

Memo

To: NACD Officers, Executive Board, Board Members, Presidents and Executive Directors

Olum they

of State/Territory Associations, Members

From: Jeremy Peters, NACD CEO

Date: May 16, 2025

Re: NACD Update on Recent Executive Actions

I am writing to provide an update on recent Executive Actions.

NACD Staffing Updates

NACD is excited to welcome JoBeth Delawder to the team! JoBeth began in her new role as Director of Government Affairs on Monday.

JoBeth comes to NACD from USDA Rural Development where she has spent the last several years as Acting Senior Energy Manager and Special Advisor to the Administrator of the Rural Business Cooperative Service.

Prior to her service at USDA, JoBeth served on Capitol Hill as staff to Senator Ben Ray Lujan of New Mexico and Senator Joe Manchin of her home state of West Virginia, as well as staff to the Senate Committee on Energy and Natural Resources. JoBeth has also previously served with the West Virginia Department of Agriculture.

JoBeth holds a degree from West Virginia University in Agribusiness Management with minors in Agricultural and Natural Resources Law and Political Science. She is also a proud 6th generation farmer and former WV Envirothon Winner.

She can be reached at JoBeth-DeLawder@nacdnet.org.

Congressional Hearings

Senate Agriculture Committee: Conservation Hearing

On **Tuesday, May 13 at 3:00 p.m. ET,** NACD President Gary Blair participated in a Senate Agriculture Committee hearing on "Perspectives from the Field, Part 4: Conservation." President Blair joined Brad Doyle from the Arkansas Farm Bureau, Lynn Tjeerdsma from Pheasants Forever and Quail Forever, Chad Ellis from the Texas Agricultural Land Trust, and Megan Dwyer from the Illinois Corn Growers Association in testifying to the full committee.

In his testimony, President Blair emphasized the importance of technical assistance, as well as the local capacity and resources needed to ensure producers receive timely and quality services. A lack of capacity can become a bottleneck in administering important financial assistance contracts to producers. He expressed deep concern about the reported separation of approximately 2,400 NRCS employees and return to FY2020 on-board staffing levels.



Mr. Blair also discussed the importance of voluntary, incentive based and locally led farm bill conservation programs. Demand for conservation is high and even with Inflation Reduction Act (IRA) funding, conservation programs are consistently oversubscribed. Mr. Blair also had the opportunity to emphasize that NACD's top priority is to integrate IRA funding into the conservation title and express support for the House language.

Several of the Senator's questions pertained to local impacts as a result of staffing reductions and funding pauses. Mr. Blair had the opportunity to raise our members' own voices by highlighting their responses to NACD's March 2025 survey, where nearly 500 members submitted feedback. NACD expressed its desire to see USDA's pause on new obligations lifted, particularly for IRA contracts with producers.

The full testimony can be found <u>here</u>. The live stream can be found <u>here</u>.

Budget Reconciliation

House Agriculture Committee:

The House and Senate agreed to the concurrent budget resolution in April, which set budget levels for fiscal year 2025 and the following 9 years. The House Agriculture Committee was instructed to reduce spending by \$230 billion over the 10-year budget window.

On May 12, 2025, the House Agriculture Committee released <u>budget reconciliation text</u>. The Committee members provided opening statements on Tuesday night, with the markup continuing on Wednesday.

NACD was pleased to see its top farm bill priority addressed, namely that remaining IRA funds were integrated into conservation programs without climate sideboards. While this is significant for conservation, there is still a long process ahead before the full bill is passed. Retaining IRA investments in conservation programs is not guaranteed, although we will be continuing our advocacy for this priority.

The bill also includes several changes to the commodity title and crop insurance programs to increase federal support to farmers. This includes:

- Increased reference prices for the Price Loss Coverage (PLC) program
- Increased guarantees for Agricultural Risk Coverage (ARC)
- Increased payment limits (from \$125,000 to \$155,000)
- A mechanism to add 30 million base acres
- Improve Dairy Margin Coverage (DMC) protection from 5 million to 6 million pounds

The reconciliation bill includes over \$290 billion in Supplemental Nutrition Assistance Program (SNAP) reductions, including modifications to existing work requirements, program eligibility provisions, and establishment of a cost-share for states. Under the bill, states would pay at least 5% of SNAP benefit costs starting in 2028 and those with higher error rates could pay up to 25% (est. \$1 billion for some states).



The reconciliation process has been a partisan, with the House Agriculture Committee voting 29-25 along party lines to advance this bill on May 14, 2025. Because the House version of the bill also extends the Dairy Margin Coverage (DMC) program through 2031, there remains little incentive to negotiate a new, bipartisan Farm Bill this year.

Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies:

EPA Administrator Lee Zeldin appeared before the Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies on May 15. Senators from both parties spent time outlining how the funding cuts and freezes, and reorganization and layoffs, have and will continue to affect the ability of the federal government to do its job effectively and efficiently.

Mr. Zeldin was primarily asked about why specific grants that had been canceled in various Senators' districts. Mr. Zeldin responded to the request for information on specific grants by stating that grantees should review their grants, make any necessary changes and the grants may be approved. He was unable to provide an answer as to why they had been canceled.

The president's skinny budget would cut funding to EPA by 55% which would invariably lead to further understaffing and impact the agency's ability to provide assistance, oversight, and updated guidance on the implementation of such programs as 319, source water protection, WOTUS jurisdictional determinations, pesticide safety, air pollution control, and more.

Court Actions

Supreme Court

On May 15, the Supreme Court heard oral argument as the Trump administration asks the Supreme Court to weigh in on whether **lower federal courts have the authority to order national injunctions on executive actions**. While the specific legal question concerns birthright citizenship, the focus has been on the authority of the courts.

The administration argues that universal injunctions are an overstep of judicial authority and should only be applied to the parties in the case. If the administration is successful, all national questions, i.e. the enforceability of an executive order, would either require a class action that includes any and all impacted parties, or wait on any judicial action until the case eventually makes it way up to the Supreme Court over the course of years in some cases.

Class actions are incredibly time intensive and expensive. Because states cannot join a class action, there would be no remedy for states. In this case, the initial complaint was filed by more than a dozen states. Additionally, if only the named plaintiffs are eligible for remedy, federal laws could be enforced differently depending on which state a person is in and would change when that person crossed state lines, causing chaos and uncertainty.

If the Supreme Court sides with the administration on this issue, it sets the precedent that the administration is not required to adhere to court orders. There are currently over 200 lawsuits filed against the Trump administration and its executive actions, along with numerous



injunctions and court orders. The topic of these lawsuits and injunctions run the gamut from immigration concerns to unlawful firings and funding freezes, to the potential environmental impacts in response to the guidance and actions leading to deregulation and the sale and degradation of public lands.

Reorganization Plans

On May 9, a federal judge in San Francisco temporarily blocked the administration's reorganization efforts stating that while the president has authority to seek changes at agencies, he must do so in lawful ways. Executive Order 14210 sought to "commence a critical transformation of the Federal Bureaucracy" (EO No. 14210, 90 Fed Reg 9669, Feb. 11, 2025). This transformation, enacted by DOGE has so far included the mass firing of probationary employees, the shuttering of field offices, and ongoing uncertainty around staffing and funding. The judge stated in her opinion granting the Temporary Restraining Order (TRO) that "to make large scale overhauls of federal agencies, any president must enlist the help of his co-equal branch and partner, the Congress" and reiterated that DOGE has no authority to take action that requires congressional approval. The court then provided a two-week pause, ending on May 23, on reductions in force plans and to preserve the status quo for staff as the lawsuit moves forward. Agencies have been advised not to speak about or work on reorganization plans and RIF policy until the end of the restraining period. The TRO applies to all defendant agencies including USDA, Interior, and EPA. A copy of the Order can be viewed here.

Department of Interior:

The Department of Interior <u>announced</u> it will publish a formal request for information on May 20, 2025 and urges the public to provide input on which regulations on federal lands should be targeted for review by the Trump administration as they seek to loosen government oversight of energy, climate, and the environment. The request asks the public to identify rules to cut or rewrite, particularly ones that are "outdated, "overly complex" or "burdensome". The public has until late June to send Interior ideas. The administration has already called for the repeal of the Public Lands Rule and are looking to revisit the Western Solar Plan. Recent conversations with BLM also highlighted the need for a revision of the Grazing Act. NACD will be following proposed suggestions closely.

The US Fish and Wildlife Service and the National Marine Fisheries Service proposed a rule that would remove the inclusion of habitat modification and degradation in the definition of harm under the Endangered Species Act. The agencies rely on the best reading of the ESA to guide their rulemaking. NACD will be submitting comments encouraging the agencies to utilize conservation districts and local knowledge to develop more reasonable guidance for species recovery plans and critical habitat designations. NACD highlights the importance of looking at the ecosystem as a whole and making improvements where practicable in partnership with local agencies and landowners.



U.S. Department of Agriculture:

New Obligations

USDA has not released any updates or guidance relating <u>new obligations</u>. While USDA is processing payments under existing contracts, grants, or agreements, new funding is not available. This includes new obligations on producer contracts funded with IRA dollars.

Many of our members begin to negotiate new grants or agreements with their federal counterparts in late May through early July. We will continue to keep you informed should there be any updates to USDA's current policy. NACD is interested in understanding the impacts of potential funding pauses on our members. Please continue to keep NACD informed of any concerns or specific impacts.

