

A Review of the Administration of Selected Coastal Resiliency and Restoration Funds in Mississippi

A Report to the Mississippi Legislature
Report #689
June 13, 2023



PEER Committee

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About PEER:

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A joint committee, the PEER Committee is composed of seven members of the House of Representatives appointed by the Speaker of the House and seven members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms, with one Senator and one Representative appointed from each of the U.S. Congressional Districts and three at-large members appointed from each house. Committee officers are elected by the membership, with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of four Representatives and four Senators voting in the affirmative.

Mississippi's constitution gives the Legislature broad power to conduct examinations and investigations. PEER is authorized by law to review any public entity, including contractors supported in whole or in part by public funds, and to address any issues that may require legislative action. PEER has statutory access to all state and local records and has subpoena power to compel testimony or the production of documents.

PEER provides a variety of services to the Legislature, including program evaluations, economy and efficiency reviews, financial audits, limited scope evaluations, fiscal notes, and other governmental research and assistance. The Committee identifies inefficiency or ineffectiveness or a failure to accomplish legislative objectives, and makes recommendations for redefinition, redirection, redistribution and/or restructuring of Mississippi government. As directed by and subject to the prior approval of the PEER Committee, the Committee's professional staff executes audit and evaluation projects obtaining information and developing options for consideration by the Committee. The PEER Committee releases reports to the Legislature, Governor, Lieutenant Governor, the agency examined, and the general public.

The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.



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June 13, 2023

Honorable Tate Reeves, Governor
Honorable Delbert Hosemann, Lieutenant Governor
Honorable Philip Gunn, Speaker of the House
Members of the Mississippi State Legislature

On June 13, 2023, the PEER Committee authorized release of the report titled
***A Review of the Administration of Selected Coastal Resiliency and Restoration
Funds in Mississippi.***

Senators

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Vice Chair
Sollie Norwood
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This report does not recommend increased funding or additional staff.

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CONCLUSION: While the Mississippi Department of Environmental Quality (MDEQ) has developed plans for coastal resiliency and restoration efforts under its jurisdiction, the state does not have an overarching coastal restoration and resiliency master plan that addresses how best to optimize all funding sources. The system could be better served by the development of a formalized, overarching plan identifying what the state is attempting to accomplish through its coastal resiliency and restoration efforts, and post-implementation monitoring and assessment of the effectiveness of projects.



BACKGROUND

Background

PEER conducted a review of Mississippi's coastal restoration and resiliency efforts. Mississippi utilizes a three-agency structure (Mississippi Department of Marine Resources [MDMR], Mississippi Development Authority [MDA], and Mississippi Department of Environmental Quality [MDEQ]) to identify and implement coastal resiliency and restoration projects funded by Gulf of Mexico Energy Security Act (GOMESA) and Deepwater Horizon oil spill settlement funds.

Mississippi was awarded nearly \$2.165 billion in compensation under the Deepwater Horizon settlement agreements.

The Deepwater Horizon settlement funding payments are scheduled to end in 2031 with implementation into the future. GOMESA funding will end in FY 2056, per the GOMESA Act.

GOMESA Disbursements to Mississippi and its Coastal Counties

Mississippi and its three coastal counties each directly receive a share of oil lease revenue. GOMESA Phase 2 expanded the territory covered by GOMESA to cover oil leases in the Gulf south of Mississippi, Louisiana, and Texas. MDMR administers state GOMESA funding. The Governor and the Legislature ultimately determine which projects to fund with the state's share of GOMESA funds. Each county is solely responsible for its GOMESA funding. **End Date - FY 2056 per GOMESA Act.**

| | Phase I | | Phase II | | | |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2009-2017 (\$) | 2018 (\$) | 2019 (\$) | 2020 (\$) | 2021 (\$) | 2022 (\$) |
| MDMR | 8,136,827 | 22,203,639 | 25,379,085 | 41,531,181 | 29,216,818 | 29,417,448 |
| Hancock | 367,979 | 1,059,052 | 1,188,863 | 1,971,125 | 1,388,585 | 1,398,765 |
| Harrison | 792,558 | 2,157,883 | 2,470,050 | 4,035,776 | 2,840,169 | 2,898,940 |
| Jackson | 873,685 | 2,333,975 | 2,685,858 | 4,375,894 | 3,075,450 | 3,056,657 |
| Total | 10,171,049 | 27,754,549 | 31,723,856 | 51,913,976 | 36,521,022 | 36,771,810 |

How are RESTORE Buckets 1 & 3 projects awarded?

RESTORE Buckets 1 & 3

Project ideas submitted through the MDEQ project portal are forwarded to the Governor's Gulf Coast Advisory Committee for review. Potential RESTORE Bucket 1 and Bucket 3 projects must go through three key steps prior to award:

- be recommended by the Committee to the Governor for funding;
- be chosen by the Governor for funding; and,
- be approved by the U.S. Treasury (Bucket 1) or RESTORE Council (Bucket 3).

RESTORE Bucket 5

Mississippi receives 0.5% of RESTORE funding plus 5% of the interest generated from the fund to establish a center of excellence: a nongovernmental entity dedicated to science, technology, and general monitoring in the Gulf Coast region.

How are Gulf Environmental Benefit Fund projects awarded?

MDEQ is invited to submit project proposals that are then considered for approval by the National Fish and Wildlife (NFWF) Board of Directors, in consultation with the state.

- Gulf Environmental Benefit Fund (GEBF) dollars may be used only to support projects that remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources where there has been injury to, destruction of, or loss of the use of those resources resulting from the oil spill.

NFWF has sole authority to make final project decisions.

- Through 2022, NFWF had awarded GEBF funding for 34 projects in Mississippi with a total current value of more than \$207 million.

How are Natural Resource Damage Assessment projects awarded?

Under Natural Resource Damage Assessment (NRDA), the Mississippi Trustee Implementation Group (TIG), which is comprised of MDEQ & four federal agencies, is responsible for restoration project identification, planning, and implementation in the Mississippi Restoration Area.

- The Mississippi TIG must solicit projects ideas from the public and publish for public comment.
- MDEQ identifies which projects to submit to the Mississippi TIG as its preferred restoration alternatives.
- To proceed with a project, all five members of the TIG must approve to disburse funding for the project.
- At least one member of the Mississippi TIG must serve as the implementing agency.

Mississippi will receive \$296M in NRDA funding, but funding is restricted by restoration type (e.g., \$27.5M must be spent on water quality projects and \$140.5M must be spent on efforts to restore and conserve habitat).

How are Gulf Coast Restoration Fund projects awarded?

- The Gulf Coast Restoration Fund (GCRF) was established by the Legislature in 2018 as the mechanism for allocating funding the state received as compensation for economic damages related to the Deepwater Horizon oil spill.
 - Mississippi received \$157 million through March 31, 2023, and is expected to receive \$30 million per year through 2033.
- GCRF supports a grant program administered by MDA to stimulate growth and economic development in Pearl River, Stone, George, Jackson, Harrison, and Hancock counties.
 - The program requires at least a 20% match of funds. (The match amount is set by MDA.)
- MDA reviews and scores each project, and the GCRF Advisory Board casts a formal vote on projects; these actions generally only serve as a recommendation to the Legislature and are not binding.
- Ultimately, GCRF projects are chosen by the Legislature through the appropriation process.
 - A project must have its funding reappropriated each year, as applicable.

Comparison of Fellow Gulf States

No state utilizes the same method to administer its coastal restoration and resiliency funds.

1. Mississippi and Texas assigned the management of its GOMESA and Deepwater Horizon funds to multiple agencies.
2. Louisiana centralized the management of its GOMESA and Deepwater Horizon funds under one agency: the Louisiana Coastal Protection and Restoration Authority (CPRA).
3. Alabama centralizes administering of GOMESA and Deepwater Horizon funds under one agency, but a separate board has authority for decision-making regarding RESTORE funds.
4. In Florida and Louisiana, a portion of RESTORE funding goes directly to counties.

What effort have states made to develop a state coastal restoration and resiliency plan across funding streams?

1. Mississippi has no state plan.
2. Louisiana has a 50-year master plan that is funded on an annual basis and must be updated every 6 years.
3. The Texas General Land Office identifies Tier 1, 2, and 3 projects as part of its state plan; however, the plan has no dedicated funding source.
4. Florida (as well as Virginia, North Carolina, and New Jersey) has developed coastal resiliency plans that focus on preparing its coast for rising sea levels. These plans incorporate some restoration tools.



SUMMARY OF RECOMMENDATIONS

Option A – The Legislature should consider establishing a formal coastal resiliency and restoration coordinating committee to establish a state coastal resiliency and restoration master plan and monitor the impact and effectiveness of the state’s coastal resiliency and restoration efforts.

Option B – The Legislature should require MDMR, MDEQ, and MDA to coordinate to develop a state coastal resiliency and restoration master plan and submit the plan to the Speaker of the House, Lieutenant Governor, and the PEER Committee by December 15, 2024.

A Review of the Administration of Selected Coastal Resiliency and Restoration Funds in Mississippi

Introduction

Authority

The PEER Committee, under its authority found in MISS. CODE ANN. Section 5-3-51 (1972) et seq., conducted a review of Mississippi's coastal resiliency and restoration efforts funded under the Gulf of Mexico Energy Security Act (GOMESA) program and the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States (RESTORE) Act program.

Scope and Purpose

The review primarily focused on:

- how projects are awarded (including eligibility requirements);
- efforts to establish priorities and goals to guide project applicants and state agencies in project ranking, selection, and award; and,
- efforts by the Mississippi Department of Marine Resources (MDMR), the Mississippi Department of Environmental Quality (MDEQ), and other applicable parties to establish an overarching comprehensive coastal resiliency and restoration plan.

PEER sought to:

- describe the GOMESA and RESTORE programs, including the origin of each program, the purpose of each program, who is authorized to manage each program, and how funding is allocated to each program;
- describe MDMR and MDEQ's current processes for approving projects, including their method for identifying eligible funding categories/needs, determining funding priorities, and ranking project applications submitted; and,
- compare how Mississippi's fellow GOMESA and RESTORE member states manage, plan for, seek applications for, and approve funding for GOMESA and RESTORE projects.

PEER expanded the review to include three other funding streams arising out of the Deepwater Horizon oil spill settlement: the Gulf Environmental Benefit Fund (GEBF), the Natural Resource Damage Assessment (NRDA), and the Gulf Coast Restoration Fund (GCRF). MDEQ administers NRDA and GEBF at the state level. The Mississippi Development Authority (MDA) administers GCRF.

Method

To conduct this analysis, PEER:

- reviewed the GOMESA and RESTORE laws and federal regulations;
- researched applicable background information from U.S. Department of Interior, U.S. Department of Treasury, the RESTORE Council, the National Oceanic and Atmospheric Administration (NOAA), and the

National Fish and Wildlife Foundation (NFWF);

- interviewed MDMR concerning its administration of GOMESA;
- interviewed applicable county staff in Hancock, Harrison, and Jackson counties concerning the direct portion of funding each county receives from GOMESA;
- interviewed MDEQ concerning its administration of the RESTORE, GEBF, and NRDA programs;
- interviewed MDA concerning its administration of GCRF; and,
- interviewed applicable staff in Florida, Louisiana, and Texas regarding their state's efforts to develop a comprehensive coastal restoration and conservation plan, and their efforts to utilize GOMESA and the Deepwater Horizon settlement funds toward achieving such a plan.¹

Scope Limitations

PEER did not review the impact of individual projects.

Additionally, PEER did not review how funding was awarded under RESTORE buckets 2 and 4 because the funding is awarded on a competitive basis instead of to states based on formulas specified in the RESTORE Act. Decisions regarding funding from these buckets are made by federally established entities (the RESTORE Council for Bucket 2 and NOAA for Bucket 4).

This report does not address an exhaustive list of funding sources the state could utilize for resiliency and restoration efforts.

¹ The Alabama Department of Natural Resources opted not to respond to interview requests or information requests.

Background

This chapter discusses:

- What is meant by coastal resilience and coastal restoration?
- What funding does Mississippi receive to support coastal restoration and resiliency efforts?
- How much funding does Mississippi receive to support coastal restoration and resiliency efforts?

What is meant by coastal resilience and coastal restoration?

Coastal resilience is defined as the ability of a coastal community to recover from the societal, economic, and ecological impacts of a hazardous event such as an oil spill, a hurricane, or extensive flooding. Coastal restoration refers to the way a coastal community heals from the injuries sustained from a hazardous event.

Coastal Resilience

The National Oceanic and Atmospheric Administration (NOAA) defines coastal resilience as follows: “building the ability of a community to ‘bounce back’ after hazardous events such as hurricanes, coastal storms, and flooding – rather than simply reacting to impacts.” NOAA further adds that “Resilience is a community or region’s ability to prevent a short-term hazard event (such as a hurricane or oil spill) from turning into a long-term community-wide disaster.” A community or region’s resilience can be assessed in terms of its ability to recover from an event’s societal, economic, and ecological impact.

According to the U.S. Economic Development Administration (a bureau of the U.S. Department of Commerce), economic resilience not only “focuses on the ability to quickly recover from a disruption but aims to better prepare regions to anticipate, withstand, and bounce back from any type of shock, disruption, or stress it may experience.” Establishing economic resilience in a local or regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity. Examples of economic resilience initiatives identified by the U.S. Economic Development Administration include:

- undertaking efforts to broaden the industrial base with diversification initiatives, such as targeting the development of emerging clusters or industries that build on the region’s unique assets and competitive strengths and provide stability during downturns that disproportionately impact any single cluster or industry; and,
- building a resilient workforce that can better shift between jobs or industries when their core employment is threatened through job-driven skills, strategies, and support organizations.

Coastal Restoration

NOAA defines coastal habitat restoration as “the range of remedies that society undertakes to heal injuries to the coastal environment.” Ecosystem restoration is the process of assisting the recovery of an ecosystem that has been degraded, damaged, or destroyed. Active restoration occurs when management techniques (e.g., planting seeds and seedlings) or the construction of artificial habitats are implemented, while passive restoration is focused on removing the impact of environmental stressors such as pollution or poor water quality, which prevent natural recovery of the ecosystems occurring.

What funding does Mississippi receive to support coastal restoration and resiliency efforts?

Since 2009, Mississippi has received a share of the GOMESA funding. Additionally, following the 2010 Deepwater Horizon oil spill, Mississippi received funding through several settlement funds to restore and compensate Mississippi for the damage to the Gulf coast and the environment.

GOMESA

The Gulf of Mexico Energy Security Act (GOMESA) of 2006, codified under Public Law 109-432, created a revenue-sharing model for oil- and gas-producing Gulf states. Under GOMESA, Alabama, Louisiana, Mississippi, and Texas (and their respective coastal political subdivisions) receive a portion of the revenue generated through federal oil and gas leases on the U.S. Outer Continental Shelf² in the Gulf of Mexico. Prior to GOMESA, these revenues went entirely to the U.S. Department of the Treasury.

Funding Resulting from the Deepwater Horizon Oil Spill

On April 20, 2010, the Deepwater Horizon oil rig exploded on the Gulf Coast, killing 11 people and injuring 17. The ensuing 87-day oil spill released nearly 134 million gallons into the Gulf of Mexico, damaging the marine and coastal ecosystems and coastal economies of Alabama, Florida, Louisiana, Mississippi, and Texas. Following the oil spill, Gulf states received funding from the Oil Spill Liability Trust Fund³ to support immediate response actions and clean-up efforts. See Exhibit 1 on page 5 for more information regarding funding received from the Deepwater Horizon settlements.

The April 20, 2010, Deepwater Horizon oil spill released nearly 134 million gallons of oil into the Gulf of Mexico, damaging the marine/coastal ecosystems and coastal economies of Alabama, Florida, Louisiana, Mississippi, and Texas.

² Defined by the Bureau of Ocean Energy Management to include the area between state jurisdiction to 200 nautical miles from shore. State jurisdiction over the seafloor extends from the shoreline out to 3 nautical miles, except for Texas and the Florida Gulf Coast, which extend out to 9 nautical miles.

³ Established in 1986 and authorized for use in 1990 as part of the Oil Pollution Act.

Exhibit 1: Mississippi's Coastal Restoration Funding

GOMESA

The Gulf of Mexico Energy Security Act (GOMESA) of 2006 created a revenue-sharing model for oil- and gas-producing gulf states. Under GOMESA, Mississippi receives a portion of the revenue generated from oil and gas production offshore in the Gulf of Mexico. GOMESA also directs a portion of revenue to the Land and Water Conservation Fund (LWCF).

At the federal level, GOMESA is administered by the U.S. Department of Interior's Office of Natural Resources Revenue. At the state level, MDMR administers GOMESA.

Mississippi has received between \$27.7 million and \$51.9 million each year from FY 2018 to FY 2022.

Funding Resulting from the Deepwater Horizon Oil Spill

The United States and Alabama, Florida, Louisiana, Mississippi, and Texas entered into four settlement agreements to assess criminal and civil penalties against and resolve economic damages resulting from the Deepwater Horizon oil spill.

RESTORE

The Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE) directed a portion of funds received from the Deepwater Horizon oil spill settlements to the RESTORE Trust Fund.

Funding is broken into five separate "buckets," each with its own planning, approval, and governance process. Buckets 1 and 5 allocate funding directly to Mississippi. Bucket 3 allocates funding to Mississippi utilizing a formula based on shoreline length, distance from the Deepwater Horizon oil rig, and population as of the 2010 Census. Buckets 2 and 4, which are awarded on a competitive basis, do not guarantee any money goes to Mississippi. Mississippi has received \$688 million from the RESTORE Fund.

GEBF

The Gulf Environmental Benefit Fund (GEBF) must be used to remedy harm or reduce risk of future harm to habitats and species in the Gulf Coast region.

NFWF is the federal entity tasked with administering GEBF and must approve all projects. MDEQ administers GEBF at the state level, including planning for and selecting projects to submit to NFWF for approval. Mississippi was allocated approximately \$356 million from GEBF. NFWF determines who implements the project (e.g., state or federal agency; non-profit).

NRDA

The Natural Resource Damage Assessment (NRDA) is the process by which the public develops claims against parties responsible for oil spills and seeks compensation for the harm done to natural resources and services by such resources. The goal of NRDA is restoration of injured or lost resources.

The Deepwater Horizon Trustee Council is made up of government entities that act as trustees on behalf of the public to assess the natural resource injuries resulting from the Deepwater Horizon oil spill. MDEQ's Executive Director is Mississippi's state trustee.

Mississippi will receive approximately \$296 million due to the NRDA process.

GCRF

The Gulf Coast Restoration Fund (GCRF) provides funding to businesses and organizations that aim to increase economic activity in the Gulf Coast region. MDA administers GCRF. Mississippi has received approximately \$157 million from GCRF as of March 31, 2023.

SOURCE: PEER analysis.

The United States and the five Gulf states entered into four settlement agreements to assess criminal and civil penalties against and resolve economic damages with BP, Anadarko, TransOcean, MOEX Offshore 2007 LLC, and Halliburton. Appendix A on page 65 summarizes each settlement agreement.

The Deepwater Horizon oil spill settlements funded the following programs: RESTORE, GEBF, and NRDA.

Funding from these settlement agreements was allocated to states to fund coastal restoration and recovery efforts as part of three different funding programs:

- RESTORE;
- GEBF; and,
- NRDA.

The last of the settlements directly allocated funding to states and localities to compensate for economic damages related to the Deepwater Horizon oil spill, but deferred to the states to determine how to do so. Mississippi used part of these settlement funds to establish GCRF.

RESTORE

The Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE) amended the Clean Water Act to direct 80% of all civil and administrative penalties associated with the Deepwater Horizon oil spill to the Gulf Coast Restoration Trust Fund (RESTORE Trust Fund). RESTORE funding is broken into five separate funding buckets, each with its own planning, approval, and governance process. Buckets 1 and 5 each allocate equal funding shares to each state, while Bucket 3 allocates funding to Mississippi utilizing a formula based on shoreline length, distance from the Deepwater Horizon oil rig, and population as of the 2010 Census.

Funding for RESTORE buckets 2 and 4 are awarded by third parties (the RESTORE Council and NOAA) utilizing a competitive process. RESTORE Bucket 2 generally targets larger projects that cover multiple states or target areas that cross boundaries (e.g., migratory birds). RESTORE Bucket 4 allocates funding to NOAA to fund monitoring, observation, and research efforts, including through competitive research grants. Because buckets 2 and 4 do not guarantee any money goes directly to Mississippi for projects, PEER generally excluded these buckets from this review.

GEBF

The National Fish and Wildlife Foundation's⁴ (NFWF) Gulf Environmental Benefit Fund (GEBF) was established in early 2013 in accordance with the terms of two plea agreements resolving the criminal cases against BP and TransOcean after the 2010 Deepwater Horizon oil spill. The plea agreements mandate that funds may be used only to support projects that "remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources" (i.e., habitats and species) in locations where there has been injury to, destruction of, or loss of the use of those resources resulting from the oil spill.

⁴ A private, nonprofit, tax-exempt organization established by Congress in 1984 to protect and restore the nation's fish, wildlife, plants, and habitats.

NRDA

The National Resource Damage Assessment (NRDA) is the process used to develop the public's claim against the party or parties responsible for an oil spill and to seek compensation for the harm done to natural resources and services provided by those resources.

Under the Oil Pollution Act of 1990, two types of liability are assigned for releases of oil or hazardous substances:

1. responsibility for cleanup of the environment (which is overseen by the lead cleanup agency); and,
2. responsibility for addressing injury to natural resources (which is overseen by natural resource trustees).

After the Deepwater Horizon oil spill, the Deepwater Horizon Trustee Council⁵ assessed the impact of the spill using the NRDA process. The goal of NRDA is restoration of the injured or lost resources to pre-spill conditions.

GCRF

In addition to NRDA, GEBF, and RESTORE funding, Mississippi was awarded \$750 million as part of the settlement resulting from the Deepwater Horizon oil spill. In response, the Mississippi State Legislature passed Senate Bill 2002 (2018 First Extraordinary Session) to allocate this funding. The Legislature allocated funding received on or before August 31, 2018, to the Budget Contingency Fund. The Legislature divided the remaining funding received on or after September 1, 2018, as follows:

The Gulf Coast Restoration Fund (GCRF) provides funding to businesses and organizations looking to increase economic activity in the Gulf Coast region.

- 75% of each annual payment of such funds to GCRF; and,
- 25% of each annual payment of such funds to the newly established "State BP Settlement Fund."⁶

GCRF was established in September 2018. It provides funding to businesses and organizations looking to bring increased economic activity to the Gulf Coast region.

How does Mississippi administer these funds?

Mississippi utilizes a three-agency structure (MDMR, MDA, and MDEQ) to identify and implement coastal resiliency and restoration projects funded by GOMESA and Deepwater Horizon settlement funds. Apart from limited coordination efforts geared toward efforts to leverage funding and not duplicate projects, the three agencies generally operate in siloes. While Mississippi's method for implementing coastal resiliency and restoration projects may enable the state to comply with the differing requirements of the different funding structures associated with each fund type, it is

⁵ Comprised of trustees from NOAA, the U.S. Fish and Wildlife Service, U.S. Environmental Protection Agency, U.S. Department of Agriculture, Alabama, Florida, Louisiana, Mississippi, and Texas.

⁶ The BP Settlement Fund consists of funds required by MISS. CODE ANN. Section 27-103-302 to be deposited into a special fund. In 2020, money from this special fund was used for local improvement projects. Because money from the fund can be used for anything (not just coastal resilience and restoration), PEER did not evaluate it in this report.

unclear to what extent these projects are moving the state toward addressing its short-term and long-term coastal resiliency and restoration needs.

How much funding does Mississippi receive to support coastal restoration and resiliency efforts?

Mississippi and its three coastal counties received a total of approximately \$10.2 million from GOMESA from FY 2009 to FY 2017. Mississippi and its three coastal counties have since received at least \$27 million each year from FY 2018 to FY 2022. Unlike GOMESA, the amount of Deepwater Horizon settlement funding Mississippi will directly receive is pre-determined (approximately \$2.1 billion). Deepwater Horizon settlement funding payments are scheduled to end in 2031 with implementation into the future, while GOMESA funding will end in FY 2056.

How much funding does Mississippi receive from GOMESA?

From FY 2009 to FY 2017, Mississippi and its three coastal counties received a total of \$10,171,049 under Phase I of GOMESA. Since then, under Phase II of GOMESA, Mississippi and its three coastal counties have received anywhere from \$27.7 million in FY 2018 to \$51.9 million in FY 2020. Exhibit 2 on page 8 provides the amount of GOMESA disbursements made to Mississippi and its coastal counties from FY 2009 to FY 2022. GOMESA funding will end in FY 2056, unless extended by Congress.

Exhibit 2: GOMESA Disbursements to Mississippi and its Coastal Counties, FY 2009 to FY 2022¹

| | Phase I | Phase II | | | | |
|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2009-2017 (\$) | 2018 (\$) | 2019 (\$) | 2020 (\$) | 2021 (\$) | 2022 (\$) |
| MDMR | 8,136,827 | 22,203,639 | 25,379,085 | 41,531,181 | 29,216,818 | 29,417,448 |
| Hancock | 367,979 | 1,059,052 | 1,188,863 | 1,971,125 | 1,388,585 | 1,398,765 |
| Harrison | 792,558 | 2,157,883 | 2,470,050 | 4,035,776 | 2,840,169 | 2,898,940 |
| Jackson | 873,685 | 2,333,975 | 2,685,858 | 4,375,894 | 3,075,450 | 3,056,657 |
| Total | 10,171,049 | 27,754,549 | 31,723,856 | 51,913,976 | 36,521,022 | 36,771,810 |

- 1) The first payments of GOMESA revenues occurred in 2009. Under GOMESA Section 105(c), revenues are disbursed to the states and the Land and Water Conservation Fund state grant program in the fiscal year following their receipt.

