National Association of Conservation Districts

**Memo**

**To:** NACD Officers, Executive Board, Board Members, Presidents and Executive Directors of State/Territory Associations, Members
**From:** Jeremy Peters, NACD CEO
**Date:** July 27, 2026

**Re: NACD Update on Recent Congressional and Executive Actions**

***All NACD updates are accessible on the members only page of the NACD website.***

**Headlines and Deadlines**

- Budget
  - House passes Continuing Resolution
  - House passes budget resolution for reconciliation package
- Federal Judge finds that an administration cannot cancel grants that have already been allocated due to changing priorities
- Funding opportunities (NRCS, FWS)
- Dept of Interior finalizes updates to Endangered Species Act

**Action Items**:

- Use the August recess to connect with your local congressional members

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**Current Events**

**Definitions:**
*Budget Reconciliation* – an expedited budgetary process that limits debate time and requires only a simple majority in the Senate. Reconciliation is a two-phase process:

- phase 1 – House and Senate adopt a budget resolution that contains reconciliation directives to specific committees[1];
- phase 2 – named committees respond with recommendations to the full chamber consistent with the directives[2]

*Budget Resolution* – Internal congressional blueprint that sets general targets for spending

*Continuing Resolution* – a temporary law passed by the House and Senate, and signed into law by the President, to fund government agencies at prior-year funding levels when a regular spending bill fails to pass on time

[1] Change laws specific to spending or revenue, and/or to change the public debt limit
[2] Congress has historically combined committee reconciliation submissions into a single reconciliation bill and any differences are resolved via conference

*Supplemental Funding Request*[3] – an official appeal by the executive for extra funds outside the regular annual budgeting period.

**House passes Continuing Resolution to fund the Government through December 4, 2026 before the August Recess**

The House passed a continuing resolution to fund the government at current levels through December 4, 2026 while funding negotiations continue. Congress has not passed a comprehensive spending plan on time for decades and typically relies on last minute continuing resolutions to avoid disruptions to funding. House GOP leaders made the push for the stopgap funding bill before the August recess to avoid last-minute scrambling and potential for a shutdown during the midterm election cycle. The continuing resolution goes to the Senate where they will need support from at least 60 senators to advance to a final vote. The resolution does little to address staffing and immigration enforcement concerns raised by House Democrats and is likely to require changes before the Senate is able to meet the 60-vote threshold.

The House has adjourned for August recess and will return September 1. Senate recess will run approximately August 10 through September 11. *The August recess is a time for congressional members to engage with their local communities*. Please use this time to meet with your Senator or Representative, showcase local projects, and/or attend town hall events to encourage continued funding for programs conservation districts have used to great benefit for their local communities.

**House passes a budget resolution to provide additional funding for defense, farm-aid and election related provisions**

In an effort to advance a reconciliation package and respond to a supplemental funding request by the Trump administration, the House narrowly passed a budget resolution that requires the House Committees on Administration, Agriculture, Armed Services, and Intelligence to draft legislation that would provide up to $95 billion in additional funding, primarily to the Department of Defense, and submit those recommendations by September 11. In addition to defense spending, this legislation requests approximately $12 billion in aid to agricultural producers to offset damages caused by market interruptions, weather related disasters, and conflict related impacts. The resolution also contains $10 billion tied to the Safeguard American Vote Eligibility (SAVE) Act provisions which is likely to impact Senate review and approval.

As the House moved forward with the budget resolution, the Senate Appropriations Committee heard testimony from Secretary of Defense Pete Hegseth, Secretary of Agriculture Brooke Rollins, and Chairman of the Joints Chiefs of Staff Gen. Dan Caine on the supplemental funding request. Though the primary headline is a request for funds to continue and expand military action in Iran, the request also contains a request for emergency agricultural assistance for producers impacted by market interruptions and adverse weather events. Temporary economic assistance would be made available to offset damages for row and specialty crops planted in 2026 and includes $1.1 billion for

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[3] Request by executive for funding outside of budget process – may lead to budget resolution

Florida producers to recover losses from this past winter's storms. Sec. Rollins indicated this supplemental assistance is necessary to hold folks over as USDA continues its efforts to deconstruct and rebuild systems at the agency. The supplemental funding request is in addition to the administration's $1.5 trillion defense budget request and the proposed budget for USDA recently passed by the House and currently moving through appropriations in the Senate.

