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Federal News In Brief:

U.S. Health and Human Services Workforce Reduction Strategies

On March 9, 2025, The Hill reported that the U.S. Department of Health and Human Services, via email on March 7, offered its 80,000 employees, including those administering Medicare and Medicaid, a $25,000 payment to voluntarily quit their jobs. This is part of President Doanld Trump's government cuts. Employees have from Monday, March 10 at 5 p.m. on Friday, March 14 to accept the offer. Public health experts have warned that there could be dire impacts on the Department as knowledge is lost.

Bloomberg News reports that HHS' offer is in addition to the agency's proposal to its employees to apply for the government's Voluntary Early Retirement Authority, which allows agencies to temporarily lower the age and service requirements for retirements. The offer applies to employees that are at least 50 years of age and with at least 20 years of creditable federal service, or any age with at least 25 years of creditable federal service.

In January, the Trump administration offered approximately 2 million federal workers voluntary buyouts, and roughly 75,000 people accepted, per various news sources.

Besides alleging cost-savings, the Trump administration has not provided any plans or rhyme or reasons for job cuts, and has failed to present any plan for feedback and analysis.

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Health and Human Services Notice and Public Feedback Dramatic Policy Shift

On March 3, 2025, the U.S. Department of Health and Human Services, under Secretary Robert F. Kennedy, Jr. published 90 FR 11029 in the Federal Register, putting forth a new policy that eliminates the need for notice and public comments under the Administrative Procedure Act (APA) for issuance of rules and regulations as outlined at 5 U.S.C. 553. This announcement reverses a five decade policy related to notice and public feedback and went into effect immediately. An agency is generally required to publish a notice of proposed rulemaking through the submission of written data, views, or arguments, and publish the final rule that is accompanied by a statement of the rule's basis and purpose. Secretary Kennedy did so by exercising the Richardson Waiver, which exempts notice and comments to matters related to agency management or personnel or to public property, loans, grants, benefits, or contracts, per 5 U.S.C. 553(a)(2). According to the Federal Register, "agencies and offices of the Department have discretion to apply notice and comment procedures to these matters but are not required to do so, except as otherwise required by law." Kennedy said the notice and comments impose costs on the Department and the public, contrary to efficient operation of the Department, and impede the Department flexibility to adapt quickly to legal and policy mandates.

In addition, the APA permits an agency to forgo notice and publication requirements for good cause when the agency finds that the procedures are impracticable, unnecessary, or contrary to public interest per U.S.C. 553(b)(B). Kennedy stated the good cause exception should be used in appropriate circumstances.

The 80 Million published an article on March 5 asserting that public comments enhance policy quality, accuracy, and effectiveness by incorporating diverse perspectives and real-world insights from the organizations and parties who need to implement the proposed policy."

According to Holland and Knight, this policy "appears intended to allow HHS to modify the Medicaid program and other federal health benefit programs without undergoing the traditional notice and comment rulemaking process. Holland and Knight said that the term "benefits" is not explicitly defined in the APS, and thus the application of the rule remains uncertain, but that other programs like the Affordable Care Act or Temporary Assistance for Needy Families could also be affected; this is also true for National Institute of Health grants. Further, according to Holland and Knight, "The policy statement is unlikely to directly impact the U.S. Food and Drug Administration (FDA), as the agency's regulatory actions typically do not fall under "agency management, public property, loans, grants, benefits, or contracts." However, FDA may adopt the revised "good cause" exemption outlined in the policy statement for guidance documents and other agency actions where public participation is expected.

Though guidance documents are not subject to the APA's notice-and-comment requirements, FDA could issue its own policy statement clarifying its approach to public participation and the use of the "good cause" exception."

Holland and Knight state that the policy is also "unlikely to impact Medicare regulation, as a separate rulemaking standard applies to most Medicare regulations (where Congress has expressly required public notice and comment under Section 1871 of the Social Security Act). The reasoning of the U.S. Supreme Court's decision in Azar v. Allina Health Services, 587 U.S. 566 (2019), also confirms that these Medicare rulemaking requirements apply independently from any rulemaking obligations imposed under the APA."

Holland and Knight said if HHS issues a final rule without prior public comment, affected parties can still challenge the rule legally, arguing it doesn't qualify for an exception and raising issues with the agency's reasoning or authority.

