

Section 4

Projections: Fiscal Years 2015 – 2016 – 2017

Table 4-1 presents projected State revenues over the next three fiscal years. Tables 4-2 through 4-4 show how the State proposes to spend its coastal budget over the next three fiscal years. Figures 4-1 through 4-3 depict projected expenditures by project phase for FY 2015–FY 2017, respectively.

While the three-year projections provide readers with an informative picture of the State's upcoming activities, the Legislature only reviews and approves expenditures for FY 2015 (July 1, 2014 through June 30, 2015). The implementation plan incorporates projects that have received funding for planning, design, construction, or OM&M. The State is exploring new funding sources, with the intent of obtaining this level of funding consistently from year to year so that new projects can continue to be brought on line. The State acknowledges that new project opportunities may arise as Federal funds become available after the approval of the FY 2015 Annual Plan. In this event, any requests for additional expenditures will be submitted for approval by the CPRA Board.

Sources of Coastal Funding

The State will continue to pursue new possible funding sources while we make the most efficient use of existing funding sources, which include the following:

- The state Coastal Protection and Restoration Trust Fund is largely supported by mineral revenues and severance taxes on oil and gas production on state lands. The Trust Fund provides funding for the coastal program's ongoing operating expenses and for continuing State efforts in coastal restoration and protection.
- The USFWS Administrator of the CIAP program allocated approximately \$497 million in CIAP funds to Louisiana and its 19 coastal parishes over a four-year period, with the State receiving 65 percent. All State CIAP funds are expected to be expended by December 2016.
- The Louisiana Legislature allocated funds from State budget surpluses in 2007, 2008, and 2009 to the coastal program, providing a \$790 million investment in coastal protection and restoration efforts. All surplus funds are currently projected to be expended by FY 2017.
- The Gulf of Mexico Energy Security Act (GOMESA) provides four Gulf Coast states, including Louisiana, with 37.5 percent of Federal revenue gained from new OCS drilling leases. Full funding from GOMESA will begin in 2017 and is expected to eventually contribute \$100–200 million to Louisiana each year. No end date has been established for GOMESA funding. The State is considering bonding GOMESA funds based on expected revenue from future oil and gas royalty payments, a strategy that could contribute significant funding to the coastal program over the near-term. The State is also considering borrowing GOMESA funds from the Federal government based on expected future royalties. Before bonding or borrowing can take place, however, the U.S. Department of the Interior must publish regulations for allocating funds to the State, and the State must estimate the amount of money that can be expected from oil and gas revenues (both short- and long-term). With these estimates, the potential revenue stream can be evaluated.

- Louisiana received \$1.06 billion in CDBG funding to assist in the recovery from Hurricanes Gustav and Ike. This total includes an allocation of \$27.4 million for State coastal protection and restoration projects. All CDBG funding resulting from Hurricanes Gustav and Ike is currently projected to be expended by FY 2015.
- The Office of the Governor generates a Capital Outlay Budget Proposal with a list of projects to be granted cash and non-cash lines of credit. State and non-State entities may submit Capital Outlay requests for inclusion in the proposal. For FY 2015, the CPRA is requesting Capital Outlay funding to supplement implementation of 15 coastal projects. Additional information about this request is presented in Appendix F. Final decisions on Capital Outlay requests will be announced at the close of the 2014 Regular Legislative Session.

Development of Funding Projections

The budget projections in Tables 4-2 through 4-4 show the amount of State funds that would actually be needed to accomplish the proposed implementation plan for the next three fiscal years. When developing these projections, the planning team worked with the following assumptions:

1. Projected Trust Fund revenues are based on the most recent available information; however, this revenue is difficult to estimate in advance because of a complicated formula and funding triggers based largely on fluctuating mineral revenues.
2. All remaining funds earmarked for projects from 2007, 2008, and 2009 surplus funds were carried forward and are shown as revenue for the purposes of the FY 2015 Annual Plan.
3. Funding projections represent known avenues through which funding will be received. However, many uncertainties persist regarding the percentages and amounts of funding to be provided by the Federal government and local sponsors. Should more dollars become available, the State will be able to expand its efforts and allocate these funds under the direction of the CPRA Board.

Forecasting the Future Funding Picture

The Coastal Master Plan outlines projects for implementation over a 50 year planning horizon. To support this effort, the State is actively pursuing possible sources of funding that may be available over the next 50 years to support future coastal restoration and flood risk reduction projects. The *Deepwater Horizon* oil spill has the potential to be a significant source of funding in the coming years.

