

Section 4
Projections:
2017 - 2018 - 2019

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Section 4

Projections: Fiscal Years 2017 – 2018 – 2019

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 2017–FY 2019, 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 2017 (July 1, 2016 through June 30, 2017). 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 2017 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 \$495.7 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 the end of 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 2018.
- 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 2017, the CPRA is requesting Capital Outlay funding to supplement implementation of 12 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 2017 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.

LaGov

LaGov is a new statewide integrated financial and procurement system that CPRA began using July 1, 2014. This new system integrates financial, human resources, payroll, procurement, and logistics, and brings multiple benefits to CPRA, most notably, system generated project accounting. Other important advantages are better management of federal grants and other funding sources, improvements in managing vendor relationships, improved reporting, and more efficient business processes.

► **Table 4-1: Projected Three-Year Revenues (FY 2017 - FY 2019)**

Revenue Sources	FY 2017	FY 2018	FY 2019	Program Total (FY 2017 - FY 2019)
CPR Trust Fund Annual Revenue ^{1,2}	\$14,498,219	\$15,400,000	\$15,900,000	\$45,798,219
CPR Trust Fund Carried Forward	\$17,503,196	\$4,488,384	\$0	\$21,991,580
GOMESA ¹	\$80,775	\$140,000,000	\$140,000,000	\$280,080,775
DOTD Interagency Transfer ¹	\$4,000,000	\$4,000,000	\$4,000,000	\$12,000,000
DOTD Interagency Transfer- Projects	\$346,309	\$31,310	\$0	\$377,619
CWPPRA Federal Funds ³	\$96,923,059	\$78,008,368	\$76,377,059	\$251,308,486
CIAP	\$36,044,614	\$0	\$0	\$36,044,614
Surplus '07, '08, '09	\$186,504,205	\$32,155,061	\$10,225,045	\$228,884,311
Community Development Block Grants	\$11,475,039	\$2,916,435	\$0	\$14,391,474
Capital Outlay Funds	\$5,250,000	\$0	\$0	\$5,250,000
Deepwater Horizon NRDA	\$148,561,937	\$88,557,743	\$50,000,000	\$287,119,680
NFWF	\$80,556,751	\$15,808,676	\$15,308,676	\$111,674,103
Proposed RESTORE Revenues	\$36,068,695	\$27,299,754	\$74,667,260	\$138,035,709
LDNR Mitigation Funds ⁴	\$500,000	\$0	\$0	\$500,000
LDNR Beneficial Use Funds ⁴	\$500,000	\$0	\$0	\$500,000
Iberia Parish IGA ⁵	\$380,000	\$0	\$0	\$380,000
MOEX Settlement ⁶	\$3,101,619	\$76,164	\$1,595,736	\$4,773,519
OCD-DRU Grant ⁷	\$112,000	\$0	\$0	\$112,000
Berm to Barrier ⁸	\$87,528	\$86,124	\$8,760	\$182,412
OM&M Federal Funds ⁹	\$22,600,457	\$16,585,200	\$14,508,408	\$53,694,065
FEMA Reimbursement for OM&M ^{10,11}	\$1,510,886	\$0	\$0	\$1,510,886
FEMA Reimbursement for Isaac Beach and Dune Project Repair ¹²	\$34,562,851	\$34,562,851	\$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 ¹³	\$55,480	\$106,360	\$106,360	\$268,200
Project Billing	\$23,000,000	\$23,920,000	\$24,876,800	\$71,796,800
Capital Outlay Request Submitted for HSDRRS 30-Year Payback	\$0	\$0	\$99,424,680	\$99,424,680
Total Projected Revenue	\$735,613,656	\$495,263,223	\$526,998,784	\$1,757,875,663

Notes

1. Annually recurring revenue source to be spent in accordance with the Louisiana Constitution, specifically State Law Section 214.5.4(E) and the provisions within paragraph (3).
2. Estimate tied to mineral revenue.
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. 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. Represents anticipated balance as of FY 2017 of an initial deposit of \$6.75 million of funds from the MOEX settlement.
7. Grant for development of Flood Risk and Resilience Program.
8. Used to fund monitoring of constructed Berm to Barrier projects.
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. 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.
12. Represents anticipated reimbursement of FEMA recovery funds through the FEMA appeals process to restore various beach and dune restoration projects damaged by Hurricane Isaac.
13. Represents reimbursement of expenditures for CPRA oil spill response activities.

