

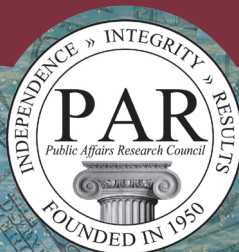


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THE NEW LOUISIANA PURCHASE

BUILDING TRUST WITH
SOUND COASTAL
INVESTMENT POLICIES



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ANGELE DAVIS

Primary Researcher and Author

STEVEN PROCOPIO

Co-Author and PAR Policy Director

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Public Affairs Research Council of Louisiana
4664 Jamestown Ave., Suite 300
Baton Rouge, LA 70808
Phone: (225) 926-8414
www.parlouisiana.org

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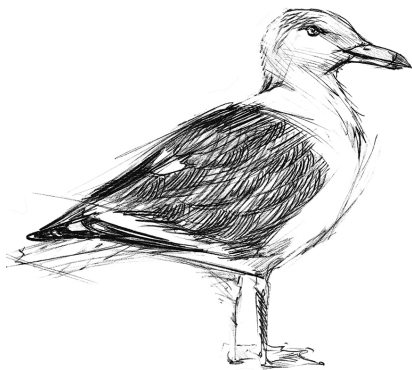
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EXECUTIVE SUMMARY

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. For its citizens as well as for stakeholders nationally, Louisiana must demonstrate transparency and accountability in its coastal spending practices and decision-making process.

The New Louisiana Purchase, by the Public Affairs Research Council of Louisiana (PAR), provides a citizen 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 during the next few years. The report also provides guidance and specific recommendations for how state, federal and local leaders should proceed to safeguard precious finances and the public trust. Settlements from the BP Deepwater Horizon oil spill and other sources of revenue will be flowing to the state for years to come. Much of the BP money is regulated by court decisions, federal agencies and special authorities outside the Louisiana sphere of control, and yet many critical decisions on these and other funds will be made on the state and local level.



This report focuses on the financial, budgeting, planning, governance and contracting aspects of state coastal management rather than on environmental issues and specific restoration projects. PAR has been working with a diverse group of stakeholders to develop this area of research and recommendations, including business, environmental and education groups and government agencies. PAR's researchers have conducted extensive interviews, document reviews and collaborative forums. This report provides information about many of those stakeholders and their resources available to the public.

Although Louisiana does not have a perfect record in its stewardship of coastal funds, its overall performance has been good. The state has established laws, plans and procedures that are superior to other Gulf Coast states. Its coastal agency has been allowed to act with a healthy level of independence. Its Coastal Master Plan was widely vetted and based on objective and scientific principles. Its former and current coastal leaders have shown strong commitment and deep knowledge. So far, so good. But now the coastal money is beginning to flow at substantially greater levels and from more sources. A new administration and Legislature has taken office. Fresh temptations will come to bear, especially as pressure builds to find money for the state's perpetually distressed operating budget and local pork projects.

The state and its local governments must lead by example and make responsible investment decisions that will ensure its citizens, Washington and the nation that protection of the Louisiana coast is in both the state and national interest and worth both state and national support. Louisiana should demonstrate that the dollars will be wisely safeguarded.

CHAPTER ONE: LOUISIANA'S COASTAL LAND LOSS

The ominous loss of Louisiana's coastal area has been documented by multiple sources. Although the estimates vary, the depletion's magnitude is evident and its impacts are alarming. The Louisiana Coastal Protection and Restoration Authority reports that coastal Louisiana has lost 1,880 square miles of land since the 1930s. If nothing more is done, projections show a loss of 1,750 additional square miles over the next 50 years. The estimated impact of flooding by 2061 will be 10 times greater with expected coast-wide annual damages increasing from potentially \$2.4 billion to \$23.4 billionⁱ.

Louisiana is home to about 40% of the country's wetlands, and yet the U.S. Geological Survey reports that Louisiana accounts for about 90% of the total coastal wetland loss in the continental United States. The trends from 1985 to 2010 show a wetlands loss rate of 16.6 square miles per year, or about a football field per hour.ⁱⁱ America's Wetlands Foundation reports that 1,900 square miles (1.2 million acres) of wetlands has been lost since 1932, a loss approximately five times the size of Orleans Parish. Louisiana is losing about 16 square miles of vegetated wetlands per year. That rate amounts to about one football field of wetlands every 1 hour and 30 minutes.ⁱⁱⁱ



The Coalition to Restore Coastal Louisiana reports that in the past 75 years more than 2,300 square miles of coastal Louisiana have been converted to open water by natural processes and human activity. The Coalition compares this loss to an area of wetlands roughly the size of Delaware that has simply vanished. Louisiana has lost an average of 34 square miles of land every year for the last 50 years.^{iv}

In addition to this relentless land loss, the delta has in recent years suffered other catastrophes. The effects of four major hurricanes (Katrina, Rita, Gustav and Ike) within a four-year period (2004 to 2008) resulted in a cumulative net loss of 328 square miles.^v The damage they brought, in the form of flooding and storm surge, was made worse by the on-going deterioration of the protective coastal wetlands. Then, in 2010, disruption

came again in the form of the BP oil disaster, when millions of barrels of oil spilled from the ocean floor beneath the Deepwater Horizon oil platform and washed up on Louisiana's barrier shorelines and coastal marshes. These catastrophes were troubling to an already degraded region. Their effects add increased urgency to the need for long-term, large-scale restoration of the state's coast.

Economic Significance

The nation depends on America's wetlands and coastal operations to fuel much of its economy. Coastal Louisiana plays a significant role in shaping and influencing the national, regional, state and local economies, which are interrelated. In addition to holding large oil and gas reserves, Louisiana provides protection for infrastructure that supplies 90% of the nation's outer continental oil and gas. The state handles more than 25% of the nation's annual waterborne commerce^{vi} and has five ports that are among the largest by volume in the country. By weight, Louisiana is responsible for nearly 26 percent of the nation's commercial fish and shellfish harvest.^{vii}



A recent economic evaluation^{viii} conducted by Louisiana State University and Rand Corp. says land loss directly affects economic activity with the estimated total activity at risk ranging from \$5.8 billion to \$7.4 billion in output. The research confirms that Louisiana is a major trade hub, with the coastal parishes serving as the point for importing \$160 billion and exporting \$156 billion in goods annually, with petroleum and chemical products representing a large share of this activity.

Further, Duke University's Center on Globalization, Governance & Competitiveness^{ix} found that Louisiana is already a national leader in the creation of coastal restoration jobs, with the highest concentration of related business headquarters in the Gulf. According to this study, restoration work spurs investments and jobs in a range of sectors including shipbuilding, equipment repair and manufacturing.

A study by Restore America's Estuaries,^x which looked at restoration efforts nationwide, found that restoring Louisiana's coast can create more than 30 jobs for each \$1 million invested. This is more than twice as many jobs as is gained through investments by

the oil and gas and road construction industries. The study also found that investing in restoration provides long lasting benefits to local economies, such as higher property values, better water quality, sustainable fisheries and increases in tourism dollars.

A recent LSU/Louisiana Workforce Commission study^{xi} found that the \$618 million spent by the state in 2010 on coastal restoration created 4,880 direct jobs and an additional 4,020 indirect and induced jobs, for a total impact of 8,900 Louisiana jobs. The spinoff benefits of these jobs were considerable; and, the study estimated that the state's initial investment in 2010 created more than \$1.1 billion in sales. Louisiana's annual investment in coastal restoration alone is expected to be between \$400 million to \$1 billion, which would translate into 5,500 and 10,300 direct and indirect total jobs, \$270-\$520 million in wages, and between \$720 million and \$1.35 billion in total sales per year.

Federal, state and local politicians and policy-makers have developed a growing understanding of the significance of Louisiana's coast to our nations' economy and to Louisiana's unique culture and the livelihood of its people. History has shown the need for a bigger and healthier coastal ecosystem to better protect coastal communities from both natural and manmade disasters.



State and Federal Responses

Awareness and concern for the condition of the coastal lands of Louisiana are not new. Elected and non-elected leaders in Louisiana, on both the state and federal levels, have long recognized the problems. Locals, recreational and commercial fishers and naturalists were among the first to recognize the scale of coastal land loss at a time when few in our state had much expertise to address it. As early as 1971, the Louisiana Advisory Commission on Coastal and Marine Resources was established by the Louisiana Legislature, under Gov. John McKeithen, to begin top-level discussions and efforts to respond. A series of state and federal efforts have followed since that time (See timeline starting on page 7).

Louisiana's coast received much attention due to the high profile events of Hurricanes Katrina and Rita in 2005 and the Deepwater Horizon oil spill in 2010. Those events marked turning points for Louisiana coastal management. Katrina and Rita prompted Gov. Kathleen Blanco and the Legislature to create the Coastal Protection and Restoration Authority (CPRA), which over time consolidated the state's oversight of wetlands restoration and levee matters under a single agency and a related governing board. The CPRA is responsible for developing a Comprehensive Master Plan for a Sustainable Coast (Master Plan), to be updated every

five years with legislative approval, and an annual plan of action. It oversees the Coastal Protection and Restoration Fund, the font of most coastal spending in Louisiana.

Then in 2006, Congress passed the Gulf of Mexico Energy Security Act (GOMESA), a break-through piece of legislation for Louisiana co-authored by former Sen. Mary Landrieu. It lets Louisiana and the other three Gulf Coast oil production states receive a share of federal revenues from outer-continental oil and gas operations. Significant revenue will flow to Louisiana beginning in 2017 when Phase II of the law takes effect, unless the President and other foes of GOMESA prove successful in derailing the plan.

In 2010, BP's Deepwater Horizon drilling operation off the coast of Louisiana exploded, leaving a deep ocean-floor oil leak that took months to contain. A variety of settlements for damages will result in billions of dollars in coastal restoration resources for Louisiana. In 2012, the U.S. Department of Justice announced a plea agreement whereby BP would pay \$2.4 billion over five years for federal criminal charges against the parties responsible for the spill. The National Fish and Wildlife Foundation (NFWF) provides oversight of the distribution and regulated use of the money, much of which will go to projects in Louisiana. Also in 2012, Congress passed the RESTORE Act, which dedicated 80% of the oil spill's Clean Water Act civil penalties to Gulf Coast restoration. The distribution is governed by the RESTORE Council, comprised of state and federal agency appointments.

An additional source of funds will come from the federal Natural Resource Damage Assessment, which eventually could amount to more than \$5 billion, including a large portion for Louisiana. On top of those funds, the state is due to receive an economic damages settlement from BP of \$1 billion spread over 17 years.

Most of these sources of money come with conditions and regulations for how they may be used. In many cases specific restoration projects must be approved by authorities outside of Louisiana. The great majority of the funds reaching Louisiana will flow with the CPRA's supervision and through the Coastal Fund.

Accountability will be a major focus for those authorities releasing the funds to Louisiana, and the state's reputation will constantly be at stake. Misuse of funds could result in Louisiana being forced to return its money. Moreover, poor management or profligate spending could create controversy and distrust, leading to a slower or terminated source of funds. To succeed in taking advantage of these financial resources for the coast, Louisiana needs sound policy, planning and procedures, as well as good behavior. A commitment to an open, fair and transparent process is the place to begin.

Coastal Revenues and Financing

Louisiana, with the help of its legislative and congressional delegation and many stakeholder and advocacy organizations, has secured recurring and non-recurring funding dedicated to coastal restoration and protection. These funds include state mineral revenues, federal revenue sharing from oil and gas leases, federal reimbursement for the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA) projects, federal hurricane protection and restoration funding, and most

recently the significant Deepwater Horizon oil spill settlements and adjudication of civil or administrative claims against responsible parties. Below are some of the more significant revenue sources that support coastal restoration and protection. Economic impact settlement money is not included. Some sources are tied to revenue streams that fluctuate, such as oil and gas taxes. Others are expiring, such as the Coastal Impact Assessment Program (CIAP). Some require periodic reauthorization such as CWPPRA. Some are limited payouts over a set period.

Coastal Revenues and Financing										
	Total	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
CPR Trust Fund Annual Revenue ^{xii}		\$16.2M	\$13.5M	\$15.4M	\$15.9M	\$16M				
GOMESA ^{xiii}				\$140M	\$140M	\$140M	\$140M	\$140M	\$140M	\$140M
CWPPRA ^{xiv}		\$72M	\$75M	\$75M						
CIAP ^{xv}		\$79.6M	\$17.9M	0						
Oil Spill Criminal Penalties (Administered by NFWF) ^{xvi}	\$1.272B	\$150M	\$250M	\$447M						
Natural Resource Damages ^{xvii}	\$5B+		\$319M	\$159M	\$319M	\$319M	\$319M	\$319M	\$319M	\$319M
Civil Penalties, RESTORE Act	\$930M+									
▪ Bucket 1: Direct Component (State) ^{xviii}	\$254.8M		\$15M	\$7.5M	\$15M	\$15M	\$15M	\$15M	\$15M	\$15M
▪ Bucket 1: Direct Component (Parishes)	\$109.2M									
▪ Bucket 2: Comprehensive Plan Component (Administered by RESTORE Council) ^{xix}	\$620M*									
▪ Bucket 3: Spill Impact Component ^{xx}	\$539.6M		\$31M	\$15.5M	\$31M	\$31M	\$31M	\$31M	\$31M	\$31M
▪ Centers of Excellence Research Grants Program ^{xxi}	\$26M		\$1.2M	\$1.2M						
Capital Outlay (Discretionary Source of Funding)										
*Estimated by CPRA										



The Evolution of Louisiana Coastal Remedies

Executive and legislative efforts to address Louisiana's coastal problems have created and reformed agencies and programs over the years on both the state and federal levels.

1971: The Louisiana Advisory Commission on Coastal and Marine Resources was established to begin top-level discussions and efforts to respond.

1972: To improve efforts to combat adverse impacts to the coast, Congress passed the Coastal Zone Management Act.

