

Memo

To: NACD Officers, Executive Board, Board Members, Presidents and Executive Directors of State/Territory Associations, Members

From: Jeremy Peters, NACD CEO

Date: May 23, 2025

Re: NACD Update on Recent Congressional and Executive Actions

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

Budget Reconciliation

On Thursday morning, the House of Representatives narrowly passed its sweeping reconciliation bill by a party-line vote of 215–214, concluding weeks of intense negotiations. Notable differences between the House and Senate budget frameworks are likely to prompt substantial amendments in the upper chamber.

While the reconciliation process enables the Senate to pass legislation with a simple majority (bypassing the filibuster), any changes made by the Senate would require the bill to be returned to the House for further consideration. Senate negotiations are also required to adhere to the "Byrd Rule", an intricate process that limits reconciliation to provisions which directly address spending, revenue, or the debt limit. The House bill was not under the same restraints and may include provisions that Senate opponents will argue violates the rule.

The bill, titled the <u>One Big Beautiful Bill Act</u>, incorporates Inflation Reduction Act (IRA) conservation funding into the farm bill baseline, one of NACD's top legislative priorities. It also raises the commodity program payment limit from \$125,000 to \$155,000, adjusts reference prices under the Price Loss Coverage (PLC) program, and extends the Section 199A deduction for small business income. Additionally, the legislation expands eligibility for PLC or ARC (Agriculture Risk Coverage) to an estimated 30 million new base acres and extends statutory funding for farm bill programs such as the Conservation Reserve Program (CRP) through 2031.

To offset these increases, the bill proposes significant reductions to the Supplemental Nutrition Assistance Program (SNAP). Proponents defended the changes, citing public support for stricter work requirements and revised definitions of working-age adults (from 54 to 64) and dependents (from 18 to 7). However, bipartisan critics warned that plans to shift costs to states could strain state budgets and trigger unintended consequences across multiple sectors.

Other contentious elements included concerns from conservative members over increased spending and long-term IRA tax credits, while several blue state Republicans opposed suggested changes to State and Local Tax (SALT) deductions and Medicaid provisions.

Should the Senate agree with the House on reconciliation, there is expected to be less interest in pursuing a full farm bill as most major programs will be funded through 2031. The proposed legislation would also remove the "dairy cliff", a mechanism that typically spurs negotiations by



implementing arcane commodity pricing laws. Farm bill programs that **are not** addressed in the reconciliation package include:

- Programs targeted at small farms such as the Local Agriculture Market Program and Value-Added Producer Grants.
- Some research programs, including the Sustainable Agriculture Research and Education Program, Organic Agriculture Research and Extension Initiative, Organic Transitions Program and Agriculture and Food Research Initiative.
- The Rural Microentrepreneur Assistance Program, Rural Business Development Grants, and the Rural Energy for America Program.
- Rescinds all unobligated balances from the Inflation Reduction Act for the Forest Legacy Program and the Forest Landowner Support Program (sec. 10105).
- Rescinds remaining funds appropriated in the Inflation Reduction Act to protect old-growth forests on National Forest System land and complete an inventory of old-growth and mature forests within the National Forest System (sec. 80306).

This is an incredibly rare attempt that could potentially alter the form and function of all future farm bills, jeopardizing the conservation community's most valuable legislative asset. The established process is critical to updating rates and collecting input from partners, as well as renewing or extending critical pilot and orphan programs that producers across the nation rely on. A full, timely farm bill remains a priority for NACD.

US Forest Service

On May 19, USDA <u>announced</u> the termination of seven federal advisory committees as part of Executive Order 14217, "Commencing the Reduction of the Federal Bureaucracy." Terminated committees include the National Wildlife Services Advisory Committee and the Northwest Forest Plan Area Advisory Committee. Several additional terminations have been paused under an April 21 memorandum for further review.

On May 20, the Forest Service provided an update on interim operational planning, following Chief Tom Schultz's <u>May 6 announcement</u> outlining new governance structures to maintain mission readiness amid workforce reshaping. The <u>update</u>, shared by Acting Associate Chief Chris French, detailed early implementation steps including zoned NEPA operations, disaster acquisition planning, redeployment of staff, expanded communications support, and the creation of a national timber and fuels collaboration team. These interim plans are designed to uphold critical services and safety across the agency and are separate from the broader USDA reorganization process.

Also on May 20, USDA Secretary Rollins and Interior Secretary Burgum signed a joint <u>wildfire</u> <u>preparedness memorandum</u> committing both departments to enhanced coordination ahead of the 2025 wildfire season. The memo followed a joint fire briefing and emphasized USDA's full support for Forest Service wildfire operations. A separate <u>Secretarial Memorandum</u> issued the same day directed USDA mission areas to assess their capacity to support wildfire response and remove administrative barriers to rapid deployment.



