GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

JULY 12, 2023

FY 2024 Appropriations Outlook



GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

NEAL MCMILLIN

FY24 Appropriations State of Play

After the fiercely contested debt-ceiling fight, Congress now has to pass annual appropriations under the spending caps agreed upon from the Fiscal Responsibility Act. Passing all twelve spending bill individually and on time, instead of in one big end-of-the-year omnibus, will be very challenging. Even more so, the House Freedom Caucus has pushed to enact spending below the caps, setting up a sharp dispute between the House and Senate, as well as the White House. A shutdown, or a continuing resolution that results in a 1% spending cut, are real possibilities.

House Appropriations Committee

PASSED 8 OF 12 BILLS

Full House has yet to consider any appropriations bills.

Key Actions for Coastal

- <u>6/22/23 Markup of Energy & Water</u>
- 6/21/23 Markup of Homeland Security (includes FEMA)
- 6/14/23 Markup of Agriculture-FDA
- <u>4/18/23 Hearing on Dept. of Commerce (includes NOAA)</u>
- <u>3/28/23 Hearing on EPA</u>
- 3/28/23 Hearing on Dept. of Interior

Senate Appropriations Committee

PASSED 5 OF 12 BILLS

Full Senate has yet to considered any appropriations bills.

Key Actions for Coastal

- 7/13/23 Markup of Commerce-Justice-Science & Financial Services
- <u>6/22/23 Markup of FY24 Subcommittee Allocations, MilCon-VA, &</u> <u>Agriculture-FDA</u>
- 5/3/23 Hearing on Dept. of Energy
- <u>5/3/23 Hearing on EPA</u>
- 4/26/23 Hearing on Dept. of Commerce (includes NOAA)
- <u>4/26/23 Hearing on Army Corps</u>
- <u>3/29/23 Hearing on Homeland Security (includes FEMA)</u>
- 3/29/23 Hearing on Dept. of Interior

FY24 Allocations

| Appropriations Subcommittee | FY 2023 Enacted Appropriation | FY 2024 House Committee Appropriation | FY 2024 Senate 302(b) Allocation | Range of Change in Appropriation | |
|--------------------------------|----------------------------------|---|-------------------------------------|-------------------------------------|------------|
| | | | | House | Senate |
| Agriculture | \$25.5 billion | \$17.8 billion | \$26 billion | - \$7.7 B | + \$500 M |
| Commerce-Justice-Science | \$82.4 billion | \$58.7 billion | \$69.6 billion | - \$23.7 B | - \$12.8 B |
| Defense | \$797.7 billion | \$826.4 billion | \$823.3 billion | + \$28.7 B | + \$25.6 B |
| Energy & Water | \$54.0 billion | \$52.4 billion | \$56.7 billion | - \$1.6 B | + \$2.7 B |
| Financial Services | \$27.6 billion | \$11.3 billion | \$16.8 billion | - \$16.3 B | - \$10.8 B |
| Homeland Security | \$60.7 billion | \$62.8 billion | \$56.9 billion | + \$2.1 B | - \$3.8 B |
| Interior & Environment | \$38.9 billion | \$25.4 billion | \$37.9 billion | - \$13.5 B | - \$1 B |
| Labor, HHS, Education | \$207.4 billion | \$147.1 billion | \$195.2 billion | - \$60.3 B | - \$12.2 B |
| Legislative Branch | \$6.9 billion | \$6.7 billion | \$6.8 billion | - \$200 M | - \$100 M |
| Military Construction & VA | \$154.2 billion | \$155.7 billion | \$154.5 billion | + \$1.5 B | + \$300 M |
| State & Foreign Ops | \$59.7 billion | \$41.4 billion | \$58.4 billion | - \$18.3 B | - \$1.3 B |
| Transportation & HUD | \$87.3 billion | \$65.2 billion | \$88.1 billion | - \$22.1 B | + 800 M |
| o Total Funding | \$1.602 trillion | \$1.471 trillion | \$1.590 trillion | - \$131 B | - \$12 B |

FY24 Appropriations – Focus on House E&W

Energy & Water Subcommittee Bill Advanced

H.R. 4394 CONTAINS MAJOR INCREASES FOR U.S. ARMY CORPS OF ENGINEERS

<u>Army Corps Funding</u>: USACE received \$9.57 billion, \$1.26 billion more than FY23 and \$2.2 billion more than the President's Budget. The major increases are in construction (+\$1B from FY23) and operations & maintenance (+\$400M from FY23).