1974: A new Louisiana Constitution is adopted that creating a legal duty to invest in coastal restoration and protection. Article IX, Section 1, says, "The natural resources of the state, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment shall be protected, conserved, and replenished insofar as possible and consistent with the health, safety, and welfare of the people. The Legislature shall enact laws to implement this policy."

1978: The Louisiana Legislature passed the State and Local Coastal Resources Management Act.

1984: In the landmark *Save Ourselves*^{xiii} decision, the Louisiana Supreme Court stated that a "public trust for the protection, conservation and replenishment of all natural resources of the state was recognized by ... the 1921 Louisiana Constitution ... [and] was continued by the 1974 Louisiana Constitution."

1989: The Louisiana Legislature adopted the Louisiana Coastal Wetlands Conservation, Restoration and Management Act creating a multi-agency coastal restoration authority directly in the governor's office and establishing a dedicated trust fund to support the efforts.

1990: Congress passed the Coastal Wetlands Planning, Protection and Restoration Act (CWPPRA or "Breaux Act") furthering the partnerships between federal agencies and the state in coastal planning and project implementation.

1998: The state along with federal partners developed Coast 2050, a plan that proposed landscape level projects in response to the magnitude of coastal land loss.

2001: The Committee on the Future of Coastal Louisiana was formed to identify challenges and provide recommendations for addressing coastal land loss and the resources it threatens.

2001: Congress passed the first Coastal Impact Assistance Program. In 2005, the second program was signed into law with substantial funding for projects.

2003: The Legislature and voters statewide pass a constitutional amendment affecting state mineral and non-recurring revenue that results in newly authorized deposits into the Wetlands Conservation and Restoration Fund.

2004: In the *Avenal*^{xiii} decision, the Louisiana Supreme Court made it clear that the public trust duty applies to coastal protection matters.

Continued next page

Continuation

The Avenal court said “[w]e find that the implementation of the Caernarvon coastal diversion project fits precisely within the public trust doctrine. The public resource at issue is our very coastline, the loss of which is occurring at an alarming rate. The risks involved are not just environmental, but involve the health, safety, and welfare of our people, as coastal erosion removes an important barrier between large populations and ever-threatening hurricanes and storms. Left unchecked, it will result in the loss of the very land on which Louisianans reside and work, not to mention the loss of businesses that rely on the coastal region as a transportation infrastructure vital to the region’s industry and commerce. The State simply cannot allow coastal erosion to continue; the redistribution of existing productive oyster beds to other areas must be tolerated under the public trust doctrine in furtherance of this goal...”^{xxiv}

2005: Following Hurricanes Katrina and Rita, the Louisiana Wetland Conservation and Restoration Authority was revised into the Coastal Protection and Restoration Authority (CPRA) with expanded membership, a mandate to develop and implement the Comprehensive Master Plan for a Sustainable Coast (Master Plan), to be updated every five years, and an annual plan of action approved by the Legislature that includes three years of proposed coastal program expenditures. The new law directed the CPRA to consider both “hurricane protection and the protection, conservation, restoration and enhancement of coastal wetlands and barrier shorelines or reefs.”

2006: Congress passed the Gulf of Mexico Energy Security Act (GOMESA, Domenici-Landrieu Revenue Sharing Bill) providing for the four Gulf Coast producing states to receive a share of federal revenues from outer-continental oil and gas operations. Phase II, with significant revenue, was to begin in 2017.

2007: The first Coastal Master Plan was approved by the Legislature.

2009: The Legislature created the implementation and enforcement arm of the CPRA, the Office of Coastal Protection and Restoration (OCPR), and consolidated state efforts and staff working on coastal projects.

2012: The first five-year update to the Coastal Master Plan was approved by the Legislature.

2012: The U.S. Department of Justice announced a plea agreement whereby BP would pay \$2.4 billion over five years for federal criminal charges against the parties responsible for the 2010 Deepwater Horizon oil spill. The National Fish and Wildlife Foundation (NFWF) provides oversight of the distribution, much of which will go to projects in Louisiana.

2012: Congress passed the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (The RESTORE Act), which dedicated 80% of the Clean Water Act civil penalties placed against the Deepwater Horizon spill to Gulf Coast restoration. The distribution is governed by the RESTORE Council comprised of state and federal agency appointments.

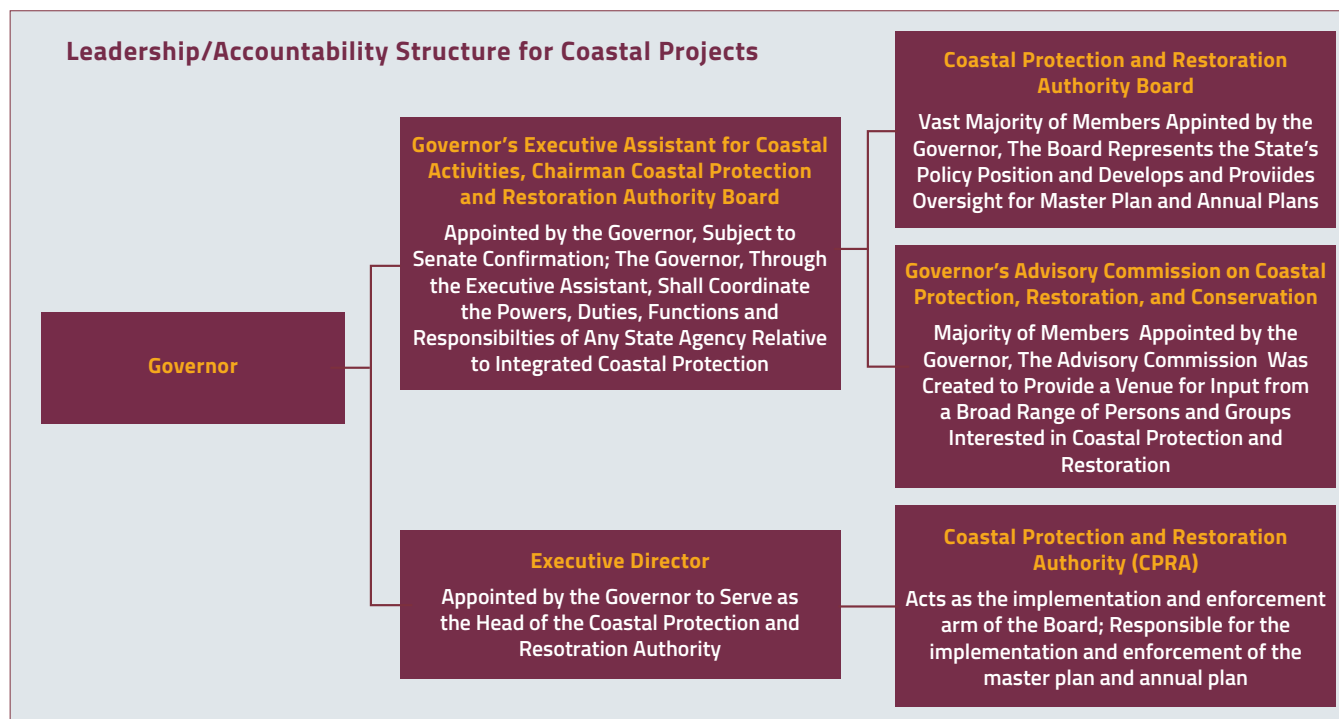
2012: To clarify and integrate the roles and titles of the state coastal agencies, the Legislature gave the OCPR the name of CPRA and made the ruling authority of the CPRA into simply the CPRA Board. The law also transferred additional responsibilities from other state agencies to the CPRA and board.

2016: A major court settlement was reached that scheduled the penalties and payments due to Louisiana and other states affected by the 2010 BP oil spill.

Chapter Two: The CPRA, the Master Plan and the Coastal Fund

In response to Hurricanes Katrina and Rita in 2005, Gov. Kathleen Blanco and the Louisiana Legislature created the Coastal Protection and Restoration Authority to coordinate the local, state and federal efforts for comprehensive coastal protection and restoration.^{xxv} With the creation of the CPRA, Louisiana further intensified its coastal protection and restoration programs by consolidating the coastal wetlands restoration and levee protection divisions within its transportation and natural resources departments under one new agency.

The CPRA was given clear authority to develop, implement and enforce a comprehensive integrated coastal protection and restoration strategy. 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 next Master Plan is due in 2017. The Louisiana Legislature also requires the CPRA to produce an Annual Plan^{xxvi} 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.



After further restructuring in 2009 and 2012, the CPRA is now Louisiana's central administrative arm for coastal matters and the CPRA Board is the governing authority. In addition, the governor has a separate Advisory Commission on coastal issues. For more details on these agencies and their board members, see Appendix A.

Another state decision-making body is the Coastal Protection and Restoration Financing Corporation. This panel determines certain financing plans, such as whether new federal revenue sharing of offshore oil and gas will be used to support bonds for major coastal projects. The Corporation has not been very active but is expected to become more so in the near future. Still, the Corporation's exact role and powers are not fully clear.

While Louisiana has made great strides in transforming the multi-agency efforts into a single agency accountable for designing and implementing the comprehensive coastal protection plan, much of the ultimate decision-making authority is held by the governor. The governor and CPRA have developed a well-formed process for advancing public policy and investment decisions. However, even with all of the legislative and constitutional safeguards in place for coastal funding, as we have recently witnessed, the ability to divert funds from pure coastal restoration and protection to other needs still exists and should be given additional attention as the coastal program moves into an implementation phase of development in the coming years.

It is important to recognize that the governor has strong influence over coastal policy and investment decisions, as he holds the authority to appoint the Executive Director of the CPRA, who is responsible for implementing the policies and executing the work of the agency. The governor also appoints the majority of the members of the CPRA board, the entity responsible for advancing the state's policy and developing and providing oversight for the Master and Annual plans. Further, the majority of the members of the Governor's Advisory Commission on Coastal Protection, Restoration, and Conservation – established to solicit input from coastal stakeholders — are also appointed by the governor. The Governor's Executive Assistant for Coastal Activities establishes policy and coordinates the duties of any state agency relative to integrated coastal protection and serves as the chair of CPRA.

Recommendation:

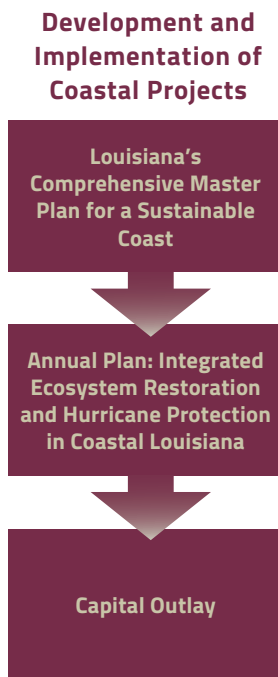
The governor should ensure that the Executive Director and CPRA Chair will provide leadership and accountability so that the Master Plan and Annual Plans are developed and executed based on the intent of the governing laws and done so in a manner not driven by politics, but rather in the best interest of the state, based on the best available science and technology.

The Master Plan

The state has a clearly defined legislatively mandated process for setting coastal priorities. The law requires that the state's master plan for coastal protection and restoration include scientific data and other reasons as to why projects and programs are selected for inclusion and how each project or program advances the plan's objectives. However, there is a deficiency in transparency and communication with the public during the project development and selection process. Further, as additional dollars flow into the state, there are questions as to whether and how the best science will be used as decisions are made.

The Master Plan was updated in 2012 to account for improved science and methodology. The plan, approved unanimously by the Legislature, was based on a two-year analysis

by state and international scientists and specialists whose work was used to select 109 of the most high performing projects for achieving the goals of comprehensive flood protection and restoration. The cost of fully funding the projects over time is estimated at \$50 billion. The 2017 Coastal Master Plan is in development and continues to rely on the science and engineering expertise as well as citizen and stakeholder engagement.^{xxvii}



The CPRA has an established process for decision-making and for engaging policy-makers and stakeholders in the planning process. The development of Louisiana's Coastal Master Plan is generally recognized as an effective and transparent process by stakeholders. Further, there is a conscious goal to keep stakeholders informed through quarterly reports and independent sources of review, inclusive of focus groups and public meetings in parishes across the coast. The law also helps to protect the planning process from undue political influence by establishing procedures that provide for public participation and legislative oversight but do not permit legislators to substitute their own projects or funding priorities.

The Annual Coastal Plan is required to include a 3-year projection of expenditures. However, there is no retrospective reporting on what has been spent on projects. Several recommendations have been made by stakeholders that would better educate the public and improve transparency in decision-making for coastal funding, including adding specific notes for significant revenue changes and incorporating an income statement in the Annual Plan that would track previous projections and expenditures compared to current revenue projections.

Recommendations:

The governor and his administration should emphasize the development of a Coastal Master Plan that relies on the best science and engineering data available and avoid politicizing the decision-making process. The governor and his administration should develop new models of stakeholder engagement that improve the transparency and communication with the public during the project development, selection and implementation phases. An effective stakeholder engagement model should improve communication and provide more information and means of providing the information in an easily understood manner resulting in a higher probability of project implementation success.

The governor and Legislature should avoid politicizing the existing approval process for the Master and Annual Plan. Specifically they should resist any efforts to change the "up or down" vote or any other changes that would invite politics into the planning and project selection process.

The coastal Annual Reports should include retrospective reporting and better tracking of expenditures and projections.



Managing the money and contracts

The new governor and his administration will make significant policy and investment decisions that could impact the effectiveness of Louisiana's response to the monumental task of restoring its coastal ecosystem and economy. Transparency in decision-making, procurement and expenditures within all of the allocation components of the RESTORE Act, the Natural Resource Damage Assessment and the National Fish and Wildlife Foundation's Gulf Environmental Benefit Fund will all play a key role in establishing accountability and results. To ensure that dollars are spent as intended, the decision-making process for coastal restoration investments should be transparent and understood by the policy-makers, stakeholders and the public.

