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#### **Rep. Van Drew Introduces the Coastal Storm Risk Management Trust Fund Act**

Last week, Rep. Jeff Van Drew (NJ-02) introduced the Coastal Trust Fund Act together with Democratic co-sponsor Rep. Laura Gillen (NY-04) to address shortages in federal funding for beaches. The bill would dedicate \$1 billion in revenues from Outer Continental Shelf leases to a trust fund to support beach nourishment and other coastal protection projects. The language is supported by the American Coastal Coalition and several other coastal organizations and has received a preliminary neutral budget score from the Congressional Budget Office.

“Delays and shortages in federal funding for beaches have severe economic impacts for non-federal sponsors,” said Dan Ginolfi, Executive Director of the American Coastal Coalition. The need for reliable funding has grown over the years as more communities seek beach nourishment funding annually. Despite a growing roster of nourishment projects nationwide and increased labor and fuel costs, federal funding for beaches has remained flat across two decades, according to data maintained by Warwick Group Consultants. The result is some beaches get only a fraction of the sand they need, or they get skipped entirely in a budget cycle.

The legislation was introduced as a [standalone bill](#) and as a proposed amendment to the upcoming Water Resources Development Act of 2026.

#### **Trump Admin Improves Access to SBA Loans Following Disasters**

The Trump administration has issued a new Interim Final Rule (IFR) through the U.S. Small Business Administration (SBA) that seeks to speed up disaster recovery by allowing victims of Presidential declared disasters to bypass certain state and local permitting delays when using SBA disaster loans.

Under the new rule, property owners will be able to circumvent delays exceeding 60 days in local and state permitting processes by submitting a builder's certification to the SBA confirming compliance with all substantive state and local standards, including building codes, health and safety rules, and inspections. Failure to submit or follow through risks loan default.

Congress designed the Disaster Loan Program to provide swift financial assistance to homeowners, businesses, and other victims to mitigate economic losses, housing instability, public health risks, and safety issues following disasters. The Administration claims that the SBA has observed recurring problems where disaster victims face undue delays (sometimes months) in using approved loan funds due to local approvals. This can lead to victims accruing interest on loans without being able to start repairs, exacerbating harm.

**Here's how it works:** If a state or local requirement causes a delay of more than 60 days after a complete application for approval is submitted, it is preempted. Borrowers (or their contractors) can then proceed with disaster-related activities without waiting, provided they submit a certification to SBA that all non-preempted (substantive) requirements have been and will be met.

- State/local governments cannot enforce stop-work orders, penalties, or other actions based on noncompliance with preempted requirements.
- The rule only applies to loans for Presidentially declared major disasters (not all SBA loans).
- Borrowers who fail to provide the required certification risk defaulting on their loan.

You can provide the SBA with your comments about the IFR by March 2<sup>nd</sup>. For information go to this site: <https://www.regulations.gov/document/SBA-2026-0034-0001> Those who have commented so far have focused on the potential unconstitutionality of the IFR. For example, commenters have said the IFR usurps state powers to regulate land use and zoning and that it violates the Administrative Procedures Act.

### **DHS Shutdown Affects FEMA**

As if FEMA didn't have enough problems, the current partial government shutdown affects only the agencies that are part of the Department of Homeland Security. That includes FEMA, which has been accused of severe delays in responding to state and local government requests for disaster assistance. During the shutdown, FEMA will have all-but-emergency personnel on hand to deal with existing and any new disaster claims plus handling NFIP policies and flooding claim responses. The shutdown is caused by Senate Democrats insisting on ICE reforms, although ICE's funding is ironically not affected by the shutdown. The White House is negotiating directly with the Democrats' Senate leadership with no quick prospect for a resolution of this dispute in sight....In related news, the President's advisory council on FEMA reforms is due to report out a little over a month from now. In the panel's draft report last December, it called for cutting FEMA disaster personnel in half while raising the bar for the Federal government to respond to state requests for post-disaster assistance. In addition, the amount of assistance was proposed to be cut.

### **Defense Department Clampdown Has Impact Beyond the Corps**

The October 2025 memo from Defense Secretary Hegseth requiring each of the branches of the armed services to have their contacts with Congress funneled through Defense's Office of Legislative Affairs (see [WaterLog November](#) issue) has also impacted how the Corps responds to contacts with constituent interests. While CNN and one other news outlet said they had a copy of the DoD directive,

no one has published it. That appears to have led Corps districts to require that responses to constituent inquiries about projects and studies go through a designated individual at the district. Prior to the memo's issuance, each branch of the armed forces handled its own legislative affairs and Corps personnel from districts usually had tried to be as responsive as possible to constituent questions about their projects. Those levels of transparency don't exist anymore, and some members of Congress have expressed their unhappiness with the new policy of limited communication. Rep, Richie Torres (D-NY) has introduced H.R. 7519 requiring the Corps to provide members of Congress with annual briefings on their projects, a practice the Corps had regularly done prior to the issuance of the new directive. The bill, however, does not periodic inquiries that either members or constituents have about the status and cost of projects.

### **FEMA Delays Highlighted**

There have been allegations of delays in FEMA issuing reimbursements for disasters due to all such grants having to be personally approved by Homeland Security Kristi Noem. Speaking to this approval policy recently, Senator Thom Tillis (R-NC) said: "The result [of this approval process] has not been the elimination of waste, fraud, and abuse in the Federal disaster spending, instead, Secretary Noem's new review processes have indefinitely prolonged disaster recovery efforts across the country and inflicted needless pain onto already vulnerable communities and people."

### **News Briefs**

The House Subcommittee on Water Resources & the Environment will hold a February 24<sup>th</sup> 10am hearing on WRDA 2026. The focus of the event is hearing Administration priorities for WRDA. You can watch the hearing [here](#) ....The U.S. Environmental Protection Agency has repealed the 2009 "endangerment finding" that climate change is a threat to public health and safety. While the threat removes the basis of various EPA fundings, all Corps projects currently undergo a climate threat analysis. Whether the EPA action will affect the Corps is not yet known....FEMA consultants are taking a substantial part of the disaster funding received by state and local governments and that they may be delaying rebuilding efforts to maximize their fees, according to a report in *E&E News* that cites an unreleased draft report of the President's FEMA advisory council. The panel was due to wind up its activities on January 24<sup>th</sup> but was given a two-month extension. FEMA relies on private firms to assess damage and disburse relief funds.

### **Legislative Update**

We're tracking 203 bills affecting coastal communities. Among them is S.2245 sponsored by Sen. Tammy Baldwin (D-WI), which amends the Digital Coast Act to expand the scope of data collection to include underground infrastructure and subsurface utilities, ensures all data is freely accessible, and extends the program's duration from 2025 to 2030. The bill is awaiting a vote of the full Senate, as is S. 1378, sponsored by Sen. Shatz (D-HI), that enhances forecast accuracy and public preparedness for extreme weather and wildfires. Also awaiting Senate floor debate is S.843, the Sea Turtle Rescue Assistance and Rehabilitation Act, sponsored by Rep, Ed Markley (D-MA) and H.R.

5577 sponsored by Rep. Andrew Garbarino (R-NY) to extend the NFIP program. The full list of bills we track can be found [here](#).

Thanks for reading WaterLog!

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