► **Table 4-2: Projected Three-Year Expenditures¹ (FY 2017 - FY 2019)**

Program / Funding Source	FY 2017	FY 2018	FY 2019	Program Total (FY 2017 - FY 2019)
CWPPRA State Expenditures (not including Surplus expenditures) ²	\$13,363,600	\$11,991,632	\$13,622,941	\$38,978,173
CWPPRA Federal Expenditures ³	\$96,923,059	\$78,008,368	\$76,377,059	\$251,308,486
WRDA Project Expenditures (not including Surplus or CIAP expenditures)	\$0	\$0	\$0	\$0
CIAP Projects and Program Expenditures (not including Surplus Expenditures)	\$36,044,614	\$0	\$0	\$36,044,614
Surplus Projects and Program Expenditures	\$186,504,205	\$32,155,061	\$10,225,045	\$228,884,311
Community Development Block Grants	\$11,475,039	\$2,916,435	\$0	\$14,391,474
HSDRRS 30-Year Payback ⁴	\$0	\$0	\$99,424,680	\$99,424,680
MOEX Project Expenditures	\$3,101,619	\$76,164	\$1,595,736	\$4,773,519
DOTD Interagency Transfer- HNC Deepening Expenditures	\$346,309	\$31,310	\$0	\$377,619
Capital Outlay Project Expenditures	\$5,250,000	\$0	\$0	\$5,250,000
State-Only Project Expenditures (Non-Surplus)	\$89,500	\$172,500	\$62,500	\$324,500
<i>Deepwater Horizon NRDA</i> Expenditures	\$148,561,937	\$88,557,743	\$50,000,000	\$287,119,680
NFWF Expenditures (not including Surplus Expenditures)	\$80,556,751	\$15,808,676	\$15,308,676	\$111,674,103
Proposed RESTORE Expenditures (not including Surplus Expenditures)	\$36,068,695	\$27,299,754	\$74,667,260	\$138,035,709
LDNR Mitigation Expenditures ⁵	\$500,000	\$0	\$0	\$500,000
LDNR Beneficial Use Expenditures ⁵	\$500,000	\$0	\$0	\$500,000
Iberia Parish IGA Expenditures ⁶	\$380,000	\$0	\$0	\$380,000
OM&M- State Expenditures (not including Surplus or CIAP expenditures)	\$8,333,581	\$9,354,267	\$6,257,311	\$23,945,159
OM&M- Federal Expenditures ⁷	\$22,600,457	\$16,585,200	\$14,508,408	\$53,694,065
OM&M- Marine Debris Removal (Partially Reimbursed by FEMA) ⁸	\$1,640,130	\$0	\$0	\$1,640,130
OM&M- Isaac Beach and Dune Recovery (Partially Reimbursed by FEMA) ⁹	\$45,823,644	\$45,823,644	\$0	\$91,647,288
Operating Costs (see Tables 4-3 and 4-4)	\$37,550,517	\$60,225,519	\$62,743,664	\$160,519,700
Total Projected Expenditures	\$735,613,656	\$389,006,273	\$424,793,280	\$1,549,413,209

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 2018 - FY 2019 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. According to current estimates, payback will commence in September 2019 with an estimated annual payment of \$99.4 million.
5. Supplemental funding to augment construction of eligible projects (specific projects to be determined at a later date).
6. Used to partially fund TV-57.
7. 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.
8. Represents anticipated reimbursement associated with recovery from past disasters which has been obligated by FEMA.
9. 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 2017 - FY 2019)**

