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FROM: MIKE McINTYRE
SUBJECT: APRIL MONTHLY LEGISLATIVE UPDATE
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The April Monthly Legislative Update provides information on the following topics:

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WASHINGTON NEWS

President Biden Releases FY 2024 Budget

Last month, President Biden rolled out his Fiscal Year (FY) 2024 budget. The \$6.9 trillion budget request includes a 6.5% increase in nondefense discretionary spending and a 3% increase in total defense spending.

Appropriators in both chambers have begun [holding](#) hearings on those FY 2024 funding requests. Leaders from various agencies have testified on the House side, including Defense Secretary Lloyd Austin, Secretary of State Antony Blinken, Treasury Secretary Janet Yellen, Office of Management and Budget Director Shalanda Young, and Council of Economic Advisers Chair Cecilia Rouse. Senators have also received testimonies from Secretary Blinken and Secretary Yellen, as well as Transportation Secretary Pete Buttigieg and Health and Human Services Secretary Xavier Becerra. The annual ritual of budget hearings does not mean the appropriations process will proceed smoothly. With the new Republican majority in the

House and the close 51-49 Democratic majority in the Senate, finding consensus across party lines on enacting spending bills for FY 2024 will not be easy.

EPA [unveiled](#) its FY 2024 budget proposal, which [states](#) that the agency will make \$11.6 billion in Bipartisan Infrastructure Law (BIL) funding available in FY 2024 for upgrading drinking water and wastewater infrastructure, replacing lead pipes, addressing emerging contaminants such as PFAS, protecting critical water bodies, cleaning up longstanding pollution at Superfund and brownfields sites, making improvements to waste management and recycling systems, decarbonizing the Nation's school bus fleet, and advancing the Pollution Prevention Program.

For the U.S. Army Corps of Engineers Civil Works Program, the FY 2024 budget would provide over \$7.4 billion in gross discretionary funding. The budget request includes the Corps Investigations program at \$130 million, the Construction program at \$2.25 billion, and the O&M program at \$2.63 billion.

Many House Republicans have maintained their stance that FY 2024 spending levels will revert to enacted FY 2022 levels. In [response](#), House Appropriations Committee Ranking Member Rosa DeLauro (D-Conn.) released letters on the potential impacts of proposed House Republican cuts from all major federal agencies. To secure the Speakership, McCarthy promised the spending cuts, a plan that even some House Republicans may not support.

Congress is in Recess

Both chambers of Congress are currently on recess until April 17th, and there are several key legislative items that require attention. The debt limit, the farm bill reauthorization, and the Federal Aviation Administration (FAA) reauthorization are among the most pressing matters.

Regarding the debt limit, the Republicans are pushing for spending cuts and other fiscal changes as part of any debt limit increase, a condition Democrats, including President Biden, have rejected. Unless Congress raises the \$31.4 trillion debt limit, the debt default will occur sometime between July and September this year.

Regarding the farm bill and FAA reauthorizations, both issues have garnered significant attention from Congress. Committees with jurisdiction over these reauthorizations have held multiple hearings that could have significant implications for local governments. Lawmakers are presently working on drafting bills for both reauthorizations, and many expect the text to be released in the upcoming months. It is important to note that major provisions of these reauthorizations will expire on September 30, 2023.

Meanwhile, the Senate has yet to approve a leader of the FAA following President Biden's first choice, Phil Washington, CEO of the Denver International Airport, withdrawing his name from consideration due to opposition from Republicans and lack of commitment from several Democrats. The White House plans to nominate someone in the coming weeks, beginning a nomination process that will take several months. The person chosen will be responsible for overseeing any legislation passed regarding an FAA reauthorization.

Congress Votes to End COVID-19 National Emergency

On March 29, Congress voted to end the COVID-19 National Emergency. This vote carries implications for funding for many local governments through the State and Local Fiscal Recovery Funds (SLFRF). Earlier this week, the Department of Treasury released FAQ #4.11, outlining how the end of the national emergency [affects SLFRF funds](#). Here are updates provided by the Treasury:

- **Premium Pay:** Generally speaking, recipients will be able to continue to make investments using SLFRF funds except for projects in the premium pay category. With the end of the COVID-19 National Emergency, essential workers are no longer eligible to receive premium pay following the April 10 effective date.
- **Public Health and Negative Economic Impacts:** Recipients may continue to support and expand the workforce, including by helping impacted workers enter in-demand careers, such as in health care and childcare. Recipients may also use SLFRF funds to build public sector capacity, including hiring public sector workers and providing retention incentives.
- **Revenue Loss:** The calculation of the revenue loss formula will not change by the end of the National Emergency. How recipients claim up to \$10 million in loss is not affected.
- **Water/Sewer/Broadband:** This category is not impacted by the end of the National Emergency.

EPA Announces \$6.5 Billion for Drinking Water Infrastructure

The Environmental Protection Agency (EPA) has announced over \$6.5 billion in funds has been made available from the bipartisan Infrastructure Investment and Jobs Act (IIJA) for states, territories, and tribes in need of drinking water infrastructure upgrades. This funding is a significant boost to the Biden Administration's priorities, including the replacement of lead water pipes and the treatment of emerging contaminants like PFAS. The Drinking Water State Revolving Fund (DWSRF) is the program through which the money will be made available, and it provides financial assistance to communities seeking to address drinking water needs.