Flexibility to Respond to Changing Conditions

Revenue and expenditure projections in Tables 4-1 and 4-2 are based on the most recent available information. Tables 4-1 and 4-2 present a forecast based on a snapshot in time. However, as the *Deepwater Horizon* oil spill illustrates, the coastal program needs some degree of funding flexibility to enable the State to respond appropriately to changing conditions on the ground. The CPRA has been granted authority to reprogram dollars from approved funding streams and allocate the dollars to best meet new opportunities or needs. Reprogramming of existing and new funds will likely occur, with approval from the CPRA Board, to ensure that limited coastal program funds are allocated to the areas of greatest need and in a manner that will provide the greatest overall benefit to the coast. Such flexibility allows the coastal program to respond effectively to unforeseen events that take place outside the legislatively mandated planning cycle.

► **Table 4-1: Projected Three-Year Revenues (FY 2015 - FY 2017)**

Revenue Sources	FY 2015	FY 2016	FY 2017	Program Total (FY 2015 - FY 2017)
CPR Trust Fund Annual Revenue ¹	\$33,131,175	\$33,100,000	\$33,100,000	\$99,331,175
CPR Trust Fund Carried Forward	\$15,320,000	\$0	\$0	\$15,320,000
GOMESA ¹	\$80,775	\$80,775	TBD	\$161,550
DOTD Interagency Transfer ¹	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000
CIAP	\$78,616,250	\$30,755,349	\$16,691,884	\$126,063,483
Surplus '07, '08, '09	\$291,732,872	\$53,178,060	\$120,000	\$345,030,933
Community Development Block Grants	\$13,520,558	\$3,565,520	\$0	\$17,086,078
LOSCO	\$1,111,403	\$202,074	\$0	\$1,313,477
NRDA Early Restoration ²	\$78,555,920	\$115,368,331	\$34,497,051	\$228,421,302
NFWF	\$113,161,715	\$81,953,872	\$115,094,000	\$310,209,587
Other Oil Spill Related Revenues	\$43,115,935	\$38,221,005	\$118,030,070	\$199,367,009
LDNR Mitigation Funds ³	\$2,154,000	\$0	\$0	\$2,154,000
LDNR Beneficial Use Funds ⁴	\$1,200,000	\$0	\$0	\$1,200,000
Iberia Parish IGA ⁵	\$300,000	\$0	\$0	\$300,000
MOEX Settlement ⁶	\$6,259,059	\$0	\$0	\$6,259,059
OCD-DRU Grant ⁷	\$575,000	\$0	\$0	\$575,000
Berm to Barrier ⁸	\$161,462	\$134,028	\$81,719	\$377,209
FEMA Reimbursement for OM&M	\$5,264,655	\$0	\$0	\$5,264,655
Project Generated - Adaptive Management	\$18,719,241	\$17,754,220	\$20,071,584	\$56,545,045
Project Billing	\$18,500,000	\$18,500,000	\$18,500,000	\$55,500,000
Capital Outlay Request Submitted for HSDRRS 30-Year Payback	\$0	\$73,277,135	\$73,277,135	\$146,554,270
Total Projected Revenue	\$725,480,021	\$470,090,369	\$433,463,442	\$1,629,033,832

Notes

1. Annually recurring revenue source.
2. NRDA funds have not been procured; projections represent possible FY 2015 - FY 2017 expenditures if funding is procured by June 30, 2014. NRDA project schedules are currently under development and may be refined at a later date; funds will be distributed according to final project schedules.
3. Used to partially fund BA-43 (EB) and ME-25 SF.
4. Used to partially fund ME-25 SF and additional marsh creation in Plaquemines Parish.
5. Used to partially fund TV-57.
6. Represents anticipated balance as of FY 2015 of an initial deposit of \$6.75 million of funds from the MOEX settlement.
7. Used to fund Coastal Community Resiliency Program.
8. Used to fund monitoring of constructed Berm to Barrier projects.

