



**TO:** STEVE SMITH  
TOPSAIL ISLAND SHORELINE PROTECTION COMMISSION

**FROM:** MIKE McINTYRE

**SUBJECT:** AUGUST MONTHLY LEGISLATIVE UPDATE

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## WASHINGTON NEWS

### **Continuing Resolution Prepped for September as Senate Appropriators Finally Release FY 2023 Spending Bills**

Senate appropriators released their long-awaited annual appropriations bills on July 28 ahead of the August recess, calling for greater increases to domestic funding and reductions in defense spending. The Senate Appropriations Committee does not plan to hold markup hearings on the spending bills, which drew criticism from Republican lawmakers, who were largely not involved in drafting the bills. Republican appropriators warned Democrats that Congress may have to pass a long-term Continuing Resolution (CR) to fund the government if major issues are not worked out on a bipartisan basis over top-line defense and non-defense spending levels and contentious policy riders. However, some appropriators hope to fund the government with a short-term CR in September and then strike a full funding deal in the post-election lame duck session.

## Senate Approves WRDA Bill

On July 28, the U.S. Senate passed its [version](#) of the 2022 *Water Resources Development Act* (WRDA) by a vote of 93-1. The legislation would authorize new Army Corps of Engineers policy and about \$37 billion for water resources and environmental infrastructure projects across the country. Even though the Senate Environment and Public Works Committee reported its own bill, S. 4136, in May, the Senate used the House-passed bill, H.R. 7776, as a vehicle so House-Senate conference negotiations can begin sooner. We expect Congress to approve a final 2022 WRDA bill before the end of the calendar year.

## President Signs Climate-Energy Budget Reconciliation Package Into Law

After several attempts to pass climate and energy legislation (i.e., President Biden's Build Back Better package), on August 7, the Senate finally passed one of the largest investments in climate and clean energy in the nation's history. Senate Democrats pushed through the *Inflation Reduction Act of 2022* ([P.L. 117-169](#)) by a 51-50 vote, with Vice President Harris casting the tie-breaking vote. The bill contains \$369 billion in climate and energy spending, including, among other things, renewable energy tax credits, corporate tax increases and other tax provisions, emission reduction programs, health care provisions, and a last-minute \$4 billion, four-year fund for Western drought relief.

The House passed the legislation on August 12 on a party-line vote of 220-207. The President signed the bill into law on August 16.

TFG has published a [Special Report](#) on provisions in the *Inflation Reduction Act* that are of most interest to local governments.

## Senate Approves Resolution Against Biden Administration's NEPA Rules

The Senate has approved a *Congressional Review Act* (CRA) resolution in an attempt to undo the White House's new *National Environmental Policy Act* (NEPA) rules. The vote was 50-47, with Senate Energy and Natural Resources Chair Joe Manchin (D-WV) joining Republicans in voting "yes." Senator Manchin also secured a future Senate vote on some of his separate NEPA permitting reform ideas through his support for the *Inflation Reduction Act of 2022*.

The CRA resolution, introduced by Senator Dan Sullivan (R-AK), seeks to reverse the White House Council on Environmental Quality's (CEQ's) April 2022 rule that replaced NEPA standards approved during the Trump administration. The CRA allows Congress to reverse a recently finalized rule by simple majority vote. However, Senator Sullivan's measure faces an uphill battle in the House, and, if necessary, President Biden would veto it, and Congress would not have the votes to overturn the veto.

## Water Groups Call on Congress for More Spending on Water Infrastructure

More than a dozen engineering, utility, and environmental groups sent a [letter](#) calling on Senate and House appropriators to ensure spending levels for wastewater and drinking water infrastructure meets the

ambitious levels approved in the Bipartisan Infrastructure Law (BIL). The U.S. Water Alliance, National Association of Clean Water Agencies, Sierra Club, Natural Resources Defense Council, American Society of Civil Engineers, and others are mostly concerned about FY 2023 appropriations levels for EPA clean water and drinking water State Revolving Funds (SRFs), saying that FY 2023 spending levels in the President's budget request and House FY 2023 spending legislation do not match levels approved in the BIL.

### **FEMA Increases Public Assistance Small Project Maximum to \$1 Million**

On August 4, FEMA Administrator Deanne Criswell announced that the agency is moving forward in reducing the administrative burden on government entities and nonprofit organizations receiving FEMA financial grants following a disaster. FEMA has implemented a regulatory change to increase the small project maximum for the agency's Public Assistance program to \$1 million.

Section 422 of the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* allows FEMA to implement simplified procedures for projects below an established threshold. Simplified procedures allow FEMA to fund eligible small projects based on estimates, which expedites disaster recovery funding to applicants.

The \$1 million threshold applies to all projects under major disasters and emergencies declared on or after August 3, 2022. The \$1 million threshold also applies to all unobligated PA projects in major disasters and emergencies declared between March 13, 2020, and August 3, 2022. Applicants are not required to submit quarterly progress reports on small projects or reconcile final costs but must still comply with all application laws, regulations, and policies. National emergency management partners have supported FEMA making this change to reduce administrative burdens, more efficiently use resources, simplify the program for smaller applicants with smaller dollar projects, and speed up the closure of projects.

### **E&E News Analysis Shows Hundreds of Thousands Drop Flood Insurance as Rates Rise**

Analysis conducted by E&E News shows that more than 425,000 people have discontinued their NFIP coverage since October 2021, when FEMA began implementing Risk Rating 2.0. The number of NFIP policies dropped from 4.96 million on September 30, 2021, to 4.54 million as of June 30, 2022—a decline of nearly 9 percent. The trend is raising concerns that an unprecedented number of households are financially exposed to flood damage.

