



Funding Coastal Protection & Restoration

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An aerial photograph of a long, straight, light-colored road or path that stretches from the foreground into the distance. To the left of the road is a lush green marshland area with several small, interconnected water bodies. To the right of the road is a wide, sandy beach that meets the ocean. The ocean is a deep blue color with white waves breaking along the shore. The sky is bright blue with scattered white clouds. The overall scene is a coastal landscape.

Annual Plan: Process and Budget

CPRA Annual Plan

- A three-year budget
 - Expected revenues and expenditures
- An implementation projection
 - Which projects will move forward during the fiscal year
- A program progress assessment
 - Barrier island status report
 - Fresh water diversions operational plans
- Process
 - CPRA Board review
 - Public comment
 - CPRA Board approval
 - Louisiana Legislature Approval: 4 Committees and Both Floors

Recent Budget Totals

Fiscal Year	Total Budget
FY 2017	\$735.6 Million
FY 2016	\$883.5 Million
FY 2015	\$725.5 Million



CPRA Recurring Revenues



Funding Sources

- State Mineral Revenues
- Gulf of Mexico Energy Security Act ([GOMESA](#))

State Mineral Revenue

- Constitutional/Statutory dedicated revenue derived from royalties, bonuses, and severance taxes (Art. VII, Section 10.2(B)(2)) and R.S. 49:214.5.4D(1)
- The only dedicated recurring state revenue to the Coastal Program

Revenue Collection History and Projections

➤ FY 09-10	\$33,092,429
➤ FY 10-11	\$28,100,000
➤ FY 11-12	\$30,805,054
➤ FY 12-13	\$30,859,351
➤ FY 13-14	\$29,462,094
➤ FY 14-15	\$25,000,000
➤ FY 15-16*	\$16,200,000
➤ FY 16-17*	\$13,500,000

- *Official State Revenue Forecast Estimate*

Primary Uses of the Mineral Revenue

- State Match for CWPPRA projects
 - 15% State
 - 85% Federal
- Various program expenditures
 - ✓ Adaptive Management
 - ✓ Master Plan
 - ✓ Contingency issues
- Interagency Transfers
- Cash Flow for grant expenditures
- Operational Expenses

GOMESA Funds

(Gulf of Mexico Energy Security Act)

- Created a revenue sharing arrangement for certain Outer Continental Shelf (OCS) oil and gas revenues for the Gulf Coast producing states of Alabama, Louisiana, Mississippi, and Texas and their political subdivisions
- Revenues are disbursed in the fiscal year following the fiscal year of receipt
- Qualifying revenues distribution
 - ✓ 50% to the U.S. Treasury
 - ✓ 12.5% to the Land and Water Conservation Fund
 - ✓ **30% to the Gulf producing states**
 - ✓ **7.5% to the eligible coastal political subdivisions (according to a formula)**

GOMESA

- Phase I - covers fiscal years 2007 through 2016
 - Limited revenue sharing
- Phase II will begin in fiscal year 2017
 - Revenue sharing expands across the entire Gulf of Mexico OCS
 - Revenue sharing cap of \$500 million per year for the four Gulf producing States and their Coastal Political Subdivisions

GOMESA PHASE II

- Office of Natural Resources Revenue (ONRR) will disburse Federal FY 2017 qualified revenues to the GOMESA States and their CPS's in FY 2018
- Total estimated maximum amount available to the States and their CPS's is \$375M distributed as follows*
 - Alabama - \$49 Million – 13%
 - **Louisiana - \$176 million – 47%**
 - Mississippi – \$52 million – 14%
 - Texas - \$98 million – 26%

**This estimate is based on the \$500,000,000 cap being met each year, but revenue disbursement is ultimately dependent upon production and the price of oil.*

GOMESA PHASE II

➤ **80% State Share to CPRA**

- Only regularly recurring federal revenue for Coastal Program
- LA Const. Article 7, Section 10.2(E)
 - ✓ GOMESA funds shall be deposited into the Trust Fund
 - ✓ Shall be used only for the purpose of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly impacted by coastal wetland losses
 - ✓ Not more than 10% may be used for the purposes of infrastructure directly impacted by coastal wetlands losses
 - ✓ Not more than 7% may be used for administrative costs

An aerial photograph of a coastal wetland area, showing a complex network of streams and waterways. The water is a dark, muddy brown color, and the surrounding land is a mix of light brown sand and green vegetation. The streams are narrow and winding, creating a maze-like pattern across the landscape. The overall scene is a vast, flat expanse of water and land, with the streams providing a central focus.