Public Service Loan Forgiveness Executive Order from President Trump

On March 7, 2025, President Donald Trump signed an executive order (EO) directing his education secretary to revise eligibility requirements for the Public Service Loan Forgiveness (PSLF) Program. PSLF forgives education debt held by people who work in government or certain nonprofits if they spend 120 months working full time for these sectors, while paying for their student loans, and enrolled in a specific repayment plan. The executive order requires the Secretary of Education, in coordination with the Secretary of Treasury, to propose revisions to 34 C.F.R. 685.219 to ensure that the definition of "public services" excludes organizations that are deemed to have a "substantial illegal purpose". This includes organizations that assists children "trafficked" to transgender sanctuary states; that engage in a pattern of aiding and abetting illegal discrimination; that engage in a pattern of violating state tort laws including ones for trespassing, disorderly conduct, public nuisance, vandalism, and obstruction of highways (i.e.. protest); and illegal immigration. Forbes said this EO effectively "targets specific groups of non-profit and public sector employees under the banner of combating illegal activities" and that this order adds an ideological test to the PSLF Program. Forbes quoted the New York Times in saying the Trump administration has taken a broad view of what it considers to be support of illegal activities, and that the definition is so broad it even encompasses specific diversity and inclusion initiatives, and even climate action entities.

According to the Washington Post, Education Secretary Linda McMahon may need to convene a panel of experts for a negotiated rulemaking to change the criteria for qualifying employers and then invite the public to comment on any proposed revision. Jessica Ranucci, an attorney at the New York Legal Assistance Group, told the Washington Post that the definition of a qualifying employer is both in statute and regulation.

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Congress passed PSLF in 2007 and President George W. Bush signed it into law to attract college graduates to enter fields such as teaching, social work, and legal aid to serve the public good. Local, state, and other government entities use the program to attract employees such as health care workers and police officers. Federal Student Aid began accepting applications from borrowers seeking loan forgiveness in the fall of 2017. In 2018, the Consolidated Appropriations Act provided limited additional conditions under which borrowers may become eligible for loan forgiveness made on the Direct Loans under a nonqualifying repayment plan for PSLF, which is known as the Temporary Expanded Public Service Loan Forgiveness. From October 6, 2021 to October 31, 2022, the U.S. Department of Education implemented a change to PSLF rules for a limited time as a result of the COVID-19 national emergency.

According to Nerdwallet, the Biden administration erased $78 billion worth of student loans for a little less than 1.1 million borrowers as of January 14, 2025. This averages $73,400 in debt forgiveness per borrower. The Washington Post said that there are more than 2 million people with eligible employment at this time.

As the nation discusses how taxpayers dollars are spent, we note that the Congressional Budget Office estimated in 2018 that Trump's tax provisions from 2017 would cost $1.9 trillion over ten years, and making the temporary individual income tax and estate tax cuts permanent would cost $400 billion a year beginning in 2027. The Center for Budget and Policy Priorities said that Trump's 2017 tax law was skewed to the rich with households with incomes at the top 1 percent receiving an average tax cut of more than $60,000 in 2025, compared to an average tax cut of $500 for households in the bottom 60 percent.

House Releases the Full Year Continuing Resolution

On March 8, 2025, the House Appropriations Committee released the Full-Year Continuing Appropriations and Extensions Act of 2025, proposing to fund the federal government until September 30, 2025, the end of the federal fiscal year. This process is different from the Budget Reconciliation. The current continuing resolution ends on March 14th. The bill is expected to be taken up on the House floor for a vote according to the committee's press release. The bill includes $892 Billion in defense spending and $708 in nondefense spending – $13 billion below last year per aides according to Time. The measure does not include earmarks, also known as funding requested by individual lawmakers for thousands of community projects across the country.

According to Time, Speaker Mike Johnson, R-LA is teeing up the bill for a vote despite lack of support from Democrats. The Speaker is betting on Republicans being able to get the bill through. Generally, Republicans and Democrats work together to get a deal across.

The Department of Homeland Security is Pushing the IRS to Turn Over Information about ITIN Filers – While Planning to Gut the IRS

On February 28, 2025, Andrew Duehren of the New York Times, reported that the Department of Homeland Security has pushed the Internal Revenue Service to turn over the addresses of approximately 700,000 undocumented immigrants it is seeking to deport. The NY Times reports that this request could violate privacy law. So far, the IRS has denied this request because of the legal concerns.