SOURCE: U.S. Department of Interior's Office of Natural Resources Revenue.

How much funding was allocated for Mississippi under the Deepwater Horizon settlements?

Mississippi was awarded nearly \$2.165 billion in compensation under the Deepwater Horizon settlement agreements. This funding includes:

- \$75 million in response action/clean-up payments;

- \$750 million in economic damages, including \$150 million in CY 2016 and \$40 million per year to be paid over 15 years beginning in CY 2019;
- Approximately \$296 million in NRDA payments for environmental restoration;
- \$356 million in NFWF payments through GEBF; and,
- Approximately \$688 million in Clean Water Act penalties under the RESTORE Act for environmental and economic restoration.

Each of these funding sources has its own governance and approval process. For example, funding under RESTORE is broken into five separate funding buckets, each with its own planning, approval, and governance process.

This chapter discusses:

- What is GOMESA?
- How does Mississippi award GOMESA funding to projects?
- How do each of the three counties receiving GOMESA funding directly award GOMESA projects?

What is GOMESA?

GOMESA is the program through which Mississippi receives a portion of the revenue generated through federal oil and gas leases on the U.S. Outer Continental Shelf in the Gulf of Mexico.

What is GOMESA?

GOMESA is the program through which Mississippi receives a portion of the revenue generated through federal oil and gas leases on the U.S. Outer Continental Shelf in the Gulf of Mexico.

The intent of GOMESA's revenue-sharing provision is to provide resources to the coastal states to offset the potentially harmful effects of energy production within and adjacent to the Gulf of Mexico, such as coastal erosion, habitat degradation, and natural resource depletion. Compared to the Deepwater Horizon funding sources, GOMESA is less restrictive.

Distribution of GOMESA Funds

GOMESA funds have been distributed in two phases. Phase I of GOMESA (FY 2006 to FY 2017) began immediately following enactment by authorizing oil and gas leasing in specific Gulf regions. Phase II, which officially commenced in FY 2017, significantly expanded the oil and gas leasing zones.

GOMESA funds are disbursed in the year following receipt, are available without further federal appropriation, will remain available until expended, and may be received in addition to appropriated amounts from the Outer Continental Shelf Lands Act of 1953, Land and Water Conservation Fund, and other relevant funds.

For a full list of GOMESA projects funding through 2022, see Appendix B on page 66.

Who administers GOMESA in Mississippi?

GOMESA is administered at the federal level by the U.S. Department of Interior's Office of Natural Resources Revenue. At the advent of GOMESA, then-Governor Haley Barbour designated MDMR as the representative agency for the State of Mississippi for the reception and issuance of GOMESA funding.

MDMR administers the state GOMESA program. In the past, executive directors of MDMR, MDEQ, and MDA have acted as a committee to recommend projects to the Governor.

MDMR administers the state GOMESA program, including soliciting project ideas, determining eligibility under the Act, and providing grant oversight. Executive Directors of MDMR, MDEQ, and MDA serve as an ad hoc committee to review and recommend projects to the Governor to be funded through GOMESA.

Each of Mississippi's three coastal political subdivisions, Hancock County, Harrison County, and Jackson County, separately administer the GOMESA programs for the portion of funding that is directly sent to each respective county. Each county's board of supervisors approves GOMESA-funded projects for its county.

How does Mississippi seek to utilize GOMESA funding?

The MDMR Executive Director stated the GOMESA Review Committee's two main funding priorities for GOMESA funds have been projects that either improve water quality or provide hurricane protection.

According to the MDMR Executive Director, the majority of GOMESA funding requests pertain to efforts to improve water quality, particularly efforts to improve storm drainage systems and update aging sewer infrastructure. These efforts are intended to reduce the amount of fuel, fertilizer, construction remnants, and untreated raw sewage (from leaking, aging infrastructure) from draining into the Gulf.

Vision of the Mississippi GOMESA Program

MDMR described the intent and vision of the Mississippi GOMESA Phase II Program as follows:

To provide effective, responsive, and meaningful planning, implementation, and support for economic and ecological, restoration efforts and for the Program to work seamlessly with existing coastal programs and initiatives to ensure a comprehensive and cohesive restored Gulf Coast economy and environment. In order to achieve this, the Mississippi GOMESA Phase II Program should:

- *Drive expanded coastal ecological, physical/hydrogeomorphic (physical) restoration efforts;*
- *Advance resiliency efforts "to increase the capacity of human and natural/ physical systems to adapt to and recover from change" (GOMA);*
- *Increase the economic well-being of the Mississippi Gulf Coast; and*

- *Enhance the quality of life for those who live, work, visit, and do business on the Gulf Coast.*

Goals of the Mississippi GOMESA Program

Additionally, the framework identified the following three elements in which the GOMESA Phase II program should operate:

- **Improve the economic well-being of the Mississippi Gulf Coast:** Investing in economic development and infrastructure projects may improve the economic well-being of the Mississippi Gulf Coast while also enhancing economic and infrastructure resiliency to recover faster and smarter after a disaster.
- **Enhance coastal ecology and environmental restoration and resiliency efforts to protect and preserve the natural environment for future generations:** The Mississippi GOMESA Phase II Program can help fill a vital gap by identifying funding and project disparities left by other coastal programs on the Mississippi Gulf Coast and rectifying these disparities to create a comprehensive and cohesive restored coast.
- **Improving the quality of life for those who live, work, visit, and do business on the Gulf Coast:** The Mississippi GOMESA Phase II Program should identify and implement activities that are sustainable, add continuous economic and ecological value to the State and Gulf Coast, and improve the quality of life of the Mississippi Gulf Coast. Improving quality of life entails not only economic well-being and satisfaction, but also physical health, family, education, employment, wealth, religious beliefs, finance, and the environment.

How does Mississippi award GOMESA funding to projects?

GOMESA project ideas and requests must be submitted online through MDMR's online GOMESA portal. Although it does not have a firm cutoff deadline, MDMR stated its goal is to receive all GOMESA project requests by June 30 each year.

How does a project qualify for GOMESA?

A three-person internal MDMR review committee reviews project applications to determine if they qualify for GOMESA funds. GOMESA requires revenues to be expended for the following primary purposes:

- projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses;
- mitigation of damage to fish, wildlife, or natural resources;
- implementation of a federally approved marine, coastal, or comprehensive conservation management plan; and,

- mitigation of the impact of Outer Continental Shelf (OCS) activities through the funding of onshore infrastructure projects.

MDMR also requires project applicants to be a government entity or non-profit vendor. Additionally, Mississippi GOMESA projects must be in one of the three coastal counties: Hancock, Harrison, or Jackson. The MDMR review committee then submits a list of proposals that meet the criteria to the Attorney General’s Office to ensure that all meet the criteria from a legal perspective.

These are the only criteria the MDMR internal review committee utilizes to evaluate project requests prior to forwarding such project requests to the GOMESA Review Committee.

Review of Eligible Projects

The GOMESA Review Committee reviews proposed projects prior to submitting a list to the Governor.

Eligible proposals are submitted to the MDMR Executive Director for review. The MDMR Executive Director then convenes the GOMESA Review Committee—an informal, ad hoc

committee consisting of the directors of MDMR, MDA, and MDEQ—to review the proposed projects prior to submitting a list to the Governor. The primary purpose of this meeting is to:

- identify any duplicate or similar projects that were submitted;
- identify any project ideas that overlap existing projects or potential projects being considered by the other two agencies; and,
- discuss which funding source might be best to fund the project.

The GOMESA Review Committee reviews projects and creates a list of projects that meet one or more of the criteria and require funds that are equal to or less than the amount of funds available. The Attorney General’s Office reviews this list for legal compliance before submitting it to the Governor’s Office for final review and selection of projects to be funded.

Although MDMR moved to a model of organizing preferred projects into tiers in FY 2022, MDMR has not adopted any formal method to evaluate or rank project requests.

Role of Governor and Legislature in Awarding Projects

Ultimately, the Governor has the authority under GOMESA to choose projects from the recommended list. The recommended list includes eligible GOMESA projects that meet one or more of the GOMESA criteria. The recommended list typically includes more projects than funding available.

The Legislature then must appropriate funding for each GOMESA project via a line-item appropriation during the following legislative session. Active GOMESA projects must have their GOMESA funding reappropriated each year.

Can the Governor choose to award and the Legislature fund GOMESA projects not on the recommended list?

According to MDMR staff, the Governor may choose projects not on the recommended list. However, the project must be evaluated by the internal MDMR review committee, the GOMESA Review Committee, and the Attorney General’s Office to determine if the project qualifies under GOMESA and does not conflict with an existing or planned project. According to the MDMR GOMESA Coordinator, the Governor has, to date, only chosen projects that have been previously approved by MDMR.

How do each of the three counties receiving GOMESA funding directly award GOMESA projects?

The three coastal counties eligible for direct funding under GOMESA (Hancock, Harrison, and Jackson counties) have authority to choose and approve their own projects. Projects are approved by each county's respective Board of Supervisors. MDMR has no oversight over GOMESA projects funded with GOMESA funds directly allocated to each county.

Hancock County

Hancock County staff reported utilizing a portion of its GOMESA funding to target drainage improvement projects to address issues pertaining to stormwater. In 2016, Hancock County conducted a study that sought to identify every drainage improvement problem in the county. Hancock County reported it currently contracts with an engineering firm to administer the program.

Hancock County has also utilized its GOMESA funding to provide funding for municipal projects. This includes \$1,000,000 in 2018 for the City of Waveland lighthouse project and \$1,000,000 in 2021 for the City of Bay St. Louis Pier 5 project.

Harrison County

Harrison County considers projects submitted by the Harrison County Engineer, the Harrison County Sand Beach Director, and the individual Supervisors in the five districts of Harrison County, as well as funding requests from the cities and other agencies located in Harrison County. As of March 3, 2023, Harrison County had utilized its GOMESA funding to support three projects. Harrison County has allocated \$6.9 million over four years to the City of Biloxi Port Enterprise Fund, a larger \$76 million project pertaining to Point Cadet Marina. The project is for infrastructure upgrades to the Point Cadet Marina including new boat slips, floating concrete docks, and added utilities.

The other two smaller projects pertain to flooding and drainage improvements. Harrison County provided the City of Gulfport \$200,000 of the \$385,000 needed to alleviate a blockage that was causing flooding in the Turkey Creek community. Harrison County utilized \$71,178 in GOMESA funds to match a Tidelands Grant to dredge Young's Bayou to restore channel depth to five feet to allow boat access to the Bay of St. Louis and the Mississippi Sound to reduce drainage problems and encourage flushing to prevent stagnation.

Harrison County also reported pursuing efforts to through local utility authorities to run sewer lines in areas currently supported by septic tanks. The county hopes such efforts will improve water quality, while also encouraging development in rural areas.

Jackson County

Jackson County prioritizes coastal resiliency projects, including drainage projects and dredging projects in the nearby bayous that Jackson County maintains. The primary benefit of these projects was the reduction of coastal flooding resulting from improved drainage.

In 2017, Jackson County conducted a dredging and draining assessment to identify needs. In 2018, Jackson County developed a priority and implementation plan in anticipation of increased

GOMESA revenues. In developing its priority and implementation plan, Jackson County utilized a formal scoring matrix to score projects, as shown in Exhibit 3 on page 15.

Exhibit 3: Jackson County Project Prioritization Criteria

Jackson County prioritized 68 potential project sites for short-term or long-term implementation based on the following prioritization criteria. Jackson County defined short-term implementation as 0 to 5 years and long-term implementation as 5 to 10 years.

Immediate Priorities

1. Is the project required to address an imminent threat to health, safety, welfare, or property?

Levels of Service/Flood Reduction

2. Will the project result in significant reduction in property damage, function of transportation systems, and other costs of flooding relative to project costs?
3. What number of residences and/or businesses will benefit from the project?

Optimized Lifecycle Cost

4. Will the project lifecycle cost be less expensive if constructed or purchased at this time? (This may take into consideration the costs of implementing other projects or the cost of not doing the project.)

Growth and Economic Development

5. Will the project enhance property values in the area?
 - a. Provide amenities?
 - b. Reduce nuisance flood risk?

Quality of Life

6. Has the County received complaints from citizens and/or businesses that the project is needed?

SOURCE: *Jackson County Conceptual Drainage and Dredging Assessment*. Waggoner. April 2017.

In anticipation of receiving increased GOMESA funding under GOMESA Phase II, Jackson County issued \$15 million in bonds. Jackson County stated that it intended to implement projects while bond rates were low because it anticipated the cost for the projects would increase over time.

RESTORE

This chapter discusses:

- What is the RESTORE Act?
- How much funding does Mississippi receive under the RESTORE Act?
- How are RESTORE projects chosen for buckets 1 and 3?
- What are the other RESTORE Programs?

What is the RESTORE Act?

Enacted in 2012, RESTORE directs and regulates administrative and civil penalties paid by responsible parties in connection with the 2010 Deepwater Horizon oil spill under the Federal Water Pollution Control Act.

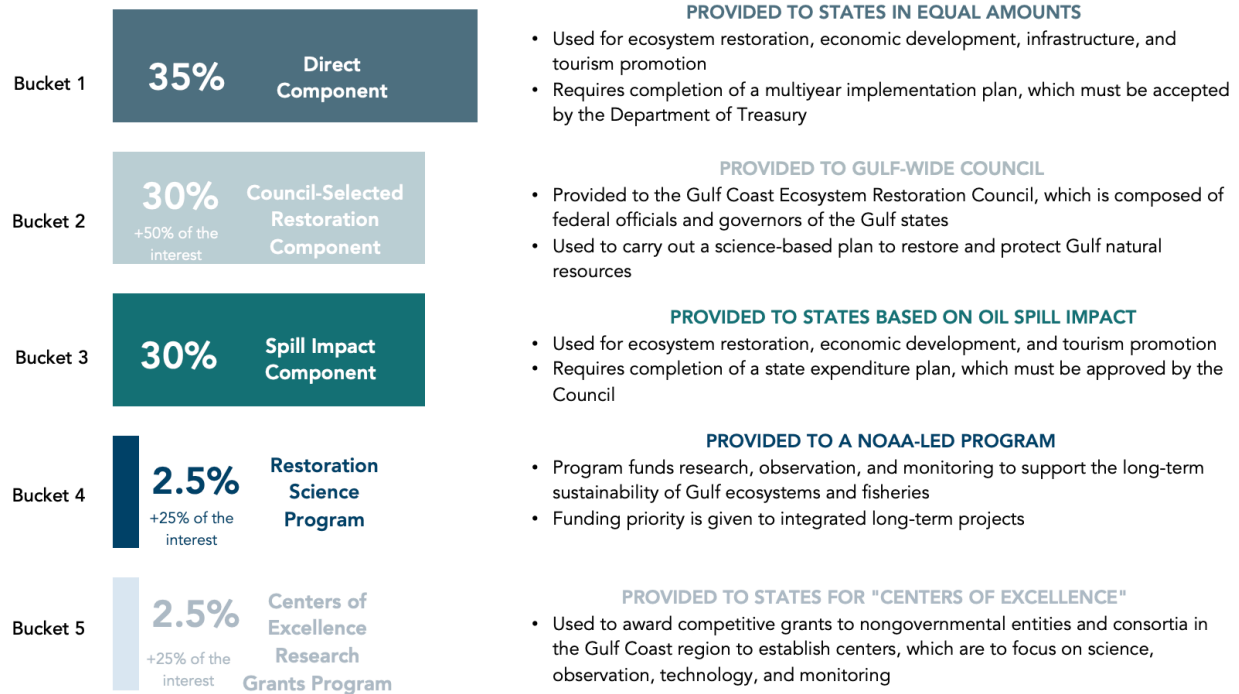
How is funding allocated under the RESTORE Act?

The RESTORE Act amended the Clean Water Act to direct 80% of all civil and administrative penalties associated with the Deepwater Horizon oil spill to the Gulf Coast Restoration Trust Fund (RESTORE Trust Fund). The remaining 20 percent contributes to the Oil Spill Liability Trust Fund, which was created under the Oil Pollution Act of 1990.

RESTORE stands for Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act.

Exhibit 4 on page 17 illustrates how RESTORE funding is allocated.

Exhibit 4: Illustration of RESTORE Funding



SOURCE: Compiled utilizing information from Gulf Coast Ecosystem Restoration (RESTORE) Council, U.S. Treasury, and Environmental Law Institute.

Oil Spill Liability Trust Fund

Administered by the U.S. Coast Guard's National Pollution Funds Center, the Oil Spill Liability Trust Fund can provide up to \$1 billion for any one oil pollution incident, including up to \$500 million for the initiation of natural resource damage assessments and claims in connection with any single incident. According to the U.S. Environment Protection Agency's website, the main uses of Oil Spill Liability Trust Fund expenditures are:

- state access for removal actions (e.g., salaries, equipment, administrative costs);
- payments to federal, state, and Native American tribe trustees to carry out natural resource damage assessments and restorations;
- payment of claims for uncompensated removal costs and damages; and,
- research and development and other specific appropriations.

The Oil Spill Liability Trust Fund may also be utilized to cover the cost of removal or damages when the responsible party is unknown or refuses to pay. The RESTORE Act limited state claims for compensation from the Oil Spill Liability Trust Fund if they were funded under the RESTORE Act.

RESTORE Trust Fund

The RESTORE Act divided funding in the RESTORE Trust Fund (hereafter referred to as RESTORE funds) into five separate funding buckets. Each funding bucket has its own planning, approval, and governance process.

Buckets 1 and 5 both allocate equal funding shares to each state.⁷ Bucket 3 allocates funding to each state utilizing a formula based on shoreline length, distance from the Deepwater Horizon oil rig, and population as of the 2010 Census. The U.S. Treasury disburses the funds allocated for RESTORE Bucket 1 and Bucket 5 evenly among the Gulf states on a reimbursement basis. RESTORE Bucket 1 funds received by Florida and Louisiana are further divided to support their respective “disproportionately affected” coastal political subdivisions.

Funding for RESTORE buckets 2 and 4 are awarded by third parties (the RESTORE Council and NOAA) utilizing a competitive process. Buckets 2 and 4 do not guarantee any money goes directly to Mississippi for projects. The RESTORE Act permits a Gulf Coast state or coastal political subdivision⁸ to use, in whole or in part, RESTORE funds to satisfy the non-federal share of any project or program that is authorized by other federal law and is an eligible activity described in clause.

RESTORE Bucket 2 generally targets larger projects that cover multiple states or target areas that cross boundaries (e.g., migratory birds). RESTORE Bucket 4 allocates funding to NOAA to fund monitoring, observation, and research efforts, including through competitive research grants. PEER generally excluded reviewing these two buckets because Mississippi is not guaranteed to receive funding from them.

What is the purpose of the RESTORE Council?

The RESTORE Act called for a regional approach to restoring the long-term health of the valuable natural ecosystems and economy of the Gulf Coast region. To support such efforts, the RESTORE act established the Gulf Coast Ecosystem Restoration Council (RESTORE Council) to allocate funding for RESTORE Bucket 2, to approve funding for RESTORE Bucket 3, and to establish a comprehensive plan to guide a coordinated, regionwide effort to restore, protect, and revitalize the Gulf Coast.

The 11-member RESTORE Council is comprised of the governors of the states of Alabama, Florida, Louisiana, Mississippi, and Texas; the secretaries of the U.S. Departments of Agriculture, the Army, Commerce, Homeland Security,⁹ and Interior; and the Administrator of the U.S. Environmental Protection Agency. The RESTORE Council must be chaired by one of the six federal agencies. The RESTORE Council staff (based in New Orleans, Louisiana) provides administrative/finance support, legal support, program management, and the business management of grants and interagency agreements.

⁷ As specified in the RESTORE Act, Florida directs all its Bucket 1 funding to its coastal counties, while Louisiana receives 70% of its Bucket 1 funding and coastal parishes receive 30%.

⁸ Refers to counties or parishes that receive funding under the RESTORE Act.

⁹ As head of the department in which the U.S. Coast Guard is operating.

Comprehensive Plan

On September 14, 2022, the RESTORE Council voted to approve the 2022 *Comprehensive Plan Update: Restoring the Gulf Coast Ecosystem and Economy*. This is the second update to the 2013 *Initial Comprehensive Plan: Restoring the Gulf Coast's Ecosystem and Economy*. The initial plan was required to include:

- provisions to fully incorporate the recommendations of the Gulf Coast Ecosystem Restoration Task Force;
- a list of projects previously authorized (but not started) that would further the purposes and goals of the RESTORE Council; and,
- a ten-year funding plan (to be updated every five years) and a three-year list of priority projects to be funded (to be updated annually).

Priority is given to:

- projects that are projected to make the greatest contribution to restoring and protecting the Gulf Coast natural resources;¹⁰
- large-scale projects that are projected to substantially contribute to restoring and protecting Gulf Coast natural resources;
- projects contained in existing Gulf Coast state comprehensive plans for natural resource and restoration and protection; and/or,
- projects that restore long-term resiliency of natural resources most impacted by the spill.

Funded Priorities Lists

The RESTORE Council approves RESTORE Bucket 2 projects and programs for funding in what is called a Funded Priorities List. The initial RESTORE Funded Priorities List was approved on December 9, 2015. As of May 9, 2023, the RESTORE Council reported it had approved Funded Priorities List 2 (2018), Funded Priorities List 3a (2020), and Funded Priorities List 3b (2021).¹¹

Funded Priorities Lists include activities in two categories. According to the RESTORE Council's website, "Category 1 activities are approved for RESTORE Bucket 2 funding." Such approval requires a RESTORE Council vote, as set forth in the RESTORE Act. To be approved in Category 1, a project or program must have documentation demonstrating that all applicable environmental laws have been addressed. For example, a construction project would need documentation demonstrating compliance with the National Environmental Policy Act and other applicable laws.

According to the RESTORE Council's website, "Category 2 activities are RESTORE Council priorities for potential future funding but are not approved for funding." These are projects and/or programs that are not yet able to be approved by the RESTORE Council, but which the RESTORE Council considers to be worthy of potential future funding.

¹⁰ Includes the restoration and protection of natural resources, ecosystems, fisheries, marine and wildlife habitat, beaches, coastal wetlands, or regional economies of the Gulf Coast.

¹¹ Funded Priorities List 2 is officially titled *2017 Funded Priorities List: Comprehensive Commitment and Planning Support*. Approved January 24, 2018.

Funding is budgeted for potential use on Category 2 activities, but the Council is not committed to such activities.

As appropriate, the RESTORE Council will review the activities in Category 2 to determine whether to vote to move an activity to Category 1 and approve it for funding, remove it from Category 2 and any further consideration, or continue to include it in Category 2. In these reviews, the Council can consider feasibility; environmental compliance; and scientific-, technical-, or policy-related issues. A RESTORE Council vote and Funded Priorities List amendment are required to move an activity from Category 2 to Category 1, or to remove an activity from Category 2 (i.e., from any further consideration).

How much funding does Mississippi receive under the RESTORE Act?

According to MDEQ, Mississippi's total estimated allocation for RESTORE funds is \$706,483,507. This includes funding MDEQ receives for Buckets 1, 3, and 5 to be paid over 15 years. This excludes any additional funding the RESTORE council may award MDEQ under Bucket 2 or NOAA may award research entities under Bucket 4.

Mississippi, through MDEQ, directly receives RESTORE funding under buckets 1, 3, and 5. The Mississippi allocation for Bucket 1 is an estimated \$372,815,695. The Mississippi allocation for Bucket 3 is an estimated \$304,696,941. Mississippi's allocation for Bucket 5 is an estimated \$28,970,871 for the Mississippi Centers of Excellence. The allocations for each bucket referenced here are the total anticipated allocations over the course of the entire Deepwater Horizon settlement payment schedule, which provides for annual payments continuing through 2031. MDEQ will also receive a share of the interest from the U.S. Treasury's investment of RESTORE funds from Bucket 5; that amount is unknown at this time.

Bucket 2 funding, which is determined by the RESTORE Council, is based on a competitive application process. Predetermined funding for Bucket 2 is not specifically allocated to each of the Gulf states.

Bucket 4 is administered by NOAA and is known as the NOAA RESTORE Act Science Program. The total estimated program funding for Bucket 4 is \$144,854,358. Although entities in Mississippi may receive funding under Bucket 4, the state is not guaranteed funding under Bucket 4. Further, MDEQ does not participate in the administration of Bucket 4 funds or the selection of projects under Bucket 4.

According to the U.S. Treasury, as of October 1, 2022, Mississippi had been allocated \$182,904,293 in RESTORE Bucket 1 funds, and obligated \$139,065,562,¹² leaving an unobligated

¹² According to the U.S. Treasury, this figure may include reductions to reflect actual grant expenditures or budget revisions resulting in a de-obligation of funds.

amount available of \$43,838,731¹³ available. This excludes the remaining estimated \$190,000,000 in allocations that will be made through 2031.

According to the U.S. Treasury, as of October 1, 2022, Mississippi had been allocated \$17,718,111 in RESTORE Bucket 5 funds, and obligated \$7,821,526,¹⁴ leaving an unobligated amount available of \$9,896,585.¹⁵ This excludes the remaining estimated \$11,000,000 in allocations that will be made through 2031.

For a full list of projects funded by the RESTORE fund through 2022, see Appendix C on page 71.

How are RESTORE projects chosen for buckets 1 and 3?