As more dollars flow into the state for coastal restoration and protection, there are more dollars for CPRA to manage. Likewise, businesses have more opportunities to compete for those dollars. As CPRA's budget has grown, larger firms have been selected as prime contractors and consultants. Some of these firms, although capable of providing the work, are not Louisiana-based. Some smaller Louisiana firms are trying to build their capabilities to become sub-consultants. A report by Greater New Orleans Inc. — "Analysis of Coastal Restoration Workforce Assets, Challenges, and Opportunities in South Louisiana" — recommends ways to increase participation by local firms and employees in CPRA contracts. The report suggests leveraging economic development organizations and chambers of commerce for networking to introduce potential subs to

prime contractors and provide business assistance, workforce recruitment and training aid. The report recommends piloting a professional services procurement opportunity for small-to-medium sized firms to determine the feasibility for the CPRA to manage smaller contracts. CPRA acknowledges this point and is working towards the same goal.

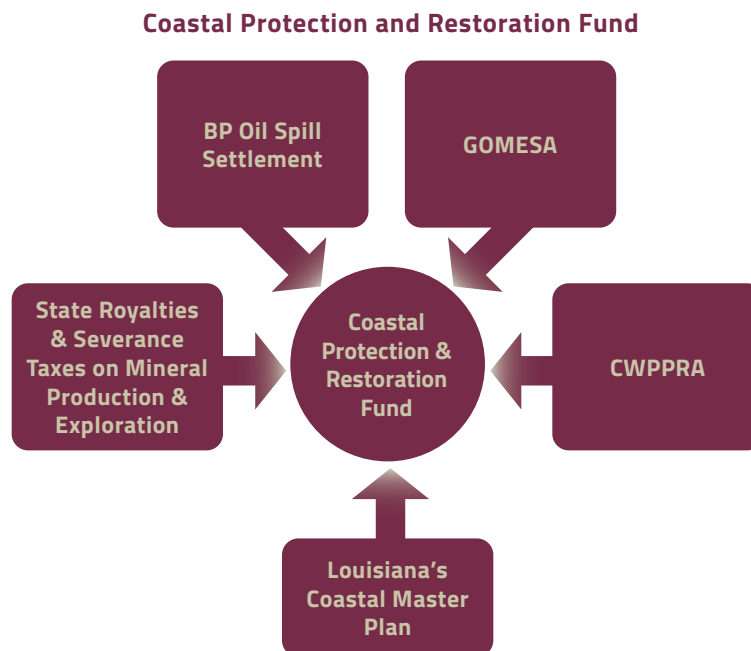
Recommendations:

The governor and Legislature should institutionalize the practice of employing transparency in decision-making for coastal funding. This will be a test of leadership for the new governor. He will have to insulate coastal restoration and protection from a variety of political influences that could sidetrack restoration efforts. CPRA should leverage the new IT system, LAGov, to improve transparency and real-time public reporting regarding the state's investments in coastal restoration and protection. Further, the state should leverage Louisiana's Transparency and Accountability (LA TRAC) portal and online state spending database by including CPRA expenditures and contracts on the portal. Currently, there are a significant number of vendors' payments generated outside of the state's systems and not defined on LA TRAC

CPRA should explore opportunities to build capacity for Louisiana firms so that they can compete for this work as more dollars for coastal restoration and protection flow into the state.

The Coastal Protection and Restoration Fund

Most of the money the state spends on coastal projects comes through the Coastal Protection and Restoration Fund, a constitutionally protected account that draws its money from the state, the federal government, various settlements related to the BP oil spill, mineral revenues from oil companies and other sources.



In 2014, PAR raised an alarm over the planned use of the Coastal Fund as a kind of fiscal washing machine to churn one-time non-coastal revenue into general operating dollars for the state budget. Fortunately, the Legislature saw fit to stop using the Coastal Fund for that kind of budget gimmick.

The state Constitution says that once money is placed in the Coastal Fund, it must be spent on projects consistent with Louisiana's Coastal Master Plan. However, there is an exception to the rule. To balance a mid-year budget deficit, the governor has the constitutional prerogative to skim a small portion of cash from a variety of state funds, including the Coastal Fund. A legislative committee must approve this action. Historically, the state has safeguarded the Coastal Fund from budget cuts. However, in February 2015, we saw for the first time an administration raid the Coastal Fund to address a mid-year budget deficit for the 2015 fiscal year. A subsequent action was taken under Gov. Jindal to effect another sweep for fiscal year 2016, again as a result of a mid-year deficit. With these sweeps, the Coastal Fund was raided of money that was to be spent on coastal restoration projects and management.

Recommendations:

As outlined in past PAR commentaries, the state's practice of using the Coastal Protection and Restoration Fund as a pass-through to balance the state's operating budget should be stopped. The governor and Legislature should avoid raiding, supplanting, redirecting and using budget gimmicks that result in reducing the funding dedicated to and available for investing in coastal protection and restoration. With the RESTORE Act and other federally regulated programs comes a higher level of scrutiny as to how the funds are expended, as well as more stringent and frequent audits. Questioned costs are subject to recapture.

Chapter Three: Major Sources of Funding

Hundreds of millions of dollars have flowed through the Coastal Fund and billions more will follow, thanks mainly to the oil spill settlements. By comparison, the fund's regulated allocation of state revenue is much more modest. The state mineral revenues that flow into the Coastal Fund are the only predictable state funding source. Because the price of oil entered a period of decline, the CPRA took a year after year reduction in state funding. In fiscal year 2014, the CPRA received \$29.4 million through the state royalties and severance taxes deposited into the Coastal Fund. However, the CPRA received \$16.2 million in fiscal year 2016 and is slated to get \$13.5 million in fiscal year 2017. These levels could change with sustained rises in oil and gas prices.

The bigger dollars forthcoming will flow from offshore oil revenue and the Deepwater Horizon's civil and criminal penalties and federal damage assessments. The governance and regulations vary with each of these sources. Many of the Deepwater Horizon settlement funds are limited to certain categories or types of projects that states can undertake. That means most of the money cannot be used freely by the state to pursue whatever projects it wishes.

Coastal Revenues and Financing										
	Total	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
CPR Trust Fund Annual Revenue ^{xii}		\$16.2M	\$13.5M	\$15.4M	\$15.9M	\$16M				
GOMESA ^{xiii}				\$140M	\$140M	\$140M	\$140M	\$140M	\$140M	\$140M
CWPPRA ^{xiv}		\$72M	\$75M	\$75M						
CIAP ^{xv}		\$79.6M	\$17.9M	0						
Oil Spill Criminal Penalties (Administered by NFWF) ^{xvi}	\$1.272B	\$150M	\$250M	\$447M						
Natural Resource Damages ^{xvii}	\$5B+		\$319M	\$159M	\$319M	\$319M	\$319M	\$319M	\$319M	\$319M
Civil Penalties, RESTORE Act	\$930M+									
▪ Bucket 1: Direct Component (State) ^{xviii}	\$254.8M		\$15M	\$7.5M	\$15M	\$15M	\$15M	\$15M	\$15M	\$15M
▪ Bucket 1: Direct Component (Parishes)	\$109.2M									
▪ Bucket 2: Comprehensive Plan Component (Administered by RESTORE Council) ^{xix}	\$620M*									
▪ Bucket 3: Spill Impact Component ^{xx}	\$539.6M		\$31M	\$15.5M	\$31M	\$31M	\$31M	\$31M	\$31M	\$31M
▪ Centers of Excellence Research Grants Program ^{xxi}	\$26M		\$1.2M	\$1.2M						
Capital Outlay (Discretionary Source of Funding)										
*Estimated by CPRA										

GOMESA

The Gulf of Mexico Energy Security Act of 2006 created revenue sharing provisions for the four Gulf oil and gas producing states of Alabama, Louisiana, Mississippi and Texas, and their local government subdivisions, such as parishes and counties, on the coast. Phase I of the act provides for an allocation of the federal revenues collected from oil and gas operations in relatively small designated areas of the outer Continental Shelf for fiscal



years 2007 through 2016. Under Phase II for fiscal year 2017 and each year thereafter, a portion of the federal revenue from much larger areas (and from a certain time span of leases) shall be allocated to the states based on a formula established by the Secretary of the Interior by regulation. The Department of Interior has recently, after a significant delay, promulgated regulations, which are critical to establishing the formula for revenue sharing among the states and the coastal political subdivisions for Phase II.

Federal decision makers are annually seeking to change the law to use the offshore oil royalties for general spending in the federal budget instead of dedicating these funds to the Gulf states. GOMESA revenues could fluctuate based on market conditions. The amount that could be received by the four states is capped at \$375 million.

In the past, the Coastal Protection and Restoration Financing Corporation has discussed securitizing this funding stream for coastal restoration and protection. In order for that to happen, the Corporation will need an econometric study and will need to make recommendations regarding securitization. It is important to note that after the prior administration made a recommendation to the CPRA Board to use unidentified “cost savings” from restoration projects for elevating the remaining segments of LA Highway 1 (LA1), the CPRA board chose not to divert these savings and instead approved a resolution^{xxviii} that allowed for the use of up to 10% of Louisiana’s GOMESA revenues beginning in 2017 for that purpose.

Criminal penalties

In 2012, the U.S. Department of Justice announced a plea agreement whereby BP would pay \$2.4 billion over five years for federal criminal charges against the parties responsible for the 2010 Deepwater Horizon oil spill. The National Fish and Wildlife Foundation (NFWF, pronounced “nif-wif”), which maintains an office in Baton Rouge, was engaged by the federal government to provide oversight of the distribution. The state is estimated to receive about \$1.3 billion for Louisiana projects, which must fit particular purposes as outlined in categories determined by the Court in the Criminal Plea Agreements

Deepwater Horizon Settlement^{xxix}

Louisiana's state share of the BP Settlement Agreement in Principle is \$6.8 billion and is comprised of the following components:

- \$5 billion for the Natural Resource Damage Assessment (NRDA) to be paid over 15 years beginning 12 months after the agreements are executed. This includes \$368 million in previously allocated early restoration.
- A minimum of approximately \$787 million of Clean Water Act civil penalties distributed through the RESTORE Act, to be paid over 15 years beginning 12 months after the agreements are executed. Louisiana's amount of the RESTORE Council distributed funds has yet to be determined but CPRA estimates that the state's share should be around \$620 million.
- \$1 billion for state economic damages to be paid over 15 years. State law requires the funds to be deposited into the Deepwater Horizon Economic Damages Collection Fund and allocates them as follows:^{xxx}
 - 45% to the Budget Stabilization Fund (Rainy Day Fund), up to its cap
 - 45% to the Medicaid Trust Fund for the Elderly
 - 10% to the Health Trust Fund
 - Fund earnings allocated to higher education

However, the Gov. Edwards and the Legislature used the first economic losses claims payment of \$200 million to help address the 2016 fiscal year deficit.

As the information above illustrates, Louisiana is poised to receive and spend billions of dollars for coastal protection and restoration in the next several years. The most significant source of new funding will come from the Deepwater Horizon oil spill settlements and adjudication of civil or administrative claims against responsible parties. The RESTORE Act funding is overseen by the RESTORE Council, a body comprised of representatives from federal agencies and the Gulf Coast states. Louisiana has a seat on the Council. The Natural Resource Damage Assessment is overseen by the NRDA Trustee Council.

However, the RESTORE Council decision-making process could prevent Louisiana from getting its fair share through allocation formulas and project submission limits. The RESTORE decision-making process remains unclear and Louisiana must remain vigilant and engaged in order to ensure that it receives the funding that reflects Louisiana's importance to the Gulf of Mexico ecosystem and economy and the impact sustained during the 2010 oil spill. The projects must fit the RESTORE Act guidelines as well as the state's Master Plan. Some funds will be allocated on a reimbursement basis. These funds are project specific and not a recurring source of funding for CPRA.

For the purposes of the RESTORE Act, Louisiana is better positioned than the other Gulf States due to the establishment of the CPRA as a single oversight agency and the state's Coastal Master Plan. The other states have not evolved that level of organization and planning. The current governor and CPRA leadership have affirmed their commitment to investing the RESTORE dollars in coastal protection and restoration through the Coastal Master Plan.

Recommendations:

The governor should ensure that Louisiana maintains a vigilant leadership role within the RESTORE Council and NRDA Trustee Council. The governor should ensure that the Act is carried out as intended and advocate that the protection and restoration of Louisiana's coast is in the nation's best interest. As such, the governor should urge the RESTORE Council to:

- Consider establishing a project specific comprehensive plan, instead of the process of creating the first funding priority list, to fulfill the intent of the law;
- Adopt a process similar to the CPRA decision-making process based on science, transparency and public input not politics or equal distribution; and,
- Make specific recommendations that will facilitate the expeditious and efficient implementation of the projects in Coastal Louisiana. This Council has the authority to make such recommendations and should do so to ensure the projects are implemented in the most efficient manner.

The governor should foster and maintain a relationship with the Executive Office of the President and the Office of Management and Budget (OMB) for the purposes of expediting federal permitting, and identifying and executing regulatory best practices in an effort to expedite Louisiana's Master Plan.

Other Sources of Funding

Significant sources of funding, such as GOMESA, CWPPRA, Natural Resources Damages and the RESTORE Act, have strict uses under federal law. Also, several of these program funds are provided on a cost reimbursement basis.

When the past administration exercised its authority to handle mid-year budget cuts, it included these federally regulated sources of funds in its tally to figure the amount of money it could sweep from the Coastal Fund, even though the administration was allowed only to sweep state funds. By counting these other sources of money in the fund rather than just state funds, the administration could calculate a bigger fund sweep. This was cause for concern. There are requirements for the use of federal funds and they may not be used for other state government functions. Further, a number of these programs have non-federal match requirements that may be violated by using other federal or non-state program funds to satisfy non-federal match requirements.