Department of Interior

This week, **Secretary of the Interior, Doug Burgum** appeared before the **House and Senate Appropriations Committees** to discuss Dept. of Interior budget requests. The committee discussion touched on tribal funding, the new wildfire office, staffing concerns, local coordination, and the sale of public lands for affordable housing initiatives. Sec. Burgum acknowledged the need for funding and staffing for management and enforcement at the tribal, state, and local levels, the benefit of partnerships and coordination at the local level, and the growing need for stable energy sources. It is heartening to hear that Secretary Burgum understands the challenges faced by land users across the country. However, the proposed budget would cut DOI funding by \$5 billion, a 31% cut from FY25. With these cuts in conjunction with the staffing cuts due to reorganization, it is unclear what local coordination would look like and what the impact on states would be. *NACD stresses the need for local coordination with comments and conversation on nearly every federal resource management program*.

On Tuesday May 20, DOI published a <u>Request for Information</u> seeking feedback to assist the Department and its various offices and bureaus in identifying existing regulations that can be modified, repealed, and changed to be consistent with applicable law. The deadline for comment is June 20, 2025. As the people who work on DOI lands, with DOI staff and regulations, we ask that members provide any insight or thoughts regarding this RFI. NACD will be submitting comments based on our various policies and look forward to including real life examples of how these regulations work, or don't, on the ground.

We ask that you **please provide your comments by June 16** and do so by emailing Libby Wawro at libby-wawro@nacdnet.org.

Environmental Protection Agency

Over the past week, **EPA Administrator Lee Zeldin** has appeared before various Senate and House panels to defend the administration's request for a 55% budget cut for FY26 as well as defend grant cancellations which seemed to be the jumping off point for many of the congress members. The cuts to EPA would eliminate all funding for environmental justice programs, impact clean energy and climate initiatives, including the Greenhouse Gas Reduction Fund, reduce funding for State Revolving Funds and water infrastructure programs, and reduce state and tribal assistance grants. Administrator Zeldin highlighted the need for a more efficient agency, more public private partnership, and the use of AI for many agency actions. Though questioning was tense at times, Administrator Zeldin repeatedly emphasized the ability of the US to both grow the economy and protect the environment and that the implement to do so is deregulation. The budget bill that passed the House includes only a 20% cut to EPA funding.

Federal Workforce

Last Friday, a federal appeals court lifted a block on an executive order from President Donald Trump that seeks to strip union rights from federal workers at over 30 agencies, including USDA and DOI, by invoking national security exemptions. *Changes in federal workforce dynamics may* NACD Update on Recent Executive Actions 3



affect the consistency and effectiveness of conservation programs that rely on federal partnerships.

Late on May 22, US District Judge Susan Illston extended the two-week injunction halting the Trump administration from issuing or finalizing widespread layoffs. Judge Illston's decision states that the "President must seek congressional authorization" to engage in large-scale reorganizations of agencies. The order requires the administration to pause implementation of any reductions in force or agency reorganization plans and to seek congressional oversight and approval of any large-scale reorganization efforts.

According to <u>GovExec</u>, "Illston's order tasked impacted agencies with rescinding already issued RIFs and putting those currently on paid administrative leave back on the job, though she immediately paused enforcement of that provision pending the outcome of the case. Her order applies to the departments of Agriculture, Commerce, Energy, Health and Human Services, Housing and Urban Development, Interior, Labor, State, Treasury, Transportation and Veterans Affairs, as well as also OMB, OPM, DOGE, AmeriCorps, Peace Corps, the Environmental Protection Agency, the General Services Administration, the National Labor Relations Board, the National Science Foundation, the Small Business Administration and the Social Security Administration." The final decision may set a precedent regarding the limits of executive power in restructuring federal agencies.

In President Blair's <u>testimony</u> during the Senate Agriculture Committee's hearing and in a <u>letter</u> to Secretary Rollins, NACD encouraged the administration to utilize a data driven approach to ensure that producers across the country receive the technical assistance they need and deserve.

USDA Secretary Rollins had previously <u>stated</u> that she intended to provide the USDA reorganization plan by May 27, but this is unlikely given the extended injunction. She also announced that the USDA does not plan to offer additional employee <u>buyouts</u> beyond the approximately 15,000 already accepted. She explains that this is all in an effort to realign the workforce to better serve rural communities and farmers. She also noted that the department is working to rehire staff in key agencies to maintain essential services.

Conclusion:

Executive orders continue to be introduced, lawsuits are constantly developing, and the impacts of many recent actions are still unclear. Federal agencies are working to interpret and implement these orders and will share additional guidance as soon as possible.

NACD encourages members to contact NACD's Government Affairs Associate, Connor Simons (<u>connor-simons@nacdnet.org</u>) 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.

Finally, as we observe Memorial Day on Monday, NACD wants to thank every Veteran and their families for their patriotism and immense sacrifice to our nation. We especially extend our deepest gratitude and respect for those who gave everything to keep us safe.