

Recap of Hearings regarding Revenue Sharing

NEAL MCMILLIN



GOVERNOR'S
OFFICE OF
COASTAL
ACTIVITIES

Senate Budget Hearing – Climate Change Impacts on Infrastructure

On July 26, Governor John Bel Edwards testified before the Senate Committee on the Budget for the hearing “Beyond the Breaking Point: The Fiscal Consequences of Climate Change on Infrastructure.”

Committee Chairman Sheldon Whitehouse, the lead sponsor of the RISEE Act, recognizes that Louisiana is on the forefront of climate change and true leader among states in response.



Senate Budget Hearing – Our Plans and Actions

Coastal Master Plan

- Effective Plan prepares for opportunities
- Shows with investments we can reduce risk even with climate change

Climate Action Plan

- Unanimous passage to do our part
- Attracting \$26 billion in climate-related investment

Projects & Programs

- HSDRRS
- Morganza to the Gulf
- Southwest Coastal
- Mid-Barataria Sediment Diversion
- Relocation of Isle de Jean Charles community
- Watershed Initiative
- LA-1



Senate Budget Hearing – RISEE Act

The RISEE Act came up in three instances.

- Gov. Edwards’ testimony on how fulfilling the Coastal Master Plan requires resources, hence RISEE.
- Discussion with Chairman Whitehouse on the importance of revenue sharing to address the coastal crisis of losing up to 5,000 square miles of land.
- Q&A with Sen. Kennedy on the lack of parity with GOMESA and the wise use of such funds in Louisiana.

Gov. Edwards Testimony on the RISEE Act

States need more funding to achieve their unique resilience objectives. As I described earlier, we can make smart, scientifically driven investments that would position our state to be in a stronger position even after fifty years of change – but only if we secure the resources needed to act. Congress has game-changing proposals out there, including the Chairman’s Reinvesting in America’s Shoreline Economies and Ecosystems (RISEE Act). The model of linking federal revenues with the states hosting the activity through revenue sharing has been a proven concept for over 100 years. In Louisiana, we have constitutionally dedicated such funds to coastal restoration and protection. Applying revenue sharing more broadly to offshore activities is a tremendous way to allow coastal states to leverage the energy transition into something much more. Otherwise, we will be drawing down significant resources to repair and rebuild while never getting ahead of the problem because we are reacting to the latest emergency. Proactive, locally-informed investments, as would be funded by the RISEE Act example, are essential to combat the challenges from the changing climate.



Highlighting the Benefits of Revenue Sharing in House Natural Resources Committee

On July 27, Lafourche Parish President Archie Chaisson testified before the House Natural Resources Subcommittee on Energy Resources for the hearing “Safeguarding American Jobs and Economic Growth: Examining the Future of the Offshore Leasing Program.”



Excerpt from Chaisson Testimony

This is why Lafourche has supported legislation like H.R. 1 and the BREEZE Act to help send revenue from the offshore wind lease sales back to the producing states. The SHORES (Sharing Offshore Revenues from Energy Sources) Coalition has made numerous trips to meet with members of Congress to talk about the importance of not only new offshore oil and gas lease sales but also importance of offshore wind revenue sharing. In Louisiana, we have constitutionally dedicated revenue from offshore lease sales to all things coastal and the work that is being done through the Louisiana Coastal Protection and Restoration Authority’s Coastal Master Plan.

Additionally, State Representative Joseph Orgeron is working on a state constitutional amendment that would do the same for the revenue generated by offshore wind lease sales. You see, we are tirelessly working to restore our coast and protect our residents and our culture.

FY24 Appropriations – Focus on Senate E&W

Energy & Water Subcommittee Bill Advanced

S. 2443 CONTAINS SIGNIFICANT INCREASE FOR U.S. ARMY CORPS OF ENGINEERS

Army Corps Funding: USACE received \$8.93 billion, \$620 million more than FY23 and \$1.56 billion more than the President’s Budget.

PED: Additionally, the Committee created a new account for Planning, Engineering & Design (PED). The driving motivation for the Committee to create this account is the need to have revised and current cost estimates for projects, to avoid significant cost escalations for supplemental projects (see *report language below*). The Mississippi River Gulf Outlet ecosystem restoration would receive funding through this account.

