

Shutdown and Speaker Drama

PLUS AN UPDATE ON USACE CREDITING, INTERIOR'S 5 YEAR PLAN, AND FEMA FUNDING

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GOVERNOR'S
OFFICE OF
COASTAL
ACTIVITIES

Surprise - Credit Needed to Comply with HSDRRS Payback

The Army Corps directly shared with CPRA in August its official interpretation of WRDA 2022, which surprisingly meant that the state owed \$83 million by Sept. 30, or risk triggering the return of hundreds of millions of construction interest from HSDRRS.

- WRDA 2020 required the state pay back its cost share of approximately **\$1.124 billion** by September 30, 2023 in order to waive the construction interest
- Louisiana intended to receive some credit for other state-constructed coastal master plan projects to count towards the owed balance. Given the delays in the Army Corps approval of Louisiana's crediting application, Congress provided a time extension to 2032 and greater clarification for the eligibility of crediting in WRDA 2022 Section 8386.
- Louisiana's two payments of \$400 million were seen as good faith measures to address the cost share. In fact, Congressional language in Section 8386 reflected the state's payment plan, allowing it to be in compliance as long as it covered 2/3rds of the remaining balance by September 30, 2023. \$800 million would more than cover the 2/3rd requirement.
- However, USACE Headquarters legal team interpreted WRDA 2022 differently. USACE contended that the "remaining balance" upon which the 2/3 calculation would respond to was the amount after the first \$400 million payment required by statute. So 2/3rds of \$724 million would be approximately \$483 million. So the state's second payment of \$400 million was not enough.
- **Thus the state was \$83 million short with six weeks to go before the deadline.** (USACE would later revise that number upwards to \$100 million).

Governor Edwards and Congressman Graves relationships with OMB Director Shalanda Young and ASACW Michael Connor pay off

- Governor Edwards requested a remedy for the time-sensitive situation from both ASACW Michael Connor and White House OMB Director Shalanda Young.
- Young's influence was very helpful to providing the top-cover Connor to fast-track consideration of Louisiana's crediting packages. Connor believed it would be bad policy to charge the state interest if credit would be eventually accepted at a later date.
- Congressman Graves implored the Army Corps to realize they had two available solutions:
 - Re-interpret the language to fit Congressional intent; or
 - Accept sufficient credit from the outstanding state request, via WRDA provisions he authored.

In response, ASACW Connor delegated authority to Col. Jones to realize the outstanding credit request. Col. Jones signed off on [CPRA's \\$110 million in credit](#), covering the USACE-identified deficit that rose to \$100 million just days before the Sept. 30.

The state will need to fully secure land rights on one credited project by June 2031, per USACE. USACE indicated that over \$90 million in additional credit could be received upon the acquisition of that property.

Louisiana coastal projects allowed to offset cost of New Orleans post-Katrina levees