Spending the Claw Back: \$25.4 billion is for non-defense spending (including USACE), which is an increase in \$143 million over FY23 enacted. While the allocation is \$19.9 billion, the House bill added \$5.6 billion that was clawed back from the Inflation Reduction Act. The claw back, or rescission, allows the Committee to increase spending in while adhering to the lower allocation required by the spending cuts from the Fiscal Responsibility Act.

House Democrats oppose the claw back, which targeted \$4.5 billion in electric appliance rebates, \$1 billion for adopting net zero and new building energy codes, and \$200 million for training for installers of home energy efficiency devices. Additionally, the House Republican Freedom Caucus opposes spending the claw back.

Inland Waterways Funding & Size of Community Protect Funding: Since the Committee directly funded inland waterways projects as a member-solicited request for the first time, the community project funds granted were as large as \$236M, \$103M, \$100M, and \$75M.



Chairman Chuck Fleischmann (R-TN-3) and Ranking Member Marcy Kaptur (D-OH-9) at the House Energy & Water subcommittee markup.

FY24 Appropriations – Louisiana in House E&W

COMMUNITY PROJECT FUNDING REQUESTS INCLUDED FOR MORGANZA, HOUMA NAVIGATION CANAL, & MERMENTAU RIVER

Louisiana Projects: Investigations include \$800K for Bayou Sorrel Lock and \$500K for Houma Navigation Canal (Scalise/Graves).

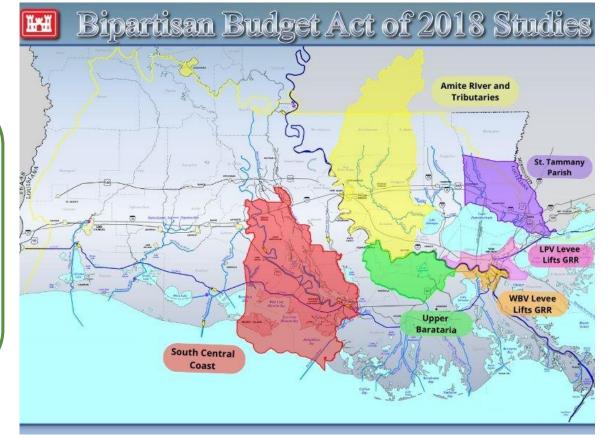
Construction includes \$9M for Calcasieu River and Pass and \$4.875M for Louisiana Coastal Area.

Mississippi River and Tributaries (MR&T) includes \$600K for Lafitte, \$2.5M for Lower MS River Comprehensive Study, and \$28M for Morganza to the Gulf (Scalise/Graves).

For O&M, the President's Budget requests were supported, including additional \$500K for Mermentau River (Higgins).

<u>Completing BBA 18 Projects</u>: The bill prioritizes completion of flood and storm damage reduction projects under the Bipartisan Budget Act of 2018 with a signed agreement through the use of Infrastructure Investment and Jobs Act funds.

Louisiana investigations from BBA 18 include Amite River & Tributaries, St. Tammany Parish, Upper Barataria, South Central Coastal, and WBV and LPV Levee Lifts GRR. Louisiana construction projects from BBA 18 include Carrollton Floodwall, Comite River Diversion, East Baton Rouge, Grand Isle, and West Shore Lake Pontchartrain.



Notable Committee Report Language

Mississippi River Gulf Outlet Canal Ecosystem Restoration: The Corps is encouraged to include appropriate funding in future budget submissions for this project.

Congress Prepares for WRDA 2024

Oversight Hearings Occur in Senate EPW, House T&I Committees

Congressional offices may start requesting WRDA 2024 priorities as soon as July 2023.



