GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

APRIL 19. 2023

# **Revenue Sharing Momentum**

#### PLUS, VIEW AND TRACK FEDERAL INFRASTRUCTURE OPPORTUNITIES



GOVERNOR'S OFFICE OF COASTAL ACTIVITIES

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# SHORES FLY-IN

### 72 Attendees conducted meetings with 71 Congressional Offices

- 30 HOUSE REPUBLICAN OFFICES
- 27 HOUSE DEMOCRATIC OFFICES
- 9 SENATE REPUBLICAN OFFICES
- 2 SENATE DEMOCRATIC OFFICES
- 64 COASTAL STATES OFFICES
- 5 GREAT LAKE STATES OFFICES
- 2 INTERIOR STATES OFFICES
- 11 MEMBERS ON KEY COMMITTEE OF JURISDICTION
- 17 ADDITIONAL VIRTUAL MEETINGS OFFERED

FOCUS STATES: 10 TX, 9 CA, 8 LA, 5 NY, 4 MI, 4 VA, 3 CT, 3 NC, 3 MS, 3 AL

# SHORES FLY-IN



## LOWER ENERGY COSTS ACT PASSES HOUSE H.R. 1 INCLUDED BREEZE ACT

Led by Majority Leader Scalise, the Lower Energy Costs Act received the prestigious bill number of H.R. 1 from Speaker McCarthy to show the top importance of the legislation to the House Majority for the Congress.

The bill brought together 25 separate Republican bills that shared a goal to increase the production and export of American energy and reduce the regulatory burdens that make it harder to build American infrastructure.

H.R. 1 passed <u>225-204</u>, with all but 1 Rs and 4 Ds supporting.

- Leader Scalise included the text of the BREEZE Act, which he introduced last Congress with Congressman Troy Carter.
- Congressman Graves' BUILDER Act to reform NEPA is a major component of the permitting reform in H.R. 1





### THE BREEZE ACT – POLICIES & VALUE

**Fiscal** 

Voor

Total

#### Removes revenue sharing limitations in GOMESA

- Eliminate statutory cap of \$375 million to GOMESA states and coastal political subdivisions and \$125 million to Land and Water Conservation Fund (LWCF).
- Increases percentage shared with states to 50%, on par with interior states.
- Exempts funds from budget sequestration.
- Waives 2% administrative fee for inland states.
- Affirms that revenue sharing is not equivalent to a federal grant or award.

Revenue sharing from offshore wind development with no limiting cap and exempt from sequestration:

- 50% to coastal states based on distance to project
- 37.5% to North America Wetlands Conservation Act
- 12.5% to U.S. Treasury

rear	Additional LA Amount
FY23	\$149.6 M
FY24	\$110 M
FY25	\$156.2 M
FY26	\$200.2 M
FY27	\$257.4 M
FY28	\$319 M
FY29	\$378.4 M
FY30	\$444.4 M
FY31	\$519.2 M
FY32	\$596.2 M
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\$3.13 B

Estimate of

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Louisiana is forecasted to gain <u>\$3.1</u> <u>billion</u> over 10 years (FY23-FY32) from removing the GOMESA cap and increasing the GOMESA percentage to 50 percent.

Shared revenues would also increase by being exempted from budget sequestration, which routinely diminishes GOMESA revenues by around 6 percent.

If BREEZE is passed ahead of this summer's Gulf of Mexico offshore wind lease sale, then Louisiana could receive 50 percent of the proceeds, alongside Texas.

## **ON THE TABLE IN DEBT-CEILING NEGOTIATIONS**

### **BREEZE ACT IS WITHIN THE OFFER**

Federal debt is rapidly increasing thanks to pandemic spending and major deficit spending. The federal deficit was <u>\$1.1 trillion in the first half of FY2023</u>. Congress authorizes a limit of debt the Treasury can issue, currently at \$31.4 trillion. Otherwise, the U.S. could default or drastically cut other programs.

Treasury Secretary Janet Yellen is taking "<u>extraordinary</u> <u>measures</u>" to pay debts since January, which could stretch until June.

President Biden and Congressional Democrats would like the federal debt-ceiling to be increased "clean", as in without any associated policy changes.

On Monday, <u>Speaker McCarthy announced to the New York</u> <u>Stock Exchange</u> a list of acceptable Republican items in exchange for a 1 year debt ceiling increase.



#### House Republican Offer

- Return to FY22 spending levels, allowing 1% increase per year going forward
- Claw back unspent Covid money
- Reinstate work requirements for federal aid
- Includes H.R. 1, the Lower Energy Costs Act

### **RISEE ACT UPDATE** 'PAYFOR' CHALLENGE EMERGES IN SENATE

The RISEE Act sponsors reintroduced the exact version that passed unanimously through Senate Energy & Natural Resources Committee in 2022, hoping to streamline passage through the committee this Congress.

Unfortunately, Chairman Manchin has required a 'payfor' to fully offset the \$11.6 billion budget score for RISEE Act before advancing it through the Committee.