Project ideas submitted through the MDEQ project portal are forwarded to the Governor's Gulf Coast Advisory Committee for review. Potential RESTORE Bucket 1 and Bucket 3 projects must go through three key steps prior to award: be recommended by the Committee to the Governor for funding, be chosen by the Governor for funding, and be approved by the U.S. Treasury (Bucket 1) or RESTORE Council (Bucket 3).

How does Mississippi identify RESTORE project ideas?

Every project seeking funding through MDEQ must be submitted online through the MDEQ project portal. MDEQ does not require the project proponent to specify a requested funding source. Project ideas may be accepted by MDEQ at any time throughout the year; however, MDEQ stated only those submitted before the recommendation list is finalized will be considered.

What is the Governor's Gulf Coast Advisory Committee?

Project ideas are first reviewed by the approximately 100-person Governor's Gulf Coast Advisory Committee.¹⁶ MDEQ routes each project idea to the Governor's Gulf Coast Advisory Committee based on the seven focus areas. The Governor's Gulf Coast Advisory Committee's purpose is to recommend projects to the Governor for the RESTORE Act Direct Component and Spill Impact Component. The Governor's Gulf Coast Advisory Committee has seven subcommittees based on seven focus areas:

- eco-restoration;
- economic development;
- infrastructure;
- seafood;

¹³ According to the U.S. Treasury, the net allocations available are the net amounts remaining after obligations issued by the Treasury under the Direct Component and Centers of Excellence Research Grants program.

¹⁴ According to the U.S. Treasury, this figure may include reductions to reflect actual grant expenditures or budget revisions resulting in a de-obligation of funds.

¹⁵ According to the U.S. Treasury, the net allocations available are the net amounts remaining after obligations issued by the Treasury under the Direct Component and Centers of Excellence Research Grants program.

¹⁶ Comprised of residents, business leaders, legislators, and other stakeholders from Hancock, Harrison, and Jackson counties.

- small business;
- tourism; and,
- workforce development/research and education.

Those submitting project ideas may identify up to two subcommittees for their project idea to be reviewed by.¹⁷ Each subcommittee then discusses their assigned project ideas and reaches consensus on which and how many project ideas to recommend.

How does MDEQ evaluate RESTORE Buckets 1 and 3?

The project ideas are then provided to MDEQ for evaluation to determine eligibility under the criteria outlined by the RESTORE Act and compliance with relevant federal and state laws. At this stage, project ideas are fine-tuned or modified as need be to meet eligibility requirements (e.g., if a non-eligible entity such as a for profit business is the project idea sponsor, MDEQ would be the eligible entity and a governmental entity or nongovernmental organization would be approved to be subrecipient). The RESTORE Act outlines eligibility criteria for RESTORE Bucket 1 and Bucket 3 projects. RESTORE funds must be used to achieve economic and ecological restoration of the Gulf Coast.

RESTORE Bucket 1 Project Eligibility Criteria

Each RESTORE Bucket 1 project must carry out one or more of the following activities:

1. Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region;
2. Mitigation of damage to fish, wildlife, and natural resources;
3. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring;
4. Workforce development and job creation;
5. Improvements to or on state parks located in coastal areas affected by the Deepwater Horizon oil spill;
6. Infrastructure projects benefitting the economy or ecological resources, including port infrastructure;
7. Coastal flood protection and related infrastructure;
8. Planning assistance;
9. Administrative costs of complying with this subsection;¹⁸
10. Promotion of tourism in the Gulf Coast region, including recreational fishing; and,
11. Promotion of the consumption of seafood harvested from the Gulf Coast region.

Additionally, each RESTORE Bucket 1 project must be selected with public input, based on the best available science, and designed to restore and protect the natural resources,

¹⁷ Proponents submitting projects ideas prior to 2022 had the option to select up to seven subcommittees.

¹⁸ No more than 3% of funding may be spent on administrative costs.

ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, or the economy of the Gulf Coast.

RESTORE Bucket 3 Project Eligibility Criteria

RESTORE Bucket 3 projects must be used “for projects, programs, and activities that will improve the ecosystems or economy of the Gulf Coast region.” RESTORE Bucket 3 projects must be for one of the eligible activities identified for RESTORE Bucket 1 and contribute to the overall economic and ecological recovery of the Gulf Coast. Additionally, no more than 25% of RESTORE Bucket 3 funds may be used for infrastructure projects unless the state certifies that the state’s ecosystem restoration needs are addressed by the plan, and additional infrastructure investment is necessary to mitigate the impact of the Deepwater Horizon oil spill. Due to the infrastructure limit on RESTORE Bucket 3 expenditures, MDEQ stated it usually recommends to the Governor RESTORE Bucket 1 funding be used for eligible infrastructure projects.

MDEQ will compile a final, comprehensive list of recommendations provided by the committee that satisfy eligibility requirements. During this compilation step, MDEQ coordinates with other state agencies such as MDMR and MDA to verify it is not funding the same work (e.g., duplicate projects) and to make sure like projects leverage or complement one another.

How are projects awarded under RESTORE Buckets 1 and 3?

Once potential RESTORE Bucket 1 and Bucket 3 projects are identified by MDEQ through the Governor’s Gulf Coast Advisory Committee, the potential projects must go through three key steps prior to award.

First, the project must be included on the Governor’s Gulf Coast Advisory Committee’s submitted list to the Governor after each project has been evaluated by MDEQ. The Governor must then determine which projects the state, through MDEQ, should seek funding for under RESTORE Bucket 1 and Bucket 3. According to MDEQ, the Governor is not limited to the list of projects.

Although the Governor has approval authority for which projects MDEQ makes a request to the U.S. Treasury and RESTORE Council to fund, the Governor cannot solely authorize MDEQ to spend RESTORE funds. Such requires two steps: the approval of the required planning document, and the approval of the required grant application.

Requirement to Submit Planning Documents

To receive funding under RESTORE buckets 1 and 3, states are required to submit a Multiyear Implementation Plan for Bucket 1 projects and State Expenditure Plan for Bucket 3 projects. The U.S. Treasury must approve each state’s Multiyear Implementation Plan while the RESTORE Council must approve each state’s State Expenditure Plan. To modify projects included under previous plans or to add new projects, MDEQ must submit amendments to each plan.

Both plans generally serve as a guide outlining the projects the state plans to submit for grant funding and the reasons for choosing the projects. The U.S. Treasury requires both these documents are made available for public review and comment for 45 days prior to submitting to the U.S. Treasury or RESTORE Council for approval.

A state's multi-year implementation plan for RESTORE Bucket 1 must certify that projects and programs:

- are designed to restore and protect the Gulf Coast resources;
- carry out one or more of the eligible activities permitted under RESTORE Bucket 1;
- were selected based on meaningful and broad-based public input;
- were selected based on best available science; and,
- were selected consistently with procurement rules for comparable projects in the state.

Mississippi's initial Multiyear Implementation Plan was approved on May 19, 2016. Through May 12, 2022, the U.S. Treasury had accepted five amendments to Mississippi's Multiyear Implementation Plan.

A state's State Expenditure Plan for RESTORE Bucket 3 must take into consideration the RESTORE Council's Comprehensive Plan and be consistent with the RESTORE Council's goals and objectives. Mississippi's initial State Expenditure Plan was developed in 2016. It has been amended five times since, including most recently in 2022.

The RESTORE Act does not specify the time frame that either plan must cover. As a result, there is a wide range in times state plans cover. MDEQ has opted to utilize a shorter time frame (1 to 2 years). As of March 1, 2023, Texas had submitted one Multiyear Implementation Plan for RESTORE Bucket 1 funding, which covered the first five years of funding. Louisiana, by contrast, submitted one Multiyear Implementation Plan to cover all its RESTORE Bucket 1 funding (i.e., 15 years).

Requirement to Submit Grant Application for Each Individual Project

MDEQ serves as the grantee and direct fund recipient for all RESTORE Bucket 1 and Bucket 3 dollars allocated to Mississippi. In order to receive reimbursements for eligible expenses, MDEQ is required to enter into separate grant agreements with the U.S. Treasury or the RESTORE Council, as applicable, for each project approved in the state's multiyear implementation plan by the U.S. Treasury and the state's state expenditure plan by the RESTORE Council. MDEQ may also then enter into sub-award agreements with a third party to implement all or portions of a project.

What are the other RESTORE programs?

RESTORE funds are also allocated to fund the RESTORE Science Program and RESTORE Act Center of Excellence.

RESTORE Science Center

The RESTORE Act allocates 2.5% of funding plus 25% of interest on the RESTORE Trust Fund to Bucket 4 to fund the RESTORE Science Program.¹⁹ NOAA administers the RESTORE Science Program in consultation with the U.S. Fish and Wildlife Service.

The mission of the RESTORE Science Program is to carry out research, observation, and monitoring to support the long-term sustainability of the ecosystem, fish stocks, fish habitat, and the recreational, commercial, and charter-fishing industry in the Gulf of Mexico.

For more information regarding the RESTORE Science Program, see Appendix D on page 74.

RESTORE Act Center of Excellence

The RESTORE Act, through RESTORE Bucket 5, provides funding to each of the five Gulf states to establish the Centers of Excellence Research Program. Since each Gulf state is allocated an equal share of RESTORE Bucket 5 funding, each state would receive 0.5% of funding from the RESTORE Trust Fund plus 5% of the interest the U.S. Treasury receives from investing in the RESTORE Trust Fund.

The Centers of Excellence Research Program is administered by the U.S. Treasury at the federal level and the designated state entity (MDEQ for Mississippi) at the state level. The Centers of Excellence must be nongovernmental entities dedicated to science, technology, and general monitoring in the Gulf Coast region.

For more information on the RESTORE Act Center of Excellence, see Appendix E on page 76.

¹⁹ Officially identified in the RESTORE Act as the Gulf Coast Ecosystem Restoration Science, Observation, Monitoring, and Technology (RESOMT) program.

This chapter discusses:

- What is GEBF?
- How are GEBF projects chosen?
- What GEBF-funded projects have been implemented to date in Mississippi?

What is GEBF?

Mississippi was allocated \$356 million through GEBF. The plea agreements that resolved the criminal cases against BP and TransOcean mandate that GEBF funds may be used only to support projects that remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources where there has been injury to, destruction of, or loss of the use of those resources resulting from the oil spill.

The Gulf Environmental Benefit Fund (GEBF) was established as a result of the Deepwater Horizon oil spill.

GEBF was established by NFWF in 2013 in accordance with the terms of two plea agreements resolving the criminal cases against BP and TransOcean after the 2010 Deepwater Horizon oil

spill. The plea agreements mandate that funds may be used only to support projects that “remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources²⁰ where there has been injury to, destruction of, or loss of the use of those resources resulting from the oil spill.”

Who administers the GEBF program?

As part of the plea agreement, the court designated NFWF to establish a method to conduct or fund projects through the plea agreement. Each state had the opportunity to

NFWF stands for National Fish and Wildlife Foundation.

identify the agencies responsible for administering GEBF funds at the state level. The Governor appointed the MDEQ Executive Director as the state’s natural resources manager to act on behalf of the State of Mississippi for the purposes of coordinating with NFWF in order to carry out the duties and responsibilities set forth under criminal plea agreements.

Unlike the other funding sources, NFWF may enter into an agreement directly with a grantee for a project.

²⁰ Including habitats and species.

What is the total amount of GEBF funding that Mississippi will receive?

The plea agreements directed a total of \$2.544 billion to GEBF over a five-year period—2013 to 2018. Under the terms of the plea agreements, GEBF funding is divided up among the states as follows:

- a total of \$1.272 billion for barrier island and river diversion projects in the state of Louisiana;
- \$356 million to each of the states of Alabama, Florida, and Mississippi for natural resource projects; and,
- \$203 million to Texas for similar projects.

GEBF Funding Priorities

Consistent with the terms of the plea agreements, funding priorities include, but are not limited to, projects that contribute significantly to the following natural resource outcomes:

- restore and maintain the ecological functions of landscape-scale coastal habitats, including barrier islands, beaches, and coastal marshes, and ensure their viability and resilience against existing and future threats;
- restore and maintain the ecological integrity of priority coastal bays and estuaries; and,
- replenish and protect living resources including oysters, red snapper and other reef fish, Gulf Coast bird populations, sea turtles and marine mammals.

Projects are expected to occur within reasonable proximity to where the impacts occurred. Projects are subject to technical, legal, and financial review as well as other considerations, including cost-effectiveness.

How are GEBF projects chosen?

MDEQ annually submits project ideas for consideration. MDEQ is invited to submit proposals that are then considered for approval by the NFWF Board of Directors, in consultation with the state. NFWF has sole authority to make final project decisions.

GEBF-funded projects must be approved by the NFWF Board of Directors, in consultation with the state. Governor Reeves appointed MDEQ as the consulting agency for GEBF funds. Because MDEQ is described as the consulting agency and is not required to be the direct recipient of Mississippi's portion of GEBF funds, NFWF may directly enter into a grant agreement with a third party (e.g., the Nature Conservancy, for its project to expand an oyster reef in St. Louis Bay). In contrast, GEBF funding may be awarded to MDEQ to either directly implement the project and/or subgrant the project to a subgrantee.

MDEQ's GEBF projects primarily involve funding agreements with accompanying reporting requirements. Subrecipients submit quarterly and annual reports that relay project progress and any need for project extensions or budget modifications. MDEQ is responsible for compiling and submitting reimbursement requests, quarterly and annual reports to NFWF, and general project oversight.

What are the criteria for GEBF project selection?

The plea agreements require that GEBF funds may only be used to support projects that remedy harm to natural resources (i.e., habitats and species) of a type that were impacted by the oil spill. According to NFWF:

GEBF gives preference to projects that:

- *advance priorities in natural resource management plans, such as those called for under the RESTORE Act;*
- *are within reasonable proximity to where impacts from the oil spill occurred, as appropriate;*
- *are cost-effective and maximize environmental benefits;*
- *are science-based; and,*
- *produce measurable and meaningful conservation outcomes to habitats and species of a type impacted by the oil spill.*

To support these efforts, NFWF in April 2014 authorized MDEQ to use \$3.6 million of the GEBF funds allocated for Mississippi to develop a restoration plan—*Mississippi Gulf Coast Restoration Plan*—for the Mississippi Gulf Coast.

How does Mississippi identify projects to submit to NFWF for approval?

MDEQ maintains an online portal for the submission of GEBF project requests, as well as RESTORE and NRDA project requests. This portal is separate from the ones maintained by MDMR for GOMESA and MDA for GCRF.

Project ideas that MDEQ identifies as potentially eligible for GEBF funding are pursued further. MDEQ staff indicated that NFWF generally issues grants for projects with an ecological focus, citing marsh creation, land acquisition, beneficial use creation, living shoreline restoration, and habitat creation.

To evaluate potential project ideas, MDEQ utilizes two tools developed during its planning process:

- the Mississippi Comprehensive Ecosystem Restoration Tool (MCERT); and,
- Decision Support System.

MCERT

MCERT is a set of science-based spatial models that will help incorporate data across habitat types, model their interactions, visually display the outcome of potential NFWF GEBF restoration efforts, and inform project planning associated with other funding sources. MCERT is comprised of four model components:

1. Landscape Conservation;
2. Water Resources;
3. Watershed Characterization; and,
4. Marine Restoration Planning.

These models provide valuable information about environmental resources, stressors, and threats to an area of interest. MCERT was developed to assimilate data across the applicable habitat types, model their interactions, and be able to visually display the outcome of potential restoration efforts.

In other words, MDEQ focused on the effects of changes in things such as land use, population density, watersheds, wetland loss, sea level rise, and changes in the marine environment (e.g., salinity levels, turbidity levels, aquatic vegetation acreage).

Decision Support System

The Decision Support System is a linear thought process software that utilizes inputs from the Mississippi Restoration Project Idea Portal, and MCERT, as well as state and federal agency priorities. It is intended to enable MDEQ to make informed, science-based decisions for enhancing, protecting, and restoring the ecological integrity of coastal Mississippi using NFWF GEBF funds. The Decision Support System seeks to answer questions such as the following:

- Are there leveraging opportunities with completed or ongoing projects or programs (e.g., NRDA, RESTORE, Coastal Impact Assistance Program, USDA, U.S. Forest Service) that MDEQ can build on that will also help indicate programmatic inputs?
- Are adequate scientific data available to ensure the success of the implemented project?

Obtaining Approval from NFWF

NFWF funds are available on an annual basis; however, there are several steps prior to granting awards. MDEQ staff indicated that the NFWF Board of Directors meets quarterly, but generally makes decisions related to new GEBF projects in March and November. MDEQ will prepare recommendations for presentation during the March NFWF meeting to receive feedback. MDEQ will then coordinate with NFWF staff to draft a GEBF proposal approximately by June, in accordance with NFWF staff deadlines, to be finalized by November. MDEQ will then formally submit proposals for the November NFWF meeting for final approval.

GEBF-funded projects must be approved by the NFWF Board of Directors, in consultation with the state. NFWF has sole authority to make final project decisions. The plea agreements require NFWF to consult with state natural resource agencies in identifying GEBF projects.

What GEBF projects have been implemented to date in Mississippi?

Through 2022, the NFWF had awarded GEBF funding for 34 projects in Mississippi with a total current value of more than \$207 million.

Through 2022, the NFWF had awarded GEBF funding for 34 projects in Mississippi with a total current value of more than \$207 million. GEBF funding is disbursed on a reimbursement basis. Given Mississippi was awarded a total of \$356 million in funding under the plea agreements, Mississippi has approximately \$149 million in GEBF funding remaining for future projects.

According to the NFWF website, the 34 authorized projects leverage or complement other conservation investments worth more than \$248 million, creating a total impact of more than \$455

million for the Mississippi coast. NFWF selected projects for funding following consultation with MDEQ, the U.S. Fish & Wildlife Service, and NOAA. Examples include:

- **Utilizing dredge material for marsh restoration in Coastal Mississippi:** MDEQ has received more than \$56 million from GEBF to sustainably restore and create marsh habitat within the Mississippi Sound, St. Louis Bay, Back Bay Biloxi, and the Escatawpa Watershed using dredged material.
- **Mississippi oyster restoration:** MDEQ has received more than \$18 million from GEBF to restore oyster resources in the Mississippi Sound and associated bays and bayous.
- **Improving habitat for marsh birds:** MDEQ has received more than \$17 million from GEBF to acquire parcels to protect and enhance habitats for marsh birds.

Appendix F on page 79 provides a list of the GEBF-funded projects approved for Mississippi through calendar year 2022.

This chapter addresses the following:

- What is NRDA?
- How is NRDA funding allocated?
- How are NRDA projects chosen?
- What NRDA-funded projects have been implemented to date in Mississippi?

What is NRDA?

As it relates to the Deepwater Horizon oil spill, the NRDA process involves investigating the effects of the spill on natural resources and related services, determining the costs to restore natural resources, and developing a restoration plan for the Gulf of Mexico to guide how the \$8.8 billion from the Deepwater Horizon settlement will be utilized. The goal of NRDA is restoration of the injured or lost resources.

The Oil Pollution Act of 1990 was enacted to ensure that the public would be compensated for injury to or loss of natural resources as a result of an oil spill. The Natural Resource Damage Assessment (NRDA) is the process used by natural resource trustees to develop the public's claim for natural resource damages against the party or parties responsible for an oil spill. The goal is to seek compensation for the harm done to natural resources and restore those resources.

The NRDA process is overseen by natural resource trustees (i.e., the designated federal, state, and tribal agencies who are responsible for the natural resources impacted by an oil spill or hazardous substance release). The Deepwater Horizon Trustee Council was formed to serve as the trustees for the Deepwater Horizon oil spill.

Deepwater Horizon Trustee Council

The Deepwater Horizon Trustee Council is comprised of representatives from the U.S. Department of Commerce; the U.S. Department of the Interior (DOI); the U.S. Environmental Protection Agency (EPA); the U.S. Department of Agriculture (USDA); and designated agencies representing each of the five Gulf states: Florida, Alabama, Mississippi, Louisiana, and Texas.²¹ In the combined Programmatic Damage Assessment and Restoration Plan/Programmatic Environmental Impact Statement (see page 32 for more information), the Deepwater Horizon Trustee Council defines its role as the government entities authorized under the Oil Pollution Act of 1990 "to act as trustees

²¹ The number of designated state agencies, as determined by the state's Governor, ranges from one (Mississippi: MDEQ) to five (Louisiana).

on behalf of the public to assess the natural resource injuries resulting from the Deepwater Horizon oil pollution incident, and then develop and implement a restoration plan to compensate for those injuries.”

The Deepwater Horizon Trustee Council also provides coordination across the trustee implementation groups and develops standard operating procedures for the management, implementation, and administration of settlement funds provided by the consent decree.

Trustee Implementation Groups

There are seven trustee implementation groups (TIG). Each of the seven restoration areas (as identified by the consent decree)²² has its own TIG. The five state-level TIGs are each composed of state trustees designated by the state’s governor and the four federal agencies represented on the Deepwater Horizon Trustee Council.²³ Mississippi identified MDEQ as its only state trustee agency.

The NRDA Process after the Deepwater Horizon Oil Spill

After the Deepwater Horizon oil spill, the Deepwater Horizon Trustee Council conducted an NRDA. This involved investigating the effects of the spill on natural resources and determining the costs to restore the natural resources. As a result of the assessment and the consent decree settlement, it was determined that the group of states affected by the oil spill would receive \$8.8 billion in settlement funds for restoration of natural resources.

Programmatic Damage Assessment and Restoration Plan/Programmatic Environmental Impact Statement

To determine how the \$8.8 billion would be divided among the states, the Deepwater Horizon Council developed the combined Programmatic Damage Assessment and Restoration Plan/Programmatic Environmental Impact Statement (PDARP/PEIS), as required by the court prior to the settlement. The plan included a comprehensive, integrated ecosystem restoration approach that would cover the broad scope of injuries resulting from the oil spill.

Programmatic Alternatives

A PDARP/PEIS considers programmatic alternatives to restore natural resources, ecological services, and recreational use services injured or lost as a result of an oil spill.

As required by the Oil Pollution Act of 1990 and the National Environmental Policy Act, the Deepwater Horizon Trustee Council developed and evaluated alternatives for comprehensive restoration planning:

- Alternative A establishes a comprehensive, integrated ecosystem restoration plan (referred to as the integrated restoration portfolio) based on the programmatic trustee goals.
- Alternative B establishes a resource-specific restoration plan based on the programmatic trustee goals.

²² As filed on April 4, 2016, in the United States District Court for the Eastern District of Louisiana. Case 2:10-cv-04536-CJB-SS.

²³ The Open Ocean TIG is comprised of the four federal agencies. The Regionwide TIG is comprised of representatives from each state and the four federal agencies.

- Alternative C defers the development of a comprehensive restoration plan until greater scientific understanding of the injury determination is achieved.

In addition, as required by the Oil Pollution Act of 1990 and the National Environmental Policy Act, the Council considered a natural recovery/no action alternative, under which the trustees would not prepare a restoration plan or implement future restoration projects under NRDA, other than those already approved through the Early Restoration process.²⁴

The trustees identified Alternative A (i.e., a comprehensive, integrated ecosystem restoration) as preferred because it best restores the range of habitats, resources, and services injured by the spill. The Deepwater Horizon Trustee Council wrote:

By investing in a wide range of resources and habitats throughout the region, the Trustees' integrated portfolio under Alternative A will provide benefits to a large variety of species and ecological services. It will also maximize the likelihood of appropriately compensating the public for all the resources, services, and ecological linkages injured by the spill.

The next section discusses how the Deepwater Horizon Trustee Council utilized PDARP/PEIS to allocate NRDA funding.

How is NRDA funding allocated?

Following a five-year evaluation of the damage, the Deepwater Horizon Trustee Council issued a plan in February 2016 to restore the Gulf and allocate the \$8.8 billion in funds allocated to NRDA under the BP settlement. The consent decree, as filed April 4, 2016, ordered the plan into effect. Through May 2022, Mississippi committed \$165.6 million, or 56%, of its \$295.6 million in NRDA funding to projects. Per the consent decree, NRDA funding is restricted by restoration area and type.

Under the consent decree, NRDA funding is based on restoration area and restoration type.

- **Restoration Areas:** The Deepwater Horizon Trustee Council identified seven geographic restoration areas. This includes each of the five Gulf states, Regionwide, and the Open Ocean.
- **Restoration Types:** The Deepwater Horizon Trustee Council identified 13 restoration types. Examples include marine mammals, migratory birds, water quality, habitat restoration, coastal wetland restoration, and providing and enhancing recreation.

Additionally, funds were reserved for currently unknown conditions and adaptive management. Exhibit 5 on page 34 provides a breakdown of the \$8.8 billion in NRDA funding.

Because the U.S. Federal Court determined that Louisiana experienced the most significant damage from the oil spill, Louisiana was allocated more than half of the \$8.8 billion in NRDA funding, approximately \$5 billion.

²⁴ On April 21, 2011, the Deepwater Horizon Trustee Council announced an agreement under which BP committed to provide \$1 billion toward implementation of early restoration projects.

The consent decree allocated the Mississippi Restoration Area \$295.6 million in NRDA funding. The U.S. Federal Court divided Mississippi's NRDA funding by restoration type, as follows:

- \$140.5 million – funding to restore and conserve habitat;
- \$27.5 million – funding to restore water quality;
- \$73.6 million – funding to replenish and protect living coastal and marine resources;
- \$24.0 million – funding to provide and enhance recreational opportunities; and,
- \$30.0 million – funding for monitoring, adaptive management, and administrative oversight.