Other Funding Streams

Funding Sources

- National Fish and Wildlife Foundation (NFWF)
- Natural Resources Damages (NRDA)
- Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE)
- Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA)
- Other

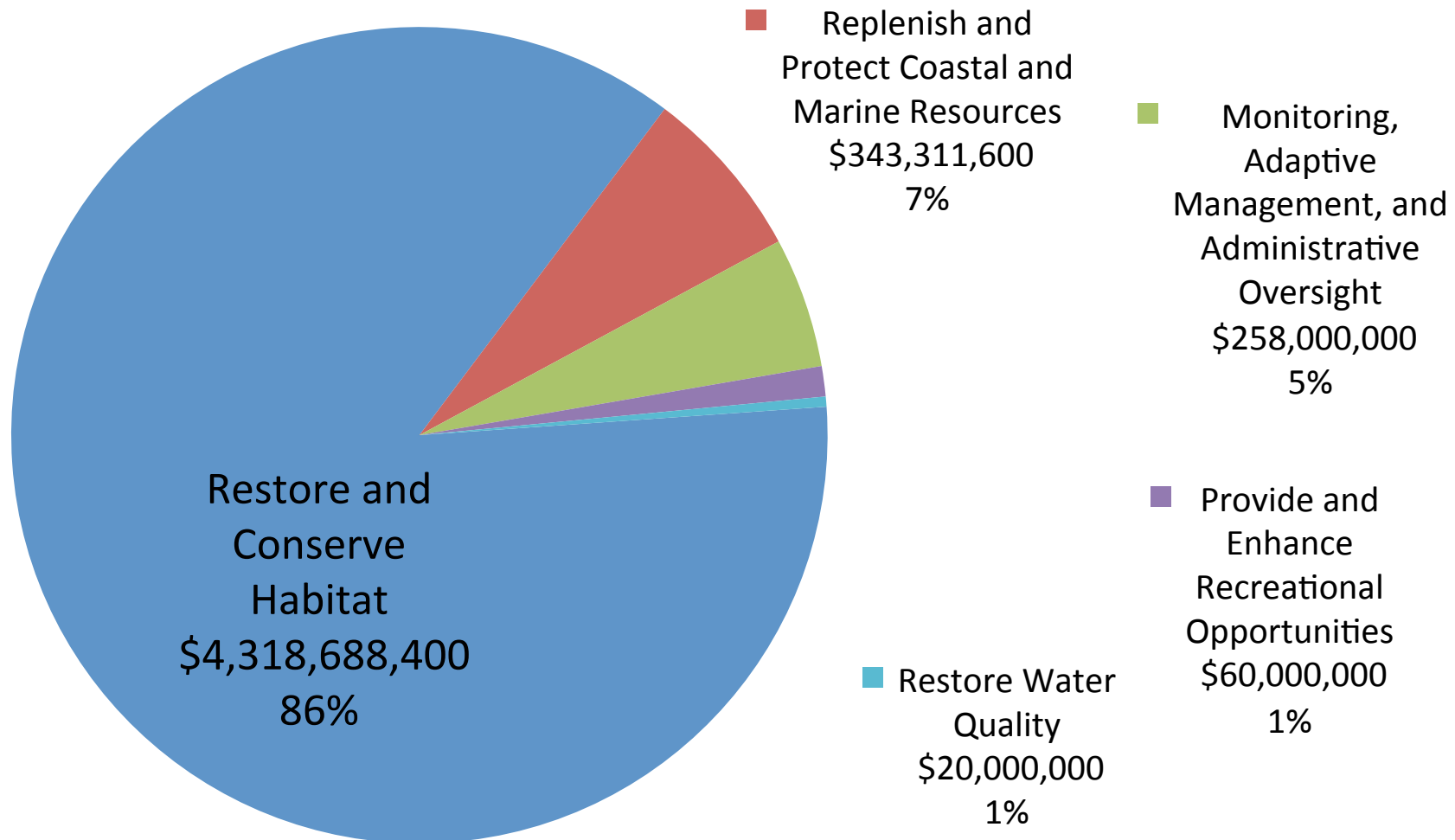
NRDA Restoration Planning Funds

- LA receives \$5 billion for *Deepwater Horizon* (DWH) NRDA restoration activities
 - Pursuant to the Oil Pollution Act, these funds must be used to *restore environmental damages caused by DWH*
- LA receives funds after:
 - LA Trustee Implementation Group (TIG) approves projects and approves final restoration plan following public review