Program	FY 2017	FY 2018	FY 2019	Program Total (FY 2017 - FY 2019)
Ongoing Program Expenditures				
Beneficial Use Program ¹	\$4,500,000	\$2,000,000	\$2,000,000	\$8,500,000
Barrier Island Maintenance Program ¹	\$2,922,105	\$0	\$0	\$2,922,105
Vegetative Plantings	\$400,000	\$400,000	\$400,000	\$1,200,000
Assistance to Levee Authorities	\$0	\$1,000,000	\$1,000,000	\$2,000,000
Restoration Partnerships	\$500,000	\$1,000,000	\$1,000,000	\$2,500,000
Project Support	\$3,000,000	\$3,000,000	\$3,000,000	\$9,000,000
Total Ongoing Programs Expenditures	\$11,322,105	\$7,400,000	\$7,400,000	\$26,122,105
Adaptive Management Expenditures				
Project Development and Implementation Program	\$0	\$200,000	\$200,000	\$400,000
Innovative Programs	\$0	\$500,000	\$500,000	\$1,000,000
Non-structural Program Development ¹	\$1,200,000	TBD	TBD	\$1,200,000
Future Project Development ¹	\$1,860,892	\$0	\$0	\$1,860,892
Louisiana Coastal Engineering, Research and Education ²	\$40,000	\$300,000	\$300,000	\$640,000
Event Driven Ad-Hoc Research	\$0	\$350,000	\$350,000	\$700,000
Coastal Science Assistantship Program	\$325,000	\$325,000	\$325,000	\$975,000
Coastal Innovation Partnership Program	\$225,000	\$0	\$225,000	\$450,000
Master Plan Advisory Committees	\$330,000	\$0	\$0	\$330,000
Project and Ad-Hoc Advisory Boards	\$0	\$250,000	\$250,000	\$500,000
Master Plan Predictive Models ³	\$4,000,000	\$1,750,000	\$2,500,000	\$8,250,000
Small Scale Physical Model ⁴	\$1,400,000	\$500,000	\$500,000	\$2,400,000
SWAMP Development ²	\$600,000	\$600,000	\$0	\$1,200,000
Fisheries ⁴	\$2,000,000	\$5,800,000	\$6,032,000	\$13,832,000
SWAMP Implementation ^{2,4}	\$6,257,244	\$15,000,000	\$15,800,000	\$37,057,244
Barrier Island Comprehensive Monitoring ³	\$3,000,000	\$2,300,000	\$1,000,000	\$6,300,000
CRMS-Wetlands ⁴	\$1,250,000	\$1,250,000	\$1,250,000	\$3,750,000
Flood Protection Inspections/Analysis	\$0	\$1,800,000	\$2,700,000	\$4,500,000
Regional Geology and Sediment Management	\$0	\$500,000	\$500,000	\$1,000,000
Event Driven Ad-Hoc Monitoring	\$0	\$300,000	\$300,000	\$600,000
Data Management	\$2,000,000	\$2,200,000	\$2,200,000	\$6,400,000
Monitoring Data Interpretations	\$0	\$350,000	\$350,000	\$700,000
Workshop and Conference Development	\$125,000	\$150,000	\$150,000	\$425,000
Coastal Education	\$500,000	\$600,000	\$625,000	\$1,725,000
Total Adaptive Management	\$25,113,136	\$35,025,000	\$36,057,000	\$96,195,136

► **Table 4-3: Programmatic Projected Three-Year Expenditures (FY 2017 - FY 2019)**

Program	FY 2017	FY 2018	FY 2019	Program Total (FY 2017 - FY 2019)
TOTAL Programmatic Expenditures	\$36,435,241	\$42,425,000	\$43,457,000	\$122,317,241
Programmatic Surplus Expenditures (See Table B-6)	\$12,708,344	\$529,345	\$0	\$13,237,689
Programmatic NRDA Expenditures (See Table B-15)	\$0	\$10,000,000	\$10,000,000	\$20,000,000
Programmatic NFWF Expenditures (See Table B-15)	\$11,697,244	TBD	TBD	\$11,697,244
Programmatic RESTORE Expenditures (See Table B-15)	\$2,300,000	TBD	TBD	\$2,300,000
Programmatic Operations Expenditures	\$9,729,653	\$31,895,655	\$33,457,000	\$75,082,308