Recommendation:

Explore the concept of a constitutional amendment to clarify the governor's limitations for taking these dollars.

Gap in Funding

The 2012 Coastal Master plan represents coastal protection and restoration projects throughout coastal Louisiana at an estimated \$50 billion budget over 50 years comprised of existing and potential funding sources. Even with such significant investments, the planned investments will not completely compensate for the land loss that will occur over the next half-century. However, if these investments were doubled, based on CPRA's analysis, Louisiana could build or sustain between 910 and 1240 square miles by 2061, depending on future coastal conditions.

The Tulane Institute on Water Resources Law and Policy published a report, "Financing the Future, Turning Coastal Restoration and Protection Plans Into Realities: The Cost of Comprehensive Coastal Restoration and Protection," that concludes that the cost of restoring and protecting coastal Louisiana will significantly exceed the \$50 billion budget set forth in the 2012 Master Plan. Because the \$50 billion cost estimate is stated in constant dollars and fails to include certain operating and maintenance costs, the paper concludes that the estimate is significantly lower than what is necessary to restore coastal Louisiana and protect its residents.

With the BP Oil Spill settlement and GOMESA funding, Louisiana has an opportunity to get out of the planning phase of its Master Plan and begin to execute some critical coastal protection and restoration projects. However, as illustrated by Tulane's issue paper, Louisiana must invest these dollars wisely.

Related to the gap in funding is an unresolved issue that could significantly impact the funding stream for the Master Plan. That problem is the payback of an estimated \$2.9 billion debt (with interest) for the Greater New Orleans Area Hurricane Storm Damage Risk Reduction System (HSDRRS) that the state owes the federal government. This is projected to be \$93 million per year over 30 years, beginning in FY 2017. However, there are questions regarding whether the state actually owes this money, or whether the federal government should accept responsibility for the necessity for the HSDRRS. Further, if it is determined that the state should repay the debt, the federal government should provide the necessary cost information so that CPRA can verify the amount owed and also ensure that the state does not pay any interest accrued for the amount of time that the US Army Corps of Engineers spent building the system.

Recommendations:

The new Governor and his Administration should explore all avenues to renegotiate the HSDRRS cost share payments. Further, if it is determined that the state must repay the debt, the federal government should provide the necessary cost information so that CPRA can verify the amount owed and also ensure that the state does not pay any interest accrued for the amount of time that the US Army Corps of Engineers spent building the system.

The Governor, Legislature and local governing authorities should develop a plan for the HSDRRS cost share payments.



Authority for Borrowing for Coastal Projects

Governments, just like businesses or even individuals, often borrow for large infrastructure projects. Just as a family might take out a mortgage to buy a house, a state might sell bonds to build a new bridge. Debt should not be incurred to cover short-term operating expense. However, borrowing money for infrastructure can make sense if the period to pay back the bond is shorter than the lifetime of the infrastructure created. For example, a bond that takes 20 years to pay off is justified for a highway that could last 30 years or more.

While borrowing for infrastructure is a common practice for roads and buildings, it has not been done for coastal projects in Louisiana. So far, all of the projects have been done on a pay-as-you-go basis. While this approach is fiscally conservative, it may make sense to look at bonding out larger projects as more consistent sources of revenue flow to the state.

The Louisiana Constitution gives the State Bond Commission authority over debt for any state or local agency: “No bonds or other obligations shall be issued or sold by the state, directly or through any state board, agency, or commission, or by any political subdivision of the state, unless prior written approval of the bond commission is obtained.” Therefore, any effort to securitize revenue dedicated to coastal projects would appear to need Bond Commission approval. The Bond Commission is made up of representatives of the governor, other statewide elected officials and members of the Legislative leadership. A governor often has strong control over the Bond Commission, but not always.

Coastal Protection and Restoration Financing Corporation

To manage the process of borrowing for coastal projects, the state established the Coastal Protection and Restoration Financing Corporation.^{xxxi} The corporation “shall have the authority and powers, to carry out the financing, purchasing, owning and managing of the Offshore Royalty Revenues and the Offshore Royalty Revenue Assets.” This includes the power to sell the revenues and issue bonds. Any bonds issued would need the approval of both the State Bond Commission and the Joint Legislative Committee on the Budget (JLCB). As of yet, the corporation has yet to sell any bonds, but it is probably too soon to do so anyway.

The members of corporation’s board include the governor, the state treasurer, attorney general, president of the Senate and speaker of the House of Representatives, chairman of the CPRA, secretary of DNR, secretary of DOTD, or their designees, and seven members appointed by the governor with one member appointed from each congressional district and the remaining member or members appointed from the state at large. The CPRA

Chairman currently serves as chairman of the corporation as well. Similar to many of the state's boards, the governor controls the majority of seats. It can also enter into agreements with the offices of the state treasurer and attorney general to provide staffing

While no coastal bonds have been issued, the law lays out a model very similar to another state financing authority, the Tobacco Settlement Financing Corporation. The Tobacco Corporation sold bonds that were backed by yearly proceeds from a settlement with large tobacco companies. If the process is similar, the coastal corporation will sell bonds. These bonds will be backed by specified sources of revenue such as the offshore coastal royalties. The point of using a corporation, as opposed to just having the state sell bonds, is to mitigate risk. As stated in law: "Bonds issued under the provisions of this Subpart shall not be deemed to nor constitute a debt or obligation of the state of Louisiana or a pledge of the full faith or credit of the state, and all bonds shall contain on the face thereof a statement to the effect that neither the full faith and credit nor the taxing power nor any other asset or revenues of the state or any political subdivision thereof is or shall be obligated or pledged to the payment of the principal of or the interest on such bonds." This language essentially means that if the offshore revenue is not sufficient to pay off any debts incurred, the lenders cannot go after the state. This can happen if either offshore oil wells do not produce as expected or if there is a change in the federal law that sends the money to Louisiana.

The corporation has yet to sell any bonds but has done some preliminary work. Until there is a track record of how much GOMESA money Louisiana can expect, any bond sales will face revenue uncertainty. This uncertainty will make getting a good financing deal difficult. However, Louisiana can expect its full allocation of GOMESA funding starting in 2017. When this happens, this corporation will start to seriously investigate the possibility of securitization to meet coastal project needs, including any legal impediments or risks that exist to securitizing the various revenue streams.

Recommendation:

The Coastal Protection and Restoration Financing Corporation should begin to explore the best opportunities to secure and leverage the anticipated GOMESA revenues. Factors such as the critical rate of land loss, the cost of construction inflation, and the cost savings for quicker implementation of certain projects should be carefully analyzed to determine the best financing options. It would make sense for the Financing Corporation to also explore how to best leverage all revenue streams, including the existing and anticipated RESTORE Act funding to implement the Master Plan; however, the legislation that established the Financing Corporation may need to be amended to include this additional scope of work.

The Governor's Advisory Commission on Coastal Restoration and Protection should reengage in the work called for by House Concurrent Resolution No. 144 of the 2012 Regular Legislative Session, to analyze the funding opportunities available for the Master Plan. This work should be used to inform the Coastal Protection and Restoration Financing Corporation.



Chapter Four: Local Governance

Local governments are on the front lines in the battle to prevent flooding and land loss. They share a responsibility with the state to protect citizens, property and livelihoods. They must pursue their interests while also coordinating regionally. Water has no regard for politics, but well run parishes and levee districts might demonstrate that politics can have a strong impact on water. Transparent policies, management, cooperation and planning can make a difference in preventing devastation.

Coastal parishes in Louisiana have several sources of revenue to address their challenges. Local taxes and fees, levee district collections, federal grants and state support are among the chief traditional forms. More recently, local governments have been targeted for money from the Deepwater Horizon settlement and from the forthcoming federal revenue share from offshore drilling. Although these new distributions to the parishes are small in comparison to the overall revenue at play for the state and the Gulf region, the amounts are significant on a local scale.

The federal RESTORE Act created a process to distribute revenue from civil penalties following the 2010 BP oil spill. Among the dollars to be sent, Louisiana will get what is known as a Direct Component allocation of about \$308 million. Coastal parishes will receive 30% of that allocation based on a distribution formula. The funds can be used for wide range eligible activities, including restoration and protection, mitigation, conservation management, state park improvements, infrastructure projects, planning and administrative costs, and tourism and seafood promotion. This range of options creates an important decision point for the local governments and levee districts: whether to leverage the windfall resource for impactful restoration and protection projects or spend the money on roads, ports, government operations or other purposes. The temptation will be to spread the money thinly for political reasons.

As a condition of receiving the funds, the RESTORE Act requires that the chief executive of the eligible parish certify to the governor that the parish has completed a comprehensive land use plan. The plan “may include milestones, projected completion of each activity, and a mechanism to evaluate the success of each activity in helping restore and protect the Gulf Coast region.” The RESTORE Act imposes other conditions including that “the project or program is designed to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, or economy of the Gulf Coast.” The projects must be “selected based on meaningful input from the public, including broad-based participation from individuals, businesses, and nonprofit organizations.” In addition, natural resource protection or restoration projects must be “based on the best available science” and should be awarded with contracts that are “consistent with the standard procurement rules and regulations governing a comparable project or program in that state, including all applicable competitive bidding and audit requirements.”

The efforts of coastal parishes are crucial to the success of the state’s overall restoration efforts. Some coastal parishes are moving forward with plans, but how many of them will utilize the funds remains unclear. In many parishes, levee districts have been established

through state legislation. Some parish governments serve as their flood protection authority in lieu of establishing a levee district. The levee and regional flood protection boards have the ability to levy district taxes for constructing and maintaining levees and flood protection. The governing authority also has the ability to issue bonds, subject to state Bond Commission approval, of which the proceeds are used for flood protection or for payment of any outstanding indebtedness.^{xxxii}

The Coastal Protection and Restoration Authority is charged with oversight and administration of all matters related to hurricane protection and flood control.^{xxxiii}

The CPRA, in recognition of the importance of working with the parishes to achieve comprehensive integrated coastal protection, has developed a matching program and dedicated some of the state's share of RESTORE Act funding for the eligible parishes

Local Decision Making Process

The Direct Component funds are 35% of the RESTORE fund and each of the five southern states impacted will receive 7%. In Louisiana, 30% of the share of the state's direct component is split among 20 coastal parishes, based on a complex formula that recognizes miles of shoreline oiled, parish population and parish size. The oiled parishes will receive a greater share of these funds than the other parishes.

Louisiana Direct Component	\$308,000,000
State of Louisiana (70%)	\$215,600,000
Louisiana Parishes (30%)	\$92,400,000
Ascension	\$2,241,735
Assumption	\$859,579
Calcasieu	\$4,685,262
Cameron	\$1,941,287
Iberia	\$2,356,366
Jefferson	\$11,044,655
Lafourche	\$7,269,533
Livingston	\$3,074,379
Orleans	\$6,586,965
Plaquemines	\$16,631,982
St. Bernard	\$8,932,705
St. Charles	\$1,254,025
St. James	\$698,544
St. John the Baptist	\$1,034,095
St. Martin	\$1,911,664
St. Mary	\$1,665,261
St. Tammany	\$5,110,256
Tangipahoa	\$3,144,714
Terrebonne	\$9,159,436
Vermilion	\$2,797,558
Source: https://www.treasury.gov/services/restore-act/Documents/Trust%20Fund%20Allocations%20as%20(10.01.2015%20Revision).pdf	

All Louisiana coastal zone parishes—Ascension, Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Terrebonne, Tangipahoa, and Vermilion—will receive a portion of the Direct Component funds, totaling \$92 million, with \$17.1 million available now.

The U.S. Treasury is the agency that will receive applications and administer the Direct Component funds, including monitoring the use of funds for compliance with the Act and with Treasury's regulations. The locals have the authority to determine what RESTORE act eligible projects they wish to fund with the dollars given.

The first step in the process of receiving Direct Component funds is the development of the Multi-Year Implementation Plan. The multiyear plan must consist of the projects/activities that the local government

administration ranks and recommends. Then, that plan must be posted on the local government website for public review. In Louisiana, the law also requires the parish to



have adopted a comprehensive land use plan that's consistent with or complementary to the state's Coastal Master Plan and approved by the governor.

The next step is the Treasury will review the parish's Multi-Year plan for completeness and conformity with regulations, and then notify the parish when it can begin to submit grant applications. The parish will have to complete a separate grant application package for each proposed project or activity listed in the multiyear plan. The grant application will require more specificity. Parishes may apply for initial funds to develop a Multi-Year Plan. Parishes may also be able to secure funds to create a system to review grant applications, award grant sub-recipients, monitor grants and set up audit procedures. Parishes may also seek reimbursement for some funds already expended in furtherance of the RESTORE Act and public involvement activities.

Then, each applicant must complete an Operational Self-Assessment, and it must be reviewed and accepted by Treasury before funds may be awarded. The Multi-Year Plan and subsequent grant applications will be submitted and managed by the Treasury's online grant system call GrantSolution.com. The Treasury will utilize another online system for grant disbursement payments called Automatic Standard Application for Payments.

Several parishes have submitted their Multi-Year Plan and grant applications that propose investing their allocated funding in important coastal restoration projects. However, as illustrated in a recent public debate regarding Jefferson Parish spending part of the BP settlement on pay raises, the risk of redirecting the funding to other local government needs is high.

The Gulf of Mexico Energy Security Act of 2006 (GOMESA) created revenue sharing provisions for the four Gulf oil and gas producing states including the state of Louisiana and its coastal political subdivisions. GOMESA funds are to be used for coastal conservation, restoration and hurricane protection. The Act included two phases of GOMESA revenue sharing: Phase I began in Fiscal year 2007 and shared 37.5 percent of all qualified OCS revenues, including bonus bids, rentals and production royalty, among the four States and their coastal political subdivisions from new leases issued in two small geographic areas in the Gulf of Mexico. Additionally, 12.5 percent of revenues were allocated to the Land and Water Conservation Fund (LWCF). The total amount disbursed to all coastal local governments in 2014 was \$1.4 million.