Negotiators would like to avoid committing to this at this juncture, given the competitive nature of offsets. May 3<sup>rd</sup> is the first markup opportunity, but the RISEE Act is currently off the agenda.

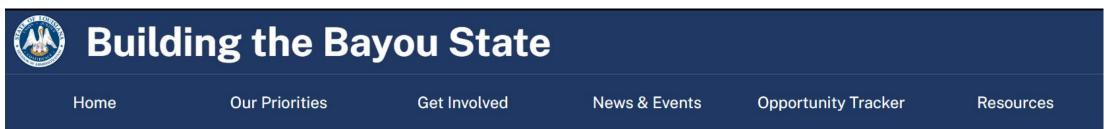
### **SUPPORT GROWS IN HOUSE**

Four members join the RISEE Act, bringing cosponsors total to nine. SHORES met with 2 of these members in March.

- Rep. Jimmy Panetta, D-CA
- Rep. Troy Nehls, R-TX
- Rep. David Trone, D-MD
- Rep. Sylvia Garcia, D-TX

# EXPLORE LOUISIANA'S IIJA/IRA OPPORTUNITES

### **VISIT INFRASTRUCTURE.LA.GOV**



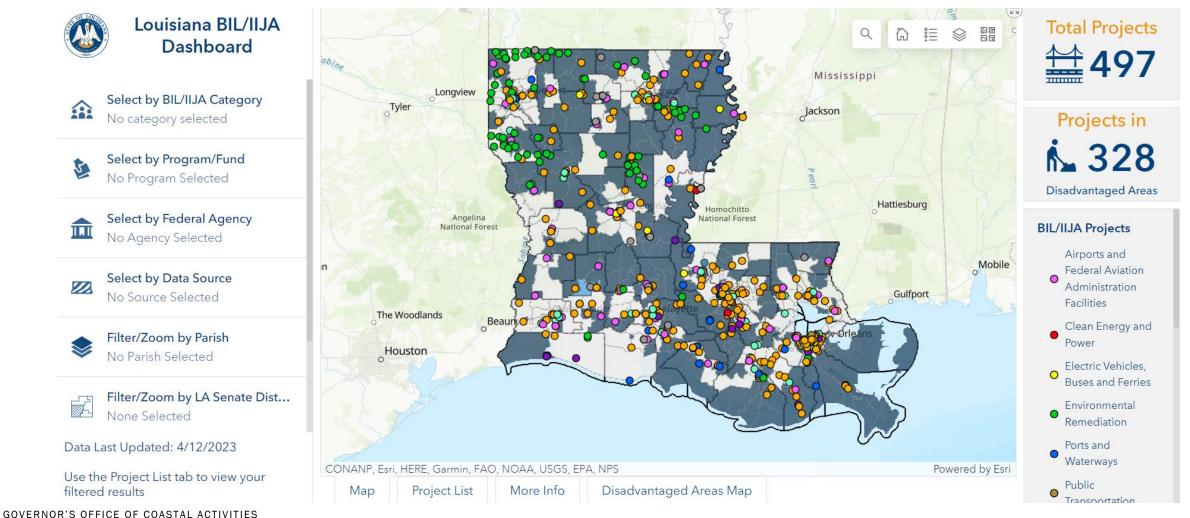
# Historic Investments in Louisiana's Future

"I recognize the tremendous opportunity the Bipartisan Infrastructure Law represents for our state. These investments in infrastructure will transform Louisiana by providing much needed repairs to our roads and bridges, delivering broadband internet to every household, ensuring resilient coastal infrastructure, updating water systems, addressing legacy pollution and advancing Louisiana's Climate Action Plan."

– Governor John Bel Edwards



## **VIEW LOUISIANA'S IIJA/IRA PROGRESS** SEE INFRASTRUCTURE.LA.GOV DASHBOARD



# **TRACK IIJA/IRA OPPORTUNITIES**

### SIGN UP FOR WEEKLY IIJA/IRA ALERTS COURTESY OF GOVERNOR EDWARDS

Email <u>infrastructure@la.gov</u> with a request to sign up for the Louisiana Weekly Opportunities Update to stay informed on all upcoming grant deadlines, guidance and other program news.



#### What is this update?

A regular communication and resource for partners and stakeholders across the State of Louisiana on federal infrastructure grant opportunities and upcoming deadlines from the <u>Bipartisan</u> <u>Infrastructure Law/Infrastructure, Investment & Jobs Act</u> (BIL/IIJA), the <u>Inflation Reduction Act</u> (IRA), and future federal infrastructure opportunities.

#### Why is it being sent?

To assist in raising awareness of funding opportunities that may be of benefit or interest to your community, however you define it.

#### What types of opportunities are covered?

This update will cover grants and opportunities related to Broadband, Grid and Energy Efficiency, Renewables, Transportation and Safety, Water and Environmental Remediation, and Workforce.

#### Who is sending?

The Office of Governor John Bel Edwards and the Office of Planning and Budget within the Louisiana Division of Administration

#### What if I need help?

If you have any questions or need other BIL/IIJA related assistance, please reach out to infrastructure@la.gov