EPA noted that \$6 billion of the total amount will be accessible to states through the DWSRF in the second year of implementation of the law, with \$3 billion allocated to identify and improve lead service lines and \$800 million for addressing per- and polyfluoroalkyl substances and other drinking water contaminants. Another \$2.2 billion will go towards other critical drinking water infrastructure needs, while \$500 million will be available through the DWSRF annual appropriations.

This new funding is in addition to the \$775M in water infrastructure funding announced by the EPA last month. \$775 million is now available for states, tribes and territories seeking to address major wastewater and stormwater needs. Almost half of that funding will be available either as grants or principal forgiveness loans, in what EPA called a significant step toward assisting low-income communities. The funding is available through the Clean Water State Revolving Fund (CWSRF) and is intended to help ensure communities with fewer financial resources can still invest in infrastructure needs to ensure reduced water contamination. It complements EPA's Drinking Water State Revolving Fund.

Investing in Our Communities Act Introduced

Last month, Congressmen David Kustoff (R-TN) and Dutch Ruppersberger (D-MD) introduced the [Investing in Our Communities Act](#). This bipartisan legislation restores tax-exempt advance refunding for municipal bonds so state and local governments can more efficiently invest in projects throughout their communities. Advanced refunding allows issuing governments to take advantage of favorable market conditions to reduce their borrowing costs and free up resources for new projects.

Biden Vetoes WOTUS Disapproval Resolution

President Joe Biden last week vetoed a Congressional Review Act (CRA) disapproval resolution, H.J. Res. 27, against the Administration's final rule to define the Clean Water Act's reach over "waters of the U.S." (WOTUS), which had passed both chambers of Congress on a bipartisan basis. The CRA legislation now heads back to Congress, where supporters of the WOTUS resolution will not have enough votes to override President Biden's veto despite support from several moderate Democrats in both the House and Senate. In defending the latest veto, the White House said the EPA and Army Corps of Engineers' final WOTUS rule provides "clear rules of the road that will help advance infrastructure projects, economic investments, and agricultural activities while protecting water quality and public health."

Legislation Related to FEMA Reforms Introduced

Many bills directed at FEMA have recently been introduced in Congress.

Sen. John Kennedy (R-La.) [introduced](#) bills to cap flood insurance premiums and increase transparency around the Federal Emergency Management Agency's (FEMA) Risk Rating 2.0. These bills would lower the statutory limit on annual premium increases on homeowners under Risk Rating 2.0 to 9% and allow policyholders to retain their previous NFIP premium rates prior to the implementation of this new risk-rating methodology.

Congressman Blaine Luetkemeyer (MO-03) introduced four bills to provide fixes to the NFIP. These bills are:

- The [Taxpayer Exposure Mitigation Act](#), which requires FEMA to purchase reinsurance or some capital market alternative to protect taxpayers from footing the bill for future losses.
- The [Community Mapping Act](#), which allows local communities to develop alternative flood maps.
- A [bill](#) to determine the premium rates for flood insurance coverage under the NFIP and ensure wealthy homeowners pay their fair share.
- A [bill](#) allowing commercial properties to opt-out of the NFIP mandatory purchase requirement, allowing businesses to more easily purchase private flood coverage.

Senate to Vote on Fire Grants and Safety Act

The Senate will soon vote on the *Fire Grants and Safety Act* ([S. 870](#)), which amends the Federal Fire Prevention and Control Act of 1974 to authorize appropriations for the United States Fire Administration

(USFA) and firefighter assistance grant programs. Additionally, the legislation provides an additional \$20 million to the USFA to distribute [firefighter assistance grants](#) to local departments through the fiscal year 2030. The bill has significant bipartisan support, but Senate Homeland Security and Governmental Affairs Committee Ranking Member Rand Paul (R-Ky.) forced additional consideration calling for a more robust amendment process.

Senate Energy and Natural Resource Committee Announces Subcommittee Leaders

Recently, the Energy and Natural Resources Committee finalized its roster of subcommittee leaders. Sen. Bernie Sanders (I-VT) will chair the Energy and Natural Resources Subcommittee on Energy, with Sen. Josh Hawley (R-MO) serving as ranking member. Also, Sen. Angus King (I-ME) will chair the National Parks Subcommittee (Sen. Steve Daines (R-MT) ranking member), Sen. Catherine Cortez Masto (D-NV) chair the Public Lands, Forests and Mining Subcommittee (Sen. Mike Lee (R-UT) ranking member), and Sen. Ron Wyden (D-OR) will chair the Water and Power Subcommittee (Sen. Jim Risch (R-ID) ranking member).

FEMA Updates Federal Interagency Operational Plan

FEMA has released an updated version of the [Federal Interagency Operations Plan](#), which consolidates the federal response and recovery efforts to support the National Response Framework and National Disaster Recovery Framework. This marks the first time that these two plans have been combined into a single document, providing federal agencies with a unified approach to support state, local, tribal, and territorial governments in the aftermath of a disaster. The plan outlines the federal framework for responding to and recovering from various threats and hazards, addressing the unique challenges they present.