Phase II of GOMESA revenue sharing begins in Fiscal Year 2017. It expands the revenue sharing across the Gulf of Mexico OCS. A revenue sharing cap of \$500 million per year for the four Gulf producing States, their CPS's and the LWCF applies from fiscal years 2016 through 2055. In 2018, the revenue share for Louisiana and its CPS's will significantly increase providing more dollars for the coastal conservation, restoration and hurricane protection.

Louisiana Levee Districts

While levee boards seem like local entities they are actually creations of state government. The Louisiana constitution provides that the Legislature may create, consolidate, divide or reorganize level districts. Generally, levee districts are created by law in statue. While

Estimated GOMESA Distribution to Parishes for Fiscal Year 2018	
Assumption Parish	\$1,168,082
Calcasieu Parish	\$1,601,911
Cameron Parish	\$1,848,599
Iberia Parish	\$1,567,339
Jefferson Parish	\$3,116,303
Lafourche Parish	\$1,794,550
Livingston Parish	\$1,549,948
Orleans Parish	\$3,057,352
Plaquemines Parish	\$3,697,661
St. Bernard Parish	\$2,144,567
St. Charles Parish	\$1,424,810
St. James Parish	\$1,198,466
St. John the Baptist Parish	\$1,319,688
St. Martin Parish	\$1,258,304
St. Mary Parish	\$1,295,965
St. Tammany Parish	\$2,169,201
Tangipahoa Parish	\$1,594,867
Terrebonne Parish	\$2,416,763
Vermilion Parish	\$1,448,546
Parish Total	\$35,672,922
Source: CPRA Note: The numbers above represent estimates based on past disbursements and the actual numbers may be more or less. The estimates were based upon revenues exceeding the \$500 million GOMESA cap. If both price and OCS production continue to decline, revenues could potentially fall below the cap.	

historic focus of these districts has been on preventing river flooding, with increasing coastal land loss, a shift has occurred to preventing coastal flooding in the southern levee districts.

Appointments to levee boards are covered by the constitution and allow the Legislature to set the member. However, except for regional boards, levee board members must be residents of the districts on which they serve.

The constitution also provides that if a levee district is situated entirely within on parish, it may be consolidated into the parish government. An example is the consolidated city-parish of Baton Rouge. Flood protection and levee maintenance are handled by the Department of Public Works.

As public bodies, levee boards must follow the state's open meetings, open records and ethics laws. As a creation of the state, they must also follow state procurement laws. This includes the statutes regarding consulting contracts (for design and engineering) and construction.

FUNDING SOURCES

The constitution (Article VII Section 39) provides for the funding of levee districts. District created prior to January 1, 2006 may levy annually a tax not to exceed five mills. New districts may also levy a tax but it must be approved by a vote of the people. Not all districts are funded by property taxes. For example, the South Lafourche Levee also has a sales tax to help support their program.

CPRA OVERSIGHT

Much as the state Board of Elementary and Secondary education oversees local school boards, CPRA exercise oversight authority over levee districts. CPRA conducts quarterly inspection of local levees and provides policy guidance. CPRA can even intervene in a levee district's governance if deemed necessary. RS 49:214.6.3 provides that "the exercise of any authority with respect to hurricane protection and flood control by a political subdivision within the coastal area is subject to the oversight and approval of the authority in accordance with rules and regulations adopted by the authority."

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - EAST

The Southeast Louisiana Flood Protection Authority-East (SLFPA-E) was established on January 1st, 2007 by the Act No. 1 of the 2006 First Extraordinary Session of the Louisiana Legislature. SLFPA-E oversees East Jefferson, Lake Borgne Basin, and Orleans Levee Districts. This encompasses Jefferson, St. Bernard, Orleans, and Tangipahoa Parishes. SLFPA-E manages over 114 miles of federal levees and 41.62 miles of non-federal levees throughout the three levee districts. SLFPA-E receives five hundred thousand dollars annually from the Louisiana Coastal Protection and Restoration Fund.

SOUTHEAST LOUISIANA FLOOD PROTECTION AUTHORITY - WEST

The Southeast Louisiana Flood Protection Authority- West was established on January 1st, 2007 by the Act No. 1 of the 2006 First Extraordinary Session of the Louisiana Legislature. SLFPA-W is the governing authority overseeing West Jefferson Levee District and Algiers Levee District. SLFPA-W oversees the West Bank and Vicinity Hurricane Protection Project which provides flood protections for residents in portions of West Jefferson, Algiers, Orleans, Belle Chasse, Plaquemines, and St. Charles. The project begun in 1991, however it was not completed prior to the landing of Hurricanes Katrina and Rita. Following the extensive flooding, the U.S. Army Corps of Engineers were directed to rebuild the failed flood protection system. Currently SLFPA-W manages the project with the Coastal Protection and Restoration Authority.

SOUTH LAFOURCHE LEVEE DISTRICT

The South Lafourche Levee District was created in 1970 (or 1968). The district manages 48 miles of federal levees and 1 mile of flood wall, which creates The Larose to Golden Meadow Hurricane Protection system. The system is built in a loop between Larose and Golden Meadow along Bayou Lafourche. The levees protect a critical low segment of highways that support Port Fourchon, where 90 percent of the Nation's Gulf deep offshore oil production is transported. In 2012, approximately \$115,000,000 had been spent to build the levees, pumping stations and drainage structures in the district.

PONTCHARTRAIN LEVEE DISTRICT

The Pontchartrain Levee District was created by the legislature in 1895. Today, the district includes 115 miles of Eastbank Mississippi River levee and 10 miles of Hurricane Protection Levee in St. Charles Parish. Included in the district are East Baton Rouge, Iberville, Ascension, St. James, St. John the Baptist, and St. Charles Parishes. The district operates on an annual budget of \$8.2 million.



Levee District	Sub Sub-Districts	Included Parishes
Amite River Basin Drainage and Water Conservation District	–	East Baton Rouge, Livingston, and Ascension Parishes
Atchafalaya Basin Levee District	–	Pointe Coupee, West Baton Rouge, Iberville, Ascension, St. Martin, Iberia, and St. Landry Parishes
Baton Rouge Metropolitan Council- C/O Department of Public Works	–	East Baton Rouge Parish
Bossier Levee District	–	Bossier and Red River Parish
Caddo Levee District	–	Caddo Parish
Chenier Plain Coastal Restoration & Protection Agency	–	Calcasieu, Cameron, and Vermilion Parishes
Fifth Louisiana Levee District	–	East Carroll, Madison, Tensas, and Concordia Parishes
Grand Isle Independent Levee District	–	Jefferson Parish
Iberia Parish Levee, Hurricane, and Conservation District	–	Iberia Parish
Lafitte Area Independent Levee District	–	Jefferson Parish
Lafourche Basin Levee District	–	Ascension, St. James, St. John the Baptist, St. Charles, and Assumption Parishes
Natchitoches Levee & Drainage District	–	Natchitoches Parish
Nineteenth Louisiana Levee District	–	Grant Parish
North Bossier Levee & Drainage District	–	Bossier Parish
North Lafourche Conservation, Levee & Drainage District	–	Lafourche Parish
Plaquemines Parish Government	–	Plaquemines Parish
Pontchartrain Levee District	–	East Baton Rouge, Iberville, Ascension, St. James, St. John the Baptist, and St. Charles Parishes
Red River, Atchafalaya & Bayou Boeuf Levee District	–	Avoyelles, St. Landry, and Rapides Parishes
Red River Levee & Drainage District	–	DeSoto and Red River Parishes
Southeast Louisiana Flood Protection Authority- East	–	
	East Jefferson District	Jefferson Parish
	Lake Borgne Basin Levee District	St. Bernard Parish
	Orleans Levee District	Orleans Parish
	Tangipahoa Levee District	Tangipahoa Parish
Southeast Louisiana Flood Protection Authority- West	–	
	West Jefferson Levee District	Jefferson Parish
	Algiers Levee District	Orleans Parish
South Lafourche Levee District	–	Lafourche Parish
St. Mary Levee District	–	St. Mary Parish
St. Tammany Levee District	–	St. Tammany Parish
Teche-Vermilion Fresh Water District	–	Lafayette, Iberia, St. Martin, and Vermilion Parishes
Tensas Basin Levee District	–	Morehouse, West Carroll, Richland, Franklin, Catahoula, LaSalle, Ouachita, and Caldwell
Terrebonne Levee & Conservation District	–	Terrebonne Parish

Some local governing authorities have had success in raising local millages or taxes to operate and maintain flood protection infrastructure, while others have not. Local governments are not always prepared for these future expenses and need to develop plans and strategies to explore funding sources.

Watersheds do not follow neat political boundaries. Coordination is paramount if efforts by levee districts are to be maximized. Constant review is also necessary to ensure that the levee district boundaries are well-suited to allow those districts to effectively raise funds to accomplish their missions. Recently a number of levee districts have been unsuccessful at raising local revenue simply to fund their basic obligations. Does this suggest the organization and or boundaries of the district are not effective or are their other reasons voters are unwilling to fund a basic public safety feature of their community? With many districts facing exponentially increasing costs to operate and maintain their systems, this will be an important issue in the future.

Local governments play a valuable role in overall coastal restoration efforts. They will need to employ the same level of transparency and decision-making criteria as the state to ensure these funds are spent wisely. And, both the state and local governments will need to cooperate on this shared effort to maximize the impact of our investments.

Recommendations:

The Administration should continue the state matching program to leverage RESTORE Act funding through the RESTORE State-Parish Matching Program in an effort to encourage local governing authorities to use these funds for coastal protection and restoration and avoid diverting the funds for other use. Further, the state should consider the feasibility of implementing this policy for GOMESA funding. Local governing authorities should ensure that the decision-making and procurement process for allocating and investing the funds are done in a transparent manner that includes public input.

Further, there needs to be an auditing process established to ensure that the funds are spent how they are intended to be spent, especially for the GOMESA and significant new funding streams.

The CPRA should require that local governing authorities enter into an agreement with the state to provide for operation and maintenance of these assets.

If feasible, the CPRA should develop guidance for the coastal parishes and provide technical assistance, as needed. This assistance should not only be limited to helping each parish implement projects, but ensuring that the projects work together as a cohesive unit. As long as parishes stick closely to the projects outlined in the Master Plan, coordination between parishes becomes less of a problem.



Conclusion

Louisiana has engaged in coastal protection and restoration for decades. Since the creation of the Louisiana Advisory Commission in 1971, the state has gradually built its capacity for dealing with the problems that face the coast. Louisiana has established trust funds, agencies and even a recurring source of state revenue dedicated to coastal protection.

In so many policy areas, such as tax policy or higher education, citizens often wish they had a government system that looks like it was designed on purpose. In contrast, Louisiana's coastal efforts generally have been thoughtful and managed with relative independence and objectivity. Perhaps this track record is a result of having so little funding for so long that not much other than planning could be undertaken.

The state now has reached a higher level of opportunity and responsibility. New offshore revenue sharing directed to Louisiana and funds from the BP civil, criminal and environmental damage penalties bring the funding for coastal projects to an order of magnitude larger than in the past. With more money comes more involvement by government, higher education, business and a variety of other stakeholders. Louisiana's coastal efforts will confront a higher profile and a greater need for accountability. The real work of coastal restoration has just begun.

The ultimate measures of success will be whether the state chose the most effective solutions and projects and implemented them correctly, resulting in a healthier and more sustainable coastal environment. Part of the state's process should be to assess and reassess the goals and to evaluate whether or not those goals are being achieved by the expensive projects undertaken.

Along the way, the decision-making process should be accountable and transparent. The public and stakeholders need to understand how decisions are made and by whom. The process should be fair to citizens, taxpayers, the public entities and the private companies taking part. This point is particularly vital given the cultural, environmental and economic importance of the coast. It is in that spirit of looking for every opportunity to maximize coastal preservation efforts that PAR has offered these recommendations. By improving governance and wisely investing coastal funding, the state can set a foundation with strong science and good engineering to rebuild Louisiana's coast and earn the public's confidence.

All Recommendations:

- The governor should ensure that the Executive Director and CPRA Chair will provide leadership and accountability so that the Master Plan and Annual Plans are developed and executed based on the intent of the governing laws and done so in a manner not driven by politics, but rather in the best interest of the state, based on the best available science and technology.

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- The governor and his administration should emphasize the development of a Coastal Master Plan that relies on the best science and engineering data available and avoid politicizing the decision-making process.
- The governor and his administration should develop new models of stakeholder engagement that improve the transparency and communication with the public during the project development, selection and implementation phases. An effective stakeholder engagement model should improve communication and provide more information and means of providing the information in an easily understood manner resulting in a higher probability of project implementation success.
- The governor and Legislature should avoid politicizing the existing approval process for the Master and Annual Plan in, specifically they should resist any efforts to change the “up or down” vote or any other changes that would invite politics into the planning and project selection process.
- The coastal Annual Reports should include retrospective reporting and better tracking of expenditures and projections.
- The governor and Legislature should institutionalize the practice of employing transparency in decision-making for coastal funding. This will be a test of leadership for the new governor. He will have to insulate coastal restoration and protection from a variety of political influences that could sidetrack restoration efforts.
- CPRA should leverage the new IT system, LAGov, to improve transparency and real-time public reporting regarding the state’s investments in coastal restoration and protection. Further, the state should leverage Louisiana’s Transparency and Accountability (LA TRAC) portal and online state spending database by including CPRA expenditures and contracts on the portal. Currently, there are a significant number of vendors’ payments generated outside of the state’s systems and not defined on LA TRAC.
- CPRA should explore opportunities to build capacity for Louisiana firms so that they can compete for this work as more dollars for coastal restoration and protection flow into the state.
- As outlined in past PAR commentaries, the state’s practice of using the Coastal Protection and Restoration Fund as a pass-through to balance the state’s operating budget should be stopped. The governor and Legislature should avoid raiding, supplanting, redirecting and using budget gimmicks that result in reducing the funding dedicated to and available for investing in coastal protection and restoration. With the RESTORE Act and other federally regulated programs comes a higher level of scrutiny as to how the funds are expended, as well as more stringent and frequent audits. Questioned costs are subject to recapture.
- The governor should ensure that Louisiana maintains a vigilant leadership role within the RESTORE Council and NRDA Trustee Council.