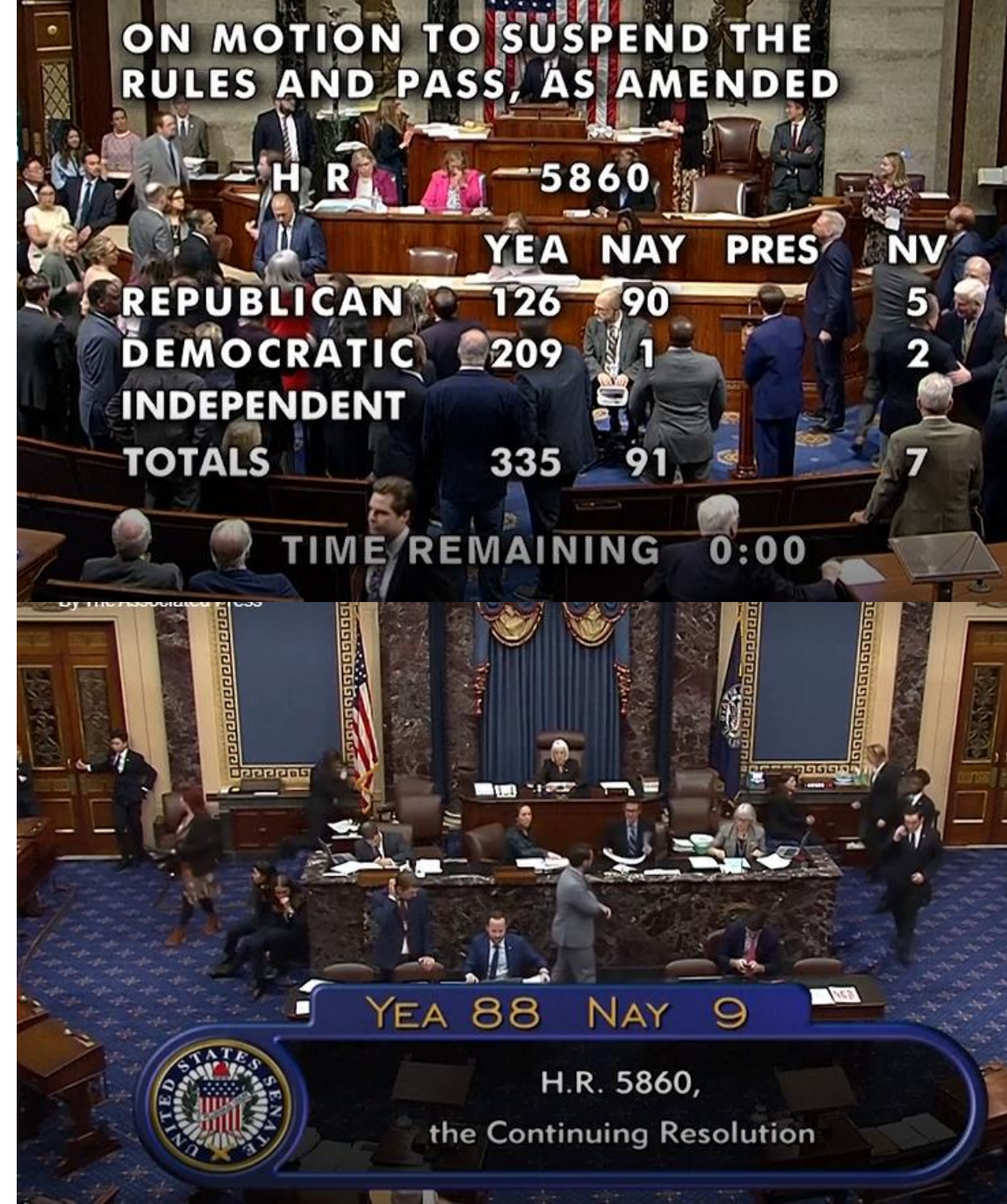
BY MARK SCHLEIFSTEIN | Staff writer Oct 9, 2023 Updated Oct 9, 2023 2 min to read