According to the NY Times, many undocumented immigrants file tax returns with the IRS using individual tax payer identification numbers to file returns, which gives the IRS information about where they live, their families, their employers, and their earnings. In addition, the IRS has recently signed an agreement allowing a member of the Department of Government Efficiency to view anonymous taxpayer data for the purpose of modernizing the agency's software, or so they say.

In addition, it is worth noting that CNN reports that the IRS is drafting plans to cut its workforce by as much as half through a mix of layoffs, attrition, and incentivized buyouts. Data from the IRS shows that it employs 90,000 workers across the United States, 65 percent of whom are women and 56 percent of whom are people of color. In February, 7,000 probationary employees with less than 1 year of service were fired. There are also plans to lend IRS workers to Homeland Security for immigration enforcement. IRS commissioners wrote to the NY Times in early March that aggressive reductions in IRS resources will only render the government less effective and efficient at collecting taxes Congress has imposed.

California Ranks 39th in SNAP Uptake Rate in 2022

The United States Department of Agriculture's Food and Nutrition Service has published "Reaching Those in Need: Estimates of State Supplemental Nutrition Assistance Program Participation Rates in 2022" report. Per FNS, 88 percent of people eligible to receive SNAP benefits nationwide in FY 2022 get it, but the rates vary vastly by state. California's participation rate was 81 percent compared to 100 percent for states like Illinois, New Mexico, Massachusetts, Oregon, Wisconsin, Pennsylvania, Rhode Island, Washington, Michigan, and Colorado. California's rate was significantly lower than half of the States in both 2020 and 2022, and was 39th in 2022. During FY 2024, 41 million Americans received SNAP in an average month and over $114 billion in benefits were provided.

Note, this participation rate study is based on small samples of households in each state. More information about the methodology can be found in the report.

Navigating the Enrollment Cliff and Housing Insecurity: A Look at California's College Landscape

By Heather Willoughby

In a conversation on my local Nextdoor app last week I was shocked to learn that many locals were feeling sour about the new affordable housing going up at Cabrillo College in Santa Cruz. Some cited extra taxes they were anticipating; others added traffic concerns. Quite a few asked why don't they just stay living with their parents? Our area has some of the highest rents in the country and to me it seems like a win - win to pair affordable housing at the site of a lever for economic mobility. It left me to ponder if perhaps those voices in the comment thread are unaware who the students of today are demographically.

Over 40% of Cabrillo college students are outside of the traditional student ages of 18-24 and part time students outnumber full time students 2 to 1. Only 30% are first time full-time undergraduate students. Throughout the California Community College system there is a similar trend in age dispersion for students, with only 1 in 4 having full time status. In 2007 Cabrillo was designated as an Hispanic Serving Institution (HSI), 50% of the student population identifies as Latinx. According to local data the closest nearby zip code, the farmworker community of Watsonville, has the highest food insecurity in the county. Coming in third, with this strong indicator of poverty, is the zipcode that is solely made up of UC Santa Cruz students.

Cabrillo College is partnering with UC Santa Cruz to build a 625-bed student housing structure on the Aptos campus. If all goes smoothly, construction could begin November 2025 and finish in 2027 according to Cabrillo College President Matt Wetstein. About 60% of the tenants are expected to be Cabrillo students with some units for families, and 40% would be UC Santa Cruz students who are cross enrolled or have transferred.
This new affordable student housing, created in part by the Higher Education Student Housing Grant Program (HESHG), bridges equity gaps for some of Santa Cruz's most marginalized students. Throughout California many of the new affordable and below market rate housing structures are being funded by state funding streams like HESHG .The colleges are being encouraged in the proposal process to design intentionally to support diverse student groups like former foster youth, veterans, students with a disability, carceral system impacted, LGBTQ+ and parenting students. Half of the funding in HESHG is earmarked specifically for community colleges, utilizing planning grants to create housing proposals and for construction grants to begin shovel-ready projects.

According to the Public Policy Institute of California's (PPIC) article The Future of Higher Education Enrollment in California in 2023,California's community colleges are facing an **enrollment cliff** as birthrate of the college-age population is projected to **decline by 8% between 2022 and 2040**. Community Colleges are losing students to successful college readiness programs that springboard freshmen into 4 year higher education institutions, even after offering Promise grants for free tuition at their institutions. The University of California (UC) system is projected to see robust growth, while the California State University (CSU) and private colleges will experience only modest increases. This demographic shift will make it harder for Community Colleges to achieve enrollment growth, which will mean they will have to increasingly rely on boosting college-going and **persistence rates**.

