

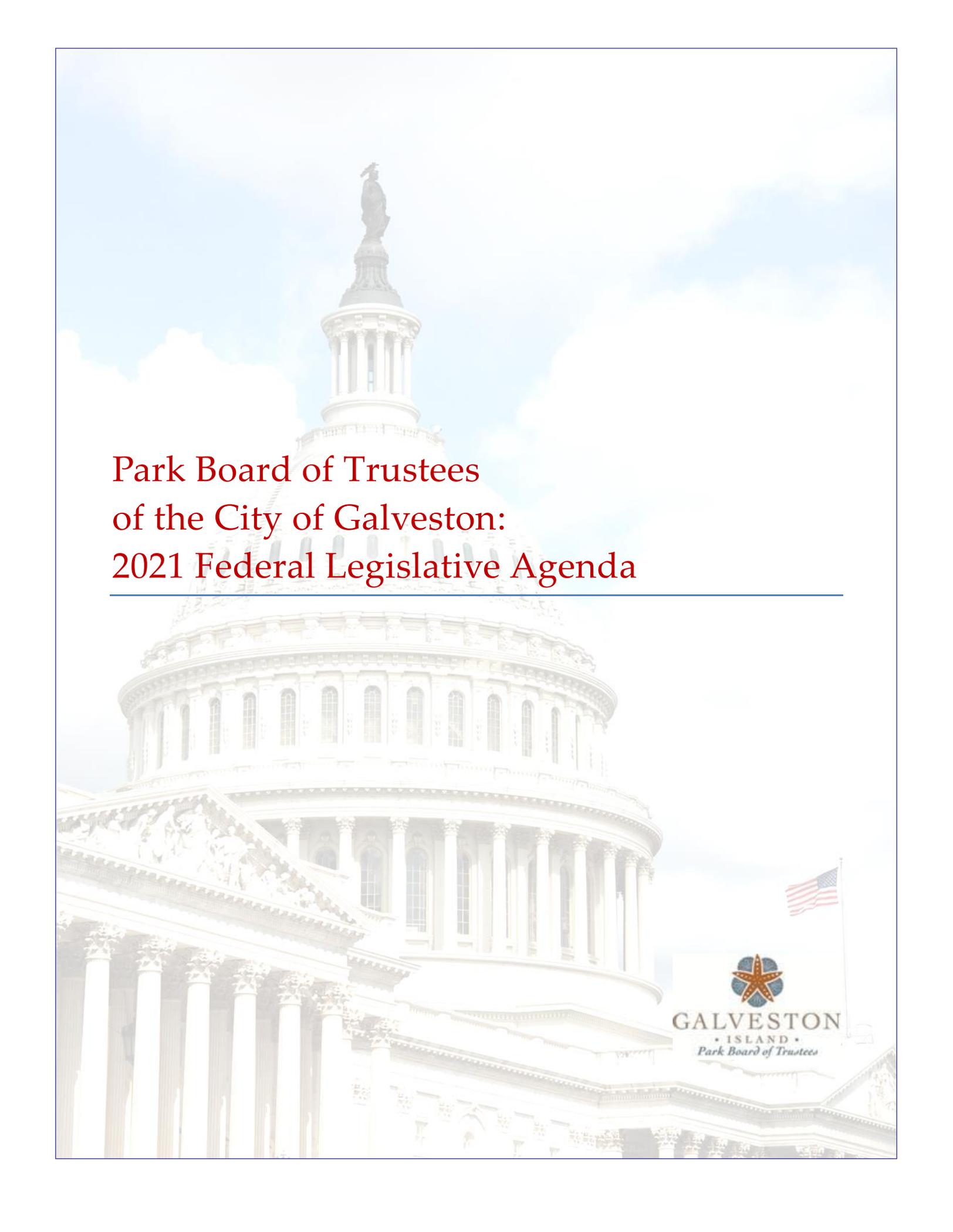


**Agenda Item:** Discuss and Consider Approval of the 2021 Federal Legislative Agenda

**Background:** The proposed legislative agenda was prepared by Greg Burns of Thorn Run Partners. This agenda addresses the following items:

- Federal Engagement in Beach Management
- Coastal Restoration including RESTORE, GOMESA and Land and Water Conservation Fund
- Tourism Promotion including Juneteenth as a National Holiday, Lone Star Coastal National Recreation Area and Legislation
- National Flood Insurance Program
- Covid 19 Recovery and DMO eligibility for Paycheck Protection Program

**Staff Recommendation:** Staff recommends the approval of the legislative agenda as presented.



Park Board of Trustees  
of the City of Galveston:  
2021 Federal Legislative Agenda

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**Prepared by Thorn Run Partners for**

**The Park Board of Trustees of the City of Galveston**

**Spencer Priest, Chair  
Will Wright, Vice-Chair  
Dave Jacoby, Secretary  
David Collins, Ex-Officio  
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**January 2021**

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## The Park Board of Trustees of the City of Galveston 2021 Federal Legislative Agenda

### Federal Engagement in Beach Management

#### **Galveston Island Beach Management**

**Support** continued and regular placement of Beneficial Use of Dredged Material along the Galveston Island coastline. **Support** adequate annual funding for the Continuing Authorities Program, Section 204.

