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CONGRESS BEGINS ACTION ON FY25 AGENCY FUNDING

Budget season on Capitol Hill can sometimes feel like an exercise in futility; Congress, again, will be racing against the clock as government funding is set to expire on October 1. Both chambers are still negotiating differences on topline numbers for each of the twelve funding bills, and election year complications are likely to occur. Nonetheless, budgeting is truly one of the most essential functions of our government.

The House has been working to move bills out of committee under Chair Tom Cole [R-OK] and his newly positioned cardinals (subcommittee chairs). In fact, to date, the House has moved **9 of 12** spending bills out of full committee, and **four** of those bills have already passed in the lower chamber. Four noteworthy bills to mention include Homeland Security, Energy and Water, Interior and Environment, and Commerce, Justice, and Science.

- **Homeland Security Appropriations:** This bill passed the House last month 212-203. It provides funding for the Federal Emergency Management Agency (FEMA), which oversees critical programs related to disaster relief, hazard mitigation and flood mapping. This year's spending bill provides **\$28.4** billion for the agency and is **\$2.8** billion above the FY24 appropriated level.
- **Energy & Water Appropriations:** This bill has been approved by the full committee. It provides funding for entities including the United States Army Corps of Engineers (USACE) Civil Works division. House appropriators included \$9.96 billion for USACE, a figure that is \$180.2 million below the FY24 enacted level (**See article below**).
- **Interior and EPA Appropriation:** This spending bill has also been approved by the full committee. It provides a topline of \$38.478 billion, which is \$72 million below the FY 24 enacted levels. This bill provides \$144.06 million for the Bureau of Ocean Energy Management (BOEM), reflecting a 7% reduction from FY24 enacted levels.
- **Commerce, Justice, and Science Appropriations:** This bill was approved by the full committee this month. It includes funding for agencies like the Department of Commerce, which house the National Oceanic and Atmospheric Administration (NOAA). This bill provides \$5.642 billion for NOAA, which is roughly 12% less than the FY24 enacted levels.

In the upper chamber, the Senate is set to begin considering its version of these spending measures. Senate appropriators, however, remain at a stalemate, and will find themselves working to reconcile topline spending figures as the summer recess clock counts down.

ENERGY AND WATER APPROPRIATIONS BILL UNDERFUNDS COASTAL PROJECTS

The House Appropriations Committee approved a bill today that would give the Corps of Engineers almost \$10 billion in funding, nearly 15% over the amount Congress provided for the current fiscal year. Nevertheless, the House panel provided what can only be called anemic funding for shore protection projects and programs with its \$85.7 million recommendation, of which only \$11.7 million is slated to go to specific projects. The rest goes to national programs.

Throwing salt on this wound, the House bill has only \$3.5 million for the construction of one shore protection project and it prohibits any funds for being used for New Starts. This latter prohibition comes at the reported behest of Corps Headquarters which says it has been overwhelmed by the new starts Congress has provided in recent years. Given the healthy overall increase the Corps received, coastal resilience is obviously low on the House committee's priority list.

Also of note is the specific direction the panel gave to the Corps for the invaluable but misnamed Planning Assistance to States program that provides engineering technical assistance and comprehensive planning to localities. The House wants the funds to be directed primarily to "vulnerable coastal communities" defined as "tribal, Alaska Native, and Native Hawaiian communities." In fact, all coastal communities are vulnerable, and many can use the Corps' advice on the steps they can take to increase their resilience to rising seas and storms.

To see which projects and programs are funded for FY25 in the House bill, please check out our [Shore Protection Appropriations](#) chart. The Senate Appropriations Committee is expected to act on its version of this funding bill later this month.