 - Final restoration plan and withdrawal request are submitted to the Department of Interior (DOI)
- Settlement funds to be paid by BP on or before April 4th of each year beginning in 2017 through 2031

Louisiana NRDA Payment Schedule

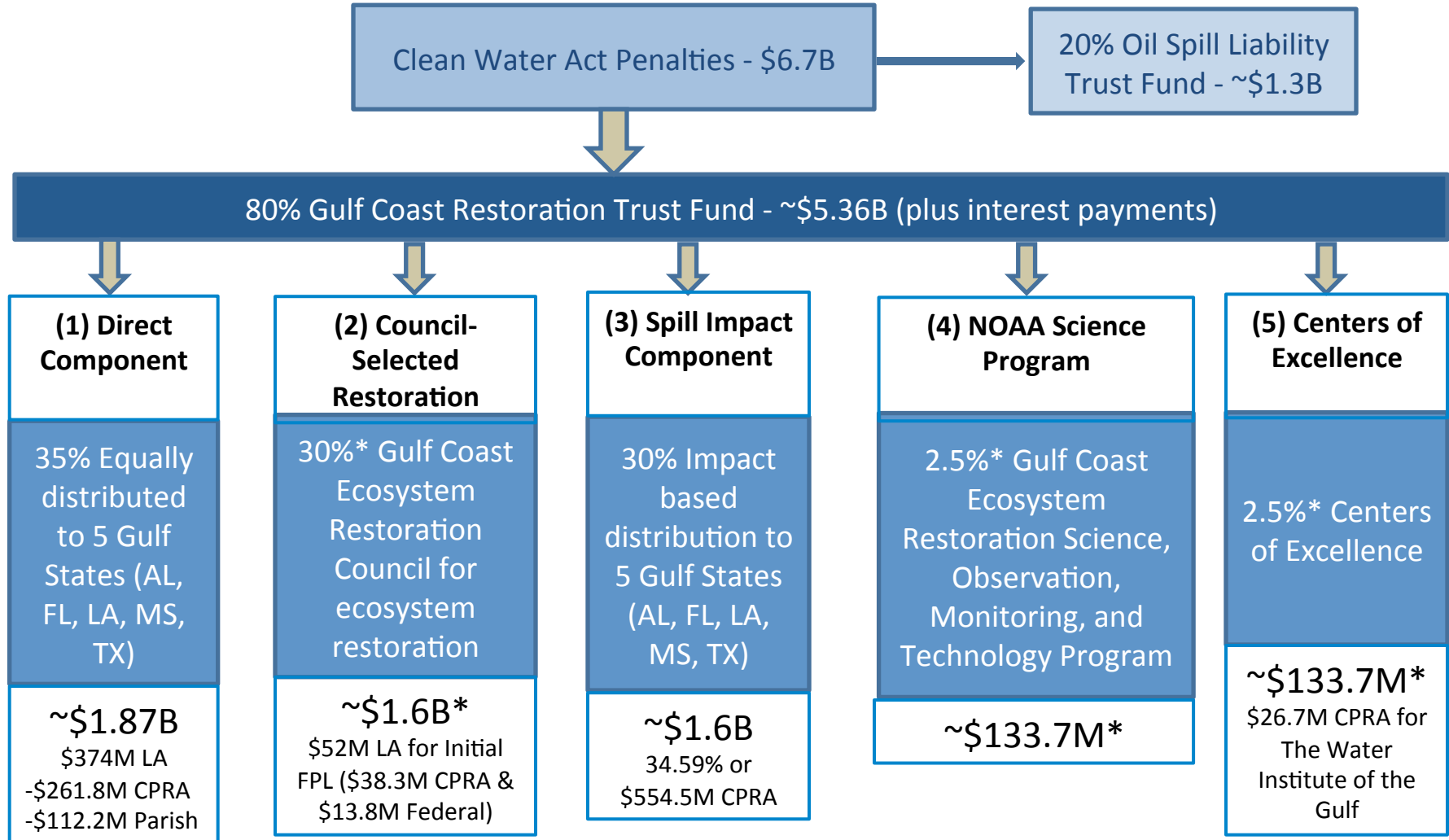
PAYMENT YEAR	PAYMENT AMOUNT
2012-2014	\$368,437,300
2016	\$3,000,000
2017	\$319,211,220
2018	\$159,605,610
2019	\$319,211,200
2020	\$319,211,200
2021	\$319,211,200
2022	\$319,211,200
2023	\$319,211,200
2024	\$319,211,200
2025	\$319,211,200
2026	\$319,211,200
2027	\$319,211,200
2028	\$319,211,200
2029	\$319,211,200
2031	\$319,211,200
TOTAL	\$5,000,000,000