Legislation Introduced to Protect Water Utilities

Sen. Ed Markey (D-MA) and Rep. Jan Schakowsky (D-IL.) recently introduced the [Water System Threat Preparedness and Resilience Act](#), which would set aside funding for water utilities to join the Water Information Sharing and Analysis Center (WaterISAC), an international security network, and help water utilities address threats ranging from extreme weather to cyberattacks. WaterISAC is a nonprofit owned and managed by the water sector for the express purpose of making sure water systems are fortified in the face of increased challenges. The legislation is supported by the American Water Works Association, the Association of Metropolitan Water Agencies, the National Association of Clean Water Agencies, the National Association of Water Companies, and the Water Environment Federation.

ADVOCACY UPDATE

March Advocacy Trip

We were pleased to welcome you to Washington D.C. for your advocacy trip last month. Our meetings with the congressional offices were productive and your concerns were communicated clearly and effectively. Going forward, these meetings will be instrumental in serving your interests. As a summary, we met with:

- House Transportation and Infrastructure Committee's Subcommittee on Water Resources and Environment
- House Natural Resources Committee
- Office of Senator Thom Tillis
- Office of Senator Ted Budd
- Office of Rep. David Rouzer
- Office of Rep. Greg Murphy
- U.S. Army Corps of Engineers

We discussed, among other issues:

- Surf City General Reevaluation Report
- Legislation to amend the NTB CBRA Map Unit L06
- Allowing the continued use of sand from the New Topsail Inlet and New River Inlet CBRA zones for non-CBRA zone beach nourishment when Federal funds are involved
- FEMA consumer protection issues

To have the full support of your entire Congressional delegation, as well as the Transportation and Infrastructure Committee and the Natural Resources Committee, on these issues is great news for the Commission. Because of our strong relationships with these offices, we are hopeful about moving forward with these issues.

North Topsail Beach CBRA Mapping Issue

Thanks to our collective advocacy efforts, Congressman Murphy (along with Congressman Rouzer) reintroduced [a bill](#), which:

“...excludes lots from unit L06 of the John H. Chafee Coastal Barrier Resources System in North Topsail Beach, North Carolina, that were serviced by infrastructure, as described in subsection (c), installed along North Carolina Highway 210 and New River Inlet Road as of the date of enactment of the Coastal Barrier Resources Act.”

This is a great victory for TISPC, and we are grateful for the continued support from your Congressional delegation on this issue. We are continuing to work with the Senators on this important matter as well.

Separately, the Strengthening Coastal Communities Act of 2022 ([S. 5185](#)) has not been reintroduced. This bill would have implemented a total of 11 new and 184 updated CBRS maps, including maps in North Carolina. As you know, we worked hard to ensure that this technical corrections bill removed 2.5 acres of

the Barton Bay area from Topsail Unit L06, including two structures along Barton Bay Drive and New River Inlet Road, as well as a portion of one lot to the south of New River Inlet Road. We anticipate the reintroduction of this bill during this new session of Congress.

We will continue to stay vigilant on the status of these bills and strongly advocate for amending the NTB CBRA Map Unit L06.

Sand Borrowing

Our conversation with Congressman Rouzer on sand borrowing was fruitful. Communicating TISPC's support for his [bill](#), which would have future implications for TISPC's sand borrowing issue, was greatly appreciated by the office.

We will continue to advocate to Congressional offices for measures to ensure that TISPC is able to use sand from the New Topsail Inlet and New River Inlet CBRA zones for non-CBRA zone beach nourishment when Federal funds are involved.

FEMA Issues

We stand ready to assist you on a number of FEMA-related issues that we discussed during the trip, including the agency's island-wide coordination efforts after storm events and NFIP policies that are equitable and affordable to coastal residents.

Additionally, the Congressional offices were particularly interested in hearing about homeowners impacted by the failure of their mortgage companies to pay the federal flood insurance on time. As a result, homeowners forfeit grandfathering rights and are moved to higher rates for flood insurance. A lack of an appeals process within FEMA complicates the matter even further at the expense of these homeowners.

We look forward to addressing all these issues with you as we move ahead.

Surf City General Reevaluation Report (GRR)

We were pleased to hear that Lt. Colonel Burnham visited Surf City to brief the Town on the ongoing GRR efforts. Town Manager Kyle Breuer confirmed to us that the meeting was productive as confirmed by their ability to provide updates on the schedule, specifically the GRR being completed by the Wilmington District office in August, with expected approval from Lt. General Spellman by December. Additionally, Lt. Colonel Burnham conveyed that permits for beach nourishment via dredging are expected to be available year-round.

Lt. Colonel Burnham also stated that the timing for sand placement on the beach is yet to be determined and that more information may be obtained after the GRR obtains full authorization. We remain ready to assist you on this matter and we are maintaining constant communication with USACE headquarters to ensure that the project moves ahead with no issues.