Exhibit 5: An Overview of Natural Resource Damage Assessment Funding

| Category | Restoration Area Funding | Amount (\$) |
|--|--------------------------|--------------------------|
| Payments made to reimburse governments for natural resource damage assessment costs | | \$350,000,000 |
| Payments made to reimburse the U.S. for costs responding to the spill, lost royalties, and to resolve a False Claims Act investigation | | \$250,000,000 |
| Provided funding for natural resource damages to each of the seven restoration areas | | \$8,100,000,000 |
| Alabama Restoration Area | \$295,589,305 | |
| Florida Restoration Area | \$680,152,643 | |
| Louisiana Restoration Area | \$5,000,000,000 | |
| Mississippi Restoration Area | \$295,557,000 | |
| Texas Restoration Area | \$238,151,458 | |
| Regionwide Restoration Area ¹ | \$349,851,678 | |
| Open Ocean Restoration Area ² | \$1,240,697,916 | |
| Provided funding for adaptive management and unknown conditions restoration ³ | | 700,000,000 ⁴ |

- 1) The Regionwide Restoration Area works to restore, replenish, and protect marine animals in the Gulf that live and migrate across jurisdictional boundaries. Its Trustee Implementation Group is comprised of trustees from each Gulf state and the four federal agencies.
- 2) The Open Ocean Restoration Area works to restore wide-ranging and migratory species impacted by the spill (e.g., Gulf sturgeon, fish and water column invertebrates, sea turtles, marine mammals, and deep-sea coral communities). Its Trustee Implementation Group is comprised of the four federal agencies.
- 3) Payments and accrued interest allocated to address natural resource conditions that are presently unknown but may come to light in the future to monitor, adapt, supplement, or replace earlier restoration projects as needed.
- 4) \$232,000,000 plus interest resulting in estimated total of approximately \$700 million.

SOURCE: Deepwater Horizon Natural Resource Damage Assessment Trustees website for Gulf Spill Restoration. National Oceanic and Atmospheric Administration.

How are NRDA projects chosen?

The Mississippi TIG must solicit projects ideas from the public and publish for public comment. To proceed with a project, all five members of the TIG must approve to disburse funding for the project. At least one member of the TIG must serve as the implementing agency.

The Mississippi TIG is responsible for restoration project identification, planning, and implementation in the Mississippi Restoration Area. A primary function is to solicit restoration project ideas from the public during the restoration planning process prior to initiating a draft restoration plan. From these solicited proposals, the TIG identifies and develops potential restoration alternatives. Although only one of the five TIG agencies must agree to be the implementing agency, all five must jointly sign the resolution permitting the disbursing of funding for the NRDA project.

The Mississippi TIG is responsible for restoration project identification, planning, and implementation in the Mississippi Restoration Area.

Efforts to Publicly Seek NRDA Projects

Prior to developing a new NRDA restoration plan, the Mississippi TIG issues a public solicitation for proposals. MDEQ also maintains a portal in which it solicits project ideas for RESTORE, NRDA, and GEBF. Project ideas that MDEQ identifies as potentially eligible for NRDA funding are forwarded to the Mississippi TIG. Additionally, NOAA maintains a submission portal for potential NRDA projects on behalf of the Deepwater Horizon Trustee Council.

NRDA: Natural Resource Damage Assessment
TIG: Trustee Implementation Group
NOAA: National Oceanic and Atmospheric Administration
PDARP/PEIS: Programmatic Damage Assessment and Restoration Plan/ Programmatic Environmental Impact Statement

Efforts to Screen NRDA Project Ideas

In accordance with the Oil Pollution Protection Act of 1990 regulations (15 Code of Federal Regulations Section 990.53), the Mississippi TIG develops a screening process to develop a reasonable range of alternatives that is evaluated as part of the restoration plan/environmental assessment process. This process includes compiling project ideas and screening those ideas to identify projects intended to meet the intended restoration areas that are chosen by the Mississippi TIG for each funding cycle (e.g., TIG Plan II focused on oyster restoration and wetland and coastal habitat restoration).

Screening efforts consist of three parts: eligibility screening, initial project screening, and project-specific screening. For example, eligibility screening for the second Mississippi restoration plan²⁵ included the following:

- The project must address wetland, coastal, and nearshore habitat or oyster restoration concerns and meet the PDARP/PEIS goals in Mississippi.

²⁵ Mississippi Trustee Implementation Group Draft Restoration Plan II/Environmental Assessment.

- The project must help restore natural resources injured by the Deepwater Horizon oil spill in Mississippi.
- The project must not be already fully funded.
- The project must not be duplicative of other projects on the portal project list.
- The project must not fund activities otherwise required by local, state, or federal law, order, or permit (only included in wetlands, coastal, and nearshore habitats eligibility screening).

During the screening process for the second Mississippi restoration plan, eligibility screening efforts eliminated duplicative project ideas, projects that were fully funded, and projects that would not address the intended restoration types chosen (e.g., habitat restoration). This reduced the number of projects from a total of 1,198 to 229 potential project ideas that would contribute to or be a component of a wetland, coastal, and/or nearshore habitat project and 53 potential project ideas for oyster restoration.

Mississippi NRDA Restoration Plan

TIGs are responsible for drafting restoration plans in accordance with the Consent Decree, PDARP/PEIS, Oil Pollution Act of 1990 and its implementing regulations, standard operating procedures, and the National Environmental Policy Act. There is not a required planning schedule in statute, the Consent Decree, or the Deepwater Horizon Trustee Council Standard Operating Procedures. To date, the Mississippi TIG has published three final restoration plans (July 2017, September 2020, and September 2022) and one supplemental plan for Grand Bay (September 2019).

In its narrative response to PEER’s initial request, MDEQ stated that the Mississippi TIG generally attempts to draft and complete a restoration plan every 12 to 24 months. According to MDEQ:

Each planning cycle includes requests to the public for restoration project ideas for the TIG to consider. The request is based on the restoration types it is focusing on during the respective restoration planning cycle.

The Deepwater Horizon Trustee Council Standard Operating Procedures require a minimum of 30 days for the public to submit restoration project ideas. The Mississippi TIG will then evaluate project ideas for inclusion in the draft restoration plan.

Once potential options are identified, the TIG constructs “preferred restoration alternatives.” The draft restoration plans categorize the TIG’s project proposals as the preferred alternative, non-preferred alternative, or no-action alternative. Pursuant to the National Environmental Policy Act, a no-action alternative must be considered for each restoration type.

All alternatives are considered independent of each other and may be selected independently for implementation in this and/or future restoration plans by the TIG. Alternatives not implemented may be considered for future restoration by the Mississippi TIG or may be considered by other organizations.

The draft restoration plans include justifications for the project proposal categorizations based on environmental impact and economic feasibility. The preferred and non-preferred alternatives for TIG projects are then evaluated against the following:

- the approved goals outlined in the PDARP/PEIS;

- the restoration approaches and techniques for the applicable restoration types;
- the Mississippi TIG goals and objectives developed as part of the restoration plan/environmental assessment process; and,
- additional considerations identified by the TIG.

The draft of the Mississippi Restoration Plan is released to obtain public input for a minimum of 30 days.

Each TIG will generate future restoration plans that identify specific restoration projects, consistent with the funding allocated to restoration types within each TIG. These restoration plans will be consistent with the final PDARP/PEIS, and each plan will be integrated with the appropriate analysis of tiered environmental impacts. TIG decisions will be made by consensus and documented through a public administrative record. Generally, the Trustee Council and each TIG will hold at least one public meeting every year to discuss restoration status and planning. In addition, the Trustees will ensure that the public is involved through public notice of proposed restoration plans, opportunities for public comment, and consideration of all comments received.

What are the criteria for NRDA project selection?

In accordance with the Oil Pollution Act of 1990 regulations (15 Code of Federal Regulations Section 990.53), the Mississippi TIG develops a screening process to develop a reasonable range of alternatives that is evaluated as part of the restoration plan/environmental assessment process. This process includes compiling project ideas and screening those ideas to identify projects intended to restore the following: wetlands, coastal, and nearshore habitats; living marine and coast resources; lost recreational opportunities; and water quality (e.g., nutrient reduction).

The Mississippi TIG projects were then evaluated against the following:

- The Programmatic Trustee Goals outlined in the PDARP/PEIS for the wetlands, coastal, and nearshore habitats, birds, and nutrient reduction restoration types;
- The restoration approaches and restoration techniques for these restoration types, as described and evaluated against the Oil Pollution Act of 1990 criteria found in 15 Code of Federal Regulations Section 990.54 in Appendix 5D of the PDARP/PEIS;
- The Mississippi TIG goals and objectives developed as part of the restoration plan/environmental assessment process; and,
- Additional considerations identified by the Mississippi TIG.

Approval of NRDA Projects

Unlike RESTORE Bucket 1, RESTORE Bucket 3, and GOMESA, the Governor does not ultimately decide which NRDA projects to choose. Ultimately, such a role resides with the Mississippi TIG. The MDEQ Executive Director, a gubernatorial appointee, oversees the state NRDA process, and is a member of the Mississippi TIG.

Each project requires at least one of the members of the Mississippi TIG to be the implementing trustee. In addition to being the lead agency for the project, the implementing agency is also responsible for ensuring environmental compliance with the National Environmental Policy Act is tracked and included in the administrative record. MDEQ cited the Clower-Thornton Nature Trail Improvement project as an example of a project where MDEQ was the sole implementing trustee.

Projects may be implemented by one or more NRDA Trustee. The Trustee may enter into subawards or contracts for implementation if needed. MDEQ cited the Upper Pascagoula Nutrient Reduction Project as a project where MDEQ is a “co-implementing trustee” along with the U.S. Environmental Protection Agency and the U.S. Department of Agriculture. For this particular project, MDEQ received funds for administrative oversight, reporting costs, and laboratory costs. For the Grand Bay Land Acquisition and Habitat Management project, MDEQ was responsible for land acquisition transactions. For this project, the process for MDEQ involved an outside council and land acquisition team, reporting and oversight, and sub-awards with MDMR for management activities.

For each project, the Mississippi TIG approves a joint resolution to authorize the withdrawal of funds. The joint resolution requires the signatures of approval from all five members of the Mississippi TIG. Dollar amounts are agreed upon during the consideration of the joint resolution. Once the joint resolution is signed, eligible entities may then submit withdrawal request forms for the transference of funds from the U.S. Department of Interior’s NRDA Trust Fund. Funding will be transferred within 45 days of the withdrawal request.

After project approval, the TIG must develop and sign a joint resolution in order to withdraw funds, engage with any project partners, or enter into any subaward agreements for implementation. Implementing trustees must submit annual progress reports that address monitoring and reporting requirements for accountability.

What NRDA projects have been implemented to date in Mississippi?

Through May 2022, Mississippi had committed \$165.6 million, or 56%, of its \$295.6 million in NRDA funding to projects. Through May 2022, Mississippi had \$130.0 million in uncommitted NRDA funding remaining.

Mississippi receives project-specific NRDA funding upon the Mississippi TIG’s approval of a specific project. Appendix G on page 84 provides a list of the NRDA-funded projects in Mississippi as approved through calendar year 2022. Examples include:

- Mississippi Oyster Gardening Program – \$500,000 – This five-year, three-county, volunteer-based program involves volunteers growing sub-adult oysters in gardens that hang from waterfront piers/wharves and docks in Mississippi coastal waters.
- Grand Bay Land Acquisition and Habitat Management – \$16,000,000 – This project includes efforts to acquire from willing sellers up to 8,000 acres and manage up to 17,500 acres within the boundaries of the Grand Bay National Wildlife Refuge, Grand Bay National Estuarine Research Reserve, and Grand Bay Savanna Coastal Preserve in Jackson County, Mississippi. The project seeks to enhance targeted habitats (i.e., coastal marsh, beach, freshwater marsh, savannas and flatwoods, and forested freshwater scrub-shrub) and pursue restoration measures such as invasive species management, mechanical clearing, chemical treatment, and prescribed burn.
- Maintaining Enhanced Sea Turtle Stranding Network Capacity and Diagnostic Capabilities – \$2,500,000 – The three-year project seeks to support the Mississippi Sea Turtle

Stranding Network's capacity to respond to and rehabilitate sea turtles with the goal of returning them to the Mississippi Sound.

NOAA's website reports the amount of funds allocated to each of the seven restoration areas (i.e., the five Gulf states plus regionwide and open ocean). Within each restoration area, NOAA's website also reports the total amount of funds allocated to each restoration goal and the amount of funds committed as of May 2022.²⁶ Through May 2022, Mississippi had committed \$165.6M, or 56%, of its \$295.6M in NRDA funding to projects. Through May 2022, Mississippi had \$130.0M in uncommitted NRDA funding remaining. Exhibit 6 on page 39 provides an explanation of the NRDA funding committed and still available, by restoration goal.

Exhibit 6: Mississippi Committed and Available NRDA Funds, by Restoration Goal, as of May 2022

| Restoration Type | Funding Allocated (\$) | Percent Committed | Funding Committed (\$) | Funding Remaining (\$) |
|---|------------------------|-------------------|------------------------|------------------------|
| Restore and conserve habitat | 140,500,000 | 76% | 106,780,000 | 33,720,000 |
| Restore water quality | 27,500,000 | 15% | 4,125,000 | 23,375,000 |
| Replenish and protect living coastal and marine resources | 73,600,000 | 38% | 27,968,000 | 45,632,000 |
| Provide and enhance recreational opportunities | 24,000,000 | 79% | 18,960,000 | 5,040,000 |
| Monitoring, adaptive management, and administrative oversight | 30,000,000 | 26% | 7,800,000 | 22,200,000 |
| Total | \$295,600,000 | 56% | \$165,633,000 | \$129,967,000 |

SOURCE: Mississippi Restoration Area. Maintained by National Oceanic and Atmospheric Administration on behalf of the Deepwater Horizon Trustee Council for NRDA.

Projects are subject to technical, legal, and financial review as well as other considerations, including cost-effectiveness. According to MDEQ, NRDA projects have a post-implementation monitoring phase of five to seven years. This may consist of monitoring ecological metrics or, in the case of a recreational loss project, counts of people accessing the project.

Most of the monitoring and adaptive management efforts will come on the back end, as more projects are implemented. All Mississippi NRDA projects identified through the state's three restoration plans (2017, 2020, and 2022) were still listed as "in progress" as of May 2022.

However, of the five projects that received funding under the pre-settlement NRDA process (i.e., the Early Restoration phase), two were closed and three projects had progressed to the monitoring phase.

²⁶ According to MDEQ staff, such data is provided by the applicable TIG and the applicable lead administrative trustee.

This chapter discusses:

- What is GCRF?
- How does Mississippi identify and award GCRF projects?

What is GCRF?

Administered by MDA, GCRF allocates funding the state received as compensation for economic damages related to the Deepwater Horizon oil spill. GCRF has received approximately \$157 million through March 31, 2023, and is expected to receive an additional \$30 million per year through 2033.

The Mississippi State Legislature established GCRF in 2018 as the mechanism for allocating funding the state received as compensation for economic damages related to the Deepwater Horizon oil spill. Under Senate Bill 2002 (2018 First Extraordinary Session), GCRF received \$27,117,750 in February 2019 from a portion of funding remaining in the Budget Contingency Fund. In addition, GCRF will receive \$30 million per year from 2019 to 2033. This will amount to a total of \$477,177,750 over 15 years. MDA estimates GCRF has received \$157 million in funding through March 31, 2023.

Who administers GCRF in Mississippi?

S.B. 2002 requires MDA to establish criteria, rules, and procedures for accepting and reviewing applications for assistance. MDA also established and continues to administer the application portal for submitting applications for GCRF funding.

S.B. 2002 states that monies in GCRF shall be administered by MDA, and shall be used, upon appropriation by the Legislature, to provide assistance to applicants through programs or projects authorized by this act. MDA retains 1% of GCRF funding to cover its costs administering the program. Under S.B. 2002, MDA has the option to charge approved grantees up to 1% for administrative costs; however, MDA staff stated MDA has not to date exercised that option.

What is the purpose of the GCRF grant program?

The intent of the GCRF grant program is to stimulate growth and economic development in George, Hancock, Harrison, Jackson, Pearl River, and Stone counties. According to the *Mississippi GCRF Program Rules and Regulations*, the GCRF grant program is designed to support projects that will impact the competitiveness of these coastal counties and have a significant economic benefit on the region. S.B. 2002 further states that projects “must have the potential to generate increased economic activity in the region.”

There are two types of GCRF grant programs: the GCRF Section 7 Grant Program, and the GCRF Section 8 Grant Program. Under the GCRF Section 7 Grant Program, the Legislature appropriates line-item for each individual project, with project funding subject to reappropriation each year. Under the GCRF Section 8 Grant Program, MDA shall receive an annual appropriation (at the Legislature's discretion) to make grants to eligible applicants throughout the year.

Per MISS. CODE ANN. § 57-119-13 (1) (1972), GCRF assistance may not be used to finance 100% of the cost of any project. MDA's rules and regulations set the minimum match requirement at 20% of project cost and prohibit in-kind services from counting toward the match requirement.²⁷

GCRF Grant Program Eligibility

The GCRF grant program shall be used only for projects that are located in George, Hancock, Harrison, Jackson, Pearl River, and Stone counties.²⁸ Eligible applicants include, but are not limited to, local governments, nongovernmental organizations, higher education institutions, community colleges, ports, airports, public-private partnerships, private for-profit entities, private nonprofit entities, and local economic development entities.

MDA indicated that approximately 70 to 75% of all project applicants have been governmental entities (cities, counties, school districts) while private developers, "pseudo-governmental entities," businesses, and non-profit organizations comprise the remaining portion.

GCRF Loan Program Developed but Not Utilized to Date

Pursuant to its authority under S.B. 2002, MDA also established the Gulf Coast Restoration Fund Loan Program (GCRF Loan Program). The GCRF Loan Program provides another avenue for MDA to utilize the GCRF funds. To date, the program has not been utilized.

According to MDA, GCRF loan/loan guaranty proceeds must be used for a business purpose. MDA defines a business purpose to include, but not be limited to "startup costs, working capital, equipment, and inventory, as well as the purchase, construction, renovation or tenant improvements of an eligible place of business that is not for passive real estate investment purposes." MDA policies specify ineligible loan purposes. Two examples include refinancing existing debt and financing the acquisition, construction, improvement, or operation of real property which is to be held primarily for sale or investment, such as commercial real estate ownership.

Under the GCRF Loan Program, qualified borrowers are limited to the following two categories:

- Mississippi new or existing small businesses with up to 250 employees and less than \$7,000,000 in gross revenues or \$1,000,000 in profit after taxes;²⁹ and,
- governmental entities or economic development organizations, when the financing is for a "business purpose."³⁰

²⁷ MISS. CODE ANN. § 57-119-13 (1) (1972) exempts public schools from having to provide matching funds.

²⁸ If a county is included in the coastal zone, then the county seat and the land lying to the east, west, and south within that county would be considered a part of the coastal zone.

²⁹ The company must be financially sound, present evidence that it can repay the debt, and must not have defaulted on any previous loan from the state or federal government.

³⁰ Eligible entities include but are not limited to local units of government, institutions of higher learning, ports, airports, public-private partnerships, and public economic development entities.

How does Mississippi identify and award GCRF projects?

Although MDA reviews and scores each project, and the GCRF Advisory Board casts a formal vote on projects, these actions generally only serve as a recommendation to the Legislature and are not binding. GCRF projects are ultimately chosen by the Legislature.

S.B. 2002 requires MDA, with advice from the GCRF Advisory Board, to review, compile, and score all timely received applications, and present the applications and its recommendations for assistance to individual projects to the Legislature no later than December 1 of the year.

The seven-member GCRF Advisory Board includes three Governor appointees, two Lieutenant Governor appointees, and two Speaker of the House appointees. The Board votes on each project recommended by MDA staff, although the vote is non-binding.

MDA opens the GCRF application portal the first Monday in June. MDA requires all project applications be submitted between the first Monday in June and the last Friday in July to be eligible for scoring by MDA staff and recommendation by MDA and the GCRF Advisory Board. However, MDA staff stated the Legislature can and has appropriated funding to projects that did not go through the portal.

How does MDA evaluate projects for submittal to the Legislature?

S.B. 2002 identifies fifteen areas that MDA shall prioritize in establishing an application and scoring process for GCRF. These fifteen priority areas are listed in Appendix H on page 87.

Utilizing these fifteen legislative priorities, MDA assigns each project a score of zero to three for each of the fifteen priority types.

- 0 – does not meet the priority item;
- 1 – could meet the priority item but did not provide sufficient supporting documentation;
- 2 – meets the priority item; or,
- 3 – exceedingly meets the priority item.

The maximum score a project can receive is 45 (3 x 15 = 45).

Limitations of the Existing Scoring Process

There are two main limitations to the existing scoring process utilized to score GCRF projects. First, MDA stated that neither MDA nor the Legislature have established any overarching priorities for GCRF. Absent such direction, MDA equally weights each of the fifteen priority areas cited in S.B. 2002 in scoring projects.

Second, the 15 legislative priority categories are so broad that most projects do not fit within each category. MDA staff stated the average project score is 12 (out of 45). MDA noted this is in part because the fifteen legislative priority categories are broad, and therefore it is unlikely a project would meet all 15 categories. MDA staff stated it is likely larger projects will score higher than smaller projects simply because they pertain to more priority categories. In comparison, a smaller project may be a high-scoring project in applicable areas but have an overall lower score. For example, a project applicable to

three areas may score an eight out of nine in those areas, but a larger project applicable to six areas may score a twelve out of eighteen. While the larger project earns a higher score, the smaller project could potentially be more successful.

Legislature Authorizes Funding for Projects through Line-Item Appropriation

Per S.B. 2002, the Legislature shall then determine individual projects that will receive GCRF funding by separate line items in an appropriation bill. The FY 2024 appropriation bill—Senate Bill 3047—included \$50,960,148 in new projects. MDA staff added that the Legislature includes new GCRF projects and prior GCRF-funded projects in each year’s line-item appropriation bill. A project must have its funding reappropriated each year until the project is completed.

MDA stated the Legislature has to date awarded \$150,337,901 to 62 projects from the 2020 Legislative Session to the 2022 Legislative Session (effective July 1, 2020, through June 30, 2023).³¹

MDA staff stated that in the past the Legislature has chosen to allocate funding to projects that did not submit applications through the MDA project application portal, and therefore were not scored by MDA. MDA stated these projects accounted for about half of all funded projects in FY 2020, but since then, have accounted for one to three projects (or about 10% of projects) a year.

Legislature Authorized MDA to Approve Projects on a Limited Basis

In FY 2019, the Legislature appropriated \$5,000,000 to fund the GCRF Section 8 Grant Program. The GCRF Section 8 Grant Program allocates funding to MDA to fund projects without obtaining additional legislative approval. To date, MDA has funded two projects using \$2,000,000 in GCRF funds. As of April 11, 2023, MDA was planning to utilize approximately \$500,000 of GCRF funding to authorize a third project. Since then, MDA has not been appropriated any additional funding for the GCRF Section 8 Grant Program to fund projects MDA chooses.

Once funds are appropriated for projects, MDA seeks to enter into grant agreements for each funded project. As of April 11, 2023, MDA reported grant agreements have been executed for \$82 million in open projects and \$4.5 million in closed projects. In addition, \$28 million in projects have been approved but no grant agreement has been executed.

Establishing Grant Agreements

Once all requested information has been completed by the applicant and approved by MDA, a binding grant agreement will be executed between MDA and the recipient for the specific amount awarded and for the particular activity approved by MDA. Construction may not begin prior to an effective grant award date.

MDA will reimburse GCRF Section 7 Grant Program project expenses incurred after January 1 of the year a project is first appropriated (i.e., prior to the effective date of the grant agreement). In contrast, MDA does not reimburse for GCRF Section 8 Grant Program project expenses until the effective date of the grant agreement.

Once the Legislature awards funding to projects, MDA submits a request for information to each potential grantee. This may be to obtain information on a project for which an application was not submitted, or to obtain updated information on projects that did

³¹ This excludes the 2023 projects from the 2023 Legislative Session that just ended.

submit an application (given the nine-plus month delay between application submittal and funding being appropriated). Once received, MDA works with the grantee to enter into a grant agreement before the grant can proceed.

MDA notes that in some instances the Legislature may authorize funding for a project for less than the requested amount. MDA must work with the grantee regarding how to proceed.

Monitoring and Performance Assessment

To assess performance, MDA includes in each grant agreement at least two performance metrics. These metrics will vary by grant agreement and usually only include project-specific milestones. MDA stated that it does not heavily focus on impact monitoring because some projects may not have an easily measurable impact while others may have an immediately obvious impact.

To comply with GCRF's reporting requirements, GCRF grant recipients must submit quarterly reports to MDA no later than January 15, April 15, July 15, and October 15 of every year. MDA will provide the Quarterly Report form. The failure to submit the required quarterly reports will result in MDA holding funding for any projects the applicant receives funding for until the reports are submitted. MDA shares the quarterly reports with the Department of Finance and Administration and the Legislative Budget Office, as required.

For a full list of projects funded by GCRF, see Appendix I on page 88.

Comparison of Fellow Gulf States

This chapter discusses:

- state-level authority for administering coastal restoration and resiliency funds in each Gulf state;
- efforts by Gulf states to develop formal, long-range plans for coastal restoration and resiliency plans across funding streams; and,
- efforts by states to establish priorities and goals to guide project applicants and state agencies in ranking projects, selecting projects, and awarding coastal restoration and resiliency funds.

State-level Authority for Administering Coastal Restoration and Resiliency Funds in Each Gulf State

PEER reviewed states' authority to administer coastal restoration and resiliency funds, including GOMESA and Deepwater Horizon settlement funds.