HOUSE WRDA '24 CLEARS COMMITTEE

The House Transportation and Infrastructure committee advanced the 2024 Water Resources Development Act out of the full committee by a vote of 61-2 on June 26th. You can view our analysis of the coastal related provisions of the House bill [here](#). The biennial reauthorization bill is responsible for authorizing the United States Army Corps of Engineers (USACE) Civil Works projects and programs, and the House version outlines numerous project authorizations. A few noteworthy mentions include:

- **Sec. 146. Easements for Hurricane and Storm Damage Reduction Projects:** This section allows projects to proceed with a non-perpetual easement under certain conditions, including a formal notice to residents that the lack of a perpetual easement may result in the Corps being unable to renourish or repair the project (**See related easement story below**).
- **Section 102. Community Project Advisor:** This section establishes a new position to assist non-federal interests in accessing federal resources related to water resources development programs of the Corps, conduct outreach, hold workshops, etc. with priority given to rural, small, and disadvantaged communities. This section creates an office whose sole

responsibility is to provide guidance to non-federal interests accessing programs, services, and other assistance made available by USACE.

- **Section 105. Construction of Water Resources Development Projects by Non-Federal Interests:** This section amends Section 204 of WRDA 1986 to make it easier for non-federal interests to construct a water resources development project and get credit or reimbursement as provided by existing law. This streamlines the process for non-federal interests who obligate funds toward an authorized federal water resource project or an enhancement thereof.

With the Senate version passing in May, both bills are now primed and ready for floor consideration in the near future. See our analysis of the Senate version [here](#).

CORPS EASEMENT POLICY UPSETS CONGRESS

The Army Corps of Engineers (USACE) has found itself in the crosshairs of Florida’s Congressional delegation. The delegation penned a letter to the chairs and ranking members of the House Transportation and Infrastructure (T&I) and Senate Energy and Public Works (EPW) committees. The letter, spearheaded by Senators Rubio and Scott, voices the delegation’s opposition to a USACE interpretation of **Section 103 of WRDA ’86 (Hurricane and Storm Damage Reduction Projects) having to do with perpetual easements**.

The letter alleges that USACE has implemented policies contrary to the original terms of federal hurricane risk reduction projects citing that “USACE has imposed unfair, burdensome, and unforeseen perpetual easement requirements on local project sponsors” and because of this interpretation, “projects have not been properly maintained.” The delegation goes on to mention that this interpretation is “leading to progressing erosion and heightened storm surge risk to coastal communities.”

This letter comes in light of the National Oceanic Atmospheric Administration’s (NOAA) prediction for an “above average” hurricane and storm season in the North Atlantic. The delegation letter to both House T&I and Senate EPW committees calls on them to adopt language in this year’s Water Resources Development Act (WRDA 2024) to reverse the USACE interpretation and safeguard communities whose storm risk reduction projects have been or might otherwise be negatively affected.

CORPS FY24 WORK PLAN

In May, the Army Corps of Engineers (USACE) submitted to Congress its FY24 Work Plan. The Work Plan was submitted subsequent to President Biden signing into law the *Consolidated Appropriations Act, 2024* which includes appropriations for Energy and Water Development. You can view our **Shore Protection Appropriations chart** [here](#).

The FY24 Work Plan allocates \$8.2 billion in federal funding for projects and studies across all fifty states. This funding is spread out among five separate accounts. The three largest accounts include the **Investigations**, **Construction** and **Operation and Maintenance**.

The *Investigations* account has been allocated \$147,480,000 in the 2024 Corps Work Plan. This account is responsible for funding Feasibility Studies, Preconstruction Engineering and Design (PED) as well as General Reevaluation Reports (GRR) associated with projects like flood and storm damage reduction, shore protection, and aquatic ecosystem restoration just to name a few.

The studies involved are a key step in the USACE project authorization process — if the studies *e.g.*, feasibility (new study) or GRR (modifies a previous study) are favorable then they are recommended to Congress for further project authorization. This process is also done through the biennial Water Resources Development Act (WRDA).

