



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Sarah Zárate

SUBJECT: FALL INTERGOVERNMENTAL
RELATIONS REPORT

DATE: January 9, 2025

Approved

Date:

1/10/25

COUNCIL DISTRICT: Citywide

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL

The purpose of this supplemental memorandum is to update the City Council on the current status of the Fiscal Year 2025 federal budget.

BACKGROUND

On September 25, 2024, in lieu of adopting a federal budget for Fiscal Year 2025 by the September 30, 2024 deadline, Congress passed a Continuing Resolution to extend federal spending and avert a government shutdown through December 20, 2024.

Failing to reach an agreement on a final end-of-year spending package, Congress passed a second Continuing Resolution on December 20, 2024 to extend federal spending and prevent a government shutdown through March 14, 2025.

ANALYSIS

The Continuing Resolution, H.R.10545, the American Relief Act of 2025, was signed into law by President Biden on December 21, 2024. In addition to extending current funding levels, the bill also contains over \$100 billion in supplemental funding to support federal disaster relief programs in the wake of Hurricane Helene and Hurricane Issac, \$10 billion in economic assistance for farmers, and an extension of the 2018 farm bill, a funding commitment to replace the Francis Scott Key Bridge in Maryland, and a three-month extension for telehealth flexibility in Medicare.

The passage of the Continuing Resolution does not impact the City's pending \$5.5 million in federal Community Project Funding (also referred to as earmarks) for various projects. This funding remains in the draft appropriations bills in the House of Representatives. For the City to receive this funding, Congress must pass these appropriations bills with the City's earmark requests included.

The Continuing Resolution did not include a request from President-elect Trump to address the national debt ceiling. The debt ceiling was suspended on June 3, 2023 as part of the bipartisan Fiscal Responsibility Act of 2023 (H.R.3746), with the suspension having expired on January 1, 2025. Congress must raise or suspend the debt ceiling in early 2025 to avoid defaulting on the national debt and prevent a government shutdown.

Also not included in the Continuing Resolution was the reauthorization of the Workforce Innovation and Opportunity Act (WIOA). The Intergovernmental Relations team has been working closely with the City Manager's Office of Economic Development and Cultural Affairs to engage the City's federal delegation on WIOA as it directly impacts the City's workforce development initiatives, including the City's work2future programs. Reauthorization has bipartisan support in Congress, but efforts stalled over Republicans' demands to slim down the Continuing Resolution to which the WIOA Reauthorization was attached. The Intergovernmental Relations team will continue to monitor WIOA reauthorization in the new Congress and work with the City's federal delegation to advocate for the City's interests.

COORDINATION

The Administration coordinated this memorandum with the City Attorney's Office, the City Manager's Budget Office, and the City Manager's Office of Economic Development and Cultural Affairs.



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Administration, Policy, and
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