

**Land Trust Alliance**  
**Federal Policy Update for MLTC**  
**6/8/2026**

**EXECUTIVE BRANCH**

**OMB Proposed Regulation for Federal Financial Assistance**

On May 26, the Office of Management and Budget released a proposed regulation that would revise the Guidance for Federal Financial Assistance “to improve government-wide policies and requirements related to the management of grants, cooperative agreements and other forms of assistance ... to improve transparency, accountability and oversight for Federal awards across the Federal Government.”

Comments on the proposed regulation are due on or before July 13, 2026. OMB plans to issue the final regulation by October 1, 2026, with a goal of having one set of government-wide requirements for awards starting in fiscal year 2027.

This is another step in the Administration’s effort to update general terms and conditions for all federal assistance and would cover the vast majority of the federal government.

*Proposed changes to SAM.gov*

We are still waiting for the General Services Administration to issue the final changes to SAM.gov. The proposed changes would update the Financial Assistance General Representations and Certifications to align with updated executive branch guidance, including the Department of Justice July 2025 memo titled "**Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination**" and the January 2025 **Executive Order 14173** "Ending Illegal Discrimination and Restoring Merit-Based Opportunity.”

You can get information about these proposed actions and other executive branch actions that impact our community on our [Current Federal Landscape](#) site.

**Urgent:** If you have or plan to have a federal grant or agreement, we recommend you read the general terms and conditions carefully and work with your legal counsel to understand these new requirements as it relates to your organization.

**IRS/Congress Holding Syndicators Accountable**

On May 13, the IRS announced a new settlement initiative for certain taxpayers involved in conservation easement tax disputes. The new offer builds on prior settlement initiatives and makes the possibility of settlement available to a wider group of taxpayers. [View the IRS announcement here](#). The IRS also updated its webpage addressing syndicated conservation easements. It reports on Tax Court and appellate court approaches to syndicated conservation easements, criminal enforcement and other litigation risks acting as a targeted warning about

these transactions. [View the page here.](#)

On May 28, Senators Steve Daines from Montana and Chuck Grassley from Iowa [sent a letter](#) to Treasury Secretary Scott Bessent commending the agency's actions to hold "tax cheats" accountable. The letter underscores the Senators' long-standing commitment to protecting the federal conservation easement tax incentive and applauds the new IRS settlement offer.

### **Executive Order/Federal Workforce**

On June 3, President Trump issued a new Executive Order that includes a list of 8,000 senior policy-influencing positions that are being reclassified into Schedule Policy/Career. This is a new classification established under E.O. 14171, Restoring Accountability to Policy-Influencing Positions Within the Federal Workforce (January 20, 2025). The new E.O. also makes changes to the Civil Service Rules and Regulations as well as previous Executive Orders to implement E.O. 14171 and includes [a list of positions by agency](#) that are being reclassified into Schedule Policy/Career.

### **Executive Branch/USDA reorganization**

The U.S. Department of Agriculture is expected to move forward with its reorganization this month. The reorganization includes closing several offices in the Washington, D.C. metro area and relocating staff to "hubs" in Fort Collins, CO; Indianapolis, IN; Kansas City, MO; Raleigh, NC; and Salt Lake City, UT.

The U.S. Forest Service Headquarters will move to Salt Lake City sometime this year and many USFS research facilities around the country will be consolidated.

Our primary concern with the relocations is the potential for more staff to leave the agency at a time when they have already lost a significant part of the workforce.

## **CONGRESS**

### **FY2027 Funding Cycle**

The fiscal year 2027 funding process is well under way with appropriations committees holding hearings and calling on members of the Administration to testify on the President's budget request.

The House Appropriations Committee is starting to move bills out of Committee:

On June 3 the Committee approved the FY2027 Interior, Environment and Related Agencies Appropriations Act. The bill provides \$38.9 billion in total funding including:

- \$15.24 billion for the Department of the Interior which is a 2% increase over last year's funding level.
- \$7.04 billion for the Environmental Protection Agency, which reflects a 20% reduction below Fiscal Year 2026 enacted level.

- \$8.79 billion for the U.S. Forest Service, which is about a 2% increase from FY2026 enacted. This funding includes \$283.5 million for State, Private and Tribal Forestry and \$295 million for Forest and Rangeland Research.

On May 20 the Committee approved the FY2027 Energy and Water Development Appropriations Act which funds the Bureau of Reclamation at \$1.84 billion. This is a \$201 million increase over FY2026 enacted funding with the additional funding designated for water infrastructure projects.

On April 29 the Committee passed the Agriculture, Rural Development, Food and Drug Administration Act which provides \$22.5 billion for the Department of Agriculture which is \$675 million below the FY2026 enacted level. This includes \$800 million for the Natural Resources Conservation Service, which is \$50 million below FY2026 enacted.

#### *Administration's FY2027 Budget Request*

On April 3, the President released his FY2027 budget request. As expected, it calls for drastic cuts across the federal government with the exception of the Department of Defense – it calls for a 42% increase for DoD. Some details from the President's budget request:

- U.S. Department of Agriculture
  - \$20.8B request: 19% reduction from FY2026 enacted.
    - Holds NRCS staff at 2026 level of 9,241 (2025 staff level was 11,542).
    - Provides \$50 million for USDA reorganization.
- U.S. Forest Service
  - \$2.14B request: 75% reduction from FY2026 enacted.
    - Zeros out USFS State, Private and Tribal Forestry and Forest and Rangeland Research with a goal of terminating these programs.
    - Transfers USFS wildland fire management funding to DOI US Wildland Fire.
- Department of the Interior
  - \$15.9B request: 12.9% reduction from FY2026 enacted.
    - \$10M for the North American Wetlands Conservation Act (\$49M FY2026 enacted).
    - \$900M for the Land and Water Conservation Fund (same as FY 2026) – This is fully funding LWCF at \$900M/year as promised in the Great American Outdoors Act.