The *Construction* account received \$3,323,938,000 in FY24 appropriations. After a project receives construction authorization through WRDA, both the federal and non-federal sponsor enter into a Project Partnership Agreement (PPA). This phase *i.e.*, the *Construction Phase*, is where the federal funds or appropriated money is dispersed for authorized projects within that account. Typically, this stage is where USACE assumes the role as a project manager.

Finally, the *Operation and Maintenance* (O&M) account received \$5,552,786,000 in funding this cycle. This allocation will go toward projects and areas where upkeep, repair, or maintenance is required. This includes work like maintenance dredging of federal navigation channels, or management of dredged material.

While the 2024 Corps Work Plan is final, the FY25 budget process is in full swing. House and Senate appropriators are continuing their work on upcoming FY25 spending bills, negotiating funding levels, and racing against the summer recess clock.

CONGRESS CALLS (AGAIN) FOR FLOOD INSURANCE REFORMS

There has been a lot of chatter regarding the insurance market lately, and for good reason. Rates are soaring to new highs and homeowners are taking on the brunt of that cost. While natural disasters become more frequent, powerful, and destructive, the cost of damage and coverage increases too. And so, it is no secret that there has been friction among insurance companies, state and federal regulators, consumers, and elected officials about how to tackle this issue.

There has, however, been significant noise made at the federal level this Congress. Members in both chambers have been vocal about the need for reforms to insurance programs including the NFIP. Similarly, a Senate hearing held this month addressed issues plaguing the insurance market and buyers across the nation.

Senator Rick Scott [R-FL] introduced the ***Flood Insurance Relief Act***, which would allow an above-the-line tax deduction for consumers of flood insurance either through the NFIP or private insurers. On the House side, Representative Byron Donalds [R-FL] is leading the charge and introduced a companion piece to this bill.

Senator Tim Scott [R-SC] introduced a bipartisan piece of legislation with Senator Schatz [D-HI]. Their bill, the ***Repeatedly Flooded Communities Preparation Act*** would require the Federal Emergency Management Agency (FEMA) in conjunction with affected communities, to develop a comprehensive plan that aims to reduce flooding and damage in areas that are repeatedly devastated by this natural disaster.

Finally, the Senate Budget Committee took aim at the insurance market during their June hearing. This hearing was an examination of the growing risks associated with climate, and how these increased risks are inducing higher costs for insurers and consumers.

WaterLog will continue to monitor both chambers as they tackle the rising cost of insurance and the National Flood Insurance Program.

ADMINISTRATION SENDS SUPPLEMENTAL AID REQUEST TO CONGRESS

The Biden Administration has sent an updated supplemental aid request to Congress totaling \$4 billion. This request is made on top of the previous October request which was roughly **\$55.88 billion**. However, at the time, the House was facing difficulty passing spending packages which resulted in the supplemental being placed on the backburner.

Earlier this month, OMB director, Shalanda Young, sent a letter to House Speaker, Mike Johnson, outlining the Administration's request saying that this letter is to "reiterate the October request and submit revised estimates of an **additional** \$4 billion for certain disaster needs, including funding to help respond to the collapse of the Francis Scott Key Bridge in Baltimore, the devastating fires on Maui last summer, and tornado survivors in Iowa, Nebraska, Oklahoma, and throughout the Midwest."

The most recent supplemental request includes:

\$3.1 billion in funding for the Department of Transportation's Emergency Relief Program (DOT-ER) in order to bolster the reconstruction of roads, bridges and highways that have been impacted by natural disasters.

\$700 million for the Community Development Block Grant Disaster Recovery (CDBG-DR) program overseen by Housing and Urban Development (HUD). This funding is intended to help affected communities of natural disasters declared in 2023 to rebuild e.g., residents of Maui impacted by the devastating wildfires.

Both chambers are working to finalize FY25 spending bills, all the while, watching the clock as summer recess draws near. We will continue to monitor activity from the Speaker's office with regard to this request.

STATUS OF COASTAL BILLS IN CONGRESS

[Click here](#) for a listing of all coastal-related bills in the 118th Congress.

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