Agencies responsible for administering GOMESA and Deepwater Horizon settlement funds vary by state. Exhibit 7 on page 46 identifies the state-level entities responsible for administering GOMESA and Deepwater Horizon settlement funds in each state.

Exhibit 7: State-level Authority for Administering Coastal Restoration and Resiliency Funds in Each Gulf State

| Restoration Fund | Alabama | Florida | Louisiana | Mississippi | Texas |
|----------------------------------|--|--|--|--|--|
| GOMESA | Department of Conservation and Natural Resources | Does not receive GOMESA funds | Coastal Protection and Restoration Authority (CPRA) | MDMR | General Land Office |
| NRDA | Department of Conservation and Natural Resources Geological Survey of Alabama | Department of Environmental Protection Fish and Wildlife Conservation Commission | CPRA Oil Spill Coordinator's Office Department of Environmental Quality Department of Wildlife and Fisheries Department of Natural Resources | MDEQ | Texas Commission on Environmental Quality (TCEQ) General Land Office Parks and Wildlife Department |
| GEBF | Department of Conservation and Natural Resources | | CPRA | | |
| RESTORE Funding | | | | | |
| Bucket 1 | Alabama Gulf Coast Recovery Council (AGCRC) | Funds go directly to affected counties | CPRA - 70% Parishes – 30% | MDEQ | Office of the Governor or appointee TCEQ |
| Bucket 3 | AGCRC | Consortium of local political subdivisions (Minimum of one representative from each affected county) | CPRA | MDEQ via (Office of the Governor or appointee) | Office of the Governor or appointee TCEQ |
| Bucket 5 – Centers of Excellence | AGCRC Marine Environmental Sciences Consortium | Florida Institute of Oceanography | The Water Institute of the Gulf, via the CPRA | MBRACE via MDEQ | Office of the Governor or appointee TCEQ |

SOURCE: Compiled from NOAA’s NRDA website, NFWF’s GEBF website, interviews with each state, and information available on each state’s GOMESA and Deepwater Horizon related websites.

Mississippi

Mississippi divides the responsibility for GOMESA (MDMR); Deepwater Horizon settlement funds including RESTORE, NRDA, and GEBF (MDEQ); and economic damage settlement payments including GCRF (MDA). Although a formal method of agency coordination for coastal restoration and resiliency efforts has not been established, MDEQ, MDMR, and MDA have taken steps to coordinate to implement coastal restoration projects.

- *GOMESA Review Committee* – Established by the Governor, the GOMESA Review Committee reviews GOMESA projects to evaluate funding eligibility under the various funding streams and assess whether a project idea could be better funded under GOMESA, RESTORE, or another program. The Committee also identifies any duplicate projects that were submitted to MDMR, MDEQ, and MDA.
- *Restoration Coordination Team* – The Restoration Coordination Team³² operates as the coordinating group between MDMR and MDEQ regarding coastal resiliency and restoration efforts. MDMR and MDEQ staff meet monthly to discuss restoration planning efforts, including identifying the best method to fund projects utilizing available funding streams (e.g., NRDA, GEBF, RESTORE, GOMESA). The Restoration Coordination Team’s goal is to maximize restoration benefits and efficiency by ensuring the coordination of restoration projects, utilizing the technical expertise of both agencies, avoiding duplication of restoration efforts, and identifying opportunities to combine funding sources where feasible.
- *Land Acquisition Coordination* – MDEQ may acquire land for projects. Each week, MDEQ has a weekly planning and coordination call with MDMR and the Office of the Secretary of State to collaborate on Deepwater Horizon-funded land acquisition projects and planning opportunities as parcels are identified for potential acquisition. The primary reasoning behind land acquisition is to increase conservation of land and preserve coastal habitat. MDEQ also consults with the Mississippi Forestry Commission and the Mississippi Department of Wildlife, Fisheries, and Parks while determining which land to acquire.

Alabama

Alabama’s management of GOMESA and Deepwater Horizon funds is centralized. The Alabama Department of Conservation and Natural Resources serves as the administering agency for GOMESA, RESTORE, GEBF, and NRDA.

The Alabama Department of Conservation and Natural Resources is the only agency listed as an administrative entity for GOMESA and GEBF funds. The Alabama TIG includes the Geological Survey of Alabama and the Alabama Department of Conservation and Natural Resources.³³ Although the Alabama Department of Conservation and Natural Resources provides administrative support for RESTORE, the Alabama Gulf Coast Recovery Council ultimately determines which projects Alabama chooses to seek grant approval for under RESTORE buckets 1 and 3.

³² Initially began as an internal team within MDMR prior to the Deepwater Horizon oil spill and was expanded to include MDEQ when it was assigned the Deepwater Horizon restoration funding streams.

³³ The Geological Survey of Alabama’s Coastal Resources Section conducts research within Alabama’s coastal zone to increase the understanding of beach and shoreline change, environmental quality, and land use, and to acquire and develop supporting digital themes and data sets.

Alabama Gulf Coast Recovery Council

The Alabama Gulf Coast Recovery Council, which was created with the passage of the RESTORE Act of 2012, determines which projects Alabama seeks to fund through RESTORE Bucket 1 and RESTORE Bucket 3. Under the Act, the U.S. Department of Treasury has authority over final approval of expenditures.

The RESTORE Act specifies that the 10-member Alabama Gulf Coast Recovery Council must be chaired by Alabama's Governor with the Director of the Alabama State Port Authority serving as Vice Chair. Other members shall include the chairman of the Baldwin County Commission, the President of the Mobile County Commission, and the mayors of Bayou La Batre, Dauphin Island, Fairhope, Gulf Shores, Mobile, and Orange Beach.

Under the provisions of the Act, the Alabama Gulf Coast Recovery Council will terminate once all Alabama's RESTORE funds have been spent.

Florida

Florida does not receive GOMESA funds.³⁴

Florida, per the RESTORE Act, directly allocates RESTORE Bucket 1 funding to its 23 impacted coastal counties. The Florida Gulf Consortium oversees the development of the state expenditure plan for RESTORE Bucket 3. The Florida Gulf Consortium contracts out the administration of RESTORE Bucket 3 program to Balmoral Group. According to the Balmoral Group Grant Administrator, the Florida Gulf Consortium determined each eligible coastal county should receive equal funding (approximately \$12.5 million each over 15 years).

Florida opted to designate two agencies to represent the state as it pertains to NRDA funding and GEBF funding: the Florida Department of Environmental Protection and the Florida Fish and Wildlife Conservation Commission. These two agencies, along with the designated federal agencies, identify projects to submit for NRDA funding and GEBF funding.

Louisiana

Louisiana's management of GOMESA and Deepwater Horizon settlement funds is centralized. The Louisiana Coastal Protection and Restoration Authority (CPRA) serves as the administering agency for GOMESA and RESTORE funds. CPRA is also the only Louisiana agency listed as a consulting agency for GEBF funds.

However, Louisiana opted to designate five agencies to represent the state as it pertains to NRDA funding. The five agencies include CPRA, as the Louisiana Oil Spill Coordinator's Office, the Louisiana Department of Environmental Quality, the Louisiana Department of Wildlife and Fisheries, and the Louisiana Department of Natural Resources.

Establishment of the Louisiana Coastal Restoration Protection Authority

CPRA was established as the single state entity with authority to articulate a clear statement of priorities and to focus development and implementation efforts to achieve comprehensive coastal protection for Louisiana. At the time, there was concern Louisiana

³⁴ The coastal waters east of Florida, known as the Eastern Planning Area, are temporarily restricted from creating new offshore oil drilling leases.

did not have a single voice that could articulate the state's needs, particularly in communicating with federal agencies in response to natural disasters.

CPRA originally operated as a board of directors that sought to outline long-term strategies for coastal restoration efforts and identify worthwhile investments for potential funding. Now CPRA coordinates several funding sources for the construction and implementation of the Coastal Master Plan including GOMESA, RESTORE, GEBF, and NRDA, as well as additional grant support from local, state, and federal entities.

Texas

Responsibility for Texas GOMESA and Deepwater Horizon funds is spread across three agencies:

- the Texas General Land Office, which administers GOMESA, NRDA, and GEBF funding;
- the Texas Commission on Environmental Quality, which administers RESTORE, NRDA, and GEBF funding; and,
- the Texas Parks and Wildlife Department, which administers NRDA and GEBF funding.

The Deputy Chief of Staff for the Texas Governor serves as the Governor's appointee to the RESTORE Council and is responsible for the implementation of the RESTORE Act in Texas. However, this role is limited to setting direction and policy guidance; the Governor's Deputy Chief of Staff has no signatory power. Signatory responsibility and day-to-day management of the Texas RESTORE program are assigned to the Texas Commission on Environmental Quality's Office of Legal Services.

Texas opted to designate three agencies to represent the state regarding NRDA and GEBF funding, including the Texas Parks and Wildlife Department, the Texas General Land Office, and the Texas Commission on Environmental Quality. These three agencies, along with the designated

TIG stands for Trustee Implementation Group.

federal agencies, identify projects to submit for NRDA funding and GEBF funding. All three agencies serve as members of the Texas TIG for NRDA and as consulting agencies for GEBF funding.

Efforts by Gulf States to Develop Formal, Long-Range Plans Across Funding Streams for Coastal Restoration and Resiliency Plans

PEER evaluated the way each state develops planning documents related to funding sources.

Each state is required to develop certain planning documents related to particular funding sources. Under RESTORE, each state must develop a multiyear implementation plan for direct funding received through RESTORE Bucket 1 and a state expenditure plan for spill impact component funding received through RESTORE Bucket 3. For NRDA funding, planning was done through the NRDA and PDARP/PEIS processes.

Florida, Louisiana, and Texas each attempt to develop some form of coastal restoration and resiliency plan. However, their methods for doing so vary. This is in part because each of these three states pursues long-range planning efforts with different objectives in mind. Florida, which

is reliant on coastal industry and is surrounded by water on three sides, is concerned about climate change and the effect it could have in the future on sea level rise, inland flooding, and storms. Louisiana, which has a large number of low-lying wetlands, is concerned about increasing land loss from sea-level rise and erosion, among other factors. Texas is more concerned about protecting its coastline and its ability to minimize the effects of and respond to natural or manmade disasters.

Mississippi

While MDEQ has developed plans for the coastal resiliency and restoration efforts under its jurisdiction, Mississippi does not have an overarching coastal restoration and resiliency master plan that encompasses all funding sources. This could be due to several factors:

- Administration of GOMESA funds, Deepwater Horizon funds, and GCRF funds fall under three separate agencies (MDMR, MDEQ, and MDA). While each agency is tasked with administering and implementing the funding programs they are charged with, no Mississippi agency is specifically responsible for leading and coordinating the state's coastal restoration and resiliency efforts.
- While all of the funding sources pertain to coastal restoration and resiliency efforts, each funding source has its own governing structure and eligible uses. This includes how funding is authorized, and the criteria and eligibility for which projects can be chosen.

MDEQ has developed several planning documents as part of its efforts to comply with RESTORE, NRDA, and GEBF requirements, including the multiyear implementation plan documents for RESTORE Bucket 1, the state expenditure plan documents for RESTORE Bucket 3, and the 2015 and 2017 iterations of the *Mississippi Gulf Coast Restoration Plan* (funded at least in part with GEBF funds). Informal planning efforts also occur related to conversations between MDA, MDMR, and MDEQ.

Alabama

In response to the April 20, 2010, Deepwater Horizon oil spill, Alabama Governor Bob Riley issued an Executive Order on September 27, 2010, establishing the Coastal Recovery Commission of Alabama, led by an 11-member executive committee. In 2011, the Coastal Recovery Commission of Alabama released *A Roadmap to Resilience: Towards A Healthier Environment, Society, and Economy for Coastal Alabama*. In the report, the Commission stated its long-term solution was to build regional capacity for long-term resilience to respond not only to future oil spills but also to other forces beyond Alabama's control, including everything from hurricanes to sudden shifts in the economic environment. PEER did not identify any other overarching attempts by Alabama to develop a coastal restoration and resiliency plan. The Alabama Department of Conservation and Natural Resources declined PEER interview requests about Alabama's coastal restoration and resiliency planning efforts.

Florida

Florida has a coastal resilience and planning program in statute; however, the Florida Resiliency Program is primarily focused on preparing Florida's communities for the impacts of climate change—including sea level rise, intensified storms, and flooding. On May 12, 2021, Governor Ron DeSantis signed S.B. 1954 into law.³⁵

³⁵ Codified under Florida Statute 380.093.

While the Florida Resiliency Program includes several components that could be included in a state coastal resiliency and restoration plan, it does not generally include habitat restoration nor has it utilized funding from the Deepwater Horizon settlement (i.e., RESTORE, NRDA, or GEBF dollars). Instead, the Florida Resiliency Program has been funded through state appropriations. The Director of the Resilient Florida Program stated the Governor has committed about \$1 billion toward planning and projects including state general appropriations and federal funds (American Rescue Plan Act³⁶ funds only).

Codified under Florida Statute 380.093, the Florida Resiliency Program has three main components: the Resilient Florida Grant Program; the Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set and Assessment; and, the Statewide Flooding and Sea Level Rise Resilience Plan. See Appendix J on page 95 for a description of the Florida Resiliency Program.

To score and rank grant proposals, Florida Statute 380.093 requires the Department of Environmental Protection to utilize a four-tier scoring system. While statute does not specify how the Department of Environmental Protection must score project proposals, it does place parameters on how the score is determined and require that a portion of the score come from each of the four tiers.

Louisiana

Louisiana's CPRA is intended to develop, implement, and enforce a comprehensive coastal protection and restoration master plan. The CPRA planning process is comprised of two main documents: the Coastal Master Plan and the annual plan. The Coastal Master Plan serves as the long-term planning document while the annual plan serves as the implementation document.

CPRA stands for Coastal Protection and Restoration Authority.

Coastal Master Plan

Prior to 2007, the work of restoring the coastal ecosystem and providing flood protection for citizens was spread out among different Louisiana state agencies. The 2007 Coastal Master Plan combined these two functions under CPRA. The 2012 Coastal Master Plan identified specific projects in which the state should invest. Based on scientific analysis, the 2012 plan selected 109 projects at a cost of \$50 billion. The 2017 Coastal Master Plan was built on past efforts to recommend diverse projects to build land and reduce flood risk in order to balance short-term needs with long-term goals. Primarily, it identified and prioritized projects that could be implemented over the next 10 years, while also planning for the next 50 years.

The Coastal Master Plan objectives include:

- Flood Protection: Reduce economic losses from storm surge-based flooding to residential, public, industrial, and commercial infrastructure.
- Natural Processes: Promote a sustainable coastal ecosystem by harnessing the natural processes of the system.

³⁶ American Rescue Plan Act (ARPA) provided funds to support COVID-19 response and stimulus funds to support the economy during the pandemic. One component of ARPA was direct funding to state and local entities.

- Coastal Habitats: Provide habitats suitable to support an array of commercial and recreational activities coastwide.
- Cultural Heritage: Sustain the unique cultural heritage of coastal Louisiana by protecting historic properties and traditional living cultures and their ties and relationships to the natural environment.
- Working Coast: Promote a viable working coast to support regionally and nationally important businesses and industries.

Candidates for projects for the master plan come from CPRA staff, local- and state-submitted projects, and public solicitation of projects. CPRA utilizes three different numerical models to assess projects. Primarily, CPRA is concerned about each project's ability to reduce the amount of land lost, the amount of damage caused (e.g., from storm surge or other flood risk), and risks. CPRA then utilizes an optimization (or planning) tool to reassess projects based on timing, funding, and sediment constraints.

The Coastal Master Plan must be updated every six years, but still cover a 50-year timeframe. The Coastal Master Plan must be approved by the CPRA Board and by the Louisiana Legislature.

Annual Plan

In addition to the Coastal Master Plan, CPRA must also submit annual coastal protection plans documenting project recommendations, expenditure and revenue projections, and engaged funding sources for the next three fiscal years. Proposed funding and implementation schedules accompany each recommendation. The annual plan also serves as an update on coastal protection and restoration efforts by outlining both short-term and long-term impact expectations of coastal protection and restoration efforts.

The annual plan must be approved by the CPRA Board prior to submission to the Legislature. The FY 2023 annual plan had a budget of \$1.74 billion. CPRA considers several factors when determining which projects to fund under the annual plan, including but not limited to urgency, funding, project readiness, modeling data, and dependency on other projects.

Texas

Responsibility for the Texas Coastal Resiliency Master Plan resides with the Texas General Land Office. The Texas Coastal Resiliency Master Plan is not required by Texas statute, but is an effort to better coordinate how various state and federal funding sources could be utilized. The Texas General Land Office is responsible for Texas public lands, including submerged lands (i.e., tidelands), and oversees several state and federal funds (e.g., GOMESA, community development block grant funding, tideland funding, natural disaster-related funding) that can be pooled to implement projects in the master plan.

The 2019 Texas Coastal Resiliency Master Plan recommended 123 Tier 1 projects for a cumulative Resiliency Plan cost of \$5.4 billion. The projects were reviewed and evaluated by a technical advisory committee and the Texas General Land Office.

Tier 1 projects are spread among Texas's four Gulf coastal regions. Three projects to build or expand hurricane flood protection levees in Freeport, Port Arthur, and Orange County account for \$3.957 billion.

Identifying Tier 1, Tier 2, and Tier 3 Projects

The Texas General Land Office utilizes a technical advisory committee, composed of four regional committees for each of the four defined coastal regions and one core committee, to review and score submitted projects. The technical advisory committee includes researchers in the fields of coastal science; local, state, and federal natural resource agency personnel; members of public, private, and non-governmental organizations; and engineers and planning experts.

Technical advisory committee members are surveyed based on each of the eight identified vulnerability areas (i.e., issues of concern):

- abandoned or derelict vessels, structures, and debris;
- altered, degraded, or lost habitat;
- bay shoreline erosion;
- coastal flood damage;
- existing and future coastal storm surge damage;
- Gulf beach erosion and dune degradation;
- impact on water quality and quantity (i.e., freshwater inflows); and,
- impact on coastal resources.

Additionally, the Texas General Land Office and technical advisory committee members assess the feasibility of each project and if the proposed actions of the project could be better done by another project or if portions could be combined with other proposed projects.

Tier 1 projects are the priority projects that are recommended for implementation immediately. The prioritized Tier 1 projects are in various phases of implementation. Some projects are "shovel-ready," meaning they are already designed and permitted and are seeking additional funding to be constructed, while others need significantly more funding or support to move forward. Tier 2 projects need refinement to become a priority, and Tier 3 projects are not recommended at the time the plan is published. A project's tier status may be demoted or promoted with each iteration of the plan.

The Texas Coastal Resiliency Master Plan specifies eleven actions that can be performed at the state and regional level to increase long-term resiliency. These eleven actions include:

- beach and dune sustainability;
- coastal storm risk management;
- data collection and monitoring (coastwide);
- delta management;
- oyster reef enhancement;
- regional infrastructure improvements;
- responsible development;

- rookery island enhancement;
- storm preparedness and response (coastwide);
- watershed planning; and,
- wetland protection and/or shoreline stabilization.

These eleven actions were developed to align with regional and coastwide priorities identified through information gathered during several regional meetings with the technical advisory committee.

No Funding Source Attached to the Texas Coastal Resiliency Master Plan

Absent a dedicated funding source, the Texas General Land Office attempts to implement the Texas Coastal Resiliency Master Plan through the various funding programs the Texas General Land Office oversees. According to the Texas General Land Office Coastal Resiliency Program Manager, the Texas Coastal Resiliency Master Plan does not have a specific funding mechanism attached to it. However, the Coastal Resiliency Program Manager stated that the Texas General Land Office can fund most Texas Coastal Resiliency Master Plan projects by utilizing funding sources the agency serves as the state lead for. These funding sources include but are not limited to GOMESA, the Coastal Management Program, the Coastal Erosion Planning and Response Act Program, and disaster recovery funding sources including community development block grant funding through the U.S. Department of Housing and Urban Development.

Additionally, Texas Coastal Resiliency Master Plan Tier 1 projects may be given priority over other projects when competing against non-Tier 1 projects for other state funding sources. Given such, a local or state entity may cite that its project is recommended as a Tier 1 project in the Texas Coastal Resiliency Master Plan when applying for funding.

Efforts by States to Establish Priorities, Goals, and a Method of Project Ranking, Selection, and Award of Coastal Restoration and Resiliency Funds

PEER evaluated other states' efforts to develop scoring and/or prioritization metrics for allocating coastal restoration and resiliency funds.

The following section discusses Texas's efforts to develop scoring and/or prioritization metrics for allocating coastal restoration and resiliency funds. While Louisiana and Florida do have methods for scoring and prioritizing projects, the methods are intertwined with their specific structures and technology; it would be difficult for Mississippi to emulate those methods. Alabama did not respond to PEER's request for information.

Texas's Method for Allocating and Awarding GOMESA Funds

GOMESA funds are used to fund three types of projects:

- projects under the Coastal Management Program (CMP);
- projects under the or Coastal Erosion Planning and Response Act (CEPRA) Program; and,

- priorities identified in the Texas Coastal Resiliency Master Plan.

The Texas General Land Office funds projects based on pre-existing criteria from the Texas GOMESA Funding Policies and Guidance, CMP goals and objectives, and the Texas Coastal Resiliency Master Plan.

GOMESA funds must be used to facilitate the initiation of essential coastal projects that comply with authorized uses for GOMESA, such as planning, permitting, designing, and implementing coastal projects. Per the Texas GOMESA Funding Policies and Guidance, the CEPRA Program receives approximately 65% of the GOMESA funds each distribution year, and CMP receives approximately 15%. The remaining approximate 20% of GOMESA funds are used for planning, administration, facilitating the administration of other coastal projects, or may be combined with other funding sources to complete comprehensive, large-scale projects.

GOMESA funds allocated to CEPRA projects are intended to pay for construction contractor costs associated with a Texas Coastal Resiliency Master Plan Tier I erosion response project or to fund a study associated with a Tier 1 Texas Coastal Resiliency Master Plan project. All other project costs that should be paid for by the project partner or by the CEPRA Program in accordance with an applicable CEPRA Project Cooperation Agreement. The purpose of the CEPRA program is to implement coastal erosion response projects and studies to reduce the effects of and understand the processes associated with coastal erosion as it continues to threaten public beaches, coastal natural resource areas, coastal development, public infrastructure, and public and private property.

The purpose of CMP is to improve the management of the state's coastal resources and ensure the long-term ecological and economic productivity of the coast. Under Texas Natural Resources Code, Section 33.204, the Commissioner of the Texas General Land Office may use public funds such as GOMESA funds to award grants to projects that further the goals and policies of CMP.

CMP and CEPRA applications are evaluated and scored based on the respective program's project scoring criteria. Once applications are scored and projects are selected to potentially receive GOMESA funding, the respective program staff evaluate the projects to determine if the projects meet at least one of the GOMESA-authorized uses. Projects identified in the Texas Coastal Resiliency Master Plan are given priority for GOMESA funding.

The Texas General Land Office awards GOMESA funds to CMP and CEPRA projects via the respective program's selection process and at the Commissioner's sole discretion to choose projects that meet GOMESA's authorized uses. In using GOMESA funds, the Commissioner will consider the following factors:

- equitable distribution of funds along the Texas coast;
- advancement of projects that have state-wide or regional benefits; and,
- ability to implement large-scale projects.

Texas's Method for Selecting RESTORE Bucket 3 Projects and RESTORE Bucket 5 Grantees

In the aftermath of Hurricane Harvey, Texas allocated its RESTORE Bucket 3 to be utilized in conjunction with activities by the Commission to Rebuild Texas. Like Mississippi, Texas issued a Request For Proposals to identify its contract vendors for RESTORE Bucket 5 funds.

The Texas Commission on Environmental Quality reported that projects funded under RESTORE Bucket 3 have been selected in conjunction with activities by the Commission to Rebuild Texas. The Commission to Rebuild Texas was established by the Texas Governor to aid in response to damage in Texas as the result of Hurricane Harvey. This process did not involve a formal scoring matrix to score projects. Instead, the Texas Commission on Environmental Quality targeted areas damaged by Hurricane Harvey that did not receive Federal Emergency Management Agency (FEMA) or other disaster recovery funds.

The Texas Commission on Environmental Quality utilized a Request for Proposals process to select its two Centers of Excellence authorized and supported under RESTORE Bucket 5: Texas OneGulf at Texas A&M-Corpus Christi and Subsea Institute at the University of Houston. On August 1, 2020, the U.S. Department of Treasury awarded a new grant, the second one, for the Texas Centers of Excellence. The second grant was for \$3.5 million and will end August 31, 2024.

Texas's Method for Selecting RESTORE Bucket 1 Projects

The Texas Commission on Environmental Quality reported that Texas issued a Request for Grant Applications, with responses due on Friday, April 15, 2016. The intent was to utilize one-third of Texas's RESTORE Bucket 1 funding to fund the first round of grant applications. The total amount available for funding under the Request for Grant Applications was initially projected to be approximately \$56 million. As of September 1, 2020, the U.S. Treasury approved four grant awards for restoration, flood protection, tourism, and workforce development including a combined 17 projects for a total of \$90 million. The Texas Commission on Environmental Quality RESTORE staff continued to work on applications for five projects.

Texas issued a Request for Grant Applications specifically for RESTORE Bucket 1 funding and utilized a formal scoring process to award grants as part of the first phase for allocating RESTORE Bucket 1 funds.

The Bucket 1 funding grants must support projects that:

- restore and protect natural habitats;
- mitigate damage to fish and wildlife;
- improve state parks in coastal areas;
- protect against coastal floods;
- promote tourism and/or consumption of Gulf Coast seafood; and,
- develop the workforce and create jobs in the coastal region.