Aerial view of Lake Borgne Surge Barrier.
Photo credit: David Grunfeld, NOLA.com

Shutdown Averted

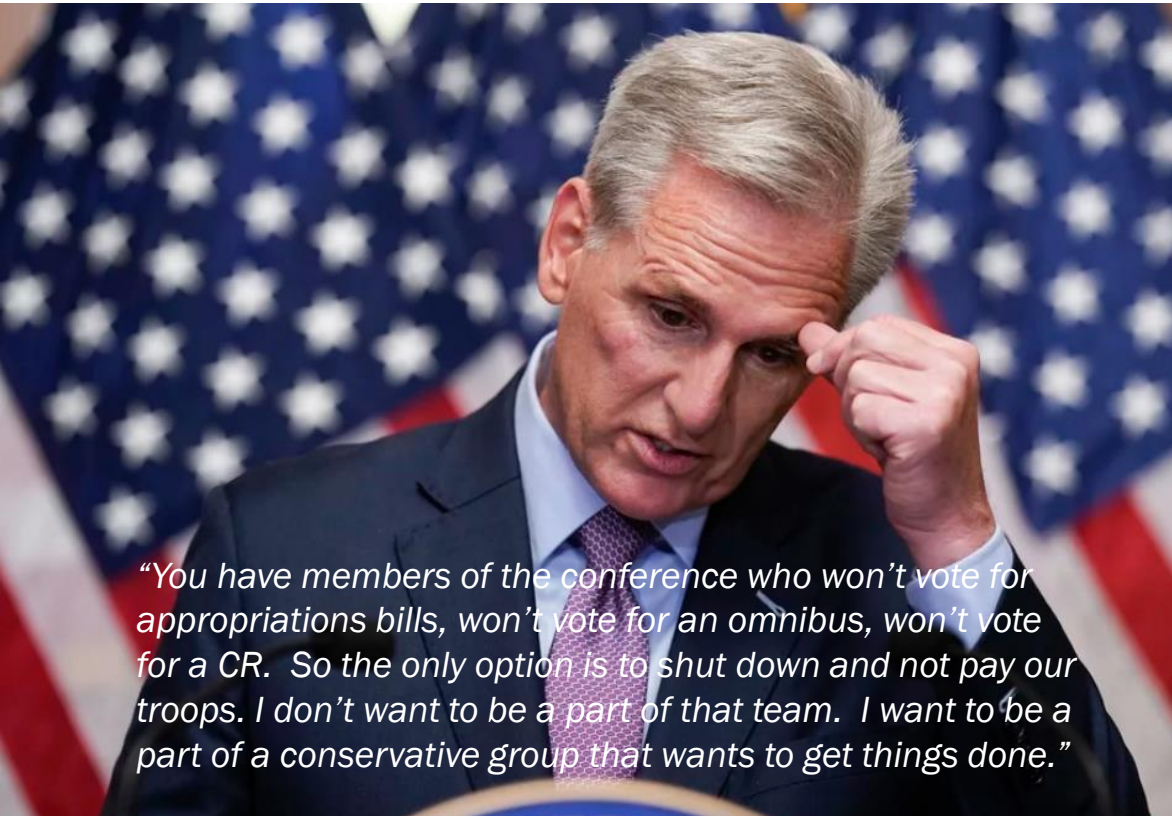
- As the end of Fiscal Year 2023 approached, a federal governmental shutdown seemed inevitable. Speaker Kevin McCarthy struggled to advance individual appropriations bills, and his party failed to unify around a Republican-only bill to keep the government open.
- In a surprising turn of events on the last day of funding, Speaker McCarthy announced that he would support short-term continuing resolution (known as a CR) that keeps funding steady. The bill also continued programs like NFIP and provided \$16 billion in disaster aid to FEMA.
- The House of Representatives passed the stop-gap 48-day CR on a bipartisan vote of 335 – 91. While only one Democrat opposed the vote since it lacked funding for Ukraine, a majority of Republicans, 131 members, opposed it.
- The Senate passed the House’s bill on a 88-9 vote.
- Three hours before a shutdown, President Biden signed H.R. 5680 on September 30th.
- The law keeps the federal government open through November 17th.



Speaker McCarthy Ousted

Eight Republicans and all House Democrats supported Rep. Matt Gaetz' motion to vacate the Speaker, putting the House of Representatives in leaderless chaos.

Former Speaker McCarthy declined to run again for Speaker, after his opponents successfully removed him via a rule empowering one member resulting from the January Speakership election. He was criticized for keeping the government open and for failing to pass appropriations bills, despite his opponents interference with those processes.



Scalise, Jordan Battle for Speaker

Majority Leader Scalise was the first nominee chosen by the Republican conference to be the next Speaker. The conference narrowly selected him via a [113 to 91 vote](#). Before taking it to the House floor, Majority Leader Scalise withdrew as he realized he would be unable to consolidate the support of the entire conference. He will remain as the Majority Leader.

Ohio's Jim Jordan, Chairman of the Judiciary Committee, received [124 votes to 81](#) on the second secret ballot. On a subsequent secret vote, [55](#) House Republicans indicated they would not support him on the House floor. He spent the weekend making calls to gain support. He received Chairman Jordan is known for founding the conservative Freedom Caucus and leading the impeachment inquiries regarding President Biden.