Advancing Markets for Producers (AMP) Initiative (NRCS)

On April 14, 2025, NRCS notified grantees of the Partnerships for Climate Smart Commodities of the status of their grants. While some were able to continue work unimpeded, the majority of grantees received notification that their grant would be terminated due to non-compliance with three Farmer First priorities:

- A minimum of 65% of federal funds must go to producers
- Grant recipients must have enrolled at least one producer as of 12/31/2024
- Grant recipients must have made a payment to at least one producer as of 12/31/2024

Formal termination letters were issued April 22, 2025. Most grantees were invited to resubmit a proposal by June 20, 2025. On May 15, 2025, USDA issued guidance for resubmitting a proposal. Namely:

- Grantees must submit a new budget narrative and statement of work incorporating Farmer First policy priorities before June 20, 2025.
- Should the proposal be approved, it will be processed as a modification of the original award and the April 22, 2025 termination will be rescinded.
- Administrative costs associated with termination activities to date and completing the modification are allowable; however, all budgets must include a minimum of 65% of federal funds going to producers <u>inclusive</u> of the aforementioned costs.
- Grantees interested in continuing with the termination process must notify their AMP point of contact by today, May 16, 2025. Grantees may also exercise their right to appeal the termination to the National Appeals Division; however, NRCS will not delay the June 20, 2025 submission deadline for any reason.

Hazardous Fuels Transportation Assistance Grants (Forest Service)



On May 6, the Forest Service announced \$23 million in grants to support transporting hazardous fuels – such as dead or downed trees – from national forests to processing facilities. Through the Hazardous Fuels Transportation Assistance Program, these grants will reduce the hazardous fuels that pose wildfire threats to communities, critical infrastructure and recreation areas. The Forest Service will accept applications through June 20, 2025.

It should be noted that this program will be administered by National Wild Turkey Federation (NWTF), in cooperation with the Forest Service. It is our understanding that NWTF will be awarding and obligating all funds, which would not be a violation of USDA's current pause on new obligations.

Information about webinars will be available soon on the <u>Forest Service Timber Transportation</u> website. See USDA's press release <u>here</u>.

Legislation

Sen. Gallego (D-NM) introduced the <u>Excess Urban Heat Mitigation Act of 2025</u> to establish an urban heat island mitigation grant program.

Rep. Matsui (D-CA) reintroduced the <u>TREES Act</u>. The bill creates a cost-share grant program at the Department of Energy to provide \$50 million in funding to plant a minimum of 300,000 trees annually in residential neighborhoods through 2028.

At the May 13 Senate Agriculture Committee hearing on conservation, Sen. Klobuchar reintroduced The Agriculture Innovation Act, which would improve USDA data collection and research of conservation practices (cosponsored with Sen. Thune). She also referenced the Producing Responsible Energy and Conservation Incentives and Solutions for the Environment (PRECISE) Act and Precision Agriculture Loan (PAL) Act (cosponsored with Sen. Fischer). Finally, she noted her appreciation to USDA for reopening enrollment for the Conservation Reserve Program, which provides farmers and landowners with options for improving soil health, protecting water quality, and increasing wildlife habitats CRP Improvement Act (cosponsored with Sen. Thune).

Disaster Relief:

USDA's <u>landing page</u> allows the public to track the status of USDA's disaster rollout and will be updated regularly. The current Disaster Assistance Program Timeline is as follows:

Emergency Livestock Relief Program – Drought/Wildfire

May 23 – Release to Federal Register for publication

May 28 – Final rule on public display

May 29 – Payment processing on Thursday night

May 30 – County offices sign and certify payments

Supplemental Disaster Relief Program – Previously Indemnified Loss

June 30 – Release to Federal Register for Publication



July 3 – Final rule on public display

July 7 – SDRP sign up begins

Emergency Livestock Relief Program – Flooding includes Commodity Loss Assistance Program, Milk Loss Program – Combined Final Rule

August 13 – Sent to Federal Register for Publication

August 15 – Final Rule on public display

August 18 – ELRP flooding, Commodity Loss Assistance and Milk Loss – sign up begins

Supplemental Disaster Relief Program – Uncovered Loss

September 10 – Sent to Federal Register for Publication

September 12 – Final Rule on public display

September 15 – SDRP sign up targeted.

Conclusion:

NACD will continue to monitor forthcoming legislation, budget reconciliation efforts, FY2026 appropriations, Farm Bill, the issuance and implementation of Executive Orders, and associated court cases. The situation continues to remain fluid.

NACD encourages members to contact NACD's Government Affairs Associate, Connor Simons (<u>connor-simons@nacdnet.org</u>) and continue to share updates and concerns related to the impacts of recent executive actions. This information will inform NACD's engagement with agency and congressional leaders.