The Texas Commission on Environmental Quality posted the initial list of selected projects for a 45-day public comment period (as required) and included the final list of selected projects in the Texas Multi-year Implementation Plan required by the U.S. Treasury to secure grant funds. Applicants eligible for grant awards included state and local governmental entities, and for-profit

and non-profit nongovernmental entities (including sole proprietors, private businesses, charitable organizations, and educational institutions).

The Texas Commission on Environmental Quality selected grant project applications utilizing the scoring criteria specified in Exhibit 8 on page 58. The final project application rankings are compiled and submitted to the Governor and/or his designee for review and final approval. However, there is a clause that permits the Texas Governor or his designee to use their discretionary authority. The Governor or his designee may make changes to the project rankings upon consideration of other discretionary factors related to protecting, preserving, restoring, or enhancing the natural and economic resources of the Texas coast.

This has been the only Multi-year Implementation Plan developed by the Texas Commission on Environmental Quality for RESTORE Bucket 1 funds. However, the Texas Commission on Environmental Quality project lead for RESTORE stated the Commission on Environmental Quality is considering changing methods for how it selects projects for RESTORE Bucket 1 funds going forward. This is in part because the Request for Grant Application process encountered several issues that made the process inefficient and burdensome for the agency.

- Too many project applications went through the scoring process – The Texas Commission on Environmental Quality received more applications than expected. Absent a stronger pre-qualification process, most went through the review/scoring process.
- Steep learning curve associated with new grant program – The Texas Commission on Environmental Quality also cited the steep learning curve of reviewing and scoring grant applications the agency typically is not involved in.
- Too many partners (agencies) included as part of the application review and scoring process – The Texas Commission on Environmental Quality’s process involved a team of reviewers from the Texas Commission on Environmental Quality and five other agencies.
- Presence of agency bias – Reviewers favored projects their agency submitted.

Exhibit 8: Scoring Criteria Utilized by the Texas Commission on Environmental Quality to Assign Scores to Grant Applications for RESTORE Bucket 1 Funding

| Scoring Categories | Points Available (110) |
|--|------------------------|
| Economic Benefits | 25 points |
| <ul style="list-style-type: none"> Job creation and retention Benefits economy through infrastructure projects Promotes economic resiliency Beneficial impacts to local and regional economy Promotes tourism, eco-tourism, recreation, and wildlife tourism Promotes gulf seafood marketing | |
| Environmental Benefits | 25 points |
| <ul style="list-style-type: none"> Restores, conserves, and preserves habitat Protects or enhances rare and threatened resources Replenishes and protects living, coastal, and marine resources Restores and protects water quality and quantity Contributes to landscape level environmental enhancement | |
| Comprehensive Factors | 20 Points |
| <ul style="list-style-type: none"> Complements other projects Promotes community resiliency Promotes ecological resiliency Part of a federal, state, or local plan Promotes recreational, historical, cultural, and educational uses | |
| Project Logistics | 20 Points |
| <ul style="list-style-type: none"> Project readiness and planning Likelihood of success Long-term operation and management Success criteria and monitoring Based on best available science Cost-effectiveness | |
| Community Engagement | 20 Points |
| <ul style="list-style-type: none"> Public support and participation Financial partners and funding | |

SOURCE: Scoring Criteria Request for Grant Applications for funding available under RESTORE Bucket 1. Texas Commission on Environmental Quality. 2016.

Options to Consider

This chapter discusses:

- establishing a formal coordinating committee for coastal resiliency and restoration efforts; and,
- establishing a state coastal resiliency and restoration master plan that crosses funding streams.

Mississippi utilizes a three-agency structure (MDMR, MDA, and MDEQ) to identify and implement coastal resiliency and restoration projects funded by GOMESA and Deepwater Horizon settlement funds. Apart from limited coordination efforts geared toward efforts to leverage funding and not duplicate projects, the three agencies generally operate in siloes. While Mississippi's method for implementing coastal resiliency and restoration projects may enable the state to comply with the differing requirements of the different funding structures associated with each fund type, it is unclear to what extent these projects are moving the state toward addressing its short-term and long-term coastal resiliency and restoration needs. While GEBF projects and NRDA projects fall more under MDEQ's planning processes due to the planning and approval process, RESTORE, GOMESA, and GCRF projects generally fall outside of a formal planning process and involve the Governor, the Legislature, and/or the Governor's Gulf Coast Advisory Committee in the decision process.

While MDEQ has developed plans for coastal resiliency and restoration efforts under its jurisdiction, the state does not have an overarching coastal restoration and resiliency master plan that addresses how best to optimize all funding sources. The system could be better served by the development of a formalized, overarching plan identifying what the state is attempting to accomplish through its coastal resiliency and restoration efforts, and post-implementation monitoring and assessment of the effectiveness of projects. These efforts could be led/overseen by a formal coordinating committee for coastal resiliency and restoration efforts.

Establishing a Formal Coordinating Committee for Coastal Resiliency and Restoration Efforts

A central coordinating committee could enhance existing efforts by serving as a central collection point for the state's coastal resiliency and restoration efforts, developing a state coastal resiliency and restoration plan, and monitoring the effectiveness of projects after implementation.

Existing Efforts to Coordinate the State's Coastal Resiliency and Restoration Efforts

In addition to the GOMESA Review Committee, MDEQ and MDMR partner with the Restoration Coordination Team and the Land Acquisition Coordination team (which includes staff from the Secretary of State's Office).

The Restoration Coordination Team

The Restoration Coordination Team³⁷ operates as the coordinating group between MDMR and MDEQ regarding coastal resiliency and restoration efforts. MDMR and MDEQ staff meet monthly to discuss restoration planning efforts, including identifying the best method to fund projects utilizing available funding streams (e.g., NRDA, GEBF, RESTORE, GOMESA). The Restoration Coordination Team's goal is to maximize restoration benefits and efficiency by ensuring the coordination of restoration projects, utilizing the technical expertise of both agencies, avoiding duplication of restoration efforts, and identifying opportunities to combine funding sources where feasible.

Land Acquisition Coordination

MDEQ may acquire land for projects. Each week, MDEQ has a weekly planning and coordination call with MDMR and the Office of the Secretary of State to collaborate on Deepwater Horizon-funded land acquisition projects and planning opportunities as parcels are identified for potential acquisition. The primary reasoning behind land acquisition is to increase conservation of land and preserve coastal habitat. MDEQ also consults with the Mississippi Forestry Commission and the Mississippi Department of Wildlife, Fisheries, and Parks while determining which land to acquire.

MDEQ's Executive Director described this team as the implementation and coordination team for funded projects. According to the Executive Director, the Land Acquisition Coordination team may monitor or pursue six to eight potential or active land acquisitions at a time.

Need for a Central Coordinating Committee for coastal resiliency and restoration efforts

Cross-agency collaboration can be helpful in ensuring the success of any resilience plan. Resilience of coastal systems crosses multiple jurisdictional boundaries (e.g., coastal community resilience can involve various entities such as community development, housing authorities, health and hospitals, insurance, education)

A central coordinating committee could enhance existing efforts by:

- serving as a central collection point for the state's coastal resiliency and restoration efforts;
- developing a state coastal resiliency and restoration plan; and,
- monitoring the effectiveness of projects post-implementation.

A central coordinating committee for coastal resiliency and restoration efforts would include representatives from MDMR, MDEQ, and MDA, as well as representatives from the three coastal counties (i.e., Hancock County, Harrison County, Jackson County) and applicable state agencies such as the Office of the Secretary of State; the Mississippi Forestry Commission; the Mississippi Department of Wildlife, Fisheries, and Parks; the Mississippi Emergency Management Agency; and the Mississippi Department of Transportation.

³⁷ Initially began as an internal team within MDMR prior to the Deepwater Horizon oil spill and was expanded to include MDEQ when it was assigned the Deepwater Horizon restoration funding streams.

Currently, representatives from the three coastal counties serve on the 100-person Governor's Gulf Coast Advisory Committee with their involvement limited to RESTORE Buckets 1 and 3. Other state agencies are coordinated with on an as-needed basis.

Establishing a State Coastal Resiliency and Restoration Master Plan

While MDEQ has developed plans for coastal resiliency and restoration efforts under its jurisdiction, the state has not developed a coastal restoration and resiliency master plan. The system could be better served by establishing a unified plan that identifies what the state is attempting to accomplish through its coastal resiliency and restoration efforts, its long-term challenges in pursuing these goals, and efforts to monitor impact of these efforts.

While MDEQ has developed plans for the coastal resiliency and restoration efforts under its jurisdiction, Mississippi does not have an overarching coastal restoration and resiliency master plan. The state could benefit from the development of a formalized, overarching plan identifying goals and standards by which to monitor and assess the effectiveness of projects. These efforts could be led and overseen by a formal coordinating committee for coastal resiliency and restoration efforts.

A state coastal resiliency and restoration master plan would establish overarching goals and a framework the agencies shall work toward. It would also identify funding sources available, both in the short-term and long-term, and identify any challenges associated with trying to implement a coastal resiliency and restoration master plan. Because funding is limited, agencies should consider options for combining state and federal funding sources and setting priorities for how to allocate funding. Plans should also acknowledge that there is some degree of uncertainty in developing and implementing coastal resiliency and restoration projects.

Although PEER considered suggesting the Legislature consider the Louisiana model, adopting the Texas Coastal Resiliency Master Plan model more aligns with Mississippi's existing structure for managing its GOMESA and Deepwater Horizon settlement funds. This is in part because the Texas model identifies high priority projects and then utilizes available funding sources to fund the projects. Additionally, like Mississippi, authority for managing Texas GOMESA and Deepwater Horizon settlement funds is dispersed among several agencies.

In contrast, if Mississippi were to follow the Louisiana model, it would require placing the GOMESA and Deepwater Horizon funds under one agency along with the staff to manage such funds. However, Louisiana's situation was and is notably different from that of Mississippi. Louisiana currently receives more GOMESA funding and was awarded significantly more Deepwater Horizon settlement funding than Mississippi.³⁸ Louisiana is facing a significant land loss issue as the result of coastal erosion, sea-level rise, and flooding. Additionally, after hurricanes Katrina and Rita, Louisiana was directed by the federal government to establish one agency for the management of federal funding related to coastal restoration and resiliency efforts. Mississippi has not been directed to do so, and currently has funding under three agencies. If Mississippi were to follow

³⁸ E.g., Louisiana received approximately \$4.9 billion in NRDA funding; Mississippi received approximately \$296 million. Louisiana received \$1.272 billion in GEBF funding; Mississippi received approximately \$356 million.

Louisiana's model, it would require restructuring the way Mississippi manages its coastal restoration and resiliency funds.

Other states outside of the Gulf region including North Carolina, New Jersey, and Virginia have developed state coastal resiliency and restoration master plans.

Recommendation

Option A

The Legislature should consider establishing a formal coastal resiliency and restoration coordinating committee to establish a state coastal resiliency and restoration master plan and monitor the impact and effectiveness of the state's coastal resiliency and restoration efforts.

A central coordinating committee for coastal resiliency and restoration efforts could include:

- representatives from MDMR, MDEQ, and MDA;
- representatives from the three coastal counties (i.e., Hancock County, Harrison County, and Jackson County); and,
- representatives from applicable state agencies such as:
 - Office of the Secretary of State;
 - Mississippi Forestry Commission;
 - Mississippi Department of Wildlife, Fisheries, and Parks;
 - Mississippi Emergency Management Agency; and,
 - Mississippi Department of Transportation.

A state coastal resiliency and restoration master plan shall, at minimum:

- identify priority need areas;
- identify and define the goals and objectives of the state's coastal restoration and resiliency efforts;
- identify metrics and criteria by which to assess the impact of the state's coastal restoration and resiliency efforts and a method for monitoring such efforts;
- not be limited to a particular agency, program, or funding stream;
- identify available funding sources that could be utilized to carry out the implementation of a a coastal resiliency and restoration master plan, including the limitations of each funding source;
- identify strategies by which to collaborate and leverage state, federal, and local funding; and,
- identify any changes in law, regulation, or structure that needs to be amended to better support the state coastal resiliency and restoration process.

Option B

The Legislature should require MDMR, MDEQ, and MDA to coordinate to develop a state coastal resiliency and restoration master plan and submit the plan to the Speaker of the House, the Lieutenant Governor, and the PEER Committee by December 15, 2024.

A state coastal resiliency and restoration master plan shall (at minimum):

- identify priority need areas;
- identify and define the goals and objectives of the state's coastal restoration and resiliency efforts;
- identify metrics and criteria by which to assess the impact of the state's coastal restoration and resiliency efforts and a method for monitoring such efforts;
- not be limited to a particular agency, program, or funding stream;
- identify available funding sources that could be utilized to carry out the implementation of a coastal resiliency and restoration master plan, including the limitations of each funding source;
- identify strategies by which to collaborate and leverage state, federal, and local funding; and,
- identify any changes in law, regulation, or structure that needs to be amended to better support the state coastal resiliency and restoration process.

Appendix A: Deepwater Horizon Oil Spill Settlement Agreements

The United States and the five Gulf states entered into four settlement agreements to assess criminal and civil penalties against and resolve economic damage with BP, Anadarko, TransOcean, MOEX Offshore 2007 LLC, and Halliburton.

First, on February 17, 2012, MOEX Offshore 2007 LLC, which had a 10% stake in the well, agreed to a settlement with the United States valued at \$90 million. Approximately \$45 million of the \$90 million settlement was dedicated to directly benefit the Gulf in the form of penalties.

On January 29, 2013, BP Exploration and Production Inc., pleaded guilty to illegal conduct leading to and after the 2010 Deepwater Horizon disaster, and was sentenced to pay \$4 billion in criminal fines, penalties, and restitution, including approximately \$2.4 billion for natural resource restoration.

On February 14, 2013, TransOcean Deepwater Inc., Deepwater Horizon's owner and operator, pleaded guilty to violating the Clean Water Act and was sentenced to pay \$400 million in criminal fines and penalties for its conduct in relation to the disaster. A separate civil settlement imposed a \$1 billion Clean Water Act penalty on TransOcean and required the company to take significant measures to improve its performance and prevent recurrence of this conduct.

On April 4, 2016, the five Gulf states (Alabama, Florida, Louisiana, Mississippi, and Texas) and the United States entered a into settlement in the federal district court in New Orleans with the owners and operators of the oil rig: BP, Anadarko, TransOcean and Halliburton. The \$20.8 billion settlement, the largest environmental damage settlement in United States history, ended all civil and criminal penalty claims against the owners and operators of the rig under the Clean Water Act and the Oil Pollution Act. The settlement also included economic damage claims submitted by the five Gulf States and their local governments.

SOURCE: "U.S. and Five Gulf States Reach Historic Settlement with BP to Resolve Civil Lawsuit over Deepwater Horizon Oil Spill." U.S. Department of Justice's Office of Public Affairs. Initially released October 5, 2015. Updated November 14, 2016.

Appendix B: GOMESA Projects through 2022

Approximately \$92.8 million was awarded over fiscal years 2019 through 2022 for the implementation of GOMESA Phase II projects in Mississippi. No projects were initially funded in 2021.

| Project | Recipient | Status | Funding (\$) |
|---|--|-------------|--------------|
| Projects Initially Appropriated Funding in the 2019 Regular Session | | | |
| Mississippi Aquarium | City of Gulfport | Complete | 8,000,000 |
| Outfalls | MDEQ | Complete | 747,914 |
| Beach Storm Water Outfalls | MDMR | Complete | 4,372,241 |
| GOMESA Project Management and Administration | MDMR | In Progress | 500,000 |
| Oyster Plant | MDMR | Complete | 3,000,000 |
| Dry Lab Construction | MDMR | Complete | 760,000 |
| Shellfish Water Quality Testing | MDMR | In Progress | 760,000 |
| Ocean Enterprise Activities at Port of Gulfport | University of Southern Mississippi | In Progress | 7,000,000 |
| Water Quality Testing for Safety of Seafood for Human Consumption | MDMR | Complete | 100,000 |
| Water Testing for Safety of Human Contact After Spillway Opening | MDEQ | Complete | 100,000 |
| Water Sampling for Effects from Bonnet Carré Spillway Opening | University of Southern Mississippi | Complete | 346,841 |
| Construction of Artificial Reef | MDMR | In Progress | 1,000,000 |
| Oyster Cultch | MDMR | Complete | 996,526 |
| Increased Management and Stewardship for Beach-Nesting and Foraging Species | Coastal Conservation – Audubon Mississippi | Complete | 300,000 |
| Contaminant Removal – Port of Pascagoula | Port of Pascagoula | Complete | 646,300 |
| East Biloxi Boardwalk | City of Biloxi | Complete | 2,000,000 |
| Coffee Creek Outfall | MDMR | Complete | 2,307,956 |
| Coffee Creek Water Quality Improvement | MDMR | In Progress | 692,045 |

| | | | |
|--|---|-------------|-----------|
| Buccaneer State Park Enhancements | Mississippi Wildlife, Fisheries, and Parks | Complete | 2,000,000 |
| Bayview Avenue Boardwalk | City of Biloxi | Complete | 2,900,000 |
| Ward 6 Boat Launch, Public Water Access and Restroom Facility | City of Bay St. Louis | Complete | 600,000 |
| Ward 6 Boat Launch, Public Water Access and Restroom Facility | City of Bay St. Louis | Complete | 200,000 |
| Sea Oats and Sand Dune Creation | Harrison County Board of Supervisors | Complete | 200,000 |
| Assessment, Restoration, and Stewardship of INFINITY Land Holdings | INFINITY Science Center | In Progress | 860,753 |
| Evaluation of Marine Mammal and Sea Turtle Abundance, Population Health, Habitat Delineation | Institute for Marine Mammal Studies and Mississippi State University College of Veterinary Medicine | Complete | 1,250,000 |
| Front Beach Erosion Control and Re-nourishment | Jackson County Board of Supervisors | Complete | 1,900,000 |
| Aquaculture Depth Control Unit for Improved Oyster Aquaculture Production | University of Southern Mississippi | Complete | 300,000 |
| Water Quality Improvement | MDEQ | In Progress | 1,000,000 |
| East Biloxi Boardwalk Sand Re-nourishment | City of Biloxi | In Progress | 1,000,000 |
| Hancock County Sewer Force Main Beach Crossings | Hancock County Water and Sewer District | Complete | 545,000 |
| Hancock County Sewer Force Main Beach Crossings | Hancock County Water and Sewer District | Complete | 545,000 |
| Projects Initially Appropriated Funding in the 2020 Regular Session | | | |
| Mississippi Reef Fish Monitoring and Assessment | MDMR | In Progress | \$120,000 |
| Sewer Improvements at Atlantic Street Area | Hancock County Utility Authority | In Progress | 2,721,150 |
| Bonnet Carré Response and the MS Western Sound Science Collaborative | MDMR | In Progress | 250,000 |
| Water Quality and Sanitary Sewer Improvements | City of Gautier | In Progress | 2,668,265 |

| | | | |
|--|---|-------------|-----------|
| Water Quality and Infrastructure Sanitary Sewer Project | City of Gautier | In Progress | 452,800 |
| Gravity Sewer System Improvements - Phase I | City of Pass Christian | In Progress | 1,744,319 |
| Watershed Management Plan | Jackson County Board of Supervisors | In Progress | 450,000 |
| Jourdan River Shores Sanitary Sewer Force Main Replacement | Kiln Utility and Fire District | In Progress | 410,000 |
| Long Beach Small Craft Harbor SE Corner Bulkhead | City of Long Beach | In Progress | 2,188,000 |
| Marsh Erosion Prevention (Basin "C" Watershed Hydrologic/Hydraulic Analysis) | City of Diamondhead | In Progress | 495,000 |
| Mississippi Oyster Restoration and Enhancement | MDMR | In Progress | 466,675 |
| GOMESA Project Management, Development, and Mitigation | MDMR | In Progress | 600,000 |
| Marsh Erosion Prevention (Basin "C" Watershed Hydrologic/Hydraulic Analysis) | MDMR | In Progress | 600,000 |
| Point Cadet Living Shoreline | City of Biloxi | In Progress | 800,000 |
| Oak Harbor Sewage System Improvements | Hancock County Utility Authority | In Progress | 2,811,548 |
| Drainage Improvements to Buena Vista Street Area | City of Pascagoula | In Progress | 915,000 |
| Sanitary Sewer Pump Station Repairs | City of Pass Christian | In Progress | 967,575 |
| Point Park Boardwalk and Piers | City of Pascagoula | In Progress | 510,000 |
| Railroad Corner Beneficial Use Site | MDMR | In Progress | 236,900 |
| Port Bienville Conservation and Management Area Wetland Mitigation | Hancock County Port and Harbor Commission | In Progress | 510,200 |
| Diamondhead Sewer Improvements - Phase I and II | Diamondhead Water and Sewer District | Complete | 831,600 |
| Collection of Fishery-Dependent Information on Blue Crabs in MS | University of Southern Mississippi | Complete | 244,223 |
| Projects Initially Appropriated Funding in the 2022 Regular Session | | | |

| | | | |
|---|--|-------------|-----------|
| Evaluation of Marine Mammal and Sea Turtles After Bonnet Carré Spillway Opening | Mississippi State University | In Progress | 2,474,573 |
| Cat Island: Baseline Inventory of Critical Seagrass Habitat | National Oceans and Applications Research Center | In Progress | 554,681 |
| Pelican Key: Baseline Hydrographic Survey to Characterize Bathymetry and Bottom Substrate | National Oceans and Applications Research Center | In Progress | 291,600 |
| Inventory of Wetland Habitats Served by Restored Natural Hydrology of Coastal Watersheds | National Oceans and Applications Research Center | In Progress | 957,318 |
| Feasibility Study for Improvement of Wastewater from Shrimp Processing | MDMR | In Progress | 1,000,000 |
| Septic System Abatement | Jackson County Utility Authority | In Progress | 1,800,000 |
| Mississippi Coastal Fishery Resource Assessment | University of Southern Mississippi | In Progress | 381,000 |
| Katrina Key Expansion - Phase I | MDMR | In Progress | 430,000 |
| Broadwater Marina Bulkhead Infrastructure Restoration | Secretary of State's Office | In Progress | 3,678,850 |
| Sewer Pump Station Repairs | City of Pass Christian | In Progress | 366,335 |
| Drainage, Flood Prevention, and Water Quality Improvements | City of Diamondhead | In Progress | 1,193,447 |
| Bonnet Carré and Mid Breton Response, and the WSSC | MDMR | In Progress | 874,240 |
| Front Beach Public Access and Storm Water Mitigation | City of Ocean Springs | In Progress | 2,728,250 |
| Gravity Sewer System Improvements - Phase II & III | City of Pass Christian | In Progress | 4,594,986 |
| Off-Bottom Oyster Aquaculture | MDMR | In Progress | 1,457,396 |
| MDMR-Pelican Key Beneficial Use Site | MDMR | In Progress | 348,220 |
| MDMR-Katrina Key Expansion - Phase II | MDMR | In Progress | 400,000 |
| Pascagoula Beach Open Channel Outfalls | Jackson County Board of Supervisors | In Progress | 1,339,000 |

| | | | |
|---|------|-------------|---------|
| GOMESA Project Management, Development and Mitigation | MDMR | In Progress | 746,097 |
|---|------|-------------|---------|

SOURCE: PEER compilation of approved GOMESA project applications and the project's current status, as supplied by MDMR.

