

Section 4

Projections: Fiscal Years 2016 – 2017 – 2018

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 2016–FY 2018, 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 2016 (July 1, 2015 through June 30, 2016). 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 2016 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 2018.
- 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 2017.
- 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 2016, the CPRA is requesting Capital Outlay funding to supplement implementation of 13 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 2015 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:

- 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.
- 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 2016 Annual Plan.
- 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 2016 - FY 2018)**

Revenue Sources	FY 2016	FY 2017	FY 2018	Program Total (FY 2016 - FY 2018)
CPR Trust Fund Annual Revenue ¹	\$27,600,000	\$27,900,000	\$28,400,000	\$83,900,000
CPR Trust Fund Carried Forward	\$11,297,895	\$0	\$0	\$11,297,895
GOMESA ¹	\$80,775	\$80,775	\$140,000,000	\$140,161,550
DOTD Interagency Transfer ¹	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000
DOTD Interagency Transfer - Projects	\$100,000	\$45,470	\$0	\$145,470
CWPPRA Federal Funds ²	\$41,667,195	\$43,438,535	\$42,908,859	\$128,014,589
CIAP	\$69,114,819	\$14,791,346	\$0	\$83,906,165
Surplus '07, '08, '09	\$216,174,656	\$68,260,848	\$24,593,938	\$309,029,442
Community Development Block Grants	\$10,870,161	\$3,553,851	\$0	\$14,424,012
Capital Outlay Funds	\$9,599,885	\$0	\$0	\$9,599,885
NRDA Early Restoration ³	\$141,479,000	\$69,062,699	\$231,161	\$210,772,860
NFWF	\$108,508,359	\$42,669,185	\$9,275,194	\$160,452,738
Proposed RESTORE Revenues	\$22,654,397	\$24,483,191	\$78,474,156	\$125,611,744
LDNR Mitigation Funds ⁴	\$800,000	\$0	\$0	\$800,000
LDNR Beneficial Use Funds ⁴	\$500,000	\$0	\$0	\$500,000
Iberia Parish IGA ⁵	\$380,000	\$0	\$0	\$380,000
St. Mary Levee District Funds ⁶	\$875,000	\$0	\$0	\$875,000
MOEX Settlement ⁷	\$3,226,712	\$435,847	\$1,409,400	\$5,071,959
OCD-DRU Grant ⁸	\$675,000	\$0	\$0	\$675,000
Berm to Barrier ⁹	\$99,544	\$104,612	\$99,687	\$303,843
OM&M Federal Funds ¹⁰	\$36,354,917	\$29,755,479	\$17,211,610	\$83,322,005
FEMA Reimbursement for OM&M ¹¹	\$1,510,886	\$0	\$0	\$1,510,886
FEMA Reimbursement for Isaac Beach and Dune Project Repair ^{12,13}	\$34,562,851	\$34,562,581	\$0	\$69,125,702
Additional Funding for Isaac Beach and Dune Project Repair	\$11,390,037	\$11,260,793	\$0	\$22,650,830
LOSCO Funding ¹⁴	\$1,200,000	\$0	\$0	\$1,200,000
Project Generated - Adaptive Management	\$2,704,080	\$2,589,495	\$5,885,562	\$11,179,136
Project Billing	\$16,000,000	\$16,000,000	\$16,000,000	\$48,000,000
Capital Outlay Request Submitted for HSDRRS 30-Year Payback	\$0	\$93,149,239	\$93,149,239	\$186,298,478
Total Projected Revenue	\$773,426,169	\$486,144,216	\$461,638,805	\$1,721,209,190