Five Restoration Categories



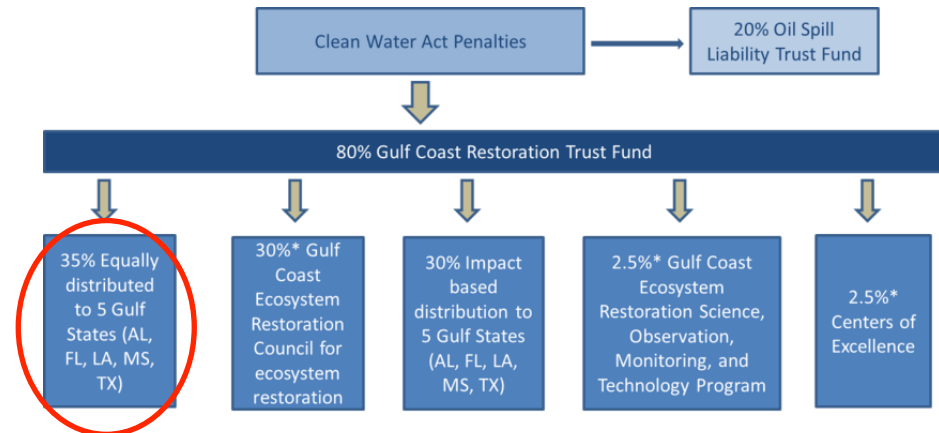
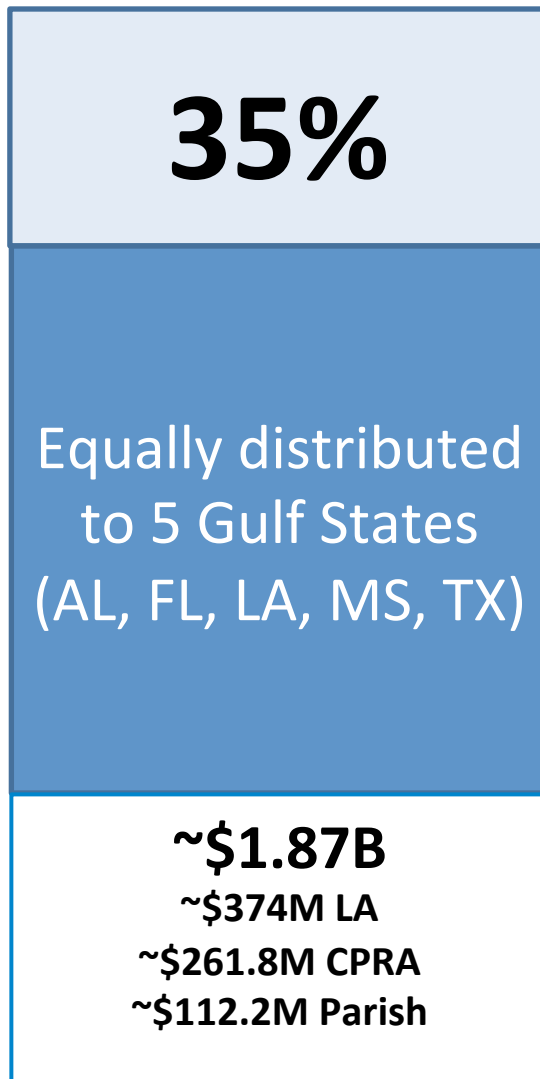
RESTORE Act Allocations