Appendix C: RESTORE Projects through 2022

Approximately \$305.2 million in RESTORE funding was awarded over fiscal years 2016 through 2022 for the implementation of 73 projects in Mississippi.

| Project Name | Location | Calendar Year ¹ | Bucket | Funding Awarded (\$) |
|---|---|----------------------------|--------|----------------------|
| Compatibility, Coordination, and Restoration Planning | | 2016 | 3 | 1,800,000 |
| Mississippi Coast Coliseum and Convention Center | Biloxi, Harrison County | 2016 | 1 | 3,520,000 |
| Mississippi Gulf Coast Water Quality Improvement Program - Phase 1 of 3 | Coastwide | 2016 | 1 | 56,000,000 |
| Establish National Oceans and Applications Research Center (NOARC) | National Oceans and Applications Research Center | 2016 | 1 | 2,750,000 |
| North Rail Connector Planning Assistance | Jackson County | 2016 | 1 | 550,000 |
| Pascagoula Oyster Reef Relay and Enhancement - Phase 1 | Pascagoula, Jackson County | 2016 | 3 | 3,500,000 |
| Salvation Army Center of Hope | Gulfport, Harrison County | 2016 | 1 | 1,320,000 |
| University of Southern Mississippi Oyster Hatchery | Ocean Springs, Jackson County | 2016 | 1 | 7,700,000 |
| Bayou Casotte Industrial Buffer Concept – Planning Assistance | Pascagoula, Jackson County | 2017 | 1 | 500,000 |
| Coastal Headwaters Land Conservation | Coastwide | 2017 | | 8,000,000 |
| Compatibility, Coordination, and Restoration Planning | | 2017 | 3 | 1,000,000 |
| Gulf Coast Small Business Incubator Capacity Enhancement | Coastwide | 2017 | 1 | 700,000 |
| Gulf Coast Tourist Wayfinding and Informational Signage | Coastwide | 2017 | 1 | 1,000,000 |
| Gulf of Mexico Citizen Led Initiative | Coastwide | 2017 | 3 | 1,900,000 |
| Harrison County Bulkhead and Dock Construction | Gulfport, Harrison County | 2017 | 1 | 3,400,000 |
| Mississippi Gulf Coast Water Quality Improvement Program – Phase 2 of 3 | Coastwide | 2017 | 1 | 4,000,000 |
| Pascagoula Oyster Reef Relay and Enhancement - Phase 2 of 2 | Pascagoula, Jackson County | 2017 | 3 | 600,000 |
| Pearl River Community College Workforce Center | Hancock County | 2017 | 1 | 2,500,000 |
| Remote Oyster Setting Facility | University of Southern Mississippi | 2017 | 3 | 9,360,000 |
| Round Island Living Shoreline Demonstration and Protection Project | Round Island, Mississippi Sound | 2017 | 3 | 2,200,000 |
| Trent Lott International Airport Runway Improvements | Jackson County | 2017 | 1 | 6,850,000 |
| University of Southern Mississippi Marine Research Center | University of Southern Mississippi (Gulfport) | 2017 | 1 | 2,000,000 |
| Beneficial Use of Dredge Materials for Marsh Creation and Restoration in Mississippi - Phase 1 of 2 | Harrison County, Hancock County, and Jackson County | 2018 | 3 | 12,000,000 |
| Gulf Seafood Marketing Program | Coastwide | 2018 | 1 | 400,000 |

| | | | | |
|--|---|------|---|-----------|
| Hancock County Marsh Living Shoreline - Phase 1 of 2 | Hancock County | 2018 | 3 | 6,000,000 |
| Harrison County Rail Line Repair and Upgrades | Harrison County | 2018 | 1 | 2,300,000 |
| Jackson County Corridor Connector Road | Jackson County | 2018 | 1 | 4,800,000 |
| Mississippi Aquarium | Gulfport, Harrison County | 2018 | 1 | 1,350,000 |
| Mississippi Gulf Coast Air Service Growth Program | Harrison County | 2018 | | 1,200,000 |
| Mississippi Sound Oyster Shell Recycling Program | Coastwide | 2018 | 3 | 650,000 |
| Pearl River Community College Workforce Center | Hancock County | 2018 | 1 | 4,000,000 |
| Work Ready Community Program | Mississippi Gulf Coast Community College | 2018 | 1 | 5,000,000 |
| Beneficial Use of Dredge Materials for Marsh Creation and Restoration in Mississippi - Phase 2 | Coastwide | 2019 | 3 | 7,000,000 |
| Biloxi Point Cadet Marina Upgrades | Biloxi, Harrison County | 2019 | 1 | 3,000,000 |
| Buccaneer State Park Improvements | Waveland, Hancock County | 2019 | 1 | 1,000,000 |
| City of Moss Point I-10 Commercial Corridor Improvements | Moss Point, Jackson County | 2019 | 1 | 3,000,000 |
| Mississippi Beachfront Resilience | Coastwide | 2019 | 3 | 5,000,000 |
| Mississippi Gulf Coast Community College Center for Security and Emerging Technologies | Mississippi Gulf Coast Community College Jefferson Davis Campus | 2019 | 1 | 3,000,000 |
| Mississippi Gulf Coast Water Quality Improvement Program - Phase 3 | Coastwide | 2019 | 1 | 8,000,000 |
| Mississippi State University Northern Gulf Aquatic Food Research Center | Mississippi State University | 2019 | 1 | 3,000,000 |
| University of Southern Mississippi Ocean Enterprise Entrepreneurship Program | University of Southern Mississippi | 2019 | 1 | 1,000,000 |
| University of Southern Mississippi Oyster Hatchery and Research Center | Ocean Springs, Jackson County | 2019 | 1 | 4,000,000 |
| Broadwater Marina Restoration Project | Biloxi, Harrison County | 2021 | 1 | 5,500,000 |
| City of Moss Point I-10 Commercial Corridor Improvements | Moss Point, Jackson County | 2021 | 1 | 2,200,000 |
| Commercial Proving Grounds for Space to Sea Floor Environmental Monitoring | | 2021 | 1 | 1,650,000 |
| Gulfport-Biloxi International Airport Project Ready Site Mitigation and Prep | Gulfport, Harrison County | 2021 | 1 | 4,180,000 |
| Gulfport-Biloxi International Airport Site Expansion and Facility Relocation | Gulfport, Harrison County | 2021 | 1 | 3,190,000 |
| Hancock County Fairgrounds Revitalization/Hancock County Multipurpose Arena | Hancock County | 2021 | 1 | 6,050,000 |
| Hancock County Tech Park at Stennis Airport | Hancock County | 2021 | 1 | 2,200,000 |
| Mississippi Coast Coliseum and Convention Center | Biloxi, Harrison County | 2021 | 1 | 1,540,000 |
| Washington Street Avenue Gateway | Jackson County | 2021 | 1 | 6,600,000 |
| Water Quality Improvement Program | Coastwide | 2021 | 1 | 1,100,000 |

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|--|--|------|---|-----------|
| Accelerate Mississippi Public/Private Workforce Training Partnership | Harrison County, Hancock County, and Jackson County | 2021 | 3 | 2,200,000 |
| Beachfront Resilience | Harrison County, Hancock County, and Jackson County | 2021 | 3 | 4,950,000 |
| City of D'Iberville Working Waterfront and Commercial Seafood Harbor | D'Iberville, Harrison County | 2021 | 3 | 6,600,000 |
| Coastal Habitat Management Fund | Coastwide | 2021 | 3 | 3,300,000 |
| Gulf Coast Center of Security and Emerging Technology | | 2021 | 3 | 5,500,000 |
| Improvement of Wastewater Quality and Solid Waste Disposal from Shrimp Processing Industry | Coastwide | 2021 | 3 | 5,500,000 |
| Gulfport-Biloxi International Airport Secondary Runway Extension | Harrison County | 2022 | 1 | 2,200,000 |
| Hwy 609 Washington Street Gateway Phase II | Jackson County | 2022 | 1 | 5,500,000 |
| Lowery Island Restoration | Pascagoula, Jackson County | 2022 | 1 | 4,400,000 |
| Magnificent Mile: I-10 Hwy 63 Corridor Improvement | Moss Point, Jackson County | 2022 | 1 | 5,500,000 |
| Pearl River Community College Hancock Aviation Aerospace Workforce Academy | Hancock County | 2022 | 1 | 2,090,000 |
| Port Bienville Railroad Intermodal Expansion | Harrison County | 2022 | 1 | 3,300,000 |
| The Kiln Utility District and Fire District Water and Sewer Expansion Project | Kiln, Hancock County | 2022 | 1 | 3,000,000 |
| Trent Lott International Airport North Apron Expansion | Jackson County | 2022 | 1 | 2,400,000 |
| Health Professions for our Community (HEALP): Health Professions Center of Excellence | Coastwide | 2022 | 3 | 6,600,000 |
| Institute of Marine Mammal Studies Outreach and Ecotourism | Coastwide | 2022 | 3 | 825,000 |
| Jones Park Expansion Parking Areas | Gulfport, Harrison County | 2022 | 3 | 1,650,000 |
| Marina at Front Beach | Ocean Springs, Jackson County | 2022 | 3 | 5,500,000 |
| Mississippi Gulf Coast Community College Workforce Training | Coastwide | 2022 | 3 | 5,500,000 |
| St. Stanislaus and Ocean Springs Environmental Education | Bay St Louis, Hancock County and Ocean Springs, Jackson County | 2022 | 3 | 565,500 |

1) There were no RESTORE Act projects announced by MDEQ in calendar year 2020 due to the coronavirus pandemic.

SOURCE: MDEQ RESTORE Project List. PEER compilation of notices issued by MDEQ following Governor Bryant's and Governor Reeves' announcements of funded RESTORE Act projects for calendar years 2016 through 2022, as posted on MDEQ's website at <https://www.mdeq.ms.gov/restoration/restoration-summit/>.

Appendix D: RESTORE Science Program

As of April 2016, all the responsible parties for the Deepwater Horizon oil spill have agreed to settlements or had judgments rendered against them that will result in approximately \$133 million in funding for the RESTORE Science Program in addition to a portion of accrued interest from the RESTORE Trust Fund.

Who administers the RESTORE Science Program?

NOAA administers the RESTORE Science Program in consultation with the U.S. Fish and Wildlife Service. The mission of the RESTORE Science Program is to carry out research, observation, and monitoring to support the long-term sustainability of the ecosystem, fish stocks; fish habitat; and the recreational, commercial, and charter-fishing industry in the Gulf of Mexico.

What are the eligibility requirements for the RESTORE Science Program?

Eligible applicants are institutions of higher education; other non-profits; state, local, and Indian Tribal governments; commercial organizations; and U.S. Territories that possess the statutory authority to accept funding for this type of research. Federal agencies that possess the statutory authority to accept funding for this type of research are also eligible. However, the Program will not fund the salary of any permanent federal employee. The Program will only support travel, equipment, supplies, and contractual personnel costs associated with the work proposed by a principal investigator from a federal agency.

The RESTORE Act also stipulates that program funds be expended with respect to the Gulf of Mexico. This includes the geography of the Gulf of Mexico waters, as bordered by the United States, Mexico, and Cuba. In addition to supporting research conducted in the Gulf of Mexico, the RESTORE Science Program will also support research on processes that impact the Gulf of Mexico in a direct, significant, and quantifiable way, including processes in the watersheds draining into the Gulf of Mexico and coastal terrestrial areas that provide habitat for important wildlife species.

RESTORE Science Program funding may not be used for existing or planned NOAA research (unless agreed to by the grant recipient), implementing or initiating NOAA regulations, or developing a new limited access fisheries program.

What are examples of projects in Mississippi funded by the RESTORE Science Program?

Examples of projects in Mississippi funded by the RESTORE Science Program include:

- *Oyster Contaminants* – Use of elemental signatures to detect and trace contaminant entry to the northern Gulf of Mexico coastal food web: Managing multiple stressors;
- *Oyster Planning Tool* – SPAT (i.e., Shellfish Portfolio Assessment Tool); and,
- *Water Quality in the Mississippi* – Structured-decision making to co-produce an actionable science plan in support of Louisiana, Mississippi, Alabama Coastal System Water Quality Management.

Additionally, Theodore J. Zenzal, Ph.D. (U.S. Geological Survey, The University of Southern Mississippi) was the lead investigator on a \$1.5 million migratory bird project investigating migratory bird use of stopover habitats to inform bird habitat protection and restoration decisions in the Gulf of Mexico region. The project began in July 2017 and was expected to end in June 2022.

NOAA, in September 2021, awarded \$126,646 for a two-year project to study water quality in the Mississippi Sound Estuary. The stated goal of the project was for managers and scientists to collaborate on a research plan to develop a science-based tool for quantifying and reducing critical uncertainties and

supporting management of the Alabama, Louisiana, and Mississippi, coastal systems, especially regarding water quality and oyster habitat. Led by MDMR, the project included representatives from the U.S. Fish and Wildlife Service, the Louisiana Coastal Protection and Restoration Authority, and Alabama Department of Conservation and Natural Resources as well as Auburn University, the Water Institute of the Gulf, and the Northern Gulf Institute.

SOURCE: RESTORE Science Program website.

Appendix E: RESTORE Act Center of Excellence

The RESTORE Act, through RESTORE Bucket 5, provides funding to each of the five Gulf states to establish the Centers of Excellence Research Program. Since each Gulf state is allocated an equal share of RESTORE Bucket 5 funding, each state would receive 0.5% of funding from the RESTORE Trust Fund plus 5% of the interest the U.S. Treasury receives from investing the RESTORE Trust Fund dollars.

Mississippi's total life-cycle allocation for Bucket 5 is an estimated \$28,970,871 plus interest. Mississippi's share of Bucket 5 funding for the center of excellence program must flow through MDEQ, per the RESTORE Act.

What is the Centers of Excellence Research Program?

The RESTORE Act requires each Gulf state to utilize the funding they receive under Bucket 5 to award competitive grants to nongovernmental entities in the Gulf Coast region (including public and private institutions of higher education) for the establishment of centers of excellence. Each center of excellence shall conduct research only and focus on science, technology, and monitoring at least one of the following disciplines:

- coastal and delta sustainability, restoration, and protection, including solutions and technology that allow citizens to live in a safe and sustainable manner in a coastal delta in the Gulf Coast region;
- coastal fisheries and wildlife ecosystem research and monitoring in the Gulf Coast region;
- offshore energy development, including research and technology to improve the sustainable and safe development of energy resources in the Gulf of Mexico;
- sustainable and resilient growth, and economic and commercial development in the Gulf Coast region; and,
- comprehensive observation, monitoring, and mapping of the Gulf of Mexico.

The RESTORE Act also stated that priority shall be given to entities that demonstrate the ability to establish the broadest cross-section of participants with interest and expertise in the discipline(s) in which the proposal of the center of excellence will be focused.

How did MDEQ procure a Centers of Excellence Research Program?

In accordance with 31 Code of Federal Regulations Section 34.703, MDEQ utilized a competitive Request for Proposals to seek a Center of Excellence. On October 15, 2015, MDEQ announced the selection of Mississippi Based RESTORE Act Center of Excellence (MBRACE) as Mississippi's Center of Excellence. MBRACE is a consortium of four Mississippi universities: Jackson State University, Mississippi State University, the University of Mississippi, and the University of Southern Mississippi. The University of Southern Mississippi serves as the lead university for the consortium. On August 26, 2016, the University of Southern Mississippi was awarded \$7,126,311 to lead MBRACE. MBRACE is led by a five-person executive steering committee.

MBRACE's mission is to develop "a sound, comprehensive science- and technology-based understanding of chronic and acute stressors, both anthropogenic and natural, on the dynamic and productive waters and ecosystems of the northern Gulf." MBRACE's stated goals are to:

- serve as a focal point for new, long-term research and socioeconomic initiatives along the northern Gulf with relevance to Mississippi’s resources;
- serve the people of Mississippi and the northern Gulf region with a scientifically based understanding of ecosystem status and trends (past, present, and predictive) with special emphasis on improved forecasting abilities to ensure sustainable coastal and ocean ecosystems of the Gulf; and,
- work within a consortium of stakeholders including Mississippi’s research universities under the Mississippi Research Consortium, state and federal agencies, local communities, private industry, and non-governmental organizations.

How has MBRACE utilized its funding to date?

Through June 2022, MBRACE has been allocated a budget of \$7,800,000 and expended \$5,179,188. To date, MBRACE has pursued three programs: the Core-1 program, the Core-2 program, and the Competitive Research Program.

Core-1 Program

In 2017, MBRACE awarded four two-year projects \$625,000 each through the Core Research Program to investigate oyster reefs and their sustainability. Under Core-1, each of the four universities pursued projects:

- Jackson State University – \$624,599 – monitoring, mapping, and visualization of oyster reefs’ habitat in the Mississippi Gulf Coast;
- Mississippi State University – \$624,953 – water quality and benthic habitat observations for enhanced understanding and sustainable management of oyster reefs in the Mississippi Sound;
- University of Mississippi – \$625,000 – abiotic and biotic influences on current and historic distributions of oyster reefs; and,
- University of Southern Mississippi – \$625,000 – sustainability and restoration of oyster reef habitat in the Mississippi Sound: A Larval Transport and Recruitment Approach.¹

Core-2 Program

In 2020, MBRACE approved the Core-2 program. The Core-2 program extended the original research under Core-1 to model and assess water quality in the western Mississippi Sound and expand research into bays and other coastal waters. The Core-2 program assessed locations with potential for sustainable estuarine ecosystem development and synthesized data from phase one of the research. The University of Southern Mississippi served as the lead university for the Core-2 collaborative research project, with sub-awards issued to the three collaborating universities: Mississippi State University (\$388,184), the University of Mississippi (\$377,388), and Jackson State University (\$206,732).

The Core-2 program also allocated additional funding (approximately \$33,000 to each of the four projects) to extend research conducted under the Core-1 program for an additional two years.

Competitive Research Program

MBRACE established a competitive research program to enable investigators from MBRACE universities to propose original research projects that address at least one of the five disciplinary

areas outlined in the RESTORE Act. In June 2019, MBACE issued a Request for Proposals soliciting proposals for the Competitive Research Program. In the current reporting period, sub-awards were made under the Competitive Research Program. Selected proposals focused on the topic areas of water quality and oyster reef sustainability. MBACE approved three projects that examine these topics:

- Mississippi State University – \$450,052 – the distribution of submarine groundwater discharge and its effect on coastal water quality in Mississippi;
- University of Mississippi – \$442,941 – impacts of water quality on oyster development to inform oyster reef restoration and sustainability on the Mississippi Gulf Coast; and,
- University of Southern Mississippi – \$449,907 – optical observation for oyster larvae.²

Projects were originally provided grant funding for two years but were granted a one-year extension due to COVID.³

1. Activities were performed under existing sub-award between MDEQ and USM as lead university.
2. Activities were performed under existing sub-award between MDEQ and USM as lead university.
3. Extension did not include additional funding.

SOURCE: Mississippi Center for Excellence website.

Appendix F: GEBF Projects through 2022

Through 2022, the National Fish and Wildlife Foundation has authorized 34 projects in Mississippi, utilizing \$207 million of Mississippi's Gulf Environment Benefit Fund funding.

| Project Name | Recipient(s)/Partner(s) | Location | Award Date | Status | Funding Amount (\$) |
|---|---|--|---------------|---------|---------------------|
| Acquisition of Priority Tracts for Coastal Habitat Connectivity - Phase I | MDEQ , MDMR, & Mississippi Secretary of State | Coastal Mississippi | March 2016 | Active | 17,433,000 |
| Artificial Reef and Habitat Enhancement: Barrier Island Reefs | MDMR & Mississippi Gulf Fishing Banks | Mississippi Sound (North of the Barrier Islands) | November 2021 | Awarded | 3,125,000 |
| Artificial Reef and Habitat Enhancement: Katrina Key | MDMR | Mississippi Sound (South of Deer Island) | November 2021 | Awarded | 8,500,000 |
| Bellefontaine Nearshore Habitat Restoration -- Planning | MDEQ | Jackson County | November 2021 | Awarded | 1,040,000 |
| Coastal Bird Stewardship Program – Phase I ¹ | MDEQ , MDMR, & Audubon Mississippi | Jackson, Harrison, and Hancock Counties | November 2013 | Closed | 1,700,104 |
| Coastal Bird Stewardship Program – Phase II | MDEQ , Audubon Mississippi, Mississippi State University, Delta Wildlife, & Natural Resources Conservation Service | Mississippi Gulf Coast | November 2016 | Active | 6,280,400 |
| Coastal Headwaters Protection Due Diligence | MDEQ & Mississippi Secretary of State | Hancock and Harrison Counties | August 2017 | Active | 1,310,200 |
| Coastal Stream and Habitat Initiative | MDEQ , National Audubon Society, & The Nature Conservancy | Jackson, Harrison, and Hancock Counties | November 2013 | Closed | 1,731,493 |

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|---|---|---|---------------|---------|-----------|
| Design Challenge for Improvement of Water Quality from Beach Outfalls - Phase I ² | MDEQ | Mississippi Sound | November 2015 | Closed | 556,088 |
| Enhancement of St. Louis Bay Oyster Reef | The Nature Conservancy, MDMR, & MDEQ | St. Louis Bay | November 2019 | Awarded | 2,858,000 |
| Habitat Restoration and Conservation in Turkey Creek - Phase I | MDEQ, Land Trust for the Mississippi Coastal Plain, North Gulfport Community Land Trust, Turkey Creek Community Initiative, Turkey Creek Watershed Team, & USDA-NRCS | Gulfport | November 2015 | Active | 7,536,400 |
| Habitat Restoration: Federal Lands Program (MS) - NPS Gulf Islands National Seashore - Phase II | National Parks Service | Gulf Islands National Seashore | November 2022 | Awarded | 1,578,000 |
| Habitat Restoration: Federal Lands Program - Phase I | MDEQ, US Fish & Wildlife Service, National Park Service, & USDA Forest Service | Harrison and Jackson Counties | November 2015 | Active | 9,905,300 |
| Inshore Artificial Reef Assessment and Petit Bois Planning - Phase I | MDMR | Mississippi Sound | November 2021 | Awarded | 662,000 |
| Invasive Species Management on Coastal State Land – Phase I | MDEQ, MDMR, & Mississippi Department of Wildlife, Fisheries, and Parks | Hancock, Harrison, and Jackson Counties | November 2014 | Active | 2,676,700 |
| Invasive Species Management on Coastal State Land – Phase II | MDEQ & MDMR | Lower Pascagoula River Basin | November 2019 | Active | 837,000 |
| Marine Mammal and Sea Turtle Conservation, Recovery, and Monitoring Program – Phase I | MDEQ, MDMR, Mississippi State University, Institute for Marine Mammal Studies, & University of Southern Mississippi | Mississippi Gulf Coast | November 2016 | Active | 9,933,900 |

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|---|---|---|---------------|---------|------------|
| Migratory Bird Habitat Creation in the Lower Mississippi River Valley | MDEQ , Mississippi Department of Wildlife, Fisheries and Parks, Delta Wildlife, Ducks Unlimited, & U.S. Fish and Wildlife Service | Bolivar, Humphreys, Issaquena, Sharkey, Sunflower, Warren, and Yazoo Counties | November 2020 | Active | 6,027,000 |
| Mississippi Coastal Preserves Program | MDEQ & MDMR | Jackson, Harrison, and Hancock Counties | November 2013 | Active | 3,300,000 |
| Mississippi Coastal Restoration Plan – Phase 1 | MDEQ | Hancock, Harrison, and Jackson Counties | November 2014 | Closed | 2,564,205 |
| Mississippi Coastal Restoration Plan – Phase 2 ³ | MDEQ | Mississippi Gulf Coast | November 2017 | Active | 2,234,100 |
| Mississippi Offshore Artificial Reef and Habitat Enhancement (MS) | MDMR, MDEQ, & Mississippi Gulf Fishing Banks | Mississippi Gulf Coast | March 2019 | Active | 2,663,000 |
| Oyster Restoration and Management – Phase I | MDEQ & MDMR | Hancock, Harrison, and Jackson Counties | November 2015 | Active | 11,780,000 |
| Oyster Restoration and Management – Phase II | MDEQ & MDMR | Mississippi Sound | November 2019 | Active | 3,393,000 |
| Pascagoula River Corridor Acquisitions | MDEQ , Mississippi Secretary of State, The Nature Conservancy, The Trust for Public Land, Mississippi Forestry Commission, & USDA-USFS | Jackson County | November 2017 | Active | 11,849,800 |
| Point Cadet Nearshore Habitat Restoration -- Planning | MDEQ & City of Biloxi | Biloxi | November 2021 | Awarded | 410,000 |

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|---|--|---|--|---------|------------|
| Reef Fish Assessment for Mississippi Coastal and Nearshore Gulf Waters – Phase I | MDEQ, MDMR, & University of Southern Mississippi | Coastal waters of Mississippi | November 2014 | Closed | 3,404,002 |
| Reef Fish Assessment for Mississippi Coastal and Nearshore Waters: Restoration through Improved Data Collection and Management – Phase II | MDEQ, MDMR, & University of Southern Mississippi | Mississippi Gulf Coast | November 2017 | Active | 1,383,488 |
| Reef Fish Assessment for Mississippi Coastal and Nearshore Waters: Restoration through Improved Data Collection and Management – Phases III & IV ⁴ | MDEQ, MDMR, & University of Southern Mississippi | Mississippi Gulf Coast | March 2019 - Phase III; November 2019 - Phase IV | Active | 4,122,000 |
| Utilization of Dredge Material for Marsh Restoration in Coastal Mississippi – Phase I ⁵ | MDEQ, MDMR, & Mississippi Department of Wildlife, Fisheries and Parks | Hancock, Harrison, and Jackson Counties | November 2014 | Active | 24,082,200 |
| Utilization of Dredge Material for Marsh Restoration in Coastal Mississippi – Phase II ⁶ | MDEQ, MDMR, & United State Army Corps of Engineers | Round Island work continues, and preliminary site selection for additional beneficial use sites ongoing | November 2017 | Active | 34,624,000 |
| West Hancock County Nearshore Habitat Restoration Project - Phase I - Planning | MDEQ | Hancock County | November 2021 | Awarded | 1,410,000 |
| Wolf River Tract Acquisition | MDEQ, Mississippi Forestry Commission, The Nature Conservancy, & Mississippi State University | Harrison County | November 2022 | Awarded | 15,103,000 |

- 1) Project was amended in August 2016 to add \$262,100 to continue and expand stewardship and monitoring of priority bird species.
- 2) Project was amended in July 2018 to add \$11,576 for unanticipated costs that exceeded initial estimates.
- 3) Project was amended in November 2021 to add \$720,000 to extend project efforts an additional two years.

- 4) Phase IV project was amended in November 2020 to add \$500,000 to extend one of the project programs (Tails 'n' Scales) for three additional years.
- 5) Project was amended in March 2021 to add \$2,500,000 for construction and management of disposal sites.
- 6) Project was amended in November 2021 to add \$11,000,000 for construction of a containment site for marsh creation and restoration at Greenwood Island.

SOURCE: Compiled from the projects reported on the National Fish and Wildlife Foundation's website for the Gulf Environment Benefit Fund for Mississippi.