**Support** a change to FEMA's reimbursement policy for beneficial use beach nourishment projects.

**Support** continued funding of the Coastal Texas Ecosystem Protection and Restoration study to ultimately develop specific beach nourishment projects for Galveston Island.

### Coastal Restoration

#### **RESTORE Act**

**Monitor** federal implementation of the RESTORE Act to ensure continued benefit to Galveston Island.

**Support** efforts to secure funding for projects and programs supported by the Galveston Island Park Board of Trustees.

#### **Offshore Energy Exploration Revenue Sharing**

**Support** increased funding to states and coastal political subdivisions – including equal distribution to cities and other political subdivisions – via adjustments to GOMESA.

#### **Land and Water Conservation Fund; Open Space Opportunities & Park Amenities**

**Support** the state conservation grant program of the Land and Water Conservation Fund, which would provide opportunities for the Park Board for acquisition or land preservation improvement opportunities.

### Tourism Promotion

#### **Juneteenth Federal Holiday**

**Support** legislation to create a Juneteenth federal holiday.

#### **Lone Star Coastal National Recreation Area**

**Support** the creation of a Lone Star Coastal National Recreation Area.

#### **Tourism Legislation**

**Support** legislation that is aimed at increasing tourism in the United States, including provisions like those in the Jobs Originating through Launching Travel "JOLT" Act. **Support** the permanent reauthorization of the Brand USA program and continued funding of the program. **Monitor** any changes to travel, tourism, and customs policies that could impact the Park Board and Galveston Island.

### General Issues

#### **National Flood Insurance Program**

**Support** efforts to improve the National Flood Insurance Program for the benefit of all participants.

**Monitor** FEMA's implementation of the Risk Rating 2.0 program.

#### **COVID-19 Recovery and Paycheck Protection Program: Eligibility of DMO's**

**Support** additional direct federal assistance to all local governments via another COVID-19 response package. **Support** other federal efforts to restore the economy, including efforts to assist Destination Marketing Organizations like the Galveston Island Park Board of Trustees.

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FEDERAL ISSUE: Galveston Island Beach Management

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: Galveston Island is the second most popular tourist destination in Texas. 7.2 million people visited the Island in 2018, generating an estimated \$1.2 billion in total business sales. Thirty-five percent of all jobs on the Island are sustained by tourism, and state and local tourism tax receipts offset the average household tax burden by \$4,233 per household. Beaches are by far the largest attraction of visitors to Galveston Island, delivering approximately 200 percent more beach-related visits and four times the financial impact of its other nearest local attraction.

Galveston Island is a roughly 32-mile long barrier island with a long history of utilizing engineered solutions to combat its chronic erosion issues. The island conditions range from accreting on the east end, which is adjacent to the ship canal and south jetty area that provides access to the ports of Galveston, Houston, and Texas City; to the central portion where sand is trapped in a groin field; to the south end of the Island where sand is lost through the San Luis Pass inlet. Furthermore, there are sporadic areas of higher erosion along the island with losses of 8 feet per year, which endangers primary evacuation routes, as well as public and private infrastructure.

Given these factors, the Galveston Island Park Board of Trustees continues to engage with the U.S. Army Corps of Engineers (Corps) on several endeavors to secure federal investment for coastal restoration.

*Beneficial Use of Dredged Materials*

The Corps defines Beneficial Use of Dredged Material (BUDM) as “Utilizing dredged sediments as resource materials in productive ways which provide environmental, economic, or social benefit.” The nourishment of beaches provides benefits in all three of these areas.

During the summer of 2015, the Corps conducted maintenance dredging of the Galveston entrance channel and partnered with the Galveston Park Board, City of Galveston, and the Texas General Land Office (GLO) to place approximately 600,000 cubic yards of sand within two distinct placement areas on Galveston Island between 61st and 78th streets. The Park Board and the City of Galveston provided \$7.9 million in local funding to complete the project, the GLO provided \$2 million in state funding, and the USACE provided \$15 million in federal funding.