**Federal Judge rules the administration cannot cancel grants based on changing priorities**
*State of New Jersey, et al. v. United States Office of Management and Budget, et al.* CA No. 1:25-cv-11816
A Federal Judge ruled that the Trump administration cannot cancel grants that have already been awarded simply because program goals and priorities have changed when the original award is based on the plain language of the grant and the goals and priorities identified before grants are awarded. Numerous agencies have relied on a provision added to OMB regulations during the first Trump administration that allows agencies to terminate a grant if it "no longer effectuates the program goals or agency priorities." This has led to the cancellation of many climate and equity related grants over the past 18 months.

Last June, 23 states and the District of Columbia sued multiple federal agencies, including USDA, claiming grants they had been awarded were illegally ended and nearly 1100, totaling approximately $5.4B, are still at risk of termination. The judge's opinion cited the plain language of the provision, regulatory scheme, regulatory history, the Spending Clause of the US Constitution, and defendant's arguments regarding the implementation of the President's vision to find "that the termination clause does not permit agencies to terminate grants based on program goals and agency priorities identified after grants are awarded." Notably, the lawsuit does not seek restoration of previously canceled grants but a declaratory judgment on how the clause should be interpreted moving forward.

## Agencies

### USDA/NRCS
*Reorganization and Staffing*
NRCS staff have received notice that Notifications of Intent (NOI) outlining position status and options within the new organizational structure are expected to be distributed by August 14. The NOIs will provide information on voluntary acceptance options, critical vacancy opportunities, and information about relocation, grade, and pay retention. State Conservationists have been developing implementation plans with input from headquarters and are expected to receive guidance on sharing with state staff in early August. Many employees across USDA have been receiving notices over the past few months and must decide by late August whether they will choose to relocate or resign.

As part of a greater lawsuit challenging the administration's reorganization efforts across federal agencies, a coalition of labor unions, non-profits, and cities and counties have moved for injunctive relief to stop USDA's reorganization efforts without congressional approval. In *AFGE v. Trump* (CN 3:25-cv-03698), plaintiffs seek to halt reorganization efforts while the courts determine whether they are proceeding unlawfully in light of the FY26 USDA appropriations bill, which requires congressional authorization before offices or employees may be relocated. A hearing is scheduled for August 21, 2026.

*Feral Swine Funding*
As part of the Feral Swine Eradication and Control Pilot Program, USDA is making $35 million available for partners to address feral swine threat and impact. These invasive species cause more than $3.4 billion in damage each year and funding is being provided for technical assistance, on-farm trapping efforts and related services. Partners in the following states are eligible: Alabama, Arkansas, California, Florida, Georgia, Hawaii, Louisiana, Mississippi, Missouri, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas. **Deadline to apply is September 21, 2026**.

*Wetland Mitigation Funding*
USDA announced $3 million for the development of wetland mitigation banks through the Wetland Mitigation Banking Program. City and county governments, organizations, tribal governments and other entities are eligible to apply. See the notice of funding on Grants.gov for a full list of eligible entity types. **Deadline to apply is September 8, 2026**. According to the USDA press release, "priority will be given to banks in states with significant numbers of individual wetlands, wetland acres and conservation compliance requests. Based on NRCS data, these states are Georgia, Illinois, Indiana, Iowa, Michigan, Minnesota, Nebraska, Ohio, Pennsylvania, South Dakota and Wisconsin."

NRCS employees received notice that they will have more information on relocation and critical opportunities in the coming weeks.

**DOI**

**Fish and Wildlife**
US Fish and Wildlife release a Notice of Funding Opportunity for FY27 North American Wetlands Conservation Act US Standard Grants. These grants are intended to fund long term protection, restoraton, and/or enhancement of wetlands and associated upland habitat for wetland associated migratory birds. **Deadline for applications is September 25, 2026.**

**Endangered Species Act**
The Department of Interior finalized revisions to the Endangered Species Act that changes the definition of "harm" to include only those practices which directly injure or kill listed species and removes proximate impacts and habitat degradation as causes of harm. The reforms are based on the Supreme Court decision in *Loper Bright* which removed *Chevron* deference to agency interpretation, and requires agencies to follow the single best meaning of the statute. NACD submitted comments on establishing local coordination requirements and incorporated technical comments developed by partners in the National Endangered Species Act Reform Coalition (NESARC) which balance protection of fish, wildlife, and plant populations with responsible land, water, and resource management.