Total CWA Penalties – Transocean (\$1B), Anadarko (\$159.5M), BP (\$5.5B)



***Supplemented by interest generated by the Trust Fund (50% to Gulf Coast Ecosystem Restoration Council, 25% to Science Program, 25% to Centers of Excellence)**

Bucket 1 – Direct Component



- Requires Treasury-accepted Multiyear Implementation Plan (MYIP)
- CPRA Board has approved the following for Bucket 1 (total: \$38.3M):

HNC Lock Complex:	\$16,000,000
Calcasieu River Salinity Control Measures:	\$16,000,000
Adaptive Management:	\$ 2,400,000
Matching Opportunities (approx. 10%):	\$ 3,900,000

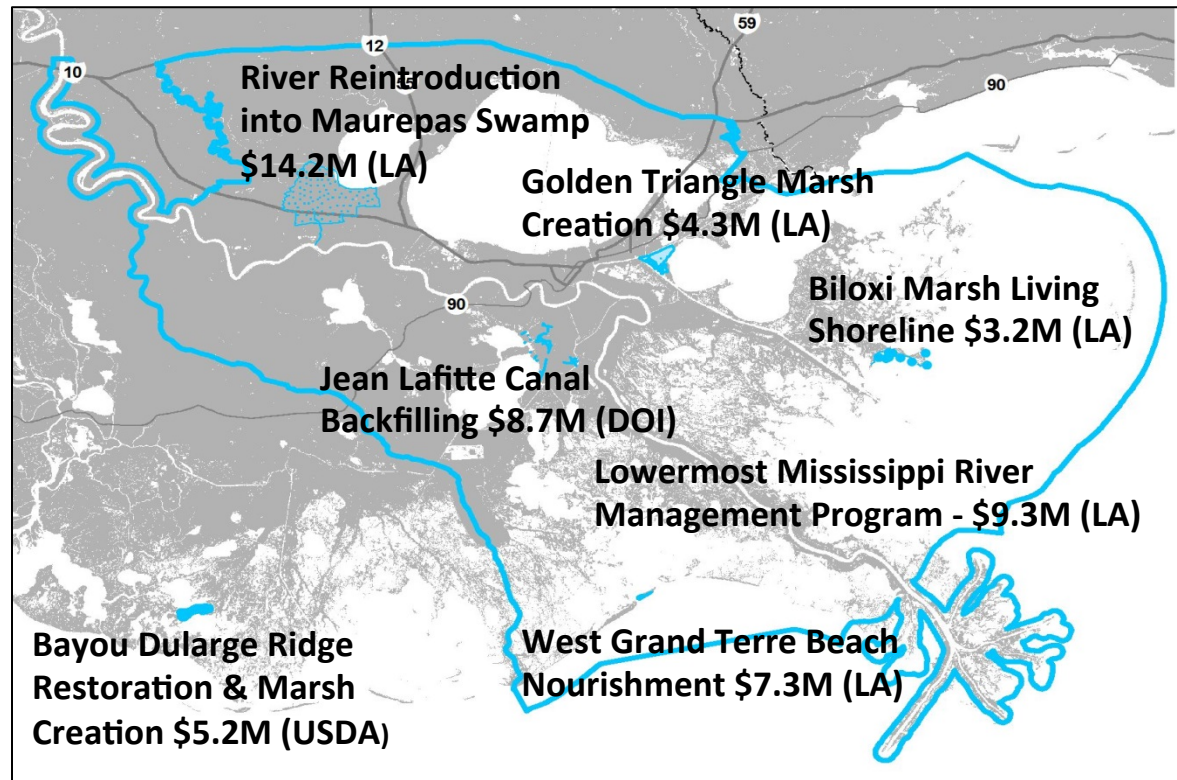
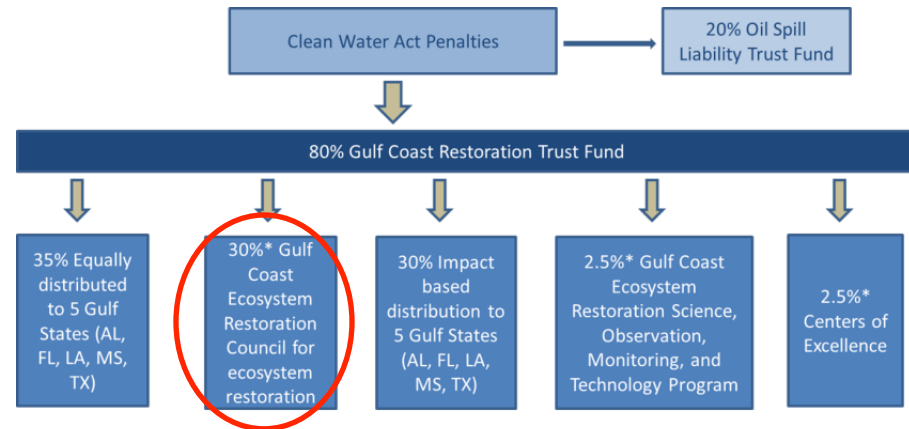
Bucket 2 – Council-Selected Restoration