More recently, the Corps awarded a \$20.9 million contract to remove approximately 2.4 million cubic yards of shoaled material from the Houston Ship channel, including 700,000 cubic yards of beach-quality sand that renourished Babe’s Beach west of 61st Street in August 2019. This was a partnership again with the Corps, Park Board, City of Galveston and the Texas General Land Office.

Looking ahead, the Park Board hopes to partner with the Corps and the GLO during the next dredging of the Houston Ship Channel, currently scheduled for 2021 using RESTORE grant funding as well as other sources of money. Finally, the Park Board continues to explore sand harvesting to utilize new technology to take sand from areas of the Island where sand accretes, like East Beach, and move it to the areas of the beaches where sand is lost to erosion.

The Park Board also continues to explore working through the Army Corps’ Continuing Authorities Program (CAP) Section 204 to receive a federal cost-share for ongoing beneficial use projects. Congress



provides the U.S. Army Corps of Engineers with standing authorization, known as the Continuing Authorities Programs (CAP), to respond to a variety of water resource issues without the need to seek specific congressional authorization or funding for each project. In theory, this decreases the amount of time required to budget, develop, and approve potential projects for construction. The CAP 204 program authorizes the Corps to restore, protect, or create habitats in connection with maintenance dredging of an authorized federal navigation project. The Park Board has requested the Galveston District's assistance through the CAP 204 program, efforts which have been supported by the office of Representative Weber. The CAP 204 program was provided with \$10 million by Congress in the FY 2021 appropriations process.

#### *Beach Nourishment after a Federally Declared Storm*

The Federal Emergency Management Agency's (FEMA) current policy regarding reimbursement for beach nourishment projects following a disaster declaration may present a challenge to beneficial use projects that do not involve direct federal participation, such as the project completed by the Park Board in 2015. FEMA states that "sand placed on a beach from a channel maintenance project is not an eligible beach nourishment project." Therefore, if a storm hits the Galveston area and damages the beach, the project may not be eligible for FEMA reimbursement funding and the local, state, and federal investment would be lost.

In November 2015, Rep. Weber sent a letter on behalf of the Park Board to FEMA requesting the agency reconsider this policy. FEMA responded in January 2016 by confirming the policy and clarifying that dredged material "is not selected to meet compatibility design criteria, and the amount placed is dependent on the amount dredged, not a design." FEMA went on to state, however, that if an applicant can demonstrate compliance with the eligibility requirements set forth by FEMA, they may be eligible for assistance in some cases. FEMA also stated they would review this policy in coordination with the Army Corps.

#### *Coastal Texas Protection and Restoration Study*

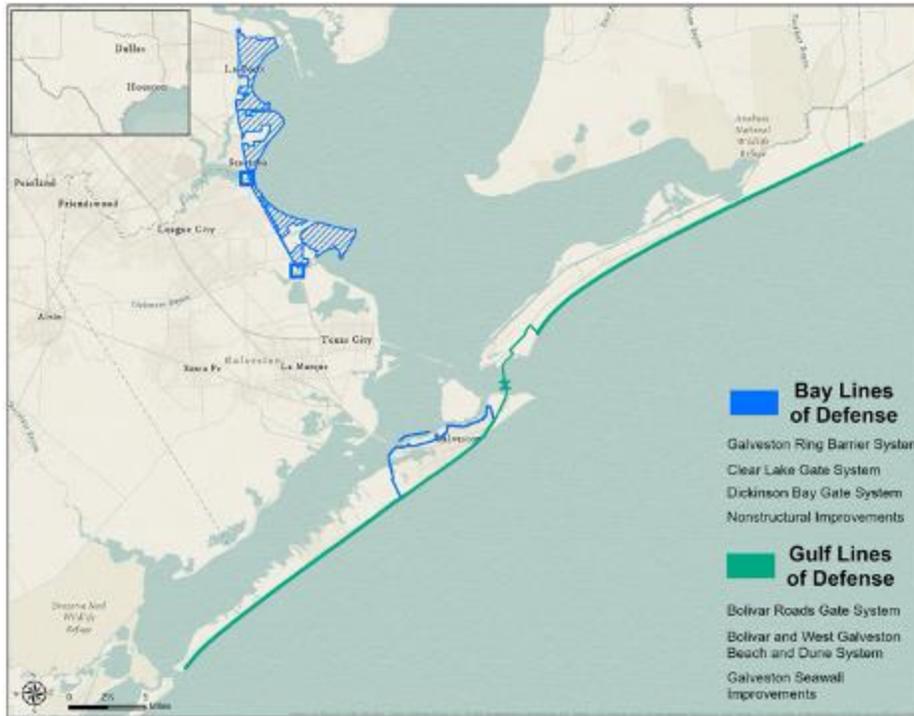
The Coastal Texas Protection and Restoration study was authorized in the Water Resources Development Act of 2007. Since then, the Corps has worked to identify potential shoreline erosion control, storm damage reduction, environmental restoration and protection, and related improvements along the Texas Gulf Coast, from the mouth of the Sabine River to the Rio Grande.