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- The governor should ensure that the Act is carried out as intended and advocate that the protection and restoration of Louisiana's coast is in the nation's best interest. As such, the governor should urge the RESTORE Council to:
- Consider establishing a project specific comprehensive plan, instead of the process of creating the first funding priority list, to fulfill the intent of the law;
- Adopt a process similar to the CPRA decision-making process based on science, transparency and public input not politics or equal distribution; and,
- Make specific recommendations that will facilitate the expeditious and efficient implementation of the projects in Coastal Louisiana. This Council has the authority to make such recommendations and should do so to ensure the projects are implemented in the most efficient manner.
- The governor should foster and maintain a relationship with the Executive Office of the President and the Office of Management and Budget (OMB) for the purposes of expediting federal permitting, and identifying and executing regulatory best practices in an effort to expedite Louisiana's Master Plan.
- Explore the concept of a constitutional amendment to clarify the governor's limitations for taking these dollars.
- The new Governor and his Administration should explore all avenues to renegotiate the HSDRRS cost share payments. Further, if it is determined that the state must repay the debt, the federal government should provide the necessary cost information so that CPRA can verify the amount owed and also ensure that the state does not pay any interest accrued for the amount of time that the US Army Corps of Engineers spent building the system.
- The Governor, Legislature and local governing authorities should develop a plan for the HSDRRS cost share payments.
- The Coastal Protection and Restoration Financing Corporation should begin to explore the best opportunities to secure and leverage the anticipated GOMESA revenues. Factors such as the critical rate of land loss, the cost of construction inflation, and the cost savings for quicker implementation of certain projects should be carefully analyzed to determine the best financing options. It would make sense for the Financing Corporation to also explore how to best leverage all revenue streams, including the existing and anticipated RESTORE Act funding to implement the Master Plan; however, the legislation that established the Financing Corporation may need to be amended to include this additional scope of work.
- The Governor's Advisory Commission on Coastal Restoration and Protection should reengage in the work called for by House Concurrent Resolution No. 144 of the 2012 Regular Legislative Session, to analyze the funding opportunities available for the Master Plan. This work should be used to inform the Coastal Protection and Restoration Financing Corporation.

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- The Administration should continue the state matching program to leverage RESTORE Act funding through the RESTORE State-Parish Matching Program in an effort to encourage local governing authorities to use these funds for coastal protection and restoration and avoid diverting the funds for other use. Further, the state should consider the feasibility of implementing this policy for GOMESA funding.
- Local governing authorities should ensure that the decision-making and procurement process for allocating and investing the funds are done in a transparent manner that includes public input.
- Further, there needs to be an auditing process established to ensure that the funds are spent how they are intended to be spent, especially for the GOMESA and significant new funding streams.
- The CPRA should require that local governing authorities enter into an agreement with the state to provide for operation and maintenance of these assets.
- If feasible, the CPRA should develop guidance for the coastal parishes and provide technical assistance, as needed. This assistance should not only be limited to helping each parish implement projects, but ensuring that the projects work together as a cohesive unit. As long as parishes stick closely to the projects outlined in the Master Plan, coordination between parishes becomes less of a problem.



APPENDIX A

The State Governance Board and the Advisory Commission

THE COASTAL PROTECTION AND RESTORATION AUTHORITY BOARD:ⁱ

The CPRA Board represents the state's position in policy relative to the protection, conservation, enhancement, and restoration of the coastal area of the state; oversees the Coastal Protection and Restoration Trust Fund; enforces compliance with Coastal Master Plan; and develops a master plan for integrated coastal protection and an annual plan for integrated coastal protection for protecting, conserving, enhancing, and restoring the coastal area through the construction and management of integrated coastal protection projects and programs.ⁱⁱ

The CPRA Board was created within the office of the governor and consists of the following members:

1. Executive assistant to the governor for coastal activities
2. Secretary of the Department of Natural Resources or his designee
3. Secretary of the Department of Wildlife and Fisheries or his designee
4. Secretary of the Department of Environmental Quality or his designee
5. Secretary of the Department of Transportation and Development or his designee
6. Secretary of the Department of Economic Development or his designee
7. Commissioner of administration or his designee
8. Commissioner of agriculture and forestry or his designee
9. Seven members appointed by the governor, in consultation with the Police Jury Association of Louisiana and the Association of Levee Boards of Louisiana, from nominations submitted by levee districts located in whole or in part in the coastal area, from legislators who represent districts in whole or in part in the coastal area, and from parish governing authorities located in whole or in part in the coastal area. The appointees shall be residents of the coastal area and shall be appointed on a proportional basis, reflective of the population and land area of the parishes located in whole or in part in the coastal area. There should be at least two appointees who reside in the area of the coastal area located west of the Atchafalaya River and at least two appointees who reside in the coastal area east of the Atchafalaya River.
10. The chair of the Governor's Advisory Commission on Coastal Protection, Restoration, and Conservation or his designee
11. The director of the Governor's Office of Homeland Security and Emergency Preparedness or his designee
12. The speaker of the House of Representative, or his designee, who shall serve as an ex officio member

13. The president of the Senate, or his designee, who shall serve as an ex officio member
14. Any member of the board who represents a political subdivision shall recuse himself from deliberations

THE GOVERNOR'S ADVISORY COMMISSION ON COASTAL PROTECTION, RESTORATION AND CONSERVATION^{III}

The mission of the Advisory Commission is to assist the State of Louisiana in the development and implementation of a holistic plan to achieve a sustainable coastal ecosystem, encompassing the entirety of Louisiana's fragile coast from the Pearl River to the Sabine River, all predicated upon uncompromising engineering, scientific and ecological principles.

The Commission advises the Governor and the Executive Assistant on integrated coastal activities relative to the overall status and direction of the state's coastal protection program. It reviews programs, conditions, trends, and scientific and engineering findings, which affect integrated coastal protection, in order to make recommendations for improvements to the state's integrated coastal protection, efforts.

The Commission develops advice with respect to the identification and resolution of conflicts among agencies and stakeholders related to integrated coastal protection efforts and to assist in the identification of any other activity which might conflict with the integrated coastal protection, efforts. The Executive Assistant's staff, the Office of the Governor – Coastal Activities, provides staffing services for the Commission.

The Governor's Advisory Commission was created within the office of the governor and consists of the following members:^{iv}

1. Two members appointed by the governor from the academic community
2. Two members appointed by the governor from the business and industrial community
3. Two members appointed by the governor from the nonprofit corporation community
4. Two members appointed by the governor from the conservation community
5. Two members appointed by the governor from the agricultural community
6. Two members appointed by the governor from governing bodies of political subdivisions of the state
7. Two members appointed by the governor from the energy production and distribution sector
8. Two members appointed by the governor to represent the fishing community, one from commercial fishing and one from recreational fishing

9. One member appointed by the governor from the oyster industry
10. Two members appointed by the governor to represent coastal landowners
11. Two members appointed by the governor to represent ports and related industries
12. Six members appointed at large by the governor
13. The president of the Senate or his designee
14. The speaker of the House or his designee
15. The chairman of the House Committee on Natural Resources and Environment or his designee
16. The chairman of the Senate Committee on natural Resources or his designee
17. Two members appointed by the Association of Levee Boards of Louisiana from the members of the levee boards having districts located in whole or in part within the Louisiana coastal area.
18. One member appointed by the governor representing the maritime industry
19. The chairman of the House Committee on Transportation, Highways and Public Works or his designee
20. The chairman of the Senate Committee on Transportation, Highways, and Public Works or his designee

i R.S. 49:214.5.1

ii <http://coastal.la.gov>

iii R.S. 49:214.4.1

iv R.S. 49:214.4.1



Appendix B:

Organizations involved in Coastal Restoration in Louisiana

Private foundations and organizations have and continue to play a significant role in the fight to protect and restore Louisiana's coastal assets. Foundations such as the Walton Family Foundation (primary underwriter of this primer), Blue Moon Fund, Oxfam, and Credit Bureau Foundation (Baton Rouge), who have funded our research and educational activities, understand that Louisiana will have one chance to spend the existing and projected revenues intended for coastal restoration responsibly. And, these foundations have invested significant resources in our state in an effort to ensure that coastal stakeholders and our citizens are educated and informed to help hold government accountable for the dollars that are being and will be spent for coastal restoration and protection.

AMERICA'S WETLAND FOUNDATION

The America's WETLAND Foundation (AWF) established in Louisiana, and working throughout the Gulf region, was founded in 2002 in response to a comprehensive coastal study calling on the need to alert the nation to the devastating loss of Louisiana's coastal wetlands and how their loss impacts the rest of the nation. As a balanced forum for problem-solving and sharing of best practices for environmental and economic interests, the Foundation's goal has been to transcend historic and parochial differences for the higher good of saving national environmental and economic assets that support a broad U.S. economy and provides for domestic energy security.

AUDUBON LOUISIANA

Audubon Louisiana is part of a growing, powerful collaborative to deliver ground-breaking approaches to coastal conservation at very large scales and our research supports conservation and restoration policies and practices that are balanced with the needs of the local economy and culture. Our team of scientists has identified more almost 3 million acres of important bird habitat and is already working in the field to conserve and restore these precious habitats. Audubon's mission is to conserve and restore natural ecosystems, focusing on birds, other wildlife, and their habitats for the benefit of humanity and the earth's biological diversity.

BATON ROUGE AREA CHAMBER

The Baton Rouge Area Chamber (BRAC) is a non-profit, investor-driven organization with 1,300 member businesses, civic organizations, education institutions, and individuals. Its mission is to lead economic development in the nine-parish Baton Rouge metropolitan area.

BATON ROUGE AREA FOUNDATION

The Baton Rouge Area Foundation, a community foundation with \$548 million in assets, provides two essential functions for the capital region. The Foundation begins and manages civic leadership projects and connects philanthropists with nonprofits to make sure the needs of our communities are met. The Foundation, working with state

and federal leaders, set about creating The Water Institute of the Gulf. The purpose is to assemble top scientists across many fields to provide answers to land loss. The Institute could become a worldwide resource.

BLUE MOON FUND

Blue Moon Fund works to build human and natural resilience to a changing and warming world. They use natural, social, and financial capital to implement new models in high-biodiversity regions around the world. In Louisiana from New Orleans to the Gulf Coast, the fund supports work to restore the natural balance of environment and development in hopes of preventing future catastrophes.

CENTER FOR COASTAL CONSERVATION

The Center for Coastal Conservation's role is to affect public policy related to the conservation of marine resources with broad abilities to pursue political solutions. The organization is non-partisan and focuses on having an impact in the national political arena, principally Congress and federal regulatory agencies.

CENTER FOR PLANNING EXCELLENCE

CPEX is a non-profit organization that coordinates urban, rural and regional planning efforts in Louisiana. CPEX provides best-practice planning models, innovative policy ideas, and technical assistance to individual communities that wish to create and enact master plans dealing with transportation and infrastructure needs, environmental issues, and quality design for the built environment.

CENTER FOR WATERSHED PROTECTION

The Center for Watershed Protection works to protect, restore, and enhance our streams, rivers, lakes, wetlands, and bays. We create viable solutions and partnerships for responsible land and water management so that every community has clean water and healthy natural resources to sustain diverse life.

COALITION FOR COASTAL RESILIENCE AND ECONOMY (CCRE)

The CCRE is a neutral, non-partisan group of leaders from the Southeast Louisiana business community positioned as an informed, educated voice of advocacy for sustainable restoration efforts in Louisiana's wetlands, river, delta and coastline. The mission of CCRE is to market the business case for coastal restoration in Louisiana; maximize RESTORE and other federal funds that are allocated to Louisiana; ensure that RESTORE and other funds are spent on their intended purposes (LA Coastal Master Plan); leverage RESTORE to secure other revenue streams (e.g. WRDA, revenue sharing); and create opportunities to engage local businesses and workforce in the implementation.

COALITION TO RESTORE COASTAL LOUISIANA

The Coalition to Restore Coastal Louisiana (CRCL) is a non-profit organization whose mission is to drive bold, science-based action to rebuild Coastal Louisiana through outreach, restoration and advocacy. CRCL advocates for the implementation of sound

coastal policies and monitors coastal activities to ensure that stringent regulations and enforcement policies are maintained.

CRCL represents a unique mix of businesses, local governments, industries, scientific communities, national and local conservation groups, hunters, anglers and a broad spectrum of concerned citizens who all share a common vision and commitment to the sustainability of coastal Louisiana. The common vision of these varied and diverse interests is the driving strength of CRCL, the most effective and recognized coastal advocacy organization in the state. CRCL works at the state, local and federal level to ensure that restoring and protecting coastal Louisiana is a top priority for our state and the nation. CRCL facilitates and funds actual restoration projects through our Community-Based Habitat Restoration Program and works diligently to raise awareness and educate others about the importance of preserving and restoring coastal Louisiana

COASTAL CONSERVATION ASSOCIATION

The purpose of the Coastal Conservation Association (CCA) is to advise and educate the public on conservation of marine resources. The objective of CCA is to conserve, promote, and enhance the present and future availability of those coastal resources for the benefit and enjoyment of the general public. The CCA network is engaged in hundreds of local, state, and national projects that initiate scientific studies; fund marine-science scholarships; build artificial reefs; create finfish hatcheries; initiate hydrologic and contaminant studies; monitor freshwater inflows; support local marine law enforcement; and more.