Housing is a contributing factor to increased persistence rates.
Persistence is a key metric, along with retention and graduation rates, that administrators and policymakers utilize to gauge success strategies and the needs of students. In fall 2021 California Community College Chancellor's Office surveyed former and prospective students on why they were choosing not to attend CCC. Many responded "the need to work full time" to support themselves and their families as a reason. According to the National Student Clearinghouse Research Center 6.6 million students in California attempted college but did not persist long enough to gain a credential

Adding to these challenges is the pressing issue of student housing insecurity and homelessness. In 2023, a Real College California survey was administered to 88 of the state's community colleges; 58% of students reported housing insecurity and 24% reported homelessness. They defined housing insecurity as including a broad set of challenges like inability to pay rent or utilities, or the need to move frequently. Students were identified as homeless if they responded affirmatively to a question asking if they had been homeless or if they identified living conditions that are considered signs of homelessness (e.g., couch surfing, living somewhere not meant for habitation). The challenges of growing enrollment is particularly acute for community colleges; in part because only 12 of the 116 colleges have dorms, most of which are in rural areas.

According to the Legislative Analyst's Office Update on Student Housing, the state has implemented a few housing initiatives to address the housing crisis in higher education. They are as follow:

Rapid Rehousing Programs: Launched in 2019-20 across UC, CSU, and CCC systems, these programs provide immediate assistance to students facing or will face housing insecurity or homelessness. Each higher education institution has flexibility to provide services. Data shows:

- 6,604 students from the UC received housing assistance through its basic needs program and 4,706 students received housing assistance through its rapid rehousing program, with likely duplication among the two counts.

- 14,000 CSU students received some form of assistance.
- 4,156 CCC students accessed housing assistance through these basic needs centers during summer and fall 2022 across the 60 colleges participating.

Basic Needs Programs: Introduced across all segments by 2021-22, these programs focus on creating housing and food assistance that is dynamic for students. The allocation used for programmatic build outs and bringing holistic systemwide data reporting will be more useful after two years of assessment.

Housing assistance - One-time emergency grants, funds for rent, deposits or temporary emergency housing, case management, utility assistance, and tenant education workshops.

Basic Needs & Food Security - Food pantries, meals on campus, transportation assistance, technology, health and mental health, and childcare assistance .

The state has dedicated significant resources to these programs, with $31 million allocated for rapid rehousing and $85 million for basic needs annually, across the three segments (2024). Each segment is required to provide yearly reports on program implementation and outcomes.

Implementation approaches vary across the different segments. UC, for example, allocates funds to all its campuses and uses both on-campus resources and external partnerships to deliver services. CSU, on the other hand, uses a competitive process to award rapid rehousing funds to a select number of campuses. Similarly, CCC utilizes a competitive model for rapid rehousing funding, with a portion of participating colleges also receiving basic needs funding.

Innovative solutions and partnerships are emerging to address specific student housing needs. For example the Jovenes program, which offers the College Success Initiative program that supports homeless youth 18-24 in Los Angeles County, combines academic and traditional case management services coupled with long-term and stable housing options. Their transformative Host Home room rental program and direct rent subsidies help to serve 500 students at 8 local community colleges and 3 CSUs. For students that could easily be taken advantage of by rental scams a vetted program is a valuable asset.

In October of 2024, The Huddle on 5th opened in West Sacramento. The Huddle will be providing off-campus supportive housing with wrap-around services for single student parents. It is a collaborative project between Brinshore Development and the non-profit Raise the Barr. Their project uses a braided funding approach, drawing on sources such as state infrastructure grants, project-based vouchers, tax credits, and private investment. The collaborators are poised to recreate the Huddle, thanks to Congresswoman Nanette Barragán helping to secure $800,000 in government funding for a Southern California project.

Brinshore is also working with others to expand a similar program, called Scholar House, to Houston, Texas. Scholar Houses in Ohio and Kentucky have been able to integrate Project Based Vouchers (PBV) into their supportive housing for single student parents. As developers, they have deftly maneuvered between county, state and federal systems to provide affordable housing solutions to this student population – that is often underserved by traditional student housing.