► **Table 4-2: Projected Three-Year Expenditures¹ (FY 2015 - FY 2017)**

Program/Funding Source	FY 2015	FY 2016	FY 2017	Program Total (FY 2015 - FY 2017)
CWPPRA Projects (not including Surplus expenditures) ²	\$18,373,834	\$24,178,492	\$25,000,000	\$67,552,326
WRDA Projects (not including Surplus or CIAP expenditures)	\$0	\$0	\$0	\$0
CIAP Projects and Programs (not including Surplus Expenditures)	\$78,616,250	\$30,755,349	\$16,691,884	\$126,063,483
Surplus Projects and Programs	\$291,732,872	\$53,178,060	\$120,000	\$345,030,933
Community Development Block Grants	\$13,520,558	\$3,565,520	\$0	\$17,086,078
HSDRRS 30 Year Payback ³	\$0	\$73,277,135	\$73,277,135	\$146,554,270
State-Only Projects (Non-Surplus)	\$8,944,410	\$2,096,000	\$33,586,000	\$44,626,410
NRDA Early Restoration Expenditures ⁴	\$78,555,920	\$115,368,331	\$34,497,051	\$228,421,302
NFWF Expenditures (not including Surplus Expenditures)	\$113,161,715	\$81,953,872	\$115,094,000	\$310,209,587
Other Oil Spill Related Expenditures (not including Surplus Expenditures)	\$43,115,935	\$38,221,005	\$118,030,070	\$199,367,009
LOSCO	\$1,111,403	\$202,074	\$0	\$1,313,477
LDNR Mitigation Expenditures ⁵	\$2,154,000	\$0	\$0	\$2,154,000
LDNR Beneficial Use Expenditures ⁶	\$1,200,000	\$0	\$0	\$1,200,000
Iberia Parish IGA Expenditures ⁷	\$300,000	\$0	\$0	\$300,000
OM&M- Projects (not including Surplus or CIAP expenditures)	\$10,744,312	\$13,817,299	\$4,719,415	\$29,281,026
OM&M- Marine Debris Removal (FEMA)	\$6,160,662	\$0	\$0	\$6,160,662
Project Support	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000
Operating Costs (see Tables 4-3 and 4-4)	\$53,795,400	\$64,669,121	\$60,994,711	\$179,459,232
Total Planned Expenditures	\$725,487,271	\$505,282,257	\$486,010,265	\$1,716,779,794

Notes

1. Represents proposed expenditures provided that commensurate level of funding is received.
2. Because CWPPRA projects compete for funding annually, CWPPRA expenditures as presented in Appendix B (which include projected expenditures for approved projects only) do not adequately capture likely CWPPRA expenditures in outlying years. The State's estimated CWPPRA expenditures for FY 2016 - FY 2017 are therefore based on prior years' expenditures.
3. Payback is based on current HSDRRS construction schedule; payback will not commence until completion of HSDRRS construction activities and consequently payback schedule may be revised at a later date.
4. NRDA funds have not been procured; projections represent possible FY 2015-2017 expenditures if funding is procured by June 30, 2014. NRDA project schedules are currently under development and may be refined at a later date; funds will be distributed according to final project schedules.
5. Used to partially fund BA-43 (EB) and ME-25 SF.
6. Used to partially fund ME-25 SF and additional marsh creation in Plaquemines Parish.
7. Used to partially fund TV-57.

► **Table 4-3: Programmatic Projected Three-Year Expenditures (FY 2015 - FY 2017)**

Program	FY 2015	FY 2016	FY 2017	Program Total (FY 2015 - FY 2017)
Ongoing Program Expenditures				
Beneficial Use Program ¹	\$4,000,000	\$2,000,000	\$2,000,000	\$8,000,000
Carbon Credits Program	\$750,000	\$1,000,000	\$1,000,000	\$2,750,000
Vegetative Plantings	\$400,000	\$400,000	\$400,000	\$1,200,000
Assistance to Levee Authorities	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
Coastal Science Assistantship Program	\$300,000	\$300,000	\$300,000	\$900,000
Workshop and Conference Development	\$100,000	\$125,000	\$125,000	\$350,000
Youth Wetlands Education and Outreach Program	\$500,000	\$500,000	\$500,000	\$1,500,000
Restoration Partnerships	\$1,000,000	\$1,000,000	\$1,000,000	\$3,000,000
Total Ongoing Programs Expenditures	\$8,050,000	\$6,325,000	\$6,325,000	\$20,700,000
Adaptive Management Expenditures				
Barrier Island Maintenance Program ¹	\$3,264,905	\$0	\$0	\$3,264,905
System Wide Assessment and Monitoring Program ²	\$5,000,000	\$11,550,000	\$10,175,000	\$26,725,000
Flood Protection Inspections / Analysis	\$750,000	\$2,700,000	\$2,700,000	\$6,150,000
Data Management ¹	\$2,100,000	\$2,100,000	\$2,350,000	\$6,550,000
Monitoring Data Interpretations	\$1,700,000	\$1,800,000	\$2,200,000	\$5,700,000
Model Development and Maintenance ¹	\$4,200,000	\$4,500,000	\$2,250,000	\$10,950,000
Small Scale Physical Model	\$500,000	\$750,000	\$750,000	\$2,000,000
Future Project Development	\$1,700,000	\$1,500,000	\$1,550,000	\$4,750,000
Science Advisory Boards	\$770,000	\$770,000	\$770,000	\$2,310,000
Louisiana Coastal Engineering, Research, and Education ²	\$11,550,000	\$1,550,000	\$300,000	\$13,400,000
Total Adaptive Management Expenditures	\$31,534,905	\$27,220,000	\$23,045,000	\$81,799,905
TOTAL Programmatic Expenditures	\$39,584,905	\$33,545,000	\$29,370,000	\$102,499,905
Programmatic Surplus Expenditures	\$18,206,535	\$925,590	\$0	\$19,132,125
Programmatic Operations Expenditures	\$21,378,370	\$32,619,410	\$29,370,000	\$83,367,780
Notes				
1. FY 2015 expenditures fully funded by surplus funds.				
2. FY 2015 expenditures partially funded by surplus funds.				