Project Cost Updates.—The Committee is aware that the Corps has a policy that requires regular updates of the economics and costs of authorized projects that have not yet received construction funds, but such updates are not feasible without funds. The lasting impacts of delinquent updates has become apparent with recent supplemental projects as certain project cost estimates were stale causing significant cost escalations. Funding is included for updates to authorized projects that have not received Construction funds where those updates are necessary to recertify project costs or verify economic justification.



Senator Kennedy Congressionally Directed Spending: \$36.5 million additional for the J. Bennett Johnson Waterway for Boggs Lock and Dam. This represents his first E&W earmark.

Senator Cassidy Congressionally Directed Spending:

- \$28 million for Morganza to the Gulf
- \$18 million for Calcasieu River and Pass
- \$500K for investigation for J. Bennett Johnson Waterway
- \$250K for PED for Mississippi River Gulf Outlet (MRGO) ecosystem restoration

FY24 Appropriations – CPRA in Senate CJS

Bill: Senate Commerce, Justice, Science and Related Agencies.

Account: NOAA Operations, Research and Facilities (ORF) / Special Projects

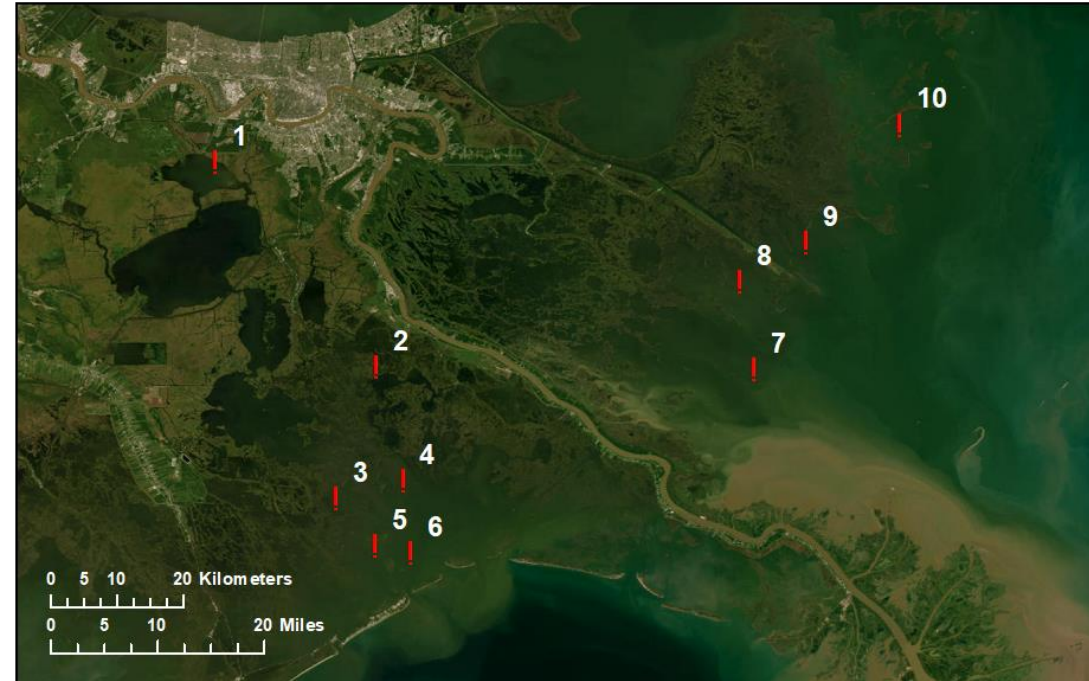
Member: Senator Cassidy

Amount: \$3 million

Recipient: CPRA

Purpose: Harden 7 and deploy 3 gauges to monitor water levels and salinity on the east and west side of the Mississippi River. Improvements will allow gauges to withstand storms.

Challenge: House CJS does not have Community Project Funding opportunities for this account. It is unclear how the House and Senate will merge their efforts on this project-specific spending.



