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CPRA Urges Congress, President to Give State More Time to Pay Matching Funds for New Orleans Levees

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CPRA Urges Congress, President to Give State More Time to Pay Matching Funds for New Orleans Levees

BATON ROUGE -- The Louisiana Coastal Protection and Restoration Authority engaged in an impassioned discussion regarding the amount of money the federal government is requiring the state to pay for levee work in the New Orleans area at its meeting Friday at the State Capitol.

The supplemental war spending bill recently passed by Congress and signed into law by the President provides an additional \$5.8 billion in federal funds for improvements to the New Orleans area hurricane protection system. U.S. Army Corps of Engineers officials say the funds are essential to meeting the 2011 deadline of building 100-year storm surge protection for New Orleans.

However, the bill requires the state to pay a crippling \$1.8 billion in matching funds over the next three years. Louisiana would have to pay \$1.1 billion in 2010 alone.

Authority Chairman Garret Graves said having to spend that amount over the next three years would severely hamper the state's ability to build coastal restoration and hurricane protection projects outside the New Orleans. It would represent more than 30 percent of the state's discretionary funds for 2010, meaning money would possibly be unavailable for education, health care and other efforts throughout the state.

Graves said there is precedent for other projects he termed much less significant in which states were given 30 years to pay their required matching funds. The bill also requires the state to pay 35 percent in matching funds as opposed to the 25 or 30 percent it is currently paying for levee protection projects in the New Orleans area.

He said state officials worked with the Presidential Administration and Congress as much as possible to have the state's required match stretched over 30 years and will continue to implore the federal government to reconsider the burden it has placed on the state.

"The amount of money and the time frame Congress is asking of us is unprecedented," Graves said. "And to think that these requirements are being placed on Louisiana at a time when the state is still clearly trying to recover from Katrina and Rita is

surprising to say the least."

According to Graves, 17 coastal restoration projects that were authorized in the 2007 Water Resources Development Act would be put on hold for the next five years because the state would not have the funds to pay the cost shares for the federal dollars provided for the projects. Projects that have been targeted to receive state funds, such as the Morganza to the Gulf hurricane protection project in Terrebonne Parish, would lose money as well.

"While the federal government may not have learned from Katrina and may not recognize the need to invest in being proactive and restoring and protecting our coast, the state should learn from it," Graves said. "The state should invest in coastal restoration and protection despite the state's and Congress's lack of investment in the past."

State Senator Reggie Dupre explained to the Authority that the Legislature would have to vote to break the state spending cap in order to provide the money needed for the matching funds. He warned that legislators outside the New Orleans area would be unlikely to vote to spend that much money on one region of the state.

"I'm almost certain legislators will not vote for that," Dupre said.

In other business, Greg Grandy Coastal Impact Assistance Program project manager, explained some changes to the state's CIAP program including some minor changes to project designs based on the needs of the parish where the projects are being constructed.

Grandy also informed the Authority that the state's share of CIAP money will be reduced by as much as \$13 million because the Minerals Management Service is giving the state of Alaska a larger share of the pool of available funds.

CIAP is a program initiated by the MMS that provides states that host offshore oil and gas production with money to offset the onshore impacts of that activity. In 2007 and 2008, Louisiana has received \$127 million, Grandy said.

Louisiana will receive between \$107 and \$115 million for 2009-2010. The state receives 65 percent with the 19 coastal parishes receiving 35 percent.

Louisiana is the first and only state so far to submit a plan to the MMS outlining projects to be built with CIAP funds. Currently, 11 projects are in the engineering and design phase including freshwater diversions and a long-distance sediment pipeline from the Mississippi River and beach and land bridge restoration projects. CIAP funds have already been used to help build improvements to Hwy. 1 to improve access to the oil and gas infrastructure in the Port Fourchon area.

The Authority also received a presentation from Dupre regarding Senate Bill 367 that was passed in the recently completed legislative session. The bill streamlines the integration of coastal restoration and hurricane protection efforts and adds an additional member, specifically from Southwest Louisiana, to the CPRA. It also limits the amount of money in the Coastal Protection and Restoration Fund that can be spent on infrastructure projects to 10 percent and requires the CPRA to defer to the Department of Transportation and Development for the design of the projects.

Graves said many of the laws and funding sources that created the Coastal Protection and Restoration Fund were very vague regarding how much money could be spent on roads and other infrastructure.

"According to some of the laws and statutes, all of the money in the fund could have been spent on infrastructure and we obviously didn't want that," he said. "Limiting the amount to just 10 percent and then requiring DOTD to design and build the projects authorized with that 10 percent is important because it lets this Authority concentrate on building levees and wetlands."

Additionally, the Authority discussed the current system by which the state enters into project partnership agreements with the Corps of Engineers and resolved that changes need to be made in the process to ensure the state does not enter into disadvantageous contracts.

For more information about Louisiana's Coastal Protection and Restoration Efforts, please contact Chris Macaluso at (225) 342-3968 or by email at chris.macaluso@la.gov.

The Coastal Protection and Restoration Authority's mandate is to develop, implement and enforce a comprehensive coastal protection and restoration master plan. For the first time in Louisiana's history, this single state authority will integrate coastal restoration and hurricane protection by marshalling the expertise and resources of the Department of Natural Resources, the Department of Transportation and Development, and other state agencies, to speak with one clear voice for the future of Louisiana's coast. Working with federal, state and local political subdivisions, including levee districts, the CPRA will work to establish a safe and sustainable coast that will protect our communities, the nation's critical energy infrastructure, and our bountiful natural resources for generations to come. The CPRA of Louisiana was established by Act 8 of the 1st Extraordinary Session of 2005



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The Coastal Protection and Restoration Authority (CPRA) is the single state entity with the authority to focus development and implementation efforts for comprehensive coastal protection.