The NFIP provides most of the nation's flood insurance and has been trying for years to increase the number of households with flood coverage as climate change and development intensify flood damage. But FEMA's own records and interviews with insurance agents indicate that so far, the restructuring is having the opposite effect, prompting some people to let their policies expire when faced with higher insurance premiums. It is still unclear how many people who dropped NFIP policies have bought flood coverage through a private insurer.

FEMA seems less concerned about this sudden drop in policies. FEMA spokesman Jeremy Edwards said, “We remain confident that policies will increase, over time, under our new Risk Rating methodology.” An internal FEMA report in December projected that the number of NFIP policies would drop to 4.04 million by 2030, though the agency said the projection represented a “pessimistic financial model” ([Climatewire](#), July 25).

FEMA records show a sharp drop in the number of preferred risk policies that cover properties located in areas with a moderate flood risk. The number of these policies decreased from 1.91 million on September 30, 2022, to 1.26 million on June 30, 2022—a decline of 34 percent.

FEMA records also show that the largest percentage decrease in NFIP policies occurred in inland states where relatively few insurance claims have been filed since the program was created in 1968. The states with the biggest drop in policies are Minnesota, Arizona, Wyoming, North Dakota, Nebraska, and South Dakota. The states with the smallest drop in policies include coastal states such as New York, New Jersey, Maryland, and Hawaii. (E&E News, “[Hundreds of thousands drop flood insurance as rates rise](#),” by Thomas Frank on August 17, 2022.)

### **FEMA Kicks Off Hazard Mitigation Assistance Summer Engagement Series**

On August 4, FEMA kicked off its 2022 [Hazard Mitigation Assistance](#) Summer Engagement Series. The 10-part series features experts who will provide information and insights on the [Hazard Mitigation Grant Program](#), [Building Resilient Infrastructure and Communities](#) (BRIC) program, and [Flood Mitigation Assistance](#) (FMA) program. The engagement series will run until October 4.

The webinars provide an overview of the FY 2022 Notice of Funding Opportunity for BRIC and FMA and are designed for regional leaders and key stakeholders in states, local communities, tribes, territories, and other interested individuals to learn more about the grant programs and grant application strategies.

To register, visit [Hazard Mitigation Assistance 2022 Summer Engagement Series](#).

### **North Carolina DEQ Announces September 30 Application Deadline for Fall 2022 Water, Wastewater, and Stormwater Programs**

The NCDEQ Division of Water Infrastructure has announced a September 30, 2022, application deadline for the Fall 2022 funding round for the American Rescue Plan Act (ARPA) water, wastewater, and stormwater programs; BIL State Revolving Fund (SRF) program; and Community Development Block Grant – Infrastructure program. Application materials are now available on the [Division website](#).

The Division held a series of six training sessions to help potential applicants prepare their submittals. A [recording](#) of the session held on August 10 in Raleigh is available on the Division website.

Please keep in mind that this is the first funding round for the ARPA stormwater program. The finalized ARPA [administration plan](#) for stormwater funding is now available for review. Funding will be available for both planning and construction.

This is also the first round of SRF funding that will use BIL supplemental funds. Clean Water and Drinking Water SRF low-interest loans, as well as principal forgiveness loans, will be available.

## ADVOCACY UPDATE

### North Topsail Beach CBRA Mapping Issue

Regarding the proposed technical corrections to Topsail Unit L06, we plan to speak with your Congressional delegation next week about the CBRA technical corrections package being put together at the committee level. As you may recall, during our meetings in June, the delegation planned to follow up with the appropriate House and Senate committees on the status of the technical corrections package. Our discussions next week will allow us to follow up on this commitment.

Regarding the larger CBRA mapping issue affecting North Topsail Beach, the Congressional delegation previously expressed that it might be a difficult issue to advance in the 117<sup>th</sup> Congress given current political dynamics in Congress and a packed legislative calendar for 2022. We will continue to monitor the situation and correspond with the delegation accordingly if potential legislative vehicles arise this year.

### Sand Borrowing Issue

As discussed above, the Senate passed its [version](#) of the 2022 *Water Resources Development Act* (WRDA) by a vote of 93-1. As a reminder, the Senate version of WRDA includes a provision that aims to address issues that have arisen due to the Biden administration's decision last year to restrict the borrowing of sand from within a CBRA unit for use outside of CBRA unit. The language requires the federal government to cover the excess cost of using sand from borrow sites that are not considered to be the least cost method of disposal. Certain long-standing federal beach renourishment projects are eligible under this provision, including Carolina Beach and Wrightsville Beach, and any future coastal storm risk management projects constructed by the Corps. This provision does not apply to beach renourishment projects supported by other federal funds, such as FEMA.

It is our understanding that this provision continues to be discussed at the Committee level and may change during conference negotiations. We will continue to keep TISPC updated as these discussions progress.

### Support and Promote the Community Rating System and the Federal Flood Insurance Program

It has become clear in recent weeks that a full NFIP reauthorization will not be approved by Congress by the September 30, 2022, deadline. Congress will most likely include another short-term extension of the NFIP in the forthcoming Continuing Resolution, which must also be approved by Congress by September 30 to keep the government running in the absence of Congressional approval of FY 2023 appropriations.