



American Shore & Beach Preservation Association

Advocating for healthy coastlines

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The Honorable Mitch McConnell
Majority Leader
U.S. Senate
S-230, The Capitol
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The Honorable Chuck Schumer
Minority Leader
U.S. Senate
S-221, The Capitol
Washington DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-204, United States Capitol
Washington DC, 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
H-204, United States Capitol
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Since 1926, American Shore & Beach Preservation Association has advocated for healthy beaches and coastlines that support local economies, provide recreation, protect communities from coastal hazards, and have ecological value. Our members *are* beach and coastal communities. The coronavirus pandemic and the economic challenges that have accompanied it are creating one of the most challenging scenarios many beach communities have ever faced. Coastal communities need help.

The Challenge:

As beaches re-open after stay-at-home orders are lifted, **coastal towns and their beach operation departments across the country are facing three concurrent challenges:**

- 1) **Massive budget shortfalls and staffing cuts,**
- 2) **Increased costs for anti-virus cleaning and security for social distancing,** and
- 3) **Huge crowds of people** eager to get outdoors and recreate.

Thus far, communities have faced these challenges with limited support from states or the federal government and the beach season is just beginning. Recent media coverage has shown that beach communities are struggling mightily to maintain safety from the virus while managing the huge public demand for beaches.

With many beach towns and departments funded through some type of tourism generated revenue – hotel and occupancy taxes, local sales taxes, beach badges, parking fees, etc. – the past three months have seen their budgets crater. In many places, **revenue this spring dropped 90% or more**, which has led to huge staffing cuts including maintenance staffing, safety and security (e.g., lifeguards, beach patrol, seasonal police), and seasonal employees. Communities that have plans to minimize the spread of coronavirus by limiting beach access through offering fewer beach badges or spaced out parking spaces, are further reducing their budgets. While a few communities can access some state coastal funding to offset losses, state budgets have also been decimated.

Los Angeles County is predicting a \$1 billion shortfall in closing out this fiscal year and another \$1 billion forecasted for the FY 2020-21. The potential impact to the LA County Beaches and Harbor's department's budget is the complete elimination of their \$35 million annual beach maintenance budget. The Galveston Park Board of Trustees, which operates beaches in the city of Galveston, is primarily funded through a percentage of the Hotel and Occupancy Tax (HOT). With the travel restrictions this spring, people were not staying at hotels and the Park Board was forced to reduce operating budgets for the last six months of the fiscal year by 65%. Upon reopening their beaches, both Los Angeles and Galveston report attendance comparable to the height of the summer beach season. The same is being seen in beach towns large and small across the country.

While the "CARES Act" provided some money to state agencies, it was designated for expenses related to coronavirus that had not been previously budgeted for, so cannot be used to make up for lost revenue. Funding for local governments in the CARES Act is limited to jurisdictions with large populations. Similarly, available FEMA funds can only be used for expenses directly related to coronavirus response. There has been **no federal funding** to help beach communities whose budgets **to hire lifeguards, pick up trash, maintain toilet and showering facilities, and other essentials of keeping a healthy and safe beach** have been devastated with loss of travel and tourism revenue.

What Communities Need:

Helping local beach departments operate their beach safely and maintain the health of their beach is critical to driving tourism and spending in coastal communities. Keep the beach healthy and safe will instill the consumer confidence that will help local communities recover. In that vein, coastal communities need the following:

Direct funding for states and communities:

Funding to state, county, and municipal budgets to offset losses from the economic fall-out of pandemic will be essential to overall government functioning in coastal communities (and other communities). A federal stimulus to state, county and local budgets can also alleviate the impetus to cut beach operations and maintenance funds in order to pay for essential services (such as fire, police and sanitation).

This type of funding has been provided in the House-passed "HEROES Act" which provides \$915 billion to state, local governments tribes and territories. It is also the focus of the "SMART Act" introduced in both the House and the Senate, which includes \$500 billion for states, counties and municipalities.

Federal funding programs specific to coastal communities:

With massive budget shortfalls at all levels of government, additional federal support will not fill the entire void. Many states and localities have laws requiring essential services and specific budgets be met first. Beach and coastal departments are concerned that money to state and local governments cannot or will not go to help beaches. They need federal programs specifically to help with coastal operations and maintenance.