It is anticipated that the Final Integrated Feasibility Report and Environmental Impact Statement (IFR-EIS) will be published for public, state, and agency review in 2021. When the Feasibility Report and EIS are complete and finalized, the revised draft proposal, consisting of storm risk management and ecosystem restoration features, will be recommended to Congress for authorization, funding, and construction.

The revised draft proposal identified in the Final report would be built over a period of 12 to 20 years, depending on congressional authorization, funding, and partnerships. The estimated cost for construction is projected to be \$26 billion.

#### *Proposed Features on the Upper Texas Coast*

As shown on the map below, proposed projects in the Galveston region are listed below:



**POSITION:** *Support* continued and regular placement of Beneficial Use of Dredged Material along the Galveston Island coastline. *Support* adequate annual funding for the Continuing Authorities Program, Section 204. *Support* a change to FEMA’s reimbursement policy for beneficial use beach nourishment projects. *Support* continued funding of the Coastal Texas Ecosystem Protection and Restoration study to ultimately develop beneficial projects for Galveston Island.

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FEDERAL ISSUE: RESTORE Act

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: In April 2010, an explosion at the BP-operated Deepwater Horizon oil rig caused the worst oil spill in U.S. history, with millions of barrels of oil spilling into the Gulf of Mexico. In the summer of 2012, Congress passed the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) Act, which established the Gulf Coast Restoration Trust Fund and mandated that 80 percent of Clean Water Act (CWA) civil damages from the spill be allocated directly to the five impacted states, including Texas.

These CWA fines will flow to the Gulf States via three channels created by the RESTORE Act: Direct Component, Council-selected projects, and the Spill Impact Component. Additional funds are provided to Texas via the Natural Resource Damage Assessment process and the National Fish and Wildlife Foundation.

1. Natural Resource Damage Assessment (NRDA) -- ~\$105 million to date
2. National Fish and Wildlife Foundation -- ~\$155 million
3. RESTORE
  - Direct Component (Bucket 1) -- Expected total of \$375 million through 2031
  - Council-selected Projects (Bucket 2) -- Expected total of \$1.6 billion competitively awarded to all Gulf states and federal Council members through 2031
  - Spill Impact Component (Bucket 3) – Expected total of \$121.5 million through 2031

*Direct Component (Bucket 1)*

The Direct Component portion makes up roughly 35 percent of the total Trust Fund and is equally divided among the five Gulf States. The RESTORE Act grants states with significant discretion as to how they will use the funding for restoration activities. In March 2016, the Park Board submitted two applications to the Texas Commission on Environmental Quality (TCEQ) for RESTORE funding through the Director Component. Those two projects are: 1) Routine beneficial use of material dredged from the ship channel; and 2) The construction of public facilities within the East End Lagoon Park and Preserve. TCEQ submitted their multi-year implementation plan (MYIP) to Treasury in October 2017. The MYIP included both projects, with a combined award amount of \$10.4 million. Treasury accepted the plan in December 2017. The Park Board continues to wait on the funding for these projects as the process is extremely slow.

*Council-selected Projects (Bucket 2)*

The RESTORE Act also established the Gulf Coast Ecosystem Restoration Council (the Council), which is responsible for administering 60 percent of the total funding allocated to the Trust Fund. Thirty percent of the Trust Fund is to be used by the Council to develop and fund a Comprehensive Plan for the restoration of the entire Gulf Coast ecosystem, and the remaining thirty percent is to be distributed under the Spill Impact Component. The Council includes the Secretaries of the Interior, Commerce, Agriculture, the Administrator of the Environmental Protection Agency, Secretary of the Army for Civil Works, the head of the Coast Guard, and the Governors of each state. The Council is projected to receive approximately \$1.6 billion for Council-selected projects. TCEQ Commissioner Toby Baker is Governor Abbott's designee.



In 2015, the Council approved the Initial Funded Priorities List (FPL). The FPL funds approximately \$156.6 million in restoration activities and prioritizes 12 additional projects in the future, subject to further environmental and Council review. It included Category I and Category II projects, with Category I projects to receive funding once the FPL is finalized and Category II projects to be considered for funding in the future. The draft FPL includes \$355,450 in Category 1 funding and \$6,753,550 in Category 2 funding for the Bayou Greenways project, as well as \$968,000 in Category 1 funding for the planning of the Texas Beneficial Use and Marsh Restoration project. Both are environmental restoration projects within the Galveston Bay watershed.