30%*

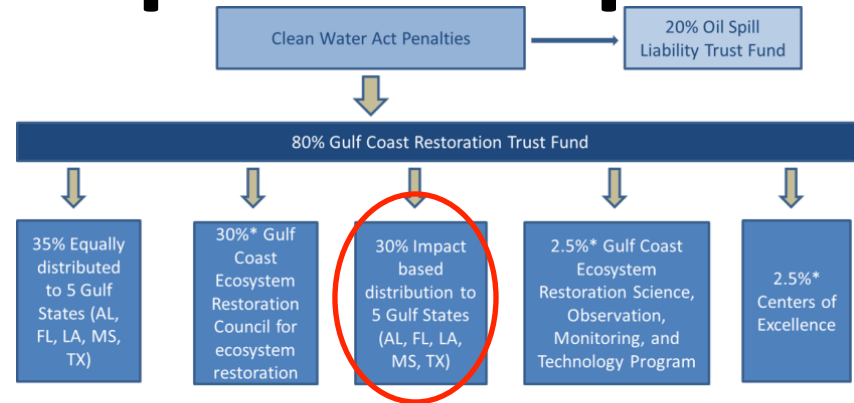
Gulf Coast Ecosystem Restoration Council for ecosystem restoration

~\$1.6B Total
 \$52M for projects in LA in initial FPL
 -~\$38.3M CPRA
 -~\$13.9M DOI/USDA
 Initial FPL Max. \$183.2M

* Supplemented by 50% of the interest generated by the Trust Fund



Bucket 3 – Spill Impact Component



- Requires Council to establish a formula by regulation using criteria related to impact.
 - Council regulation provides 34.59% of the Spill Impact Component to LA.
- Requires Council-approved State Expenditure Plan (SEP)
- Once Plans are approved project grants will be submitted to the RESTORE Council.

NFWF GEBF – Criminal Agreement

National Fish & Wildlife Foundation (NFWF)

→ **Gulf Environmental Benefit Fund (GEBF): \$1.272B for Louisiana**

Restrictions:

- Barrier island & river diversion projects
- Funded efforts must be necessary and appropriate to implement barrier island & diversion projects
- Cannot be used for items or activities that the applicant is already funded to perform as part of its existing sovereign functions
- Cannot be used to support political advocacy, fundraising, lobbying, litigation

NFWF Grants Awarded

Grant / Project	Awarded	Contingency	Total	Reimbursed
Caminada Increment II, E&D	\$ 1,359,542	\$ 0	\$ 1,359,542	\$ 1,359,542
Caminada Increment II, Construction	144,186,748	363,252	144,550,000	83,147,131
Mid Barataria Sediment Diversion, E&D	35,100,446	2,641,308	37,741,754	13,703,798
Lower Miss River Sediment Diversion Planning	11,191,248	1,568,939	12,760,187	9,417,755
Increase Atchafalaya Flow to Terrebonne, Planning	3,954,904	485,042	4,439,946	3,183,371
East Timbalier Island Restoration, E&D	4,600,000	989,000	5,589,000	2,162,668
Adaptive Management	13,247,800	-	13,247,800	2,152,363
TOTAL	\$ 214,640,688	\$ 6,047,541	\$ 219,688,229	\$ 115,126,628