Notes

1. Annually recurring revenue source.
2. Represents anticipated Federal reimbursement for CWPPRA projects led by CPRA in which the State is initially incurring more than its 15% cost share during project implementation.
3. 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.
4. Supplemental funding to augment construction of eligible projects (specific projects to be determined at a later date).
5. Used to partially fund TV-0057.
6. Used to partially fund TV-0052-2.
7. Represents anticipated balance as of FY 2016 of an initial deposit of \$6.75 million of funds from the MOEX settlement.
8. Used to fund Coastal Community Resiliency Program.
9. Used to fund monitoring of constructed Berm to Barrier projects.
10. Represents anticipated Federal reimbursement for CWPPRA and WRDA OM&M activities led by CPRA in which the State is initially incurring more than its cost share during project implementation.
11. Represents anticipated reimbursement associated with recovery from past disasters which has been obligated by FEMA.
12. CPRA is pursuing FEMA recovery funding through the FEMA appeals process to restore the form and function of the Coastal Barrier Island Resource System (CBRS) units S01-S08 which were lost as a result of Hurricane Katrina. The cumulative cost of this restoration is estimated to be on the order of \$500 million.
13. Represents anticipated reimbursement of FEMA recovery funds through the FEMA appeals process to restore various beach and dune restoration projects damaged by Hurricane Isaac.
14. Represents reimbursement of expenditures for CPRA oil spill response activities.

► Table 4-2: Projected Three-Year Expenditures¹ (FY 2016 - FY 2018)

Revenue Sources	FY 2016	FY 2017	FY 2018	Program Total (FY 2016 - FY 2018)
CWPPRA State Expenditures <i>(not including surplus expenditures)</i> ²	\$15,514,503	\$16,561,465	\$17,091,141	\$49,167,109
CWPPRA Federal Expenditures ³	\$41,667,195	\$43,438,535	\$42,908,859	\$128,014,589
WRDA Project Expenditures <i>(not including surplus or CIAP expenditures)</i>	\$0	\$0	\$0	\$0
CIAP Projects and Program Expenditures <i>(not including surplus expenditures)</i>	\$69,114,819	\$14,791,346	\$0	\$83,906,165
Surplus Projects and Program Expenditures	\$216,174,656	\$68,260,848	\$24,593,938	\$309,029,442
Community Development Block Grants	\$10,870,161	\$3,553,851	\$0	\$14,424,012
HSDRRS 30-Year Payback ⁴	\$0	\$93,149,239	\$93,149,239	\$186,298,478
MOEX Project Expenditures	\$3,226,712	\$435,847	\$1,409,400	\$5,071,959
DOTD Interagency Transfer - HNC Deepening Expenditures	\$100,000	\$45,470	\$0	\$145,470
Capital Outlay Project Expenditures	\$9,599,885	\$0	\$0	\$9,599,885
State-Only Project Expenditures <i>(non-surplus)</i>	\$136,000	\$4,427,400	\$136,000	\$4,699,400
NRDA Early Restoration ⁵	\$141,479,000	\$69,062,699	\$231,161	\$210,772,860
NFWF Expenditures <i>(not including surplus expenditures)</i>	\$108,508,359	\$42,669,185	\$9,275,194	\$160,452,738
Proposed RESTORE Expenditures <i>(not including surplus expenditures)</i>	\$22,654,397	\$24,483,191	\$78,474,156	\$125,611,744
LDNR Mitigation Expenditures ⁶	\$800,000	\$0	\$0	\$800,000
LDNR Beneficial Use Expenditures ⁶	\$500,000	\$0	\$0	\$500,000
Iberia Parish IGA Expenditures ⁷	\$380,000	\$0	\$0	\$380,000
St. Mary Levee District Expenditures ⁸	\$875,000	\$0	\$0	\$875,000
OM&M - State Expenditures <i>(not including surplus or CIAP expenditures)</i>	\$6,281,547	\$7,701,707	\$6,763,682	\$20,746,936
OM&M - Federal Expenditures ⁹	\$36,354,917	\$29,755,479	\$17,211,610	\$83,322,005
OM&M - Marine Debris Removal <i>(partially reimbursed by FEMA)</i> ¹⁰	\$1,640,130	\$0	\$0	\$1,640,130
OM&M - Isaac Beach and Dune Recovery <i>(partially reimbursed by FEMA)</i> ¹¹	\$45,823,644	\$45,823,644	\$0	\$91,647,288
Project Support	\$4,100,000	\$4,000,000	\$4,000,000	\$12,100,000
Operating Costs	\$37,625,874	\$45,994,647	\$49,761,799	\$133,382,320
Total Projected Revenue	\$773,426,799	\$514,154,553	\$345,006,178	\$1,632,587,531