More recently, the RESTORE Council has announced an update to the process for the next round of Bucket 2 funding opportunities, FPL 3. The Council will develop the FPL 3 in two phases, a and b. Developing the FPL 3 in two phases will enable the Council to respond to urgent ecosystem needs, save money, and take advantage of important partnership opportunities to advance large-scale ecosystem restoration in the near term. For FPL 3a, the Council is considering two ecosystem projects, one in Louisiana and one in Alabama. In the second phase, FPL 3b, the Council will consider restoration projects and programs that address additional ecosystem needs across the Gulf, including Texas.

*Spill Impact Component (Bucket 3)*

In early 2019, TCEQ received approval of Texas' Initial State Expenditure Plan. The initial SEP focuses on Hurricane Harvey recovery efforts and is a programmatic plan addressing the distribution of approximately \$31 million in RESTORE Bucket 3 funds. Other plans will be developed in later years as additional Bucket 3 funds become available. Texas is expected to receive a total of \$121 million by the end of 2031.

**POSITION:** *Monitor* federal implementation of the RESTORE Act to ensure continued benefit to Galveston Island. *Support* efforts to secure funding for projects and programs supported by the Galveston Island Park Board of Trustees.

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FEDERAL ISSUE: Offshore Energy Exploration Revenue Sharing

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: There has been a long history of providing revenue to states and local governments derived from oil and gas drilling in federal waters off the coast of those government entities. In 2006, Congress passed the Gulf of Mexico Energy Security Act (GOMESA) as a more permanent, albeit imperfect, solution to revenue sharing. GOMESA created revenue sharing provisions for the four Gulf oil and gas producing states of Alabama, Louisiana, Mississippi, and Texas, and their coastal political subdivisions (CPS's, or in this case, counties). GOMESA funds are to be used for coastal conservation, restoration and hurricane protection. There are two phases of GOMESA revenue sharing:

Phase I: Beginning in Fiscal Year (FY) 2007, 37.5 percent of all qualified OCS revenues, began to be shared among the four States and their coastal political subdivisions from new leases issued in the 181 Area in the Eastern planning area (also known as the 224 Sale Area) and the 181 South Area. Additionally, 12.5 percent of revenues are allocated to the Land and Water Conservation Fund (LWCF).

Phase II: The second phase of GOMESA revenue sharing began in FY 2017. It expanded the definition of qualified OCS revenues to include receipts from Gulf leases issued either after December 20, 2006, in the 181 Call Area, or, in 2002–2007 Gulf of Mexico Planning Areas subject to withdrawal or moratoria restrictions. A revenue sharing cap of \$500 million per year for the four Gulf producing States, their CPS's and the LWCF applies for fiscal years 2016 through 2055. The \$500 million cap does not apply to qualified revenues generated in those areas associated with Phase I of the GOMESA program.

Phase II has drastically increased the amount of revenue sharing that is available. For example, Galveston County received \$2,039.76 from GOMESA in FY 2017, however, the County received \$1,662,926 in FY 2020 while the state of Texas received over \$76 million. Unfortunately, such funds are not mandated to be shared with cities or other political subdivisions of the state.

There are several bills in Congress that deal with increasing or diverting GOMESA or offshore oil and gas drilling revenues. For instance, some want to provide coastal states with more of the revenue, or lift the \$500 million cap. Others propose to take revenues to fund other priorities. Given these competing interests surrounding similar issues, it is possible a deal will be struck to keep everyone at least partially happy.

POSITION: **Support** increased funding to states and coastal political subdivisions – including equal distribution to cities and other political subdivisions – via adjustments to GOMESA.

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**FEDERAL ISSUE:** Land and Water Conservation Fund; Open Space Opportunities & Park Amenities

**BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD:** The Land and Water Conservation Fund Act of 1965 was enacted to help preserve, develop, and assure access to outdoor recreation facilities for our nation. The law created the Land and Water Conservation Fund (LWCF) in the U.S. Treasury as a funding source to implement outdoor recreation goals.

The LWCF has been the principal source of monies for land acquisition for outdoor recreation by four federal agencies—the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and Forest Service. The LWCF also funds a matching grant program via the National Park Service to assist states (and local governments as sub-recipients) in acquiring recreational lands and developing outdoor recreational facilities. A portion of the appropriation is divided equally among the states, with the remainder apportioned based on need, as determined by the Secretary of the Interior. The states award their grant money through a competitive selection process based on statewide recreation plans, as well as establish their own priorities and criteria. This state program could offer opportunities for the City of Pismo Beach to either purchase open space opportunities or for additional public park amenities.