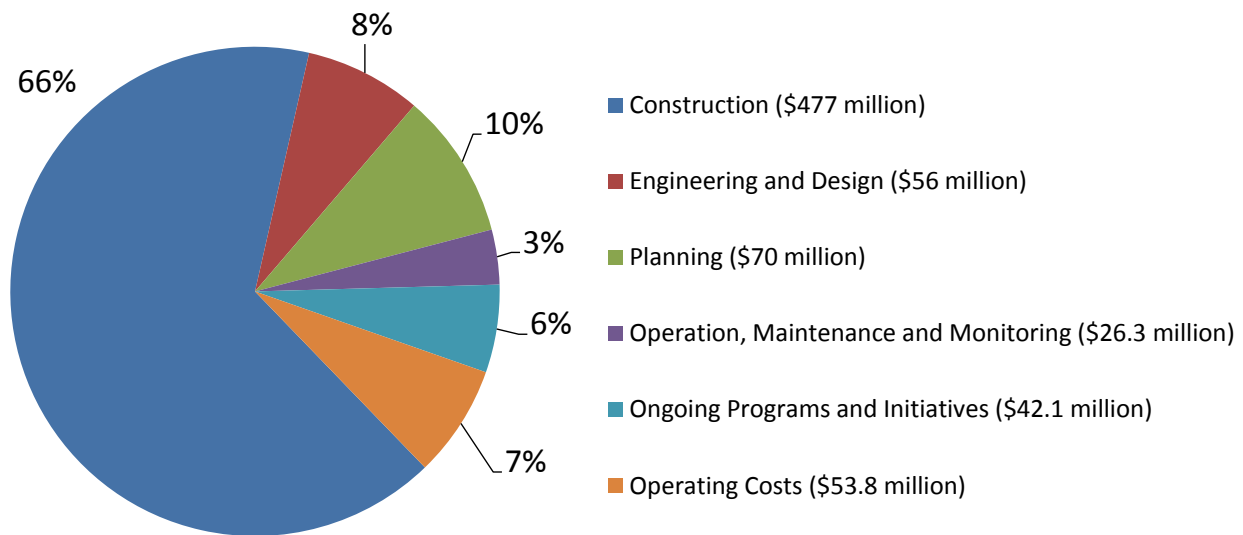
► **Table 4-4: State Protection and Restoration Projected Three-Year Operating Expenditures (FY 2015 - FY 2017)**

Program	FY 2015	FY 2016	FY 2017	Program Total (FY 2015 - FY 2017)
CPRA	\$25,240,847	\$25,240,847	\$25,240,847	\$75,722,541
OCM ¹	\$2,902,134	\$2,902,134	\$2,902,134	\$8,706,402
Office of the Governor - Coastal Activities	\$1,397,730	\$1,397,730	\$1,397,730	\$4,193,190
DNR OMF - Annual	\$1,649,000	\$1,649,000	\$1,649,000	\$4,947,000
DNR OMF - Federal Grant Administration	\$1,042,319	\$675,000	\$250,000	\$1,967,319
Office of the Attorney General	\$185,000	\$185,000	\$185,000	\$555,000
Total Operating Costs	\$32,417,030	\$32,049,711	\$31,624,711	\$96,091,452