COASTAL PROTECTION AND RESTORATION AUTHORITY

The CPRA is established as the single state entity with authority to articulate a clear statement of priorities and to focus development and implementation efforts to achieve comprehensive coastal protection for Louisiana. The Coastal Protection and Restoration Authority's mandate is to develop, implement, and enforce a comprehensive coastal protection and restoration Master Plan.

For the first time in Louisiana's history, this single state authority is integrating coastal restoration and hurricane protection by marshaling the expertise and resources of the Department of Natural Resources, the Department of Transportation and Development and other state agencies, to speak with one clear voice for the future of Louisiana's coast. Working with federal, state and local political subdivisions, including levee districts, the CPRA is working to establish a safe and sustainable coast that will protect our communities, the nation's critical energy infrastructure and our bountiful natural resources for generations to come.

COASTAL SUSTAINABILITY CONSORTIUM

The Coastal Sustainability Consortium (CSC) is a collaborative effort between participating Louisiana Universities whose faculty are leaders in coastal issues. Participating universities include LSU, Tulane, UL Lafayette, UNO, Louisiana Tech, Loyola, McNeese, Nicholls, Southeastern, Southern, UL Monroe, and Xavier.

CREDIT BUREAU OF BATON ROUGE FOUNDATION

The Credit Bureau of Baton Rouge Foundation promotes a better understanding of the consumer credit system and personal money management so everyone can achieve greater success in life. We seek to create an economically competitive and thriving Louisiana where everyone has the opportunity to reach their full potential because they have the tools and skills to achieve their dreams. We support organizations and initiatives in Louisiana that promote self-sufficiency and family and community stability. We are champions for collaboration, innovation and creative solutions that address the challenges facing communities across our state

THE DATA CENTER

The Data Center is fully independent and are experts at bringing data together from multiple sources. In doing so, they are uniquely able to step beyond the limits of analyzing data from just one perspective and take a 360-degree look at issues that matter most to the region from the government, business, nonprofit, and community perspective. In these ways, The Data Center realizes its mission to build prosperous, inclusive, and sustainable communities by making informed decisions possible. The Data Center's areas of expertise include disaster recovery, regional economic analysis, workforce development, racial disparity indicators, blight reduction, affordable housing, and coastal population movements. Their coastal research examines changing population and employment dynamics along the coast, as well as the economic diversification and spillover potential of coastal restoration work featured in their Coastal Index.

DUCKS UNLIMITED

Ducks Unlimited conserves, restores, and manages wetlands and associated habitats for North America's waterfowl. Ducks Unlimited is seeking to raise \$60 million in public and philanthropic funds to achieve conservation goals on the Gulf Coast. Funding derived from the Gulf Coast Initiative enables Ducks Unlimited to conduct important science, public policy, and outreach efforts, as well as conserving habitats important to waterfowl that migrate and winter on the coast. DU's research and evaluation efforts are the foundation upon which direct conservation programs and policy and outreach work are based.

ENVIRONMENTAL DEFENSE FUND

The Environmental Defense Fund (EDF) is one of the world's largest environmental organizations, with more than one million members and a staff of 500 scientists, economists, policy experts, and other professionals around the world. The EDF has focused their attention on prioritizing the Coastal Master Plan projects with the greatest potential to provide the widest benefits.

GREATER NEW ORLEANS, INC.

Greater New Orleans, Inc. is a regional economic development alliance serving the 10-parish region of Southeast Louisiana. In response to the oil spill, they launched the Coastal Vitality Project to provide information and resources to businesses and individuals impacted by the Deepwater Horizon oil spill. Recognizing the absence of a

unified voice from the greater business community advocating for Coastal Restoration, GNO, Inc. created the Coalition for Coastal Resilience and Economy (CCRE).

GREATER NEW ORLEANS FOUNDATION

The Greater New Orleans Foundation programs addressing coastal restoration help local environmental organizations diversify their base and collaborate with other organizations to increase their effectiveness; bring together appropriate nonprofits to create a complementary group of pilot projects that will provide models for other coastal parishes to use as they adapt to the realities of wetland loss and limited funding for additional structural protections such as levee; sponsor research and convene appropriate NGOs and government entities for collaborations that are relevant to the Foundation's environmental areas of interest, including its coastal work; and help low-income communities of color learn about and abate the high levels of lead in their homes, soil, and neighborhoods.

GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

The Governor's Office of Coastal Activities was created by Act 6 of the 1989 Second Extra-Ordinary Session of the Legislature for the protection, restoration and conservation of coastal Louisiana. The mission of the Governor's Office of Coastal Activities and of the Coastal Protection and Restoration Authority is to provide aggressive state leadership, direction, and consonance in the development and implementation of comprehensive policies, plans and programs which achieve a balanced approach to the protection and restoration of Louisiana's unique coastal resources and the flood and hurricane protection of our communities.

GULF COAST ECOSYSTEM RESTORATION COUNCIL

In July 2012, the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) established the Gulf Coast Ecosystem Restoration Council (Council), which is comprised of governors from the five affected Gulf States, the Secretaries from the U.S. Departments of the Interior, Commerce, Agriculture, and Homeland Security as well as the Secretary of the Army and the Administrator of the U.S. Environmental Protection Agency. One of the Council's primary responsibilities is to develop a Comprehensive Plan to restore the ecosystem and the economy of the Gulf Coast region. The Council approved the Initial Comprehensive Plan in August 2013.

GULF ENVIRONMENTAL BENEFIT FUND

In early 2013, a U.S. District Court approved two plea agreements resolving certain criminal cases against BP and Transocean which arose from the 2010 Deepwater Horizon explosion and oil spill. The agreements direct a total of \$2.544 billion to the National Fish and Wildlife Foundation (NFWF) to fund projects benefiting the natural resources of the Gulf Coast that were impacted by the spill. Between 2013 and 2018, NFWF's newly established Gulf Environmental Benefit Fund will receive a total of \$1.272 billion for barrier island and river diversion projects in Louisiana. The plea agreements required that the funds be allocated solely to barrier island restoration projects and river diversion

projects along the Mississippi and Atchafalaya Rivers. NFWF must give appropriate consideration to Louisiana's Coastal Master Plan and the Louisiana Coastal Area Mississippi River Hydrodynamic and Delta Management Study.

GULF OF MEXICO ALLIANCE

The Gulf of Mexico Alliance is a Regional Ocean Partnership working to sustain the resources of the Gulf of Mexico. Led by the five Gulf States, the broad partner network includes federal agencies, academic organizations, businesses, and other non-profits in the region. Our goal is to significantly increase regional collaboration to enhance the environmental and economic health of the Gulf of Mexico. One of the priorities identified by the five Gulf states is coastal resilience, defined as the capacity of human and natural/physical systems to adapt to and recover from change. GOMA's Coastal Resilience Team will focus on risk communication, resilience assessment, and coastal adaption and planning.

GULF OF MEXICO FOUNDATION

The Gulf of Mexico Foundation's mission is to promote and facilitate conservation of the health and productivity of the Gulf of Mexico and its resources through education, public awareness, research and leadership programs. The Gulf of Mexico Foundation's Conservation and Restoration programs tackle our mission from every angle, working to fund on-the-ground restoration, streamline resource management practices, support habitat protection, and provide resources to organizations, agencies and the public.

GULF RESTORATION NETWORK

Gulf Restoration Network is committed to uniting and empowering people to protect and restore the natural resources of the Gulf Region. Gulf Restoration Network's work spans issues ranging from holding BP accountable for the its drilling disaster to helping restore the coastal lines of defense the protect our communities from storm surge and sea level rise.

LAKE PONTCHARTRAIN BASIN FOUNDATION

Lake Pontchartrain Basin Foundation (LPBF) was established in response to environmental concerns voiced throughout the Basin. As the public's independent voice, LPBF is dedicated to restoring and preserving the water quality, coast, and habitats of the entire Pontchartrain Basin. Through coordination of restoration activities, education, advocacy, monitoring of the regulatory process, applied scientific research, and citizen action, LPBF works in partnership with all segments of the community to reclaim the Basin for this and future generations. Although LPBF has been active in coastal restoration since its inception in 1989, it was in June 2005 that a formal program with a director was created.

LOUISIANA SEA GRANT

Louisiana Sea Grant, based at Louisiana State University, is part of the National Oceanic and Atmospheric Administration's (NOAA) National Sea Grant Program. LSU was designated the nation's thirteenth Sea Grant College in 1978. Louisiana Sea Grant serves as a bridge between our state's academic expertise and the needs of those who manage, conserve, enjoy and make their living on our coast. At any given time, Louisiana Sea

Grant manages or participates in more than 50 research, extension, education and communication projects across the coastal landscape. Through workshops, newsletters, conferences and personal contacts with competing user groups, Sea Grant agents and specialists promote sustainability of coastal and wetland resources.

LOUISIANA WATER ENVIRONMENT ASSOCIATION

The Louisiana Water Environment Association (LWEA) is an open organization dedicated to the protection, promotion and enhancement of the water environment through: meeting the needs of our members for professional growth and development; and sharing information, expertise and resources with our members, the public and others on water environment issues.

LSU COASTAL STUDIES INSTITUTE

The Coastal Studies Institute is an interdisciplinary organization established to foster collaborative coastal science and engineering research in coastal settings, with over twenty leading faculty and more students spanning five departments in five colleges and schools at LSU. Their research is interdisciplinary, including coastal geology, engineering, and oceanography, emphasizing deltaic, shelf and slope sedimentary environments. Their research capabilities include a wide range of field operations, physical and numerical modeling, and laboratory facilities, from deep-ocean moorings to beach monitoring, wave tanks, physical models, high-performance computing, and biogeochemical analyses. Their primary research goal is to develop scientific knowledge, engineering principles, and planning tools to facilitate a resilient human presence and renaissance on deltaic coasts, which are threatened world-wide by land loss and declining water and sediment supplies. An additional broader goal is to enhance LSU research efforts in coastal and shelf-sea processes and products around the world.

LSU COASTAL SUSTAINABILITY STUDIO

The mission of the LSU Coastal Sustainability Studio (CSS), founded in 2009, is to address the challenge of sustaining the ecological, settlement, and economic framework of the coast.

At CSS, scientists, engineers, and designers come together to intensively study and respond to issues of settlement, coastal restoration, flood protection, and the economy. We bring together disciplines that normally work separately so that we can respond to critical coastal issues in a comprehensive way. CSS was conceived as a laboratory to develop new strategies that reduce risk to social, economic, and natural resources. The results of this design experimentation provide a sound basis for major policy decisions for adaptation through more sustainable land-use planning, protection, and education.

LSU SCHOOL OF THE COAST AND ENVIRONMENT

LSU's School of the Coast and Environment exists to provide knowledge, technology, and human resources for successful management of natural resources and resolution of environmental issues important to Louisiana, the Gulf of Mexico region, and comparable areas throughout the nation and the world.

NATIONAL WILDLIFE FEDERATION

National Wildlife Federation (NWF) is a voice for wildlife, dedicated to protecting wildlife and habitat and inspiring the future generation of conservationists. NWF is working with a coalition of conservation groups to help recover the environmental and economic health of the Gulf ecosystem, for wildlife, local communities and the nation.

NATURE CONSERVANCY

The Nature Conservancy is the leading conservation organization working around the world to protect ecologically important lands and waters for nature and people. Through Louisiana's Coastal Restoration and Protection Authority and matching corporate support, The Conservancy is rebuilding and extending Louisiana's coast with artificial oyster reefs. Slowly but steadily we are building a 'living shoreline' with oyster beds which buffer our coast against storm surges and coastal erosion while providing habitat for many species of fish, shellfish and oysters.

OCEAN CONSERVANCY

Ocean Conservancy works to keep the ocean healthy, to keep us healthy. Their goal is to bring people together to find solutions for our water planet. They educate and empower people to defend not only the ocean and its wildlife, but also the millions who earn their living from the ocean. For more than two decades, Ocean Conservancy has worked in the Gulf of Mexico to secure a sustainable future for the region. They are committed to doing everything they can, in coordination with all willing partners, to advocate for science-based restoration plans that go beyond the oil disaster and address the entire Gulf as one interconnected ecosystem. Ocean Conservancy has developed a framework to guide ecosystem restoration efforts in the wake of the BP Deepwater Horizon oil disaster. By convening a range of partners, experts and regional stakeholders, they have also provided decision-makers with recommendations for restoration projects that reflect an integrated and Gulf-wide approach.

OXFAM AMERICA

Oxfam America is a global organization working to right the wrongs of poverty, hunger, and injustice. Oxfam's approach is about tackling the conditions that cause poverty in the first place, rather than the distribution of material goods. Oxfam continues to work to ensure that these policies are implemented in ways that bring economic and environmental benefits to the most vulnerable communities through coastal restoration projects and skill training and hiring processes to employ people most affected by the oil spill. To support their policy positions, Oxfam has issued several research reports.

RESTORE OR RETREAT, INC. (ROR)

Restore or Retreat (ROR) is a non-profit coastal advocacy group created by coastal Louisiana residents and stakeholders who recognize that the Barataria and Terrebonne basins are the two most rapidly eroding estuaries on earth, and that this erosion represents an economic and ecological crisis. With a growing membership of over 250 businesses and individuals, ROR seeks to identify and expedite the implementation of aggressive, large-scale restoration projects to protect this irreplaceable region.

TULANE INSTITUTE ON WATER RESOURCES LAW AND POLICY

The Tulane Institute on Water Resources and Policy works to foster understanding and development of laws and policies that allow for improved stewardship and sustainable management of our water resources through research, teaching, and outreach. The Institute uses the efforts to cope with recovery, sustainability and coastal change in New Orleans and the surrounding coast as a “living laboratory”. This “laboratory” offers a unique crucible for forging an understanding of how water resources law and policy shape both risk and opportunity, and how efforts to apply science, engineering, and resource management practices to meet our society’s ecologic, cultural, and economic needs might be better served by enlightened law and policy both locally and beyond.