The LWCF is authorized at \$900 million annually. The Great American Outdoors Act, which became law in 2020, mandates that the LWCF will receive its authorized funding with 40 percent, or \$360 million, allocated annually to the state grant program. Given relatively recent funding of between \$100 million and \$125 million to the program from Congress for the past several years, this is basically a tripling of the funding and should increase the monies available to Texas from about \$10 million to at least \$30 million, thereby increasing the Park Board's future opportunities. This funding results in a variety of grant programs administered by the Texas Parks and Wildlife Department for which the Park Board can apply.

Apart from mandatory funding for the LWCF, the Great American Outdoors Act also creates a National Parks and Public Land Legacy Restoration Fund that will be funded by up to \$1.9 billion per year for the next five years to help restore maintenance backlogs on National Park Service and other federal lands.

**POSITION:** *Support* the state conservation grant program of the Land and Water Conservation Fund, which would provide opportunities for the Park Board for acquisition or land preservation improvement opportunities.

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FEDERAL ISSUE: Juneteenth Federal Holiday

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: Juneteenth is a holiday celebrating the emancipation of those who had been enslaved in the United States. Originating in Galveston, Texas, it is now celebrated annually on the 19th of June throughout the United States, with varying official recognition. It is commemorated on the anniversary date of the June 19, 1865 announcement by Union Army general Gordon Granger, proclaiming freedom from slavery in Texas.

During the American Civil War, President Abraham Lincoln issued the Emancipation Proclamation on September 22, 1862, which became effective on January 1, 1863, declaring that all enslaved persons in the Confederate States of America in rebellion and not in Union hands were freed.

More isolated geographically, planters and other slaveholders had migrated into Texas from eastern states to escape the fighting, and many brought enslaved people with them, increasing by the thousands the enslaved population in the state at the end of the Civil War. Although most lived in rural areas, more than 1,000 resided in both Galveston and Houston by 1860, with several hundred in other large towns. By 1865, there were an estimated 250,000 enslaved people in Texas.

Despite the surrender of General Robert E. Lee at Appomattox Court House on April 9, 1865, the western Army of the Trans-Mississippi did not surrender until June 2. On the morning of Monday, June 19, 1865, Union Major General Gordon Granger arrived in Galveston, Texas to take command of the more than 2,000 federal troops recently landed in Texas to enforce the emancipation of its slaves and oversee a peaceful transition of power, additionally nullifying all laws passed within Texas during the war by Confederate lawmakers. The Texas Historical Commission and Galveston Historical Foundation report that Granger's men marched throughout Galveston reading General Order No. 3 first at Union Army Headquarters at the Osterman Building (formerly at the intersection of Strand Street and 22nd Street, since demolished), in the Strand Historic District. Next they marched to the 1861 Customs House and Courthouse before finally marching to the Negro Church on Broadway, since renamed Reedy Chapel-AME Church. The order informed all Texans that, in accordance with a Proclamation from the Executive of the United States, all slaves were free.

Despite Texas having made Juneteenth a state holiday in 1980, it is not a federal holiday. In 1996, the first legislation to recognize "Juneteenth Independence Day" was introduced in the U.S. House of Representatives but has not become law. In 2020 Senator John Cornyn in partnership with other Senators tried to pass the legislation in the Senate to create a Juneteenth federal holiday but was repeatedly blocked by Republican colleagues. In the House, similar legislation was introduced in the 116<sup>th</sup> Congress, but was not considered.

POSITION: *Support* legislation to create a Juneteenth federal holiday.

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**FEDERAL ISSUE:** Lone Star Coastal National Recreation Area

**BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD:** The proposed Lone Star Coastal National Recreation Area (LNCRA) is envisioned to preserve critical coastal habitat and historical landmarks, while protecting the Upper Texas Gulf Coast from storm surge damage and providing economic benefits to the surrounding communities. According to the National Parks Conservation Association (NPCA), the LNCRA is "...conceived as part of an integrated, long-term flood mitigation system, focuses on the low-lying tidal and brackish marshlands and the surrounding upland areas.... While providing flood protection benefits, the LSCNRA would also help realize the significant potential economic value these lands have for geotourism--bird-watching, kayaking, history trails, and hiking, and more traditional uses such as fishing and hunting... A National Recreation Area for the Upper Texas Coast would include only those public and private land owners who voluntarily chose to participate. It is envisioned as a non-contiguous cluster of lands, historic sites and structures within Matagorda, Brazoria, Galveston and Chambers Counties, to be managed under a custom-built partnership agreement between these participating land owners and the National Park Service, which provides a coordinating presence for visitor services and tourism marketing."

