

CITY OF SANTA BARBARA WATERFRONT DEPARTMENT

MEMORANDUM

Date: July 18, 2019
To: Harbor Commission
From: Scott Riedman, Waterfront Director
Subject: **Director's Report**

DREDGING UPDATE / ARMY CORPS OF ENGINEERS FISCAL YEAR 2020 BUDGET STATUS

On May 15, 2019, the House Appropriations Subcommittee on Energy & Water marked-up its fiscal year 2020 (FY20) bill. The House bill reflects congressional bipartisan statements of support for the US Army Corps of Engineers (Corps) civil works mission by proposing a record level of funding for the Corps. Overall, the House proposes to fund the Corps at \$7.36B. This represents an increase of \$357M over the enacted FY19 bill and an increase of \$2.53B over the President's FY20 budget proposal. When looking at these numbers there are several important points to keep in mind:

- It is hard to find a congressional district that does not contain a Corps project (or several projects for that matter). The Administration is very aware of this fact and in any given year, regardless of who is in the White House, it is not uncommon to see a low level of Corps funding proposed in the President's budget followed by House and Senate appropriators providing a more robust level of funding for the Corps in the annual appropriations bill;
- The Corps faces a nearly \$100 billion backlog in authorized but unfunded projects so regardless of how much money congress provides on an annual basis, securing Corps funding still remains highly competitive. There is always more work to be done, but the House proposal starts the FY20 appropriations for the Corps off on a positive note.

More specifically, the House proposes the following for the Corps:

- **General Investigations: \$135M** --- + \$10M from FY19 enacted
- **Construction: \$2.337B** --- + \$154M from FY19 enacted
- **Operation & Maintenance: \$3.923B** --- + \$184M from FY19 enacted
- **Harbor Maintenance Trust Fund: \$1.697B** --- + \$174M from FY19 enacted
- **Regulatory: \$210M** --- + \$10M from FY19 enacted
- **Office of the ASA: \$5M** --- same as FY19 enacted

Important to the nation's port and harbor community, included in this funding is an increase for the Harbor Maintenance Trust Fund (HMT). Under the House proposal, HMT would receive \$1.697B which represents \$174M above the FY19 enacted bill, \$732M above the President's FY20 budget proposal and \$100M more than the HMT targets set by the Water Resources Development Act of 2016 (WRDA '16).

Based on past practice, it is expected that the \$3.62M for the Harbor's annual maintenance dredging included in the Administration's FY20 budget proposal for the Corps will be included in the committee's FY20 report.

COUNCIL ADOPTS TWO YEAR FINANCIAL PLAN FOR FY2020 AND FY2021, PLUS OPERATING AND CAPITAL BUDGET FOR FY2020

Since the April 23, 2019 filing of the Recommended Two-Year Financial Plan for Fiscal Years 2020 and 2021, including the Recommended Operating and Capital Budget for Fiscal Year 2020, the City Council held seven special budget review meetings and public hearings to hear presentations from departments on their respective proposed budgets. In addition, Finance Committee held five separate meetings to review various aspects of the recommended budget in greater detail. On June 18, 2019, Council formally adopted the budget.

TENTATIVE AGENDA ITEMS FOR THE AUGUST MEETING

- Proposed Changes to Waterfront Parking Regulations
- Fiscal Year 2019 Budget Performance

Prepared by: Scott Riedman, Waterfront Director