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 2017 - FY 2018 are therefore based on prior years' expenditures.
3. Represents anticipated Federal reimbursement for CWPPRA projects led by CPRA in which the State is initially incurring more than its 15% cost share during project implementation.
4. 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.
5. 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.
6. Supplemental funding to augment construction of eligible projects (specific projects to be determined at a later date).
7. Used to partially fund TV-0057.
8. Used to partially fund TV-0052-2.
9. Represents anticipated Federal reimbursement for CWPPRA and WRDA OM&M activities led by CPRA in which the State is initially incurring more than its cost share during project implementation.
10. Represents anticipated reimbursement associated with recovery from past disasters which has been obligated by FEMA.
11. Represents anticipated reimbursement of FEMA recovery funds through the FEMA appeals process to restore various beach and dune restoration projects damaged by Hurricane Isaac.

► **Table 4-3: Programmatic Projected Three-Year Expenditures (FY 2016 - FY 2018)**

Program	FY 2016	FY 2017	FY 2018	Program Total (FY 2016 - FY 2018)
Ongoing Program Expenditures				
Beneficial Use Program ¹	\$4,000,000	\$2,000,000	\$2,000,000	\$8,000,000
Barrier Island Maintenance Program ¹	\$361,825	\$0	\$0	\$361,825
Vegetative Plantings	\$0	\$400,000	\$400,000	\$800,000
Assistance to Levee Authorities	\$0	\$1,000,000	\$1,000,000	\$2,000,000
Restoration Partnerships	\$0	\$1,000,000	\$1,000,000	\$2,000,000
Total Ongoing Programs Expenditures	\$4,361,825	\$4,400,000	\$4,400,000	\$13,161,825
Adaptive Management Expenditures				
Project Development and Implementation Program	\$0	\$350,000	\$350,000	\$700,000
Innovative Programs ¹	\$10,000,000	\$1,000,000	\$1,000,000	\$12,000,000
Non-structural Program Development ¹	\$650,000	\$100,000	\$100,000	\$850,000
Louisiana Coastal Engineering, Research and Education	\$0	\$300,000	\$300,000	\$600,000
Event Driven Ad-Hoc Research	\$0	\$350,000	\$350,000	\$700,000
Coastal Science Assistantship Program	\$300,000	\$300,000	\$300,000	\$900,000
Coastal Innovation Partnership Program	\$0	\$200,000	\$200,000	\$400,000
Master Plan Advisory Committees	\$305,000	\$165,000	\$0	\$470,000
Project and Ad-Hoc Advisory Boards	\$0	\$550,000	\$550,000	\$1,100,000
Model Development and Maintenance ²	\$5,700,000	\$2,875,000	\$900,000	\$9,475,000
Implementation Models	\$0	\$750,000	\$750,000	\$1,500,000
Small Scale Physical Model ³	\$500,000	\$500,000	\$500,000	\$1,500,000
SWAMP Development ²	\$600,000	\$600,000	\$600,000	\$1,800,000
Fisheries ³	\$1,250,000	\$2,250,000	\$2,500,000	\$6,000,000
Regional Geology and Sediment Management	\$0	\$750,000	\$750,000	\$1,500,000
SWAMP Implementation ¹	\$7,500,000	\$12,500,000	\$15,000,000	\$35,000,000
Event Driven Ad-Hoc Monitoring	\$0	\$350,000	\$400,000	\$750,000
Barrier Island Comprehensive Monitoring ¹	\$2,800,000	\$2,250,000	\$2,300,000	\$7,350,000
CRMS - Wetlands ³	\$1,750,000	\$1,250,000	\$1,250,000	\$4,250,000
Flood Protection Inspections / Analysis	\$250,000	\$2,700,000	\$2,700,000	\$5,650,000
Data Management ²	\$2,000,000	\$2,350,000	\$2,350,000	\$6,700,000
Monitoring Data Interpretations	\$0	\$650,000	\$750,000	\$1,400,000
Workshop and Conference Development	\$125,000	\$125,000	\$150,000	\$400,000
Youth Wetlands Education and Outreach Program	\$500,000	\$500,000	\$500,000	\$1,500,000
Total Adaptive Management Expenditures	\$34,230,000	\$33,715,000	\$34,550,000	\$102,495,000
TOTAL Programmatic Expenditures	\$38,591,825	\$38,115,000	\$38,950,000	\$115,656,825
Programmatic Surplus Expenditures	\$29,341,421	\$15,339,597	\$17,339,597	\$62,020,615
Programmatic NFWF Expenditures	\$3,487,500	\$6,443,726	\$1,511,574	\$11,442,800
Programmatic Operations Expenditures	\$5,762,904	\$16,331,677	\$20,098,829	\$42,193,410