The National Park Service (NPS) manages nearly 20 national recreation areas. Many are managed in cooperation with other land management agencies, such as local, state, and federal public-private partnerships. Congress creates national recreation areas through authorizing legislation. Although Congress may authorize specific land uses in any type of park unit, in practice, activities that could damage or consume resources are more often permitted in some types of units than in others. For example, Congress has not authorized sport hunting in any national parks, whereas this activity is authorized in other types of park units, including some national recreation areas. Similarly, other activities that are prohibited in national parks, such as off-road vehicle use, may be allowed in national recreation areas. The recreational activities to be allowed or prohibited for a recreation area are often explicitly authorized in the legislation to designate the national recreation area.

The clearest benefit of a national recreation area designation is the potential increase in visitors. A 2012 analysis of NPS visitor statistics shows that national recreation areas receive an average of 2.6 million visitors per unit. In addition, some limited federal funding for such an area could be made available.

On the other hand, the costs are less clear, as authorizing legislation has not yet been drafted. However, the NPCA has stated the following regarding how maintenance of the LSCNRA may be paid for: "The business plan for the LSCNRA is tailored to an era of fiscal reform and restraint and, by relying on creative funding tools including philanthropy, recreation fees, and other revenue sources, will minimize use of public sector funding. Partners are anticipated to continue providing funding at current levels for their own sites but are under no obligation to increase expenditures."

A feasibility study has been prepared with private funding and has been reviewed by the Department of Interior. Typically, a Special Resource Study or Reconnaissance Study would have been produced by the federal government. The NPCA lists as partners in this endeavor Brazoria, Chambers, Galveston and Matagorda counties, the cities of Bay City, Freeport, Texas City, and Galveston, as well as several other organizations.

**POSITION:** *Support* the creation of a Lone Star Coastal National Recreation Area.

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FEDERAL ISSUE: Tourism Legislation

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: Tourism research has shown that the cumbersome process of getting approved for travel to the United States is a major deterrent for foreign travelers, causing some in Congress to seek legislation to resolve such issues and promote international tourism.

*JOLT Act*

Many members of Congress continue to recognize the importance of tourism to the U.S. economy as a creator of domestic jobs immune to outsourcing. For example, Representatives Tom Rice (R-SC) and Mike Quigley (D-IL) introduced the JOLT Act (H.R. 2187), which would expand the Visa Waiver Program to more countries, create a pilot fee-based premium processing service to expedite visa interview appointments, provide public notice of available visa application appointments during off-peak travel seasons, initiate a pilot program to test the use of secure videoconferencing for visa interviews, and adjust refusal rate criteria. In order to alleviate illegal immigration and homeland security concerns, the bills also include additional safeguards, such as limiting the visa overstay rate and revising probationary and termination provisions for countries in the program.

*Brand USA*

Legislation to permanently reauthorize the Brand USA program, a public-private partnership created by the Travel Promotion Act of 2009 which actively markets the United States as a tourist destination internationally have been introduced in this Congress (H.R. 3851 and S. 2203). Research on the efficacy of Brand USA indicates that since its implementation, the program has brought 6.6 million incremental visitors to the United States, resulting in \$21.8 billion in incremental visitor spending, supported nearly 52,000 incremental U.S. jobs created every year, and generated \$6.2 billion in federal, local, and state tax revenue, with a \$47.7 billion total economic impact. Brand USA is also an attractive program, as funding for the program does not cost the U.S. taxpayers money. Instead, money for the program is collected from the Visa Waiver Program, with the remainder of program funds coming from private tourist-related industries. At the end of 2019, Brand USA was reauthorized through 2027.

*Canadian Snowbird Visa Act*

Bills have also been introduced in order to encourage Canadian tourism to the United States. H.R.3241, H.R. 4498, and S. 2507 would also make changes to law to allow Canadians that meet certain criteria to be able to stay in the United States longer, rather than have to return home arbitrarily in the middle of their stay in the U.S.

POSITION: **Support** legislation that is aimed at increasing tourism in the United States, including provisions like those in the Jobs Originating through Launching Travel “JOLT” Act. **Support** the permanent reauthorization of the Brand USA program and continued funding of the program. **Monitor** any changes to travel, tourism, and customs policies that could impact the Park Board and Galveston Island.