Coastal (Zone) Management Grants (CZM Grants) - \$150 million and match waiver – The CZM Grants under NOAA fund State and Territory Coastal Zone Management Programs; they can be used for beach and coastal operations and access. In FY20, the CZM Grants were appropriated at \$77 million, which is divided between 34 States and Territories that provide a nearly one-to-one match for these funds. However, due to State and Territory response to the coronavirus, the ability of some States and Territories to meet this match is threatened and NOAA is not authorized to waive the match requirement, endangering the ability of the States and Territories to receive the appropriated federal funding and further compounding the issue. To enable State and Territory CZM Programs to continue to support beach and coastal operations, Congress should authorize NOAA to temporarily waive match requirements for FY20 and FY21 *and* provide an additional \$150 million in CZM Grants for coronavirus operations response in the short-term.

BEACH Act Grants - \$30 million – This program at EPA funds local beach water quality testing effort around the country. Authorized at \$30 million annually, in recent years this grant program has been funded at just under \$10 million, distributed to states based on a formula. However, the need for water quality testing greatly exceeds \$10 million. Providing the full \$30 million for BEACH Act grants, and eliminating the local cost share for the next 2 years would give more coastal communities the ability to hire staff to do water quality testing and would help more beaches demonstrate their water’s cleanliness thereby supporting the local tourism economy.

National Coastal Resilience Grants - \$100 million – The National Coastal Resilience Fund (NCRF) provides important funding for natural infrastructure – such as marshes, wetlands, dunes, and reefs – that enhance the resilience of coastal communities and drive eco-tourism activities and reduce flood risks. Funding the NCRF, will allow NOAA and the National Fish & Wildlife Foundation (NFWF) to quickly advance “shovel-ready” projects that will bolster local and regional tourist-dependent economies, which will be hardest hit by the current economic crisis. In FY20, NFWF received 170 pre-proposals requesting almost \$100 million in funding, but only had budget to provide \$33 million in grants.

Reducing or eliminating local cost-shares for federal projects on the coast:

The National Governor’s Association has called for “100 percent federal cost share for FEMA response and recovery efforts.”¹ We echo that call, and ask Congress to reduce or eliminate local cost-share responsibilities in FY20 and FY21 for all coastal projects and grant funding. This will allow local communities to immediately move funding that was planned for large construction or maintenance projects to day-to-day operations. Because this will allow local communities to re-direct money, rather than apply for federal funding, **this can be one of the quickest ways to ensure communities can meet the challenges of managing a beach** during the pandemic.

In addition to waving the cost-share for CZM and BEACH Act grants (mentioned above), **Congress should waive local cost share** for:

- **Coastal/Hurricane Storm Damage Risk Reduction projects** by the US Army Corps of Engineers (USACE) that are underway or expected to happen in 2020, 2021 or 2022.
- **Coastal inlet and channel dredging** by USACE

¹ <https://www.nga.org/news/press-releases/governors-call-on-congress-to-act-on-state-fiscal-relief/>

- Relatedly, USACE should cover the additional cost of beneficial placement of dredge material, when the community proposes beneficial placement on a beach, if that additional cost is less than what a stand-alone beach project would cost.
- **Continuing Authorities Programs** at USACE, specifically including the Beneficial Use of Dredged Material, Shore Protection and Aquatic Ecosystem Restoration Continuing Authorities Programs.
- **National Estuary Programs and geographic restoration priorities** at the Environmental Protection Agency (EPA)

Obviously, these cost-share waivers would put an increased cost on the federal agencies, so federal agency budgets should be temporarily increased for the duration of the waiver.

By prioritizing the above investments, Congress can help coastal communities and states maintain the health and safety of the beach and coastal areas, while they recover from the economic devastation created by the coronavirus pandemic. These types of investments will provide multiple benefits at the federal, state, and local levels, including enhancing tourism opportunities, investing in economic drivers that generate local, state and federal taxes, and restoring lost jobs and increasing the hiring of summer seasonal employees.

We ask for your consideration of these priorities, and to consider the travel and tourism dependent coastal communities most impacted by the coronavirus shutdowns, as you work to craft a coronavirus response package that helps state and local governments.

Regards,



Derek Brockbank, Executive Director

American Shore & Beach Preservation Association