Notes

1. FY 2016 expenditures fully funded by surplus funds.
2. FY 2016 expenditures partially funded by surplus funds.
3. FY 2016 expenditures funded by NFWF Adaptive Management Funds.

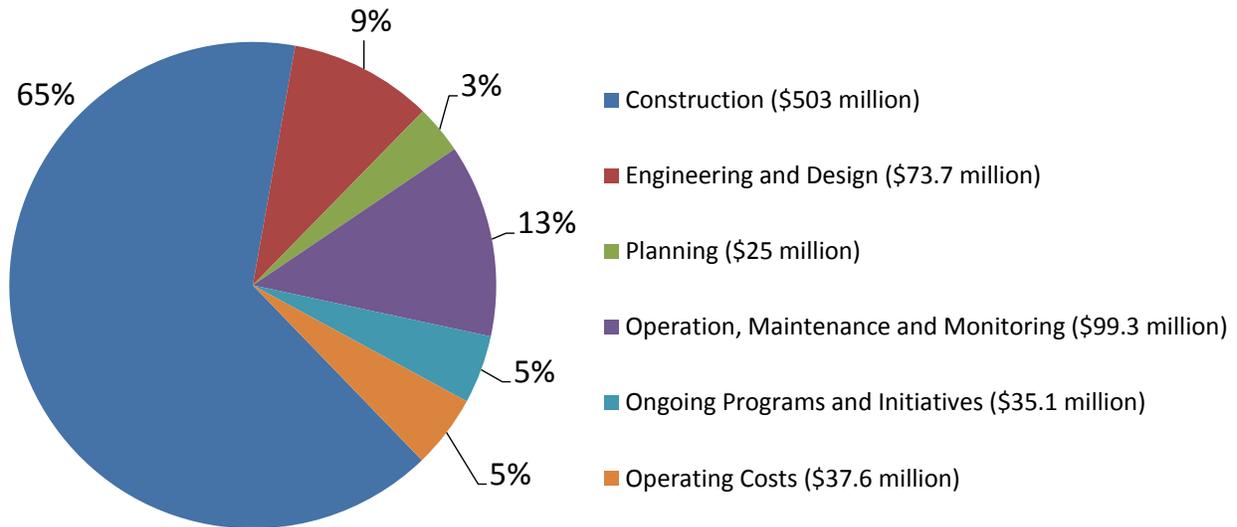
► **Table 4-4: State Protection and Restoration Projected Three-Year Operating Expenditures (FY 2016 - FY 2018)**

Program	FY 2016	FY 2017	FY 2018	Program Total (FY 2016 - FY 2018)
CPRA	\$23,529,106	\$23,529,106	\$23,529,106	\$70,587,318
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 Secretary	\$1,649,000	\$1,649,000	\$1,649,000	\$4,947,000
Office of the Attorney General	\$185,000	\$185,000	\$185,000	\$555,000
Department of Administration (<i>Fiscal shortfall 5% of Capital</i>)	\$2,200,000	\$0	\$0	\$2,200,000
Total Operating Costs	\$31,862,970	\$29,662,970	\$29,662,970	\$91,188,910

