review of solar and wind energy projects.
- January 20 Executive Order “Protecting the American People from Invasion,” included a directive to end funding to “Sanctuary Jurisdictions.”
  - May 30 Department of Homeland Security directive that listed sanctuary jurisdictions released (Withdrawn on June 2.)
  - August 5 Department of Justice release of criteria for identifying Sanctuary Jurisdictions and the initial list of governments selected to be penalized.
- February 11 Executive Order “Implementing the President’s ‘Department of Government Efficiency’ Workforce Optimization Initiative,” which directed federal agencies to begin carrying out mass layoffs and reorganizations. (On July 8, the Supreme Court lifted a pause put in place by a lower court, allowing the layoffs to go forward while litigation continues.)
- February 19 Executive Order “Ending Taxpayer Subsidization of Open Borders,” which directs federal agencies to deny benefits to undocumented immigrants. (The Department of Health and Human Services issued changes to Public Charge policies on July 14 and the Department of Agriculture applied this to nutrition programs on July 10.)
- April mass layoff of AmeriCorps employees and cancelation of grants. (A preliminary injunction was issued on June 5 that required the reinstatement of AmeriCorps members and the restoration of grant funding.)
- Impoundment of federal funding in violation of the Impoundment Control Act of 1974. (The Government Accounting Office has documented three different violations of the Impoundment Act but has so far declined to file suit.)
- July 24 Executive Order “Ending Crime and Disorder on America’s Streets,” directs federal agencies to impose funding restrictions in housing and behavioral health programs. (Ongoing, but temporary restraining order issued by US District Court of Rhode Island on September 12, 2025)
- August 27 Department of Agriculture notice of intent to rescind the 2021 Roadless Areas (Wilderness) Rule.
- September 24 OMB directive for agency Reduction in Force Plans to be implemented if the federal government shuts down.