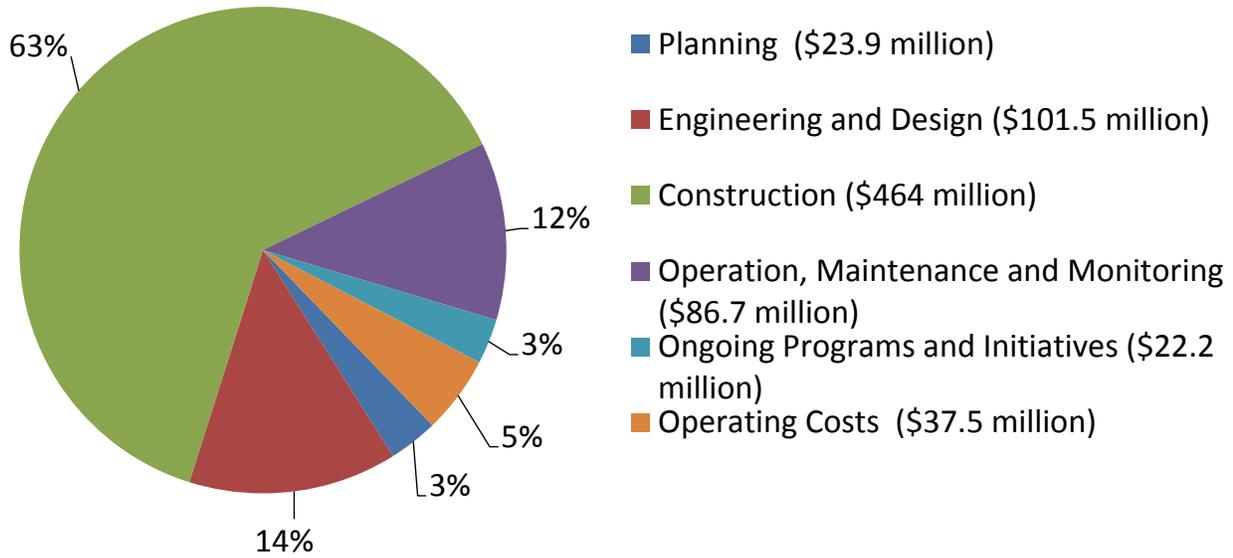
Notes

1. FY 2017 expenditures funded by surplus funds.
2. FY 2017 expenditures funded by RESTORE Adaptive Management Funds.
3. FY 2017 expenditures partially funded by surplus funds.
4. FY 2017 expenditures funded by NFWF Adaptive Management Funds.

► **Table 4-4: State Protection and Restoration Projected Three-Year Operating Expenditures (FY 2017 - FY 2019)**

Program	FY 2017	FY 2018	FY 2019	Program Total (FY 2017 - FY 2019)
CPRA	\$23,000,000	\$23,920,000	\$24,876,800	\$71,796,800
OCM	\$2,827,134	\$2,827,134	\$2,827,134	\$8,481,402
Office of the Governor - Coastal Activities	\$1,397,730	\$1,397,730	\$1,397,730	\$4,193,190
DNR Secretary (OMF Back Office Support)	\$411,000	\$0	\$0	\$411,000
Office of the Attorney General	\$185,000	\$185,000	\$185,000	\$555,000
Total Operating Costs	\$27,820,864	\$28,329,864	\$29,286,664	\$85,437,392