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FEDERAL ISSUE: National Flood Insurance Program

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: In 1968, Congress established the National Flood Insurance Program (NFIP) to address the nation's flood exposure and challenges inherent in financing and managing flood risks in the private sector. Private insurance companies at the time claimed that the flood peril was uninsurable and, therefore, could not be underwritten in the private insurance market. A three-prong floodplain management and insurance program was created to identify areas across the nation most at risk of flooding, minimize the economic impact of flooding events through floodplain management ordinances, and provide flood insurance to individuals and businesses. Until 2005, the NFIP was self-supporting, as policy premiums and fees covered expenses and claim payments. Today, the program is roughly \$20.5 billion in debt.

In mid-2012, Congress passed, and the President signed, the Biggert-Waters Flood Insurance Act (BW12), a 5-year reauthorization of the NFIP that attempted to restore the program to firmer financial footing by making changes to the program that impacted the Island's residents. Then, in early 2014, the Homeowner Flood Insurance Affordability Act (HFIAA), was enacted to address some of the so-called unintended consequences of BW12. While HFIAA delayed many of the premium increases implemented by BW12, the only real difference between rate increases envisioned by the two bills is that HFIAA reinstated grandfathering. This provision, originally ended by BW12, allows property owners to pay flood insurance rates based on original risk, not that which is determined by new community flood maps.

Authorization of the NFIP will expire September 30, 2021.

*116<sup>th</sup> Congressional Approach*

In 2019, House Financial Services Committee Chair Maxine Waters (D-CA) and Ranking Member Patrick McHenry (R-NC) released a compromise bill to reauthorize the NFIP for five years, among other things. Given that the bill was a compromise, it was less consumer-friendly or far-reaching than the bills that Chairman Waters released on her own before then. While the compromise bill unanimously passed the Committee, it never saw action on the House floor and the Senate never took any action on the reauthorization of the NFIP. The House bill faced stiff criticism from several Senators who argue that the bill's consumer protections were not robust enough and did not do enough to keep rates affordable, particularly with FEMA's Risk Rating 2.0 initiative looming. Future discussion of long-term reauthorization of the NFIP remains murky.

*Risk Rating 2.0*

"Risk Rating 2.0" is expected to dramatically change the way the NFIP prices flood policies and is expected to be released in April 2021 and go into effect in October 2021. All 5 million NFIP policyholders are expected to have new policy premiums under the new system, although not all will be negative. Among the new changes impacting policy prices will be the cost of rebuilding an insured structure, the potential impact of different types of flooding, and the distance of a property to a coast or river. It will also introduce new sources of flooding, such as intense rainfall, that have not previously been considered in the NFIP. Risk Rating 2.0 could create policy premiums that will remind policyholders of increases faced after passage of the Biggert-Waters NFIP reauthorization in 2012.

POSITION: **Support** efforts to improve the National Flood Insurance Program for the benefit of all participants. **Monitor** FEMA's implementation of the Risk Rating 2.0 program.

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FEDERAL ISSUE: COVID-19 Recovery and Paycheck Protection Program: Eligibility of DMO's

BACKGROUND; HOW IT MAY AFFECT THE PARK BOARD: To respond to the ongoing COVID-19 pandemic, Congress has passed four bills costing nearly \$3 trillion to help address a host of public health and economic challenges facing the country. While the third bill, the CARES Act provided \$150 billion to states and local governments with more than 500,000 people, the bill did little for smaller local governments and their political subdivisions who also face significant revenue shortfalls.

Meanwhile, the newest iteration of the Paycheck Protection Program (PPP) will enable certain Destination Marketing Organizations (DMOs), such as the Galveston Island Park Board of Trustees, to qualify for PPP loans.

The PPP provides funding for small businesses and DMOs to maintain operations during these troubled times, as well as incentivize the maintenance of employment levels. The benefits of this program include:

- A Flexible Loan to Cover Operating Expenses;
- Loan Forgiveness;
- Incentives to Rehire;
- Broadened Eligibility; and
- Streamlined Application Process.

Destination Marketing Organizations are now eligible for PPP loans if:

- The organization does not receive more than 15 percent of receipts from lobbying;
- The lobbying activities do not comprise more than 15 percent of activities;
- The cost of the lobbying activities of the destination marketing organization did not exceed \$1,000,000 during the most recent tax year of the destination marketing organization that ended prior to February 15, 2020;
- The organization has 300 or fewer employees; and
- That destination marketing organization is registered as a 501(c) organization, a quasigovernment entity, or a political subdivision of a state or local government.

POSITION: **Support** additional direct federal assistance to all local governments via another COVID-19 response package. **Support** other federal efforts to restore the economy, including efforts to assist Destination Marketing Organizations like the Galveston Island Park Board of Trustees.