NOAA SPECIAL PROJECTS

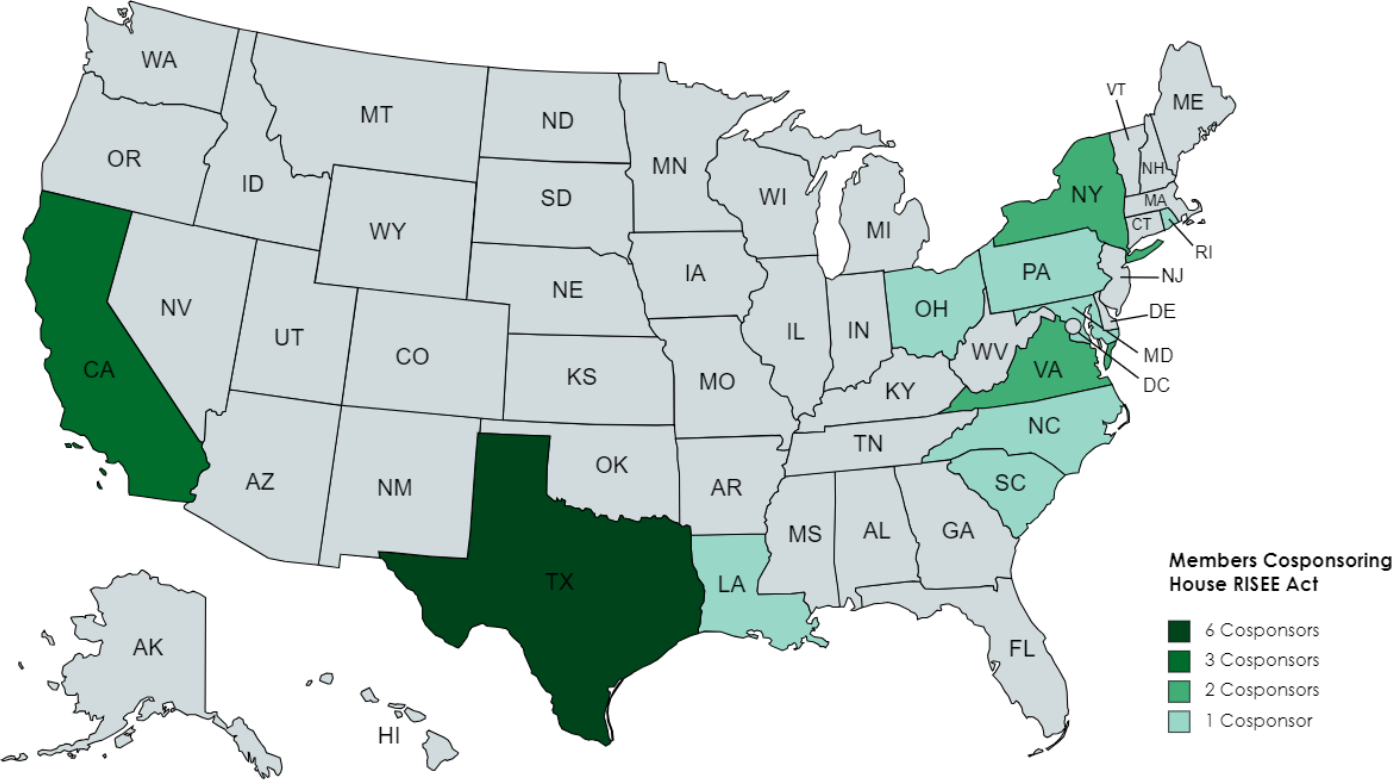
Recipient	Project Purpose	Recommended (\$)
Louisiana Coastal Protection and Restoration Authority.	Gauges and Data Collection Systems	3,000,000
Louisiana Department of Transportation and Development.	Lower Mississippi River Physical Oceanographic Real-Time System Sensors.	400,000

RISEE ACT UPDATE

SUPPORT GROWS IN HOUSE

4 members joined the RISEE Act, bringing cosponsors total to eighteen. 14 Ds and 5 Rs support the bill.

- Rep. Shontel Brown, D-OH
- Rep. Colin Allred, D-TX
- Rep. Jennifer Kiggans, R-VA
- Rep. Troy Carter, D-LA



Army Corps Funding Announcement

On August 1, 2023, the U.S. Army Corps of Engineers announced the allocation of \$454 million in funding from the 2022 and 2023 Disaster Supplemental bills, as well as the Infrastructure Investments and Jobs Act (IIJA).

2022 Disaster Supplemental

\$826 million provided in total to Flood Control and Coastal Emergencies Account (FCCE), which funding will be covered at full federal expense.

- \$135 million to Grand Isle
- Additional \$48 million to Ouachita and Black Rivers in AR & LA

IIJA

\$1 billion was made available for FY24 Operations and Maintenance.

- \$42.8 million to Atchafalaya River and Bayous Chene, Boeuf & Black
- \$1.55 million to J. Bennett Johnson Waterway

Questions on Recap of Hearings regarding Revenue Sharing