► **Figure 4-1: Projected FY 2017 Expenditures by Project Phase**

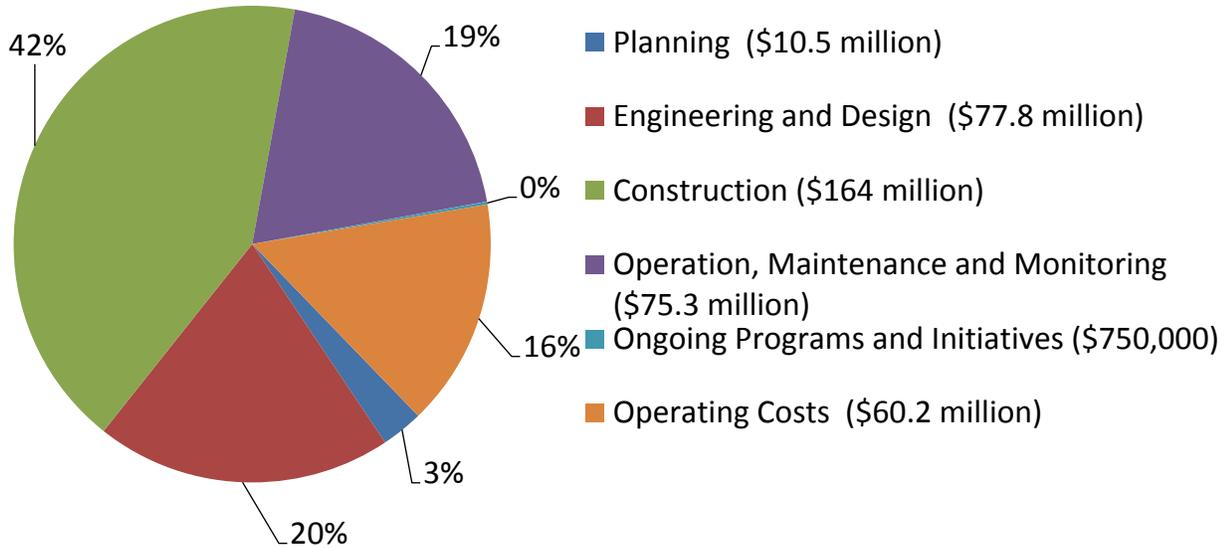


Notes

- Construction includes Beneficial Use (\$4 million)
- OM&M includes BIMP (\$3.0 million), Repair/Rehabilitation of Projects (\$774,523), Marine Debris Removal (\$1.6 million), and Isaac Beach and Dune Recovery (\$45.8 million)

TOTAL Expenditures
\$736 million

► **Figure 4-2: Projected FY 2018 Expenditures by Project Phase**

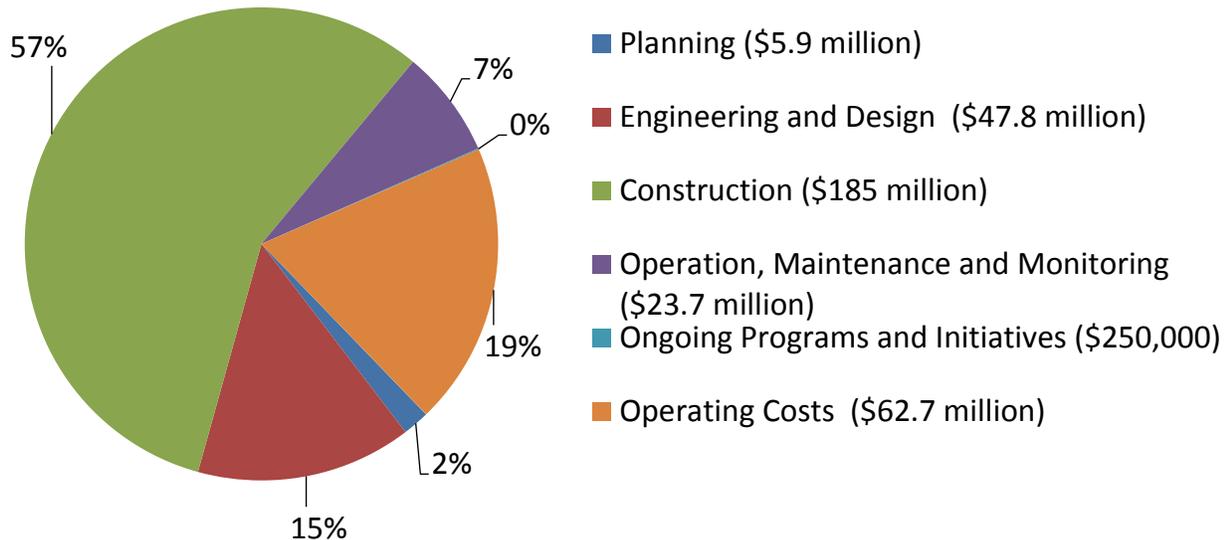


Notes

- Construction includes Beneficial Use (\$2 million)
- Engineering and Design and Construction include CWPPRA adjustment for outlying years (see Table 4-2 for explanation)
- OM&M includes Isaac Beach and Dune Recovery (\$45.8 million)

TOTAL Expenditures
\$389 million

► **Figure 4-3: Projected FY 2019 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)

TOTAL Expenditures
\$325 million