On the first House floor vote, no member received the majority of the 432 votes cast. House Minority Leader Hakeem Jeffries received [212](#), Jordan received [200](#), Scalise received [7](#), McCarthy received [6](#), former Congressman Lee Zeldin received [3](#), and [4](#) other representatives received a single vote (Mike Garcia, Tom Emmer, Thomas Massie, and Tom Cole).



Louisiana Impact from Speaker Spectacle

Majority Leader Scalise was very close to becoming the first Speaker of the House from Louisiana. He retains his leadership position and continues to have some support for that role from close allies. If he were to be Speaker, he would have been in an even better position to advocate for Louisiana policies that benefit the coast, such as his BREEZE Act on increased revenue sharing and NFIP reform efforts.

Congressman Graves was a very close ally to former Speaker McCarthy. That relationship provided unique opportunities like negotiating the debt-ceiling deal and including permitting reform measures, as well as potentially positioning him in the future lead a committee such as House Transportation and Infrastructure.

Congressman Johnson is the Vice Chair of the Republican conference, who indicated that he would be willing to run for Speaker if Chairman Jordan falters. Many members have floated him as a possible option depending on how the frontrunners fare.

The **BREEZE Act** and **RISEE Act** have a substantial budgetary score, of at least \$16.6 billion and \$11.6 billion, respectively. While bill proponents are negotiating payfors to offset the cost, a Speaker Jordan would be a formidable opponent to the bills. He is not a coastal member and has a long career of concern about elevated federal spending.

Interior Releases 5 Year Plan

Key Takeaways

- Instead of the Obama-era cadence of a having two lease sales per year, Interior will hold only 3 new oil and gas lease sales in the Gulf of Mexico through 2029.
- The Inflation Reduction Act mandated some O&G leasing to allow for wind leasing. Otherwise, no new leases may have been proposed.
- Pace of offshore wind lease sales may slow.
- GOMESA revenues will be substantially reduced by the lack of leasing in the short and long term.

GOM Lease Sale 261

GOM Lease Sale 262

GOM Lease Sale 263

GOM Lease Sale 264

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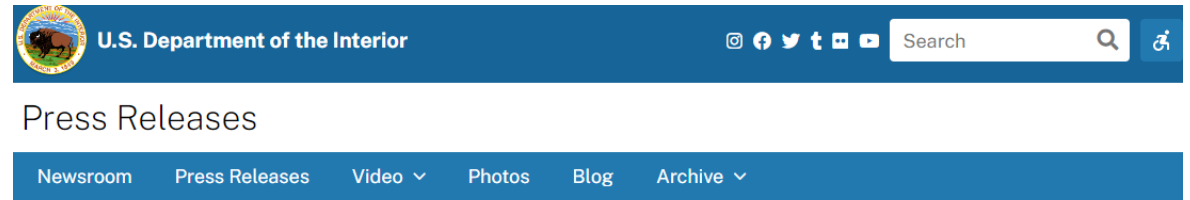
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No O&G Sale,
Potential Wind Sale

No O&G Sale,
Potential Wind Sale

No O&G Sale,
Potential Wind Sale



Reflecting America's Rapid and Accelerating Shift to Clean Energy, Interior Department Announces Fewest Offshore Oil and Gas Lease Sales in History in Proposed Final Program for 2024-2029

Plan phases down oil and gas leasing in the Gulf of Mexico; will enable offshore wind program to continue to rapidly grow

Proposed program includes zero oil and gas lease sales in the Atlantic, Pacific and Alaskan waters

