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Commentary

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Earth Day – Article 1

Louisiana Disappears as Earth Day Approaches

Earth Day is when people around the world take time to appreciate the precious majesty of our planet and its environment. When it comes to the crisis of coastal land loss, we in Louisiana especially must appreciate "earth" and how we have less of it every day.

This crisis has been brought into even sharper relief with a new study out of Tulane University. These researchers have discovered that even with sediment diversion projects designed to help rebuild the coast, only a small portion of the Mississippi delta may be sustainable. This trend makes it even more imperative that limited financial resources be used as wisely as possible.

To help ensure coastal dollars are spent judiciously and to provide guidance to policy makers and information to citizens, PAR launched its Coastal Initiative three years ago. This initiative focuses on the ongoing governance and fiscal issues of the state's spending on coastal protection and restoration. Significant amounts of money are available, but the revenue streams are a complicated, interconnected web of federal, state and local agencies administering a variety of funds to improve our coast.

Earth Day seems like an appropriate time to focus on coastal land loss. PAR will be releasing material all week leading up to Earth Day, April 22, regarding coastal restoration efforts to help people understand the efforts surrounding coastal finance issues. The persistent disappearance of Louisiana coastlands poses a threat to the state and national economy as well as to the coastal communities and their residents' livelihoods. Louisiana's leaders have a responsibility and a great opportunity to address this creeping danger by using newly allocated resources efficiently and effectively for restoration and protection.

A Plan in Motion

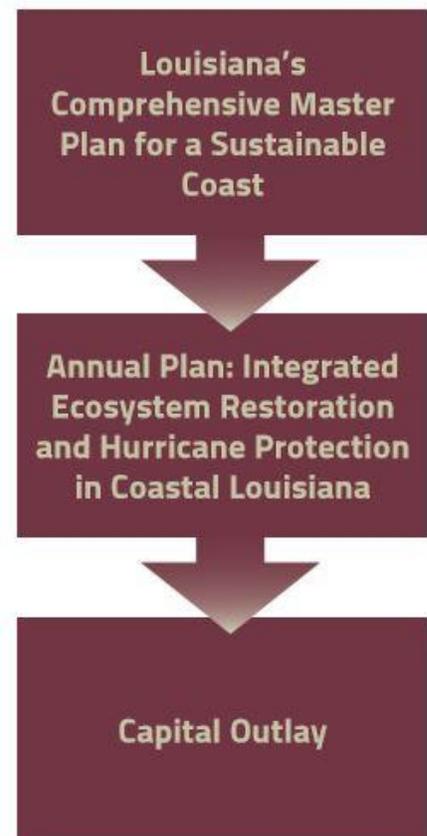
In response to Hurricanes Katrina and Rita in 2005, Gov. Kathleen Blanco and the Louisiana Legislature created the Coastal Protection and Restoration Authority (CPRA) to coordinate the local, state and federal efforts for comprehensive coastal protection and restoration. In particular, the CPRA was tasked with developing a Coastal Master Plan, based on the best available science and engineering, to guide CPRA's efforts to protect and restore Louisiana's damaged and diminishing coast. The Louisiana Legislature requires the CPRA to update the Coastal Master Plan every five years. The law requires the CPRA to produce an Annual Plan that inventories projects, outlines their implementation schedules and identifies funding. The Annual Plan is a projection of revenues, projects and programs to be funded in the near future, or at least a three-year period. These projects are then approved through the state's capital outlay process.

Having a strong plan is important, but without funding, plans just sit on a shelf. Some of the most important sources of funding for state coastal projects include state mineral revenues, federally shared revenue through the federal GOMESA program, and funding related to the Deepwater Horizon Settlement.

A portion of state mineral revenues is constitutionally dedicated through the Coastal Protection and Restoration Fund to coastal projects. Since state mineral revenue can fluctuate with oil and gas prices, the amount of funding available to coastal projects can also change. Current estimates put the amount at around \$15 million a year, though this will increase if energy prices increase.

The Gulf of Mexico Energy and Security Act, commonly called GOMESA, provides the largest source of continuing revenue for state coastal funding. GOMESA created revenue sharing provisions for the four Outer Continental Shelf oil and gas producing states of Alabama, Louisiana, Mississippi and Texas and their respective coastal protection agencies. This was expected to bring in \$140 million a year, though more recent estimates now have the figure at around \$70 million. GOMESA is a key part of coastal financing that will be discussed by PAR in more depth later this week.

Development and Implementation of Coastal Projects



Louisiana also is receiving a large sum from the Deepwater Horizon Settlement. Louisiana's state share of the BP Settlement Agreement is \$6.8 billion to be paid out over 15 years. This is comprised of several components, each with their own set of rules and restrictions on how the money can be spent.

To help citizens sort the governance and funding issues, PAR published [The New Louisiana Purchase: Building Trust with Sound Coastal Investment Policies](#). This PAR report provides citizens with a primer on the state's coastal challenges while illustrating what is known and yet to be decided about how billions of dollars will be allocated and contracted in the name of coastal protection the next few years. The state and local governments must lead by example and make responsible investment decisions that will assure its citizens, Washington and the nation that protection of the Louisiana coast is in the state and national interest and worth both state and national support.

Just as it is important to protect the coast, it is important to protect coastal funding. Coastal dollars are constantly under siege at the federal and state level. Both the current and previous presidents attempted to divert GOMESA funds from coastal states to spread among the rest of the country. At the state level, a portion of these same GOMESA dollars was at one point allocated to help with highways and other infrastructure projects not related to coastal restoration. Coastal fund dollars have been repeatedly swept up to help balance midyear deficits. Given that we will not have enough money to fix all the problems related to the coast, it is imperative that coastal funds not be diverted for other purposes.

Recommendation

The governor and state legislators, as well as Louisiana's congressional delegation, must act to ensure that limited coastal funding not be diverted.

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