Notes

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

► **Figure 4-1: Projected FY 2016 Expenditures by Project Phase**

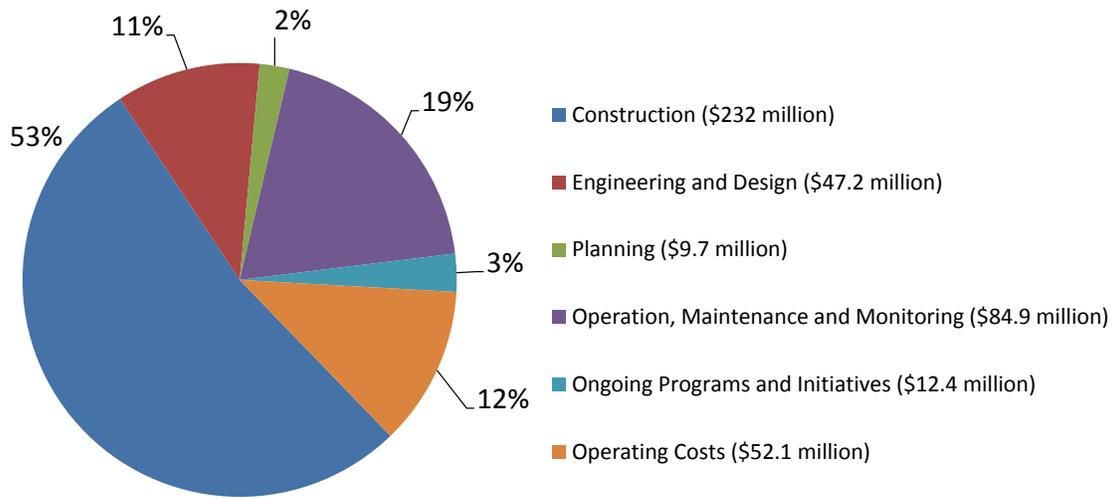


Notes

- Construction includes Beneficial Use (\$4 million)
- OM&M includes BIMP (\$361,000). Repair/Rehabilitation of Projects (\$1.1 million), Marine Debris Removal (\$1.6 million), and Isaac Beach and Dune Recovery (\$45.8 million).
- Ongoing Programs Includes Project Support (\$4.1 million)

TOTAL Expenditures
\$773 million

► **Figure 4-2: Projected FY 2017 Expenditures by Project Phase**

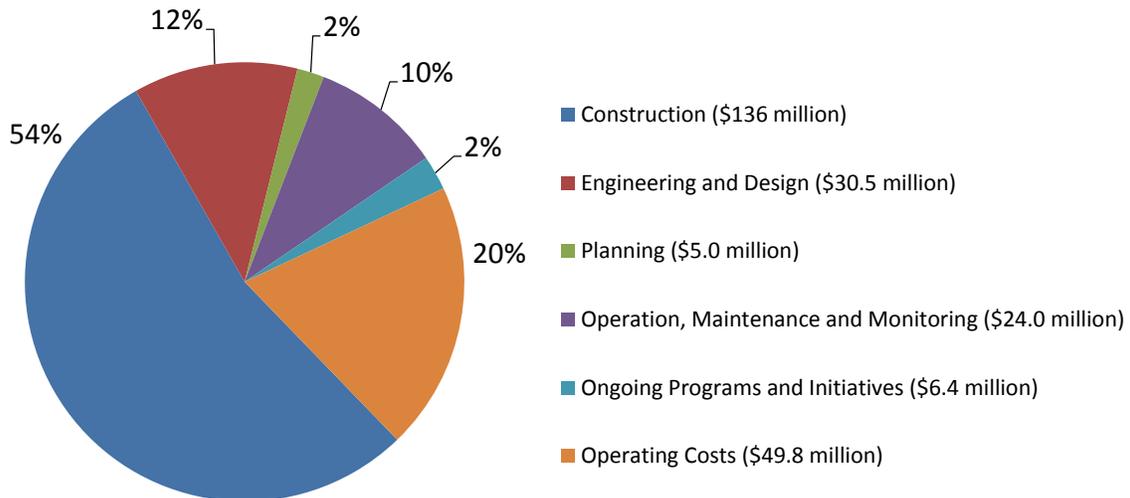


Notes

- Construction includes Beneficial Use (\$2 million)
- Engineering and Design and Construction include CWPPRA adjustment for outlying years (see Table 4-2 for explanation)
- OM&M includes Isaac Beach and Dune Recovery (\$45.8 million)
- Ongoing Programs includes Project Support (\$4 million)
- Total excludes HSDRRS Payback (\$93.1 million)

TOTAL Expenditures
\$421 million

► **Figure 4-3: Projected FY 2018 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 (\$93.1 million)

TOTAL Expenditures
\$252 million