FEMA Announces FY22 BRIC & FMA Grants

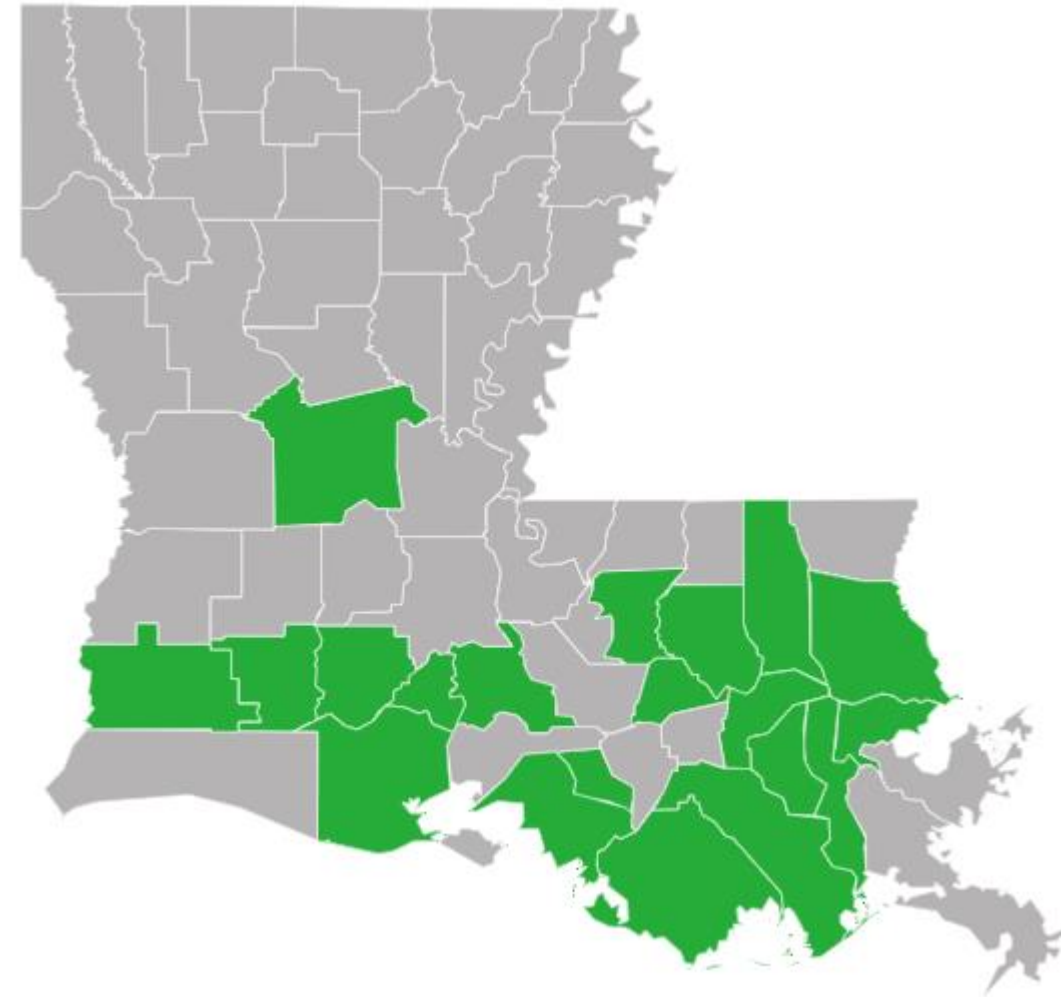
Louisiana set to receive \$207.3 million from FEMA

On August 28th, FEMA selected 48 Louisiana projects, which will receive funding once all eligibility reviews, including benefit cost analysis, technical feasibility, and environmental and historic preservation reviews.

According to [Sen. Cassidy's announcement](#), at least 532 structures would be elevated.

Selected proposals include elevation of structures, drainage improvements, green infrastructure for stormwater detention, lake restoration, greenspace development, property acquisitions, grid hardening, and construction of a safe room for incarcerated individuals.

Parishes selected for FY22 BRIC or FMA Awards



FEMA Announces \$1.8 Billion for FY23

\$1B to Building Resilient Infrastructure & Communities (BRIC): Projects that protect from natural hazards and effects of climate change

\$800M to Flood Mitigation Assistance (FMA): Projects that mitigate flood risks

Notes

- Over \$1 billion of this funding is from the Infrastructure Investment and Jobs Act (IIJA) which provided \$1 billion to BRIC and \$3.5 billion to FMA.
- Application period is from October 16, 2023 – February 29, 2023. States may implement an earlier deadline.
- This is a Justice40 covered program.
- FEMA will add at least 80 communities for BRIC [Direct Technical Assistance](#). Ironton, LA and St. John the Baptist Parish are among the [current 74 jurisdictions](#) selected to be eligible for the 3 years of non-financial support to help communities identify mitigation needs and develop tools to successfully apply for resilience funding. Communities can submit a letter of interest through February 29, 2024.