*One positive thing about the budget request – there were no provisions that would undermine perpetual easements, which was something under consideration by the Office of Management and Budget. The Alliance weighed in heavily with OMB and thankfully the Chief and Associate Chief of the Natural Resources Conservation Service did as well.*

#### **Farm Bill**

On April 30, the House passed the Farm Bill with a 224-200 bipartisan vote. The bill reflects the vast majority of the Alliance's Farm Bill recommendations including:

- Retains the increase in funding for the Agricultural Conservation Easement Program at \$650 million for FY2027; \$675 million for FY2028 and \$700 million for FY2029 and beyond.
- It retains the Regional Conservation Partnership program at \$450 million/year.  
[Note: funding levels established as part of the One Big Beautiful Bill Act that was signed into law in July 2025]
- Further streamlines implementation of the Agricultural Conservation Easement Program
- Allows up to 10% of RCPP project costs to be used for eligible partner administrative expenses.
- Establishes the Forest Conservation Easement Program with mandatory funding.
- Strikes the Buy-Protect-Sell provisions that were added to the Agricultural Conservation Easement Program as part of the 2018 Farm Bill.
  - The committee report language - which accompanies the bill to provide an explanation of Congressional intent - clarifies that while the Buy protect sell language was removed from the bill, the Committee believes the NRCS has the authority to do Buy Protect Sell transactions under its existing authority.

The Senate is expected to mark up a Senate version of the Farm Bill in the next month. While we have not seen the bill text, we expect it to closely reflect the framework for the bill that was released by Senate Agriculture Committee Chair John Boozman from Arkansas in 2024, which includes most of the Alliance's Farm Bill recommendations.

House and Senate Democrats continue to have concerns about the cut to Farm Bill nutrition programs that were part of the One Big Beautiful Bill Act that was signed into law last July. Whether or not they can reach an agreement with Republicans is unclear and that will impact whether or not a Farm Bill will pass this year.

Should a Farm Bill move this year, we are well positioned to advance our priorities.

**Call to Action:** Urge your Congressional delegation to pass the Farm Bill this year that includes the [land trust community priorities](#).

### **Efforts to Streamline Permitting**

The Alliance continues to monitor efforts in Congress to streamline the permitting process for the siting of infrastructure and the development of energy and mineral resources. The House passed two bills in December, which are now waiting for action in the Senate:

- The Permit Efficient Review for Modern Infrastructure Today (PERMIT) Act, H.R. 3898, passed the House on Dec. 11 on a 221-205 vote. The legislation would expedite federal permitting processes including the Clean Water Act and limit state authority to review federal permits and to impose additional restrictions.
- The Standardizing Permitting and Expediting Economic Development (SPEED) Act, H.R. 4776, passed the House on Dec. 18 on a 221-196 vote. The legislation would shorten timelines for the National Environmental Policy Act as well as limit judicial review.

Bipartisan negotiations are now under way, but whether or not they can pull together the votes needed to get a bill out of the Senate is unclear. The siting of infrastructure continues to be a bipartisan priority.

In addition, there are numerous bills now pending before Congress that focus on the siting of data centers and accompanying infrastructure and regulation of AI. This includes S. 3852, the Guaranteeing Rate Insulation from Data Centers (GRID) Act, a bipartisan bill introduced by Senators Josh Hawley, a Republican from Missouri and Richard Blumenthal, a Democrat from Connecticut. Among other things, the bill would ensure data centers don't increase consumer utility costs and would require data centers to use power generated from sources that are separate from the grid.

### **Second and Third Reconciliation Bills**

On June 5, Senate Republicans passed the second bill which would fund two parts of the Department of Homeland Security – Immigrations and Customs Enforcement and Customs and Border Patrol – through the remainder of the Trump administration. The bill now goes to the House where Speaker Johnson hopes to pass the bill this week.

This is an unprecedented move to fund parts of the government that are generally funded through annual appropriations.

Republicans are also talking about a third reconciliation bill which would focus on streamlining the infrastructure siting permitting process. This might be hard to do since the reconciliation process requires a focus on budget actions and it is not a vehicle for advancing policy measures.

### **Threats to Conservation Easements**

The Alliance continues to watch for attacks on conservation easements and voluntary private land conservation. In December we worked with Alliance members and partners to successfully defeat harmful model legislation under consideration by the American Legislative Exchange Council. While this was a victory to celebrate, it was by a very narrow vote, and it is likely anti-easement model legislation will come up again this year as ALEC gears up for the 2027 legislative session.

We were also successful in keeping harmful language that would have allowed the buyback of Department of the Interior easements out of the One Big Beautiful Bill Act that was signed into law last July.

**Call to action:** We are monitoring what is going on in the states – but we need your help. Please let us know if bills to undermine easements pop up during your current legislative session. We also want to know about any good bills.

These threats are not going away, and it is imperative that you educate decision makers at all levels of government about the importance of conservation easements and why these proposals undermine private property rights.