Assistant Secretary of the Army for Civil Works @ASACivilWorks

Today I spoke with Senate Cmte on Environment & Public Works with LTG Spellmon about efforts to address our water resource challenges. The FY24 budget & WRDA 2022 provide for critical investments to benefit the American people, promote economic growth, & restore key ecosystems.





Assistant Secretary of the Army for Civil Works @ASACivilWorks

Appreciated opportunity to testify with @TransportGOP & @TransportDems to discuss @POTUS' FY24 budget & resources for @USACEHQ to deliver infrastructure that will strengthen our economy, protect people & property, & restore ecosystems - all while addressing climate challenges!

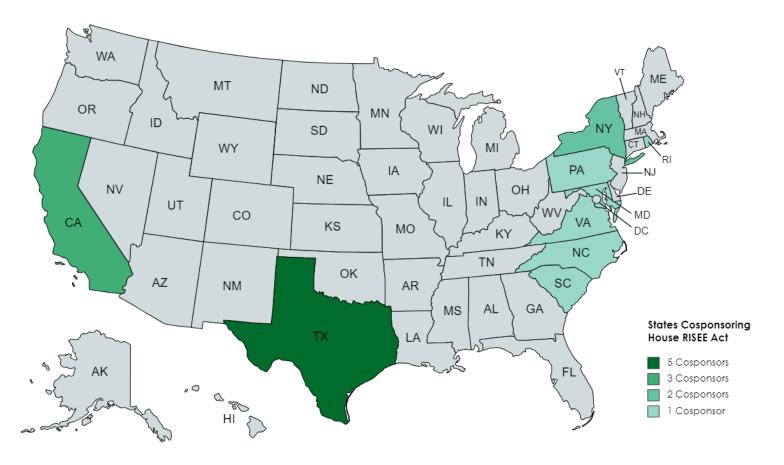


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RISEE ACT UPDATE SUPPORT CONTINUES TO GROW IN HOUSE

Five members joined the RISEE Act, bringing cosponsors total to fourteen. 11 Ds and 4 Rs support the bill.

- Rep. Joseph Morelle, D-NY
- Rep. Mary Gay Scanlon, D-PA
- Rep. Julia Brownley, D-CA
- Rep. Michael Lawler, R-NY
- Rep. Seth Magaziner, D-RI



IIJA and IRA Updates for Coastal

<u>Coastal Zone Management Habitat Protection and Restoration Competition</u> – NOAA Office of Coastal Management

- Funding for state Coastal Zone Management Programs for coastal restoration and land conservation
- \$60 million available for projects from \$200K \$6M
- Letters of intent due August 14

Promoting Resilient Operations for Transformative, Efficient, and Cost-Saving Transportation (PROTECT) Program – USDOT FHWA

- Funding to plan and strengthen surface transportation to be more resilient to natural hazards, including climate change, sea level rise, flooding, extreme weather, etc.
- \$848 million available,
- Applications due August 18

Climate Resilience Regional Challenge - NOAA

- Funding available for planning collaborative approaches to achieve resilience or for implementation of resilience and adaption actions anchored in previous planning efforts
- \$25 million available for planning projects from \$500K \$2M (Planning)
- \$550 million available for implementation projects from \$15M \$75M (desired range of \$25M \$50M)
- Applications due August 21

NOAA Announces \$624.6 million contract with Louisiana's Thoma-Sea Marine Constructors, LLC. with Inflation Reduction Act funding

Ships will be built in Houma, Louisiana

MORGANZA TO THE GULF SYSTEM PROVIDES RISK REDUCTION TO THE SHIPYARD

With this <u>announcement</u>, NOAA will add two new ships to its research vessel fleet, with an option to purchase two more. The ships will focus primarily on ocean mapping and nautical charting, as well as managing living marine resources and conducting research.

This NOAA contract is a great example of coastal Louisiana providing nationally significant capabilities. Coastal program investments contribute to preserving these unique assets and skilled workforce.



Images from NOAA Administrator Spinrad's visit to Thoma-Sea in Houma in October 2022 for keel laying ceremony for the Discoverer.

GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

Questions Regarding FY 2024 Appropriations Outlook



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