Community Disaster Resilience Zone Designations

Background: With the passage of the Community Disaster Resilience Zone Act in 2022, Congress charged FEMA to use a natural hazard risk assessment index to identify census tracts which are most at risk from the effects of natural hazards and climate change. FEMA uses the National Resilience Index for such assessments.

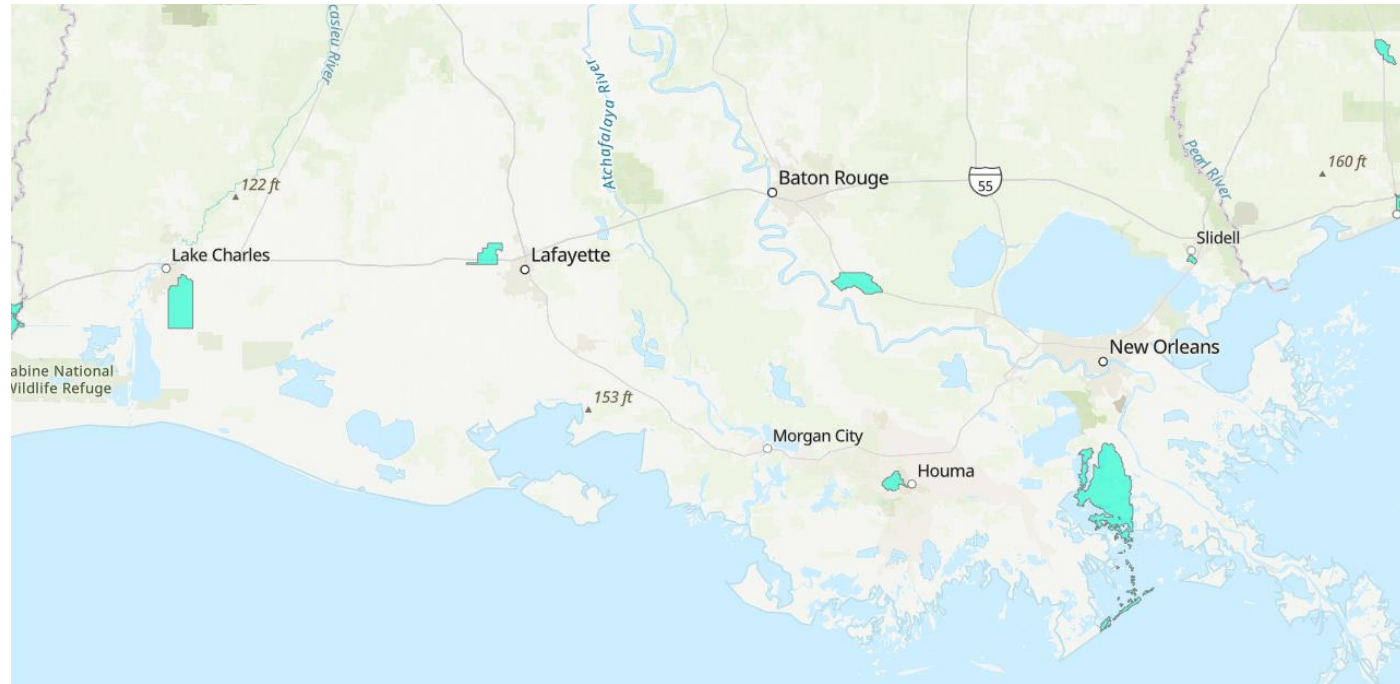
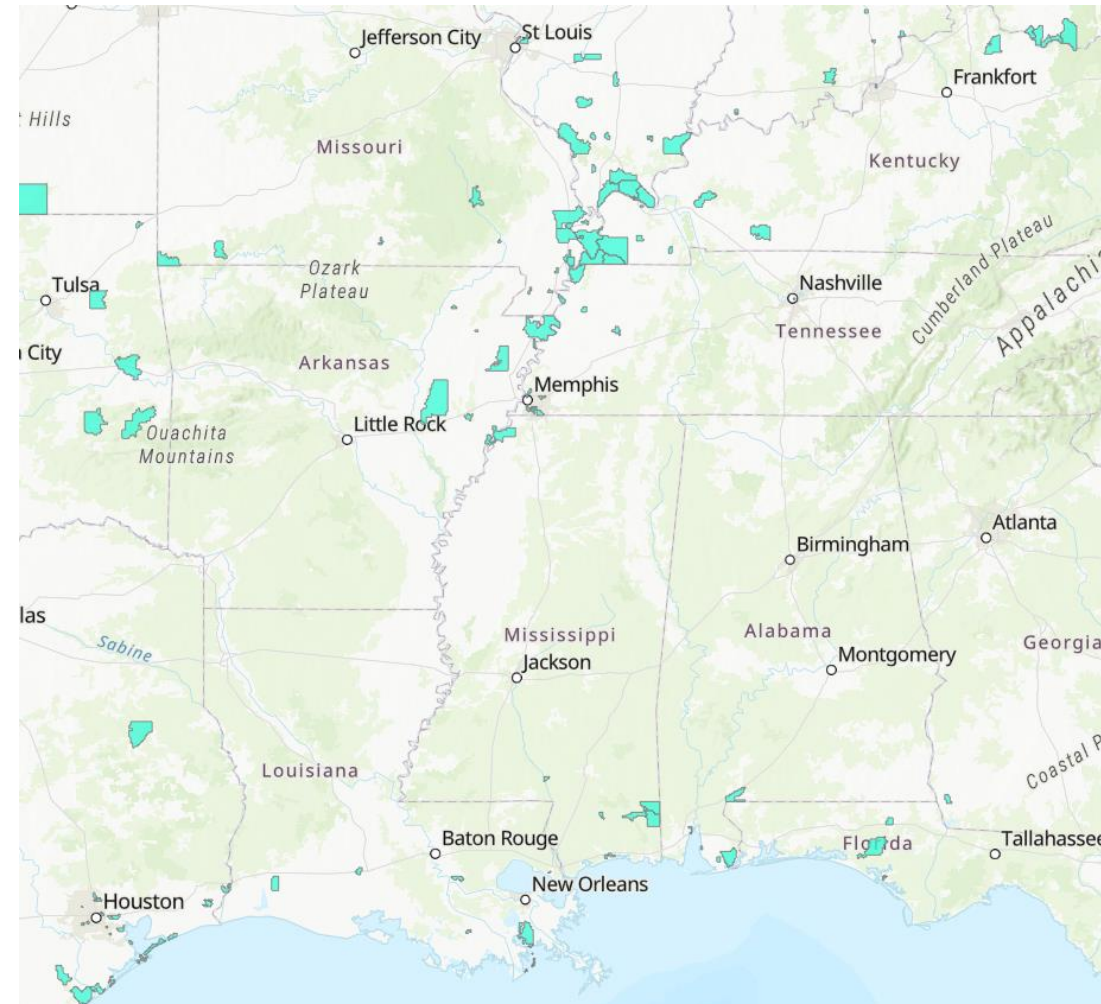
Designations: On September 1, FEMA announced the first 483 Community Disaster Resilience Zones in all 50 states and DC. These areas are eligible to receive a higher cost share from the BRIC program. Areas would receive a 90% federal match, instead of the typical 75% match.

Eligibility: FEMA determined the eligible tracts based on the following criteria:

- 50 census tracts assigned the highest individual hazard risk ratings; or
- 1% of the census tracts in a state with the highest individual hazard risk rating; and
- Inclusion in the White House CEQ's Climate and Economic Justice Screening Tool for identifying disadvantaged communities;
- Measures to ensure geographic and demographic balance.

Community Disaster Resilience Zone Viewer

Find out if you are in a Community Disaster Resilience Zone



Right: Close up to CDRZ tract in St. Tammany

Top: Close up to Louisiana's 5 CDRZ tracts.

Left: Comparing designations in adjacent states.