Other programs across the nation provide frameworks to replicate in accessing Federal Funds. One notable example is the College Housing Assistance Program (CHAP) at Tacoma Community College in Washington. The program received recognition and funding from various organizations, including The Kresge Foundation and Arnold Ventures. The program successfully leveraged flexibility as a moving to work county (MTW) to access federal Housing Choice Vouchers as rent subsidies through their Housing Opportunity Program. MTW is a federal initiative that allows local housing authorities to pilot innovative strategies to improve their affordable housing. Though now defunct, CHAP produced seven years of programmatic data with rich insights that can help inform better implementation and college partnerships with local housing authorities.

Advocacy efforts are needed to address remaining challenges such as the high cost of student housing, limited availability of affordable alternative options, and the need for year-round support services. Housing is a valuable revenue stream for the colleges and while they strive for affordability, managing the nuances of low-income housing adds more administrative burden on already razor thin profit margins. Creating more truly affordable housing for students necessitates conversation with multiple stakeholders: Federal, State County and City.

Leading some of those conversations is the California Affordable Student Housing Coalition (CASH), a coalition of civil rights, higher education advocacy and student-led organizations convened for the purpose of advocating for solutions to student housing insecurity and homelessness. Their current projects include advocating for better data collection on student homelessness and for safe-overnight parking on campus for students living in their vehicles.

Bridge the data divide - college student homelessness is under-reported in local Continuum of Care counts due to issues with federal data alignment. According to SchoolHouse Connection, HUD's definition of homelessness cannot be changed without Congressional action because it is codified in federal law. The Homeless Children and Youth Act (HCYA) seeks to expand this definition, aligning it with those used by nine other federal programs, to include children, youth, and families staying temporarily with others or in motels. While HCYA has bipartisan support, it has faced delays due to resistance from influential figures in federal housing policy and a lack of awareness about the hidden homelessness faced by families and youth, for example, homeless families on CalWORKs are not included in the PIC. Additionally, organizations advocating for the change have lacked the resources to mount an effective campaign. Although HCYA would benefit many, it is only a step toward a more comprehensive solution that would require HUD to include all individuals identified as homeless by other federal programs, including college students and other students/families covered by the McKinney Vento act, in order to fully address the scope of homelessness in the U.S.

California State based Higher Education rapid rehousing and basic needs programming have yearly reporting as a contingency for their funding. Some of the 8 other agencies delivering services to the underhoused do not have as strict a reporting schedule and are missing critical information that could better align them with community partners and data trends. The Governor's budget summary for fiscal year 2025-26 has proposed a new California Housing and Homelessness Agency which will "strengthen California's ability to plan, produce, and preserve housing while enhancing the state's homelessness response now and over the long term by aligning housing initiatives with complementary policy areas—such as transportation, health, climate, energy, and community planning. As a result, the agency will foster greater coordination and strategic alignment across state government."

Opportunities for affected agencies, constituencies and interest groups to inform the new agency, will be overseen by the Little Hoover Commission, which will conduct one or more public hearings for stakeholders in early 2025.

Promoting awareness among local officials about federal resources like HUD vouchers and building incentives can encourage the development of affordable housing solutions. Leveraging the 16 Moving to Work county Public Housing Authorities to do their due diligence in interacting with California Department of Education McKinney Vento Liaisons and Local Continuums of Care to develop more comprehensive reporting – beyond the HUD based Point In Time (PIT) count for gauging the nuanced levels of local housing insecurity.

Perhaps the most pertinent advice comes from an article penned by the National League of Cities: " Increase participation and engagement for post-secondary students in formal decision-making spaces, such as local government and zoning commissions. Amplifying the voices of post-secondary students, particularly those with lived experiences of housing insecurity or homelessness, will hopefully increase awareness of student housing needs".

Some campus housing departments already accept section 8 vouchers. What if they all were required to accept them? What if we could attach a portion of project based vouchers to the new housing - for students that qualify like CalWORKs recipients, former foster youth, individuals with disabilities and veterans? Project based vouchers are especially helpful in the tight housing markets that are routinely found around college campuses and could be another great tool for counties that are trying to navigate complex unhoused communities. What if we could make the pathway to education less risky for some of the students that need economic assistance the most?

These are the questions that should be percolating in my county.

About the Author:
Heather is a part-time employee of the Coalition of California Welfare Rights Organizations. Her work for CCWRO in 2024 has been focused on preventing homelessness, increasing family's economic capacity through higher education, and increasing the well-being of families on public benefits.