WALTON FAMILY FOUNDATION

For nearly three decades, the Walton Family Foundation has continued the philanthropic vision begun by Walmart founders Sam and Helen Walton. They had an unshakable belief in the power of individuals to transform their lives. Today the Walton Family Foundation, led by Sam and Helen’s children and grandchildren, focuses on awarding grants that drive not just incremental, but transformative, change. The Walton Family Foundation is committed to preserving marine biodiversity in four priority ecosystems around the world through projects that protect threatened species while ensuring that local industries and communities can thrive.

THE WATER INSTITUTE OF THE GULF

The Water Institute of the Gulf is a not-for-profit, independent research institute dedicated to advancing the understanding of coastal, deltaic, river and water resource systems, both within the Gulf Coast and around the world. Our mission supports the practical application of innovative science and engineering, providing solutions that benefit society. The Water Institute’s work provides coastal communities with improved information about the kinds of changes they can expect and what they can do to prepare for such changes.

Acknowledgements

This Coastal Primer could not have been produced without the expert advice and meaningful dialogue and deliberations from the subject matter experts who are extraordinary assets to our state and nation.

STAKEHOLDER CONTRIBUTORS AND REVIEWERS:

King Milling	Garret Graves	Robin Barnes
Justin Ehrenwerth	Mark Davis	Tanner Johnson
Cynthia Duet	Janice Lansing	Karen Gautreaux
Kyle Graham	Jenny Kurtz	Lacy Strohschein



Endnotes

- i. <http://coastal.la.gov/a-common-vision/2012-coastal-master-plan/>
- ii. Local Area Change in Coastal Louisiana from 1930 to 2010, http://pubs.usgs.gov/sim/3164/downloads/SIM3164_Pamphlet.pdf
- iii. America's Wetlands, <http://americaswetland.com>
- iv. CRCL.org, Coalition to Restore Coastal Louisiana Case for Support
- v. Barras, J.A. 2009. Land area change and overview of major hurricane impacts in coastal Louisiana, 2004- 08. U.S. Geological Survey Scientific Investigations Map 3080. <<http://pubs.usgs.gov/sim/3080/>>
- vi. Groves, D., Fischbach, J., Knopman, D., Johnson, D., & Giglio, K. (2014). Strengthening coastal planning: How coastal regions could benefit from Louisiana's planning and analysis framework (p. 6). RAND Corporation.
- vii. Gulf of Mexico Regional Ecosystem Restoration Strategy, http://archive.epa.gov/gulfcoasttaskforce/web/pdf/gulfcoastreport_full_12-04_508-1.pdf
- viii. Economic Evaluation of Coastal Land Loss in Louisiana, December 2015 http://coastal.la.gov/wp-content/uploads/2015/12/LSU-Rand_Report_on_Economics_of_Land_Loss-2.pdf
- ix. Center on Globalization, Governance & Competitiveness, Duke University. 2011. "Restoring the Gulf Coast: New markets for established firms." http://cggc.duke.edu/pdfs/CGGC_Gulf-Coast-Restoration.pdf.
- x. Restore America's Estuaries. 2011. Jobs & Dollars: Big returns from coastal habitat restoration. http://www.estuaries.org/images/81103-RAE_17_FINAL_web.pdf.
- xi. Louisiana Workforce Commission. 2011. "Coastal Restoration Spending in Louisiana." http://lwc.laworks.net/sites/LMI/GreenJobs/Reports/Coastal_Restoration_Spending_in_Louisiana.pdf.
- xii. Established in the state treasury the Coastal Protection and Restoration Fund to provide a dedicated, recurring source of revenues for the development and implementation of a program to protect and restore Louisiana's coastal area.
(B)(1) After making the allocations provided for in Paragraph (A), the treasurer shall then deposit in and credit to the Coastal Protection and Restoration Fund any amount of mineral revenues that may be necessary to insure that a total of five million dollars is deposited into such fund for the fiscal year from this source; provided that the balance of the fund which consists of mineral revenues from severance taxes, royalty payments, bonus payments, or rentals shall not exceed an amount provided by law, but in no event shall the amount provided by law be less than five hundred million dollars.
(2) After making the allocations and deposits provided for in Paragraphs (A) and (B)(1) of this Section, the treasurer shall deposit in and credit to the Coastal Protection and Restoration Fund

as follows:

(a) Ten million dollars of the mineral revenues in excess of six hundred million dollars which remain after the allocations provided for in Paragraph (A) are made by the treasurer.

(b) Ten million dollars of the mineral revenues in excess of six hundred fifty million dollars which remain after the allocations provided in Paragraph (A) are made by the treasurer.

However, the balance of the fund which consists of mineral revenues from severance taxes, royalty payments, bonus payments, or rentals shall not exceed an amount provided by law, but in no event shall the amount provided by law be less than five hundred million dollars.

Note: The constitution provides for certain fund balance limitations. This fund generates approximately \$30m/year. **This is the only state, predictable funding source** (constitutional, statutory dedication, also \$4m in from DOTD TTF). Also, note that this fund received a \$2.2 m mid year cut, the first time in history that the fund was cut. The trust fund earns interest which remains in the fund until used, and has the same requirements for use.

- xiii. CPRA Estimates \$140M through 2055 based on xxx (what is the source for this information?) Department of Interior Estimates presented to the CPRA Board in 2013.
- xiv. CWPPRA is a federal statutory dedication and the funding represents projected federal reimbursement for CWPPRA projects administered by CPRA where the state is initially incurring more than it's 15% cost share during project implementation. Program expires in 2019 and policy makers are working on reauthorization.
- xv. Provides grant funds derived from Federal offshore lease revenues to oil-producing States for conservation, protection, or restoration of coastal areas, wildlife and natural resources. CIAP funds must be spent by December 31, 2016.
- xvi. Of the total \$2.544 billion directed to NFWF to fund projects benefitting the spill impacted natural resources of the Gulf Coast, Louisiana's share of the criminal penalties is \$1.272 billion. According to the terms of the agreement, the timeline for receipt of Louisiana's share of the funds by NFWF is as follows:

April 2013	\$79 million
February 2014	\$176.5 million
February 2015	\$169.5 million
February 2016	\$150 million
February 2017	\$250 million
February 2018	\$447 million
- xvii. In July 2015, BP announced that they had reached agreements in principle to settle all federal and state civil claims arising from the Deepwater Horizon accident and spill. It is important to note that this agreement in in principle and subject to the execution of definitive agreements that will include a Consent Decree with the U.S. and Gulf states with respect to the civil penalty and natural resource damages, a settlement agreement with five Gulf states with respect to state and local claims for economic and property losses, and release agreements with local government entities. Further, the Consent Decree is subject to public comment and final court approval. The Consent Decree and settlement agreement with the Gulf states are conditional upon each other and neither will become effective unless (1) there is final court approval for

the Consent Decree and (2) local government entities execute releases to BP’s satisfaction. The executed agreement in principle is intended to settle all, including local claims, with up to \$18.7 billion in payments to be spread over 18 years. Louisiana’s Share of the BP Settlement Agreement in Principle is \$6.8 billion is comprised of the following components:

- \$5 billion for natural resource damages (includes \$368 m in previously allocated early restoration), to be paid over 15 years beginning 12 months after the agreements are executed. CPRA estimates NRDA payments: 2017 - \$319M, 2018 - \$159M, 2019–2031 - \$319M.
- A minimum of approximately \$787 million of Clean Water Act civil penalties distributed through the RESTORE Act (as illustrated above), to be paid over 15 years beginning 12 months after the agreements are executed. Louisiana’s funding amount of the RESTORE Council distributed funds has yet to be determined.
- \$1 billion for state economic damages to be paid over 15 years, beginning on [Has LFO or AG published their comments on this, yet? Not that I am aware of]. R.S. 39:91, requires the funds to be deposited into the Deepwater Horizon Economic Damages Collection Fund the allocates them as follows:
 - 45% to Budget Stabilization Fund, up to it’s cap (currently at \$811 million, but will be recalculated by Treasury this Fall) (add footnote for Budget Stabilization Fund citation)
 - 45% to Medicaid Trust Fund for the Elderly RS 46:2691
 - 10% to Health Trust Fund 46:2731
 - Fund earnings allocated to higher education Act 396

xviii. Thirty percent of the penalties (\$1.56 billion) and half of all interest earned on Trust Fund investments make up the second component, the “Comprehensive Plan Component,” which is administered by the Gulf Coast Ecosystem Restoration Council (Council), a new independent Federal entity made up of the five Gulf Coast States and six Federal agencies or departments. These funds are intended to be used for projects and programs for the restoration of the Gulf Coast region, based on a comprehensive plan developed by the Council. Funds in this component will be allocated across the Gulf according to a Funded Priorities List (FPL). According to the Treasury, the amount currently available to the Council for distribution is \$239 million. Funds in this component will be allocated across the Gulf according to a Funded Priorities List (FPL). CPRA estimates that Louisiana’s share is 40% or \$620M. Project grants were submitted to the Council, the Council has published the FPL for review, and the public comment period closes on September 28, 2015. Projects submitted by the CPRA Board include:

West Grand Terre Beach for Engineering and Design – \$7.2 million
River Reintroduction into Maurepas Swamp for Engineering and Design – \$14.2 million
Biloxi Marsh Living Shoreline Engineering and Design – \$3.2 million
Golden Triangle Marsh Creation – \$4.3 million
Lowermost Mississippi River Management Evaluation – \$16.1 million

- xix. The third component of the Trust Fund distribution, the “Spill Impact Component”, also administered by the Gulf Coast Ecosystem Restoration Council, divides 30 percent among the five Gulf Coast States based on a formula to implement State Expenditure Plans, which require approval by the Council, and to be invested in projects, programs, and activities identified in an approved State Expenditure Plan. Per the Council, this is a two-phase application process. The first part of the application process is the submission of a planning State Expenditure Plan (SEP), which must be approved by the RESTORE Council Chairperson. The second part of the application process is the submission of grant application materials by the eligible entities.^{xxiii} The grant application materials cannot be submitted until the SEP has been approved by the Chairperson. The Announcement for Spill Impact Component Planning Grants provides detailed information and requirements for both phases. Louisiana’s share, (\$539.6 million), will be invested in the Coastal Master Plan, once State Funding Plan is approved.
- xx. The Centers for Excellence Research Grants Program, administered by the US Department of Treasury, will allocate the funds directly and equally to the five Gulf States for the establishment of a Gulf Coast Center of Excellence in each state. Louisiana’s share, estimated at \$26 million, will be invested in the Water Institute of the Gulf, the state’s designated Center of Excellence. The Water Institute was selected through a competitive procurement process administered by CPRA. CPRA has submitted the grant to Treasury and it is currently under review. According to Treasury, the Centers of Excellence Research Grants Program currently has \$4 million available for distribution to Louisiana.
- xxi. *Save Ourselves, Inc. et al. v. Louisiana Environmental Control Commission* (452 So. 2d 1153, La. 1984)(May 14, 1984)
- xxii. *Avenal, et al. v. State*, 886 So 2d 1085, pp. 1101-1102 (La. 2004)(Oct. 19, 2004)
- xxiii. *Avenal, et al. v. State*, 886 So 2d 1085, pp. 1101-1102 (La. 2004)(Oct. 19, 2004)
- xxiv. Act 8 of the First Extraordinary Session of 2005
- xxv. Act 523 of the 2009 Regular Legislative Session
- xxvi. 2017 Coastal Master Plan, Coastal.la.gov
- xxvii. Coastal Protection and Restoration Authority Board Meeting – October 21, 2015
Resolution No. 2015-10-01
- xxviii. BP Settlement Agreement in Principle
In July 2015, BP announced that they had reached agreements in principle to settle all federal and state civil claims arising from the Deepwater Horizon accident and spill. It is important to note that this agreement is in principle and subject to the execution of definitive agreements that will include a Consent Decree with the U.S. and Gulf states with respect to the civil penalty and natural resource damages, a settlement agreement with five Gulf states with respect to state and local claims for economic and property losses, and release agreements with local government entities. Further, the Consent Decree is subject to public comment and final court approval. The Consent Decree and settlement agreement with the Gulf states are conditional upon each other and neither will become effective unless (1) there is final court approval for

the Consent Decree and (2) local government entities execute releases to BP's satisfaction. The executed agreement in principle is intended to settle all, including local claims, with up to \$18.7 billion in payments to be spread over 18 years.^{xxvi} The \$18.732 billion agreement includes the following damages and penalties for the U.S. and the five Gulf states:

- \$8.1 billion for natural resource damages (NRD): This amount includes \$1 billion already allocated in the early restoration framework explained above.
- \$232 million to address unknown natural resource damages: BP will also set aside this amount at the end of the payment period to cover any further natural resources damages that are unknown at this time.
- \$5.5 billion for Clean Water Act civil penalties: These funds will be paid to the U.S. to resolve Clean Water Act civil penalties with a certain portion directed to the impacted Gulf states pursuant to the RESTORE Act subject to final approval by the RESTORE Act Council.
- \$4.9 billion for state economic losses: The funds will be paid to the impacted Gulf states to resolve their economic claims.
- Up to \$1 billion for local governmental economic losses: These funds will be paid to resolve economic claims of the vast majority of local governmental entities located in the impacted Gulf states.
- \$350 million to cover outstanding natural resource damage assessments and \$250 million to cover the full settlement of outstanding response costs, False Claims Act claims, and royalties owed for the Macondo well.

The agreements do not cover the remaining costs of the 2012 class action settlements with the Plaintiff's Steering Committee for economic and property damage and medical claims, claims by individuals and businesses that opted out of the 2012 settlements, and/or claims that were excluded from the settlements.

xxix. Louisiana Legislative Fiscal Office

xxx. RS 39:99.26-44

xxxi. Const. Art. VII. § 39, 40

xxxii. R.S. 49:214.6.3