Notes

1. Includes \$75,000 per fiscal year for support of the Louisiana Department of Wildlife and Fisheries.

► **Figure 4-1: Projected FY 2015 Expenditures by Project Phase**

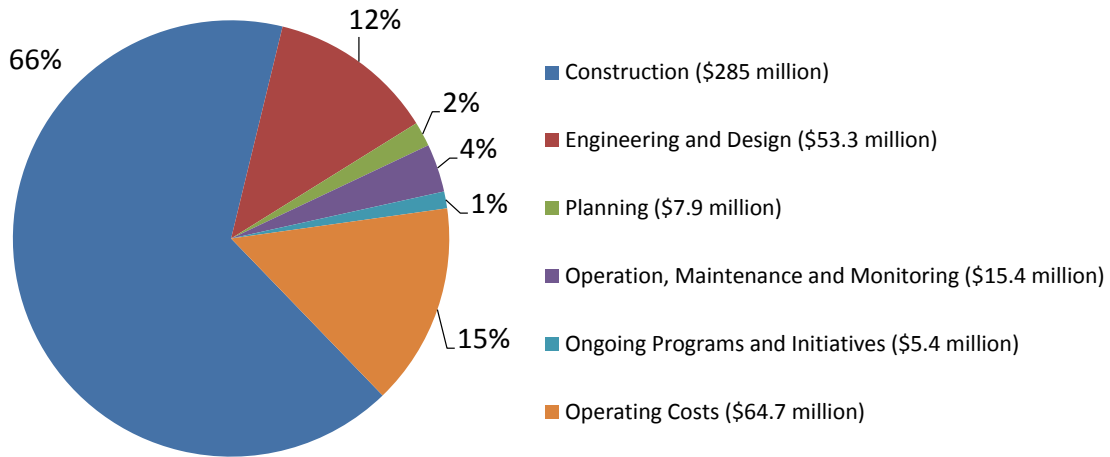


Notes

- Construction includes Beneficial Use (\$4 million)
- OM&M includes BIMP (\$3.3 million), Repair/Rehabilitation of Projects (\$1.1 million) and Marine Debris Removal (\$6.2 million)
- Ongoing Programs Includes Project Support (\$4 million)

TOTAL Expenditures
\$725 million

► **Figure 4-2: Projected FY 2016 Expenditures by Project Phase**

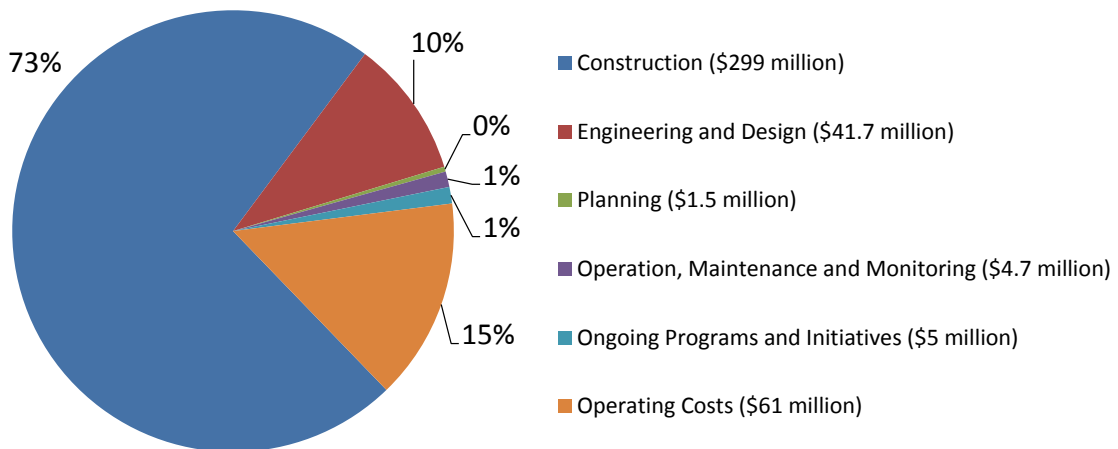


Notes

- Construction includes Beneficial Use (\$2 million)
- Engineering and Design and Construction include CWPPRA adjustment for outlying years (see Table 4-2 for explanation)
- Ongoing Programs includes Project Support (\$4 million)
- Total excludes HSDRRS Payback (\$73.3 million)

TOTAL Expenditures
\$432 million

► **Figure 4-3: Projected FY 2017 Expenditures by Project Phase**



Notes

- Construction includes Beneficial Use (\$2 million)
- Engineering and Design and Construction include CWPPRA adjustment for outlying years (see Table 4-2 for explanation)
- Ongoing Programs includes Project Support (\$4 million)
- Total excludes HSDRRS Payback (\$73.3 million)

TOTAL Expenditures
\$413 million