2016 NFWF Grant Applications

Project #	Project Title	Phase	Requested Grant Amount
TE-110	Increase Atchafalaya Flow to Terrebonne	E&D	\$ 16,367,387.80
BA-153	Mid Barataria Sediment Diversion	E&D	\$ 102,345,671.64
BS-23	Mid-Breton Sediment Diversion	E&D	\$ 90,701,507.05
LA-276	Diversion Implementation & Crossover Tasks	E&D	\$ 16,099,169.41
multiple	Adaptive Management		\$ 19,632,056.62
TOTAL			\$ 245,145,792.52

Estimated Funding Available

Total Available Funding	\$1,272,000,000
Awarded to Date	\$219,688,229
<u>2016 Grant Requests</u>	<u>\$245,145,792</u>
Available Funding	\$807,165,979

Note: All GEBF funding is received on a reimbursable basis

Coastal Wetlands Planning Protection and Restoration Act

- CWPPRA was originally authorized in 1990 and has been reauthorized 3 times.
- It is currently authorized through 2019. Funding will be available through 2020.
- The CWPPRA program is funded through the SPORT FISH RESTORATION AND BOATING SAFETY TRUST FUND. (Tax on fishing tackle and equipment, motorboat fuel, etc).

Coastal Wetlands Planning Protection and Restoration Act

- CWPPRA receives 12.95% of Trust Fund revenues, which we anticipate to be \$75M-\$80M per year through the current authorization.
- The State matches this with a 15% cost share.
- Through the current CWPPRA authorization, we expect ~\$310M in federal money for restoration.

Coastal Wetlands Planning Protection and Restoration Act

- CWPPRA is administered by the CWPPRA Task Force which is made up of representatives from five federal agencies and Governor of Louisiana.
- It is a competitive process. Projects are evaluated annually and compete for E&D funding and Construction Funding.
- Decisions are made by the vote of the five federal agencies and State.

CWPPRA Reauthorization

- CWPPRA remains a very important program for the State of Louisiana. We are working with our delegation in Washington to reauthorize the program.
- Should the program be reauthorized for an additional 10 years, the program could provide over \$1 Billion for coastal restoration through 2030.

Outlook



Cash Flow Management

- CPRA has multiple grants for project funding which are reimbursed based – CPRA spends first and then seeks reimbursement from the appropriate source/grant
 - ✓ CWPPRA
 - ✓ CIAP
 - ✓ NFWF
 - ✓ RESTORE
- Robust Grant Billing System through LaGov
- Managing project expenditures in both Operating and Capital Outlay Budgets

Cash Flow Management

- Timing of reimbursement -
 - ✓ sometimes within one month – CIAP, NFWF
 - ✓ sometimes several months or years – CWPPRA, Cost Share agreements with the Corp of Engineers
- This is important to remember as we begin to implement the larger projects
- The Trust Fund balance is very low and cash flow has become an issue - GOMESA funding will give us relief for cash flow management.
- Without cash flow capability, CPRA is at risk for timely project delivery.
- Alternative is requesting a Treasury Seed – this would further burden the state’s overall cash flow needs

Summary

Funding Stream	15 Year Upper Limit
State Mineral Revenues	\$375 Million
GOMESA	\$2.1 Billion
NRDA	\$5 Billion (+?)
RESTORE Pot 1	\$262 Million
RESTORE Pot 2	\$55 Million (+?)
RESTORE Pot 3	\$555 Million
NFWF	\$1.2 Billion
CWPPRA	\$1.2 Billion
Total	\$10.7 Billion (+)

- Funding CPRA is a highly complex business
- CPRA has multiple revenue streams with significant compliance requirements
- Oil spill funding is staggered over time
- Sufficient cash flow capability is critical for timely project delivery