Appendix G: NRDA Projects

Including MDEQ administrative costs, approximately \$73.8 million in NRDA funding was awarded over fiscal years 2016 through 2022 for the implementation of 14 projects in the Mississippi restoration area. Prior to the finalization of the damage assessments for NRDA, approximately \$117.9 million was awarded for Early Restoration projects in Mississippi.

| Project ¹ | Location | TIG | TIG Plan ² | Operation Status | Funding Awarded (\$) |
|---|---|-----------|-----------------------------------|--|----------------------|
| MS TIG-MS DEQ Administrative Oversight and Comprehensive Planning Funds | | MDEQ | N/A | In Progress | 7,850,000 |
| Mississippi Artificial Reef Habitat Project | Mississippi Nearshore Artificial Reefs | MDEQ | Phase I 2011 | Closed | 2,053,176 |
| Mississippi Oyster Cultch Restoration Project | Hancock & Harrison counties | MDEQ | Phase I 2011 | Closed | 9,920,952 |
| Mississippi Hancock County Marsh Living Shoreline Project | Mississippi Heron Bay & Mississippi Sound | MDEQ NOAA | Phase III 2014 | In Progress | 50,000,000 |
| Pascagoula Beach Front Promenade | Pascagoula | MDEQ | Phase III 2014 | Monitoring, Operation, and Maintenance | 3,800,000 |
| Popp's Ferry Causeway Park | Biloxi | MDEQ | Phase III 2014 | Monitoring, Operation, and Maintenance | 4,757,000 |
| Restoration Initiatives at the INFINITY Science Center | Pearlington | MDEQ | Phase III 2014 | Monitoring, Operation, and Maintenance | 10,400,000 |
| Bike and Pedestrian Use Enhancements Project, Davis Bayou, Mississippi District, Gulf Islands National Seashore | Mississippi Gulf Coast | DOI | Phase IV 2015 | In Progress | 6,996,751 |
| Restoring Living Shorelines and Reefs in Mississippi Estuaries | Hancock, Harrison, & Jackson counties | MDEQ | Phase IV 2015 Modified 2018, 2021 | In Progress | 30,000,000 |

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|--|--|---------------------|------------------------------|-------------|------------|
| Grand Bay Land Acquisition and Habitat Management | Jackson County | DOI MDEQ | Plan I 2017 Modified 2019 | In Progress | 16,000,000 |
| Graveline Bay Land Acquisition and Management | Jackson County | DOI MDEQ | Plan I 2017 | In Progress | 11,500,000 |
| Upper Pascagoula Water Quality Enhancement Project | Mississippi Pascagoula River Region: Jasper, Kemper, Lauderdale, Neshoba, & Newton counties | USDA MDEQ EPA | Plan I 2017 | In Progress | 4,000,000 |
| Hancock County Coastal Preserve Habitat Management- Wachovia Tract | Hancock County | MDEQ | Plan II 2020 | In Progress | 1,760,000 |
| Mississippi Oyster Gardening Program | Hancock, Harrison, & Jackson counties | MDEQ | Plan II 2020 | In Progress | 500,000 |
| Oyster Spawning Reefs in Mississippi | Hancock, Harrison, & Jackson counties | MDEQ | Plan II 2020 | In Progress | 10,000,000 |
| Wolf River Coastal Preserve Habitat Management-Dupont Tract and Bell's Ferry Tract | Wolf River Preserve | MDEQ | Plan II 2020 | In Progress | 3,127,500 |
| Bird Stewardship and Enhanced Monitoring in Mississippi | Barrier Islands | DOI MDEQ | Plan III 2022 | In Progress | 6,105,500 |
| Clower Thornton Nature Park Trail Improvement | Gulfport | MDEQ | Plan III 2022 | In Progress | 630,000 |
| Environmental Education and Stewardship at Walter Anderson Museum of Art | Ocean Springs | MDEQ | Plan III 2022 | In Progress | 1,356,000 |

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|---|-----------------------------|--------------------|---------------|-------------|-----------|
| Improve Native Habitat by Removing Marine Debris from Mississippi Barrier Islands | Mississippi barrier islands | DOI MDEQ EPA | Plan III 2022 | In Progress | 3,000,000 |
| Maintaining Enhanced Sea Turtle Stranding Network Capacity and Diagnostic Capabilities | Mississippi Sound | MDEQ | Plan III 2022 | In Progress | 2,500,000 |
| Maintaining Enhanced Marine Mammal Stranding Network Capacity and Diagnostic Capabilities | | MDEQ | Plan III 2022 | In Progress | 2,350,000 |
| Reduction of Marine Mammal Fishery Interactions through Trawl Technique and Component Material Improvements | Mississippi Gulf Coast | MDEQ NOAA | Plan III 2022 | In Progress | 3,090,000 |

- 1) All Mississippi NRDA projects were approved by the Mississippi TIG, except the Department of Interior's 2015 project, "Bike and Pedestrian Use Enhancements Project, Davis Bayou, Mississippi District, Gulf Islands National Seashore." This project was approved by the Open Ocean TIG.
- 2) Phases I through IV comprise the Early Restoration implementation period before the finalization of the damage assessment in the Gulf region. The years indicated for Plans I through III correspond to the publication of the final drafts of the official Mississippi TIG Restoration Plans.

SOURCE: PEER staff compilation of MS TIG Restoration Plan preferred restoration alternatives, NOAA-maintained restoration area project lists for relevant TIGs, and Deepwater Horizon MS Project Tracker data.

Appendix H: Gulf Coast Restoration Fund Grant Program Priorities, as Specified in Statute

The intent of Senate Bill 2002, 2018 First Extraordinary Session, is to stimulate growth and economic development in Pearl River, Stone, George, Jackson, Harrison, and Hancock counties. The Gulf Coast Restoration Fund (GCRF) grant program is designed to support projects that will impact the competitiveness of these coastal counties and have a significant economic benefit on the region. Per S.B. 2002, projects must have the potential to generate increased economic activity in the region. S.B. 2022 directs MDA to give priority to projects that meet the following criteria:

- A. projects that will impact the long-term competitiveness of the region and may result in a significant positive impact on tax base, private sector job creation, and private sector investment in the region;
- B. projects that demonstrate maximum long-term economic benefits and long-term growth potential of the region based on a financial analysis such as a cost-benefit analysis or a return-on-investment analysis;
- C. projects that demonstrate long-term financial sustainability, including clear performance metrics, over the duration of the project;
- D. projects that leverage or encourage leveraging of other private sector, local, state, and federal funding sources with preference to projects that can demonstrate contributions from sources other than funds from the BP settlement;
- E. projects that are supported by multiple government or private sector entities;
- F. projects that can move quickly and efficiently to the design, engineering, and permitting phase;
- G. projects that enhance the quality of life and business environment of the region, including tourism and recreational opportunities;
- H. projects that expand the region's ability to attract high-growth industries or establish new high-growth industries in the region;
- I. projects that leverage or further enhance key regional assets, including educational institutions, research facilities, ports, airports, rails, and military bases;
- J. projects that are transformational for the future of the region but create a wider regional impact;
- K. projects that enhance the marketability of existing industrial properties;
- L. projects that enhance a targeted industry cluster or create a Center of Excellence unique to the region;
- M. infrastructure projects for business retention and development;
- N. projects that enhance research and innovative technologies in the region; and,
- O. projects that provide outcome and return on investment measures, to be judged by clear performance metrics, over the duration of the project or program.

SOURCE: MISS. CODE ANN. § 57-119-11 (1972).

Appendix I: GCRF Projects, Organized by Year and Applicant Awarded Funding

Approximately \$196.3 million in GCRF funding was awarded from 2020 through 2023 for the implementation of 91 projects in Mississippi.

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|--|--------------------|------------------------|---------------------|---|
| Projects Initially Appropriated Funding in the 2020 Regular Session | | | | |
| City of Gautier (Gautier) | | | | |
| Gautier Town Center Development Project | 3,500,000 | 4,881,930 | 8,381,930 | Project Closed |
| Power Dynamics Innovations, LLC (Picayune) | | | | |
| Equipment and Facility Upgrades Project | 1,550,000 | 387,500 | 1,937,500 | Grant Agreement Executed |
| City of Bay St. Louis (Bay Saint Louis) | | | | |
| Old Town Police Department Project | 1,000,000 | 2,000,000 | 3,000,000 | Grant Agreement Executed |
| Old Town Depot Revitalization District Project | 1,500,000 | 822,000 | 2,322,000 | Grant Agreement Executed |
| City of Diamondhead (Diamondhead) | | | | |
| Commercial District Transformation Project | 1,500,000 | 300,000 | 1,800,000 | Grant Agreement Executed |
| Stone County School District (Wiggins) | | | | |
| Stone County High School's Career and Technical Education Center | 3,200,000 | 878,972 | 4,078,972 | Grant Agreement Executed |
| University of Southern Mississippi (Gulfport) | | | | |
| Ocean Enterprise, Phase I | 7,000,000 | 1,400,000 | 8,400,000 | Grant Agreement Executed |
| Walter Anderson Museum of Art (Ocean Springs) | | | | |
| Walter Anderson Museum of Art Creative Complex | 750,000 | 187,500 | 937,500 | Grant Agreement Executed |
| OHOS Development, LLC and City of Ocean Springs (Ocean Springs) | | | | |
| Public/Private Development | 2,000,000 | 2,300,000 | 4,300,000 | Grant Agreement Executed |
| Gulfport School District (Gulfport) | | | | |
| S.T.E.M. Exploratorium | 100,000 | 135,665 | 235,665 | Grant Agreement Executed |
| City of Biloxi (Biloxi) | | | | |
| Restoration of Biloxi's Saenger Theatre for the Performing Arts | 2,000,000 | 2,000,000 | 4,000,000 | Grant Agreement Executed |
| Hancock County Port & Harbor Commission (Kiln) | | | | |
| Multi-user Aero Strip | N/A | N/A | N/A | Project Not Reappropriated Prior to Disbursement (Project Not Undertaken) |
| Harrison County Board of Supervisors (Gulfport) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|---|--------------------|------------------------|---------------------|--|
| Harrison County Law Enforcement Training Academy Project | 3,000,000 | 600,000 | 3,600,000 | Grant Agreement Executed |
| George Regional Health System (Lucedale) | | | | |
| Multi-Specialty Medical Office Complex Project | 2,157,035 | 539,259 | 2,696,294 | Grant Agreement Executed |
| Cafeteria Expansion and Renovation Project | 1,080,510 | 270,128 | 1,350,638 | Project Closed |
| Mississippi State University Research & Technology Corporation (Biloxi) | | | | |
| Mississippi Cyber Center Project | 3,500,000 | 700,000 | 4,200,000 | Grant Agreement Executed |
| Port of Pascagoula (Pascagoula) | | | | |
| North Rail Connector Project | 6,600,000 | 8,900,000 | 15,500,000 | Grant Agreement Executed |
| Jackson County Economic Development Foundation (formally Jackson Co. BOS) (Pascagoula) | | | | |
| Site Development and Related Support of a Defense Supplier | 1,400,000 | 29,854,111 | 31,254,111 | Grant Agreement Executed |
| Pascagoula Redevelopment Authority (Pascagoula) | | | | |
| Innovation Center Project | 1,000,000 | 4,100,000 | 5,100,000 | Grant Agreement Executed |
| City Center Project | 4,000,000 | 4,000,000 | 8,000,000 | Grant Agreement Executed |
| Institute for Marine Mammal Studies (Gulfport) | | | | |
| Educational Classrooms and Dorms Project | 3,000,000 | 813,487 | 3,813,487 | Grant Agreement Executed |
| City of Pass Christian (Pass Christian) | | | | |
| Redevelopment and Revitalization Project | 750,000 | 7,250,000 | 8,000,000 | Grant Agreement Executed |
| City of Long Beach (Long Beach) | | | | |
| Development and Revitalization Project | 2,000,000 | 400,000 | 2,400,000 | Grant Agreement Executed |
| Quarles House Project | 2,000,000 | 689,904 | 2,689,904 | Grant Agreement Executed |
| George County Board of Supervisors (Lucedale) | | | | |
| Rail and Highway Improvement for Enviva Facility Project | 1,600,000 | 2,341,246 | 3,941,246 | Grant Agreement Executed |
| Mississippi Export Railroad (Moss Point) | | | | |
| Rail Improvements for the Enviva Facility Project | 1,000,000 | 366,779 | 1,366,779 | Grant Agreement Executed |
| Projects Initially Appropriated Funding in the 2021 Regular Session | | | | |
| Mississippi State University Research & Technology Corporation (Biloxi) | | | | |
| Mississippi Cyber Center | 13,500,000 | 16,500,000 | 30,000,000 | Grant Agreement Awaiting Signatures |
| University of Southern Mississippi (Gulfport) | | | | |
| Ocean Enterprise | 4,500,000 | Pending | 4,500,000 | Application Packet Sent (Waiting for Applicant's Response) |
| Stone County Board of Supervisors (Wiggins) | | | | |
| Piney Wood Pellet Mill Road, Rail & Bypass | 2,500,000 | Pending | 2,500,000 | Application Packet Sent (Waiting for Applicant's Response) |
| Gulfport Redevelopment Commission (Gulfport) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|--|--------------------|------------------------|---------------------|---|
| Downtown Redevelopment Phase 1 of 3 | 2,500,000 | Pending | 2,500,000 | Application Packet Sent (Waiting for Applicant's Response) |
| OHOS Development, LLC and City of Ocean Springs (Ocean Springs) | | | | |
| Public/Private Development | 6,000,000 | 13,993,701 | 19,993,701 | Grant Agreement Executed |
| Pascagoula Redevelopment Authority (Pascagoula) | | | | |
| Downtown Revitalization | 3,000,000 | 3,000,000 | 6,000,000 | Grant Agreement Pending |
| Long Beach School District (Long Beach) | | | | |
| Long Beach High School Career & Technical Education Center | 2,500,000 | Exempt | 2,500,000 | Application Packet Sent (Waiting for Applicant's Response) |
| City of Diamondhead (Diamondhead) | | | | |
| Town Center District - Commercial District Transformation | 2,000,000 | 400,000 | 2,400,000 | Grant Agreement Executed |
| Stone County School District (Wiggins) | | | | |
| Stone County High School's Career and Technical Education Center | 3,200,000 | 878,972 | 4,078,972 | Grant Agreement Executed |
| Hancock County Port & Harbor Commission (Kiln) | | | | |
| Assault Landing Strip | N/A | N/A | N/A | Project Not Reappropriated Prior to Disbursement (Project Not Undertaken) |
| City of Gulfport (Gulfport) | | | | |
| Flood Control and/or Drainage for Forest Heights | 2,100,000 | 17,200,000 | 19,300,000 | Grant Agreement Executed |
| City of Moss Point (Moss Point) | | | | |
| Interstate 10 Frontage Roads, North & South | 2,000,000 | 400,000 | 2,400,000 | Grant Agreement Executed |
| City of Picayune (Picayune) | | | | |
| Friendship Park Revitalization | 1,900,000 | 623,399 | 2,523,399 | Grant Agreement Executed |
| Pearl River Community College (Stennis) | | | | |
| PRCC Aviation Aerospace Academy | 1,900,000 | 9,793,440 | 11,693,440 | Grant Agreement Executed |
| City of Bay St. Louis (Bay St. Louis) | | | | |
| Court Street Parking Facility, Expansion, & Improvements | 1,000,000 | 200,000 | 1,200,000 | Grant Agreement Executed |
| Walter Anderson Museum of Art (Ocean Springs) | | | | |
| Phase 3 & Phase 4 | 636,000 | 159,000 | 795,000 | Grant Agreement Executed |
| City of Lucedale (Lucedale) | | | | |
| Ventura Drive Improvements | 577,000 | 144,500 | 721,500 | Grant Agreement Executed |
| George County Board of Supervisors (Lucedale) | | | | |
| Scott Road, Widening & Infrastructure | 480,000 | 120,000 | 600,000 | Grant Agreement Executed |
| Projects Initially Appropriated Funding in the 2022 Regular Session | | | | |
| Gulfport Redevelopment Commission (Gulfport) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|--|--------------------|------------------------|---------------------|--|
| Mixed-Use Downtown Redevelopment Phase 2 | 8,000,000 | Pending | 8,000,000 | Application Packet Sent (Waiting for Applicant's Response) |
| City of Pass Christian (Pass Christian) | | | | |
| Water Front Redevelopment Plan | 3,000,000 | 6,550,000 | 9,550,000 | Grant Agreement Executed |
| Pascagoula Redevelopment Authority (Pascagoula) | | | | |
| City of Pascagoula Rail Line Development Plan | 3,061,356 | 913,000 | 3,974,356 | Application Pending Approval |
| City of Biloxi (Biloxi) | | | | |
| Popp's Ferry Extension | 3,000,000 | 11,263,200 | 14,263,200 | Grant Agreement Awaiting Signatures |
| City of Waveland (Waveland) | | | | |
| Waveland Marina Phase I | 2,000,000 | Pending | 2,000,000 | Application Packet Sent (Waiting for Applicant's Response) |
| Ocean Springs Redevelopment Authority (Ocean Springs) | | | | |
| City of Ocean Springs | 2,000,000 | Pending | 2,000,000 | Application Packet Sent (Waiting for Applicant's Response) |
| City of Moss Point (Moss Point) | | | | |
| Moss Point's Magnificent Mile 2.0 | 2,000,000 | 400,000 | 2,400,000 | Grant Agreement Executed |
| Hancock County Port & Harbor Commission (Kiln) | | | | |
| Technology Park at Stennis Airport Phase I | 2,000,000 | 3,078,213 | 5,078,213 | Grant Agreement Executed |
| Pearl River County Board of Supervisors (Picayune) | | | | |
| Pearl River County Industrial Park | 1,600,000 | 400,000 | 2,000,000 | Grant Agreement Executed |
| City of Long Beach (Long Beach) | | | | |
| Long Beach Harbor Complex Restoration | 1,000,000 | Pending | 1,000,000 | Application Packet Sent (Waiting for Applicant's Response) |
| City of Bay St. Louis (Bay St. Louis) | | | | |
| City Public Safety Complex | 1,000,000 | Pending | 1,000,000 | Application Packet Under Review |
| MSU Research & Technology Corporation (Gulfport) | | | | |
| Continued Development of the Mississippi Cyber Center | 1,000,000 | Pending | 1,000,000 | Application Packet Sent (Waiting for Applicant's Response) |
| City of Diamondhead (Diamondhead) | | | | |
| Commerce District Transportation | 900,000 | 300,000 | 1,200,000 | Grant Agreement Executed |
| Heritage Spring Water, LLC (Wiggins) | | | | |
| Heritage Spring Water in Stone County, Mississippi | 600,000 | 1,367,000 | 1,967,000 | Application Packet Under Review |
| Ocean Springs Collective (Ocean Springs) | | | | |
| Ocean Springs Collective Projects | 400,000 | 2,513,500 | 2,913,500 | Grant Agreement Executed |
| Mississippi Export Railroad (Helena) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|--|--------------------|------------------------|---------------------|--|
| Mississippi Export Projects (Helena Tank Qualification Shop) | 3,500,000 | 8,933,780 | 12,433,780 | Grant Agreement Executed |
| Greater Biloxi Economic Development Foundation and JDLE, LLC (Biloxi) | | | | |
| Downtown Redevelopment of Barq's and Kress Buildings on Howard Avenue | 2,000,000 | 8,496,368 | 10,496,368 | Grant Agreement Awaiting Signatures |
| Mississippi Gulf Resort Classic Foundation (Saucier) | | | | |
| Rapiscan Systems Classic Tournament | 796,000 | 4,598,540 | 5,394,540 | Grant Agreement Executed |
| Projects Initially Appropriated Funding in the 2023 Regular Session | | | | |
| City of Diamondhead (Diamondhead) | | | | |
| Commercial District Transformation Project | 2,000,000 | | | Grant Agreement Not Yet Executed |
| City of Moss Point (Moss Point) | | | | |
| Moss Point - Point of Connection Road | 200,000 | | | Grant Agreement Not Yet Executed |
| City of Long Beach (Long Beach) | | | | |
| Long Beach Harbor Complex Restoration | 3,500,000 | | | Grant Agreement Not Yet Executed |
| Heritage Spring Water, LLC (Wiggins) | | | | |
| Heritage Spring Water Project in Stone County, Mississippi | 260,000 | | | Grant Agreement Not Yet Executed |
| Pascagoula Redevelopment Authority (Pascagoula) | | | | |
| Live, Work, Play Pascagoula Riverfront Redevelopment | 1,500,000 | | | Grant Agreement Not Yet Executed |
| Pearl River County Board of Supervisors (Poplarville) | | | | |
| Pearl River County Industrial Park Infrastructure & Site Development | 1,922,800 | | | Grant Agreement Not Yet Executed |
| City of Bay St. Louis (Bay St. Louis) | | | | |
| City Government Safety Complex | 1,000,000 | | | Grant Agreement Not Yet Executed |
| Hancock County Port & Harbor Commission (Kiln) | | | | |
| Technology Park & Site Development at Stennis Airport Phase I | 2,000,000 | | | Grant Agreement Not Yet Executed |
| Mississippi State University Research & Technology Corporation (Gulfport) | | | | |
| Continued Development of the Mississippi Cyber Center | 2,000,000 | | | Grant Agreement Not Yet Executed |
| City of Gulfport (Gulfport) | | | | |
| Daniel Boulevard Extension & Connector Road between Highway 49 & Canal Road | 4,600,000 | | | Grant Agreement Not Yet Executed |
| City of Lucedale (Lucedale) | | | | |
| Lucedale Municipal Park Stage | 498,000 | | | Grant Agreement Not Yet Executed |
| City of Moss Point (Moss Point) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|---|--------------------|------------------------|---------------------|----------------------------------|
| Highway 63/Escatawpa Natural Gas Pipeline Installation | 1,750,000 | | | Grant Agreement Not Yet Executed |
| Moss Point Development Authority (Moss Point) | | | | |
| Moss Point Downtown Revitalization | 1,000,000 | | | Grant Agreement Not Yet Executed |
| George County Board of Supervisors (Lucedale) | | | | |
| Grain Elevator/River Road Rehabilitation | 1,599,906 | | | Grant Agreement Not Yet Executed |
| Old Highway 63 North Regional Agriculture & Agri-Tourism Accelerator | 1,599,372 | | | Grant Agreement Not Yet Executed |
| Jackson County Economic Development Foundation (Pascagoula) | | | | |
| Sunplex Light Industrial Park Site Improvements & Trent Lott Airport | 2,000,000 | | | Grant Agreement Not Yet Executed |
| Pearl River County Board of Supervisors (Picayune) | | | | |
| Pearl River County Technology Park Phase I & Site Development | 1,800,000 | | | Grant Agreement Not Yet Executed |
| Jackson County Board of Supervisors (Vanceleave) | | | | |
| Vanceleave Medical Center | 3,193,750 | | | Grant Agreement Not Yet Executed |
| City of Bay St. Louis (Bay St. Louis) | | | | |
| Downtown ADA Boardwalk | 1,400,000 | | | Grant Agreement Not Yet Executed |
| City of Ocean Springs (Ocean Springs) | | | | |
| Mary O'Keefe Cultural Arts Center Renovations & Signage | 700,000 | | | Grant Agreement Not Yet Executed |
| Gulf Hills Resort (Ocean Springs) | | | | |
| Development of 2,000 feet of Blueway Waterfront with Public Marina Access | 900,000 | | | Grant Agreement Not Yet Executed |
| Mississippi Coast Model Railroad Museum (Gulfport) | | | | |
| All Aboard: Mississippi Coast Model Railroad Museum | 1,000,000 | | | Grant Agreement Not Yet Executed |
| Ohr-O'Keef Museum of Arts (Biloxi) | | | | |
| Completion of the Ohr-O'Keef Museum Campus | 1,000,000 | | | Grant Agreement Not Yet Executed |
| University of Southern Mississippi (Long Beach) | | | | |
| USM Visualization & Digital Multimedia Center of Excellence | 2,501,320 | | | Grant Agreement Not Yet Executed |
| Pinchers Seafood (Bay St. Louis) | | | | |
| Working Waterfront | 3,600,000 | | | Grant Agreement Not Yet Executed |
| Jackson County Economic Development Foundation & the Biloxi Bay RV Resort (Biloxi) | | | | |
| Biloxi Bay RV Resort | 1,585,000 | | | Grant Agreement Not Yet Executed |
| Plaid Properties, LLC (Ocean Springs) | | | | |

| Applicant (Project Location) Project Name | GCRF Funds (\$) | Matching Funds (\$) | Total Funds (\$) | Project Status |
|---|--------------------|------------------------|---------------------|----------------------------------|
| Redevelopment of Blighted Property into a WAMA Connected District | 250,000 | | | Grant Agreement Not Yet Executed |
| Ocean Springs Redevelopment Foundation (Ocean Springs) | | | | |
| Public Works Redevelopment & Relocation | 2,000,000 | | | Grant Agreement Not Yet Executed |
| Harrison County Development Commission (Gulfport) | | | | |
| I-10 & Canal Road Site Development | 3,600,000 | | | Grant Agreement Not Yet Executed |

SOURCE: PEER compilation of GCRF project lists, courtesy of MDA.

Appendix J: Florida Resiliency Program

Codified under Florida Statute 380.093, the Florida Resiliency Program has three main components:

- the Resilient Florida Grant Program;
- the Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set and Assessment; and,
- the Statewide Flooding and Sea Level Rise Resilience Plan.

To score and rank grant proposals, Florida Statute 380.093 requires the Department of Environmental Protection to utilize a four-tier scoring system.

Resilient Florida Grant Program

The Resilient Florida Grant Program is the mechanism by which grant funding is awarded under the Florida Resiliency Program. Each project included in the plan must have a minimum 50% cost share unless the project assists or is within a financially disadvantaged small community. Florida Statute 380.093 defines a financially disadvantaged small community as having:

- a per capita annual income that is less than the state's per capita annual income; and,
- a municipal population of 10,000 or fewer or county population of 50,000 or fewer.

Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set and Assessment

The Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Set will include information necessary to determine the risks to inland and coastal communities. The data set will contain information pertaining to, but not limited to:

- critical and regionally significant assets (e.g., transportation, critical infrastructure, and emergency facilities);
- topographical data (e.g., digital elevation models and survey data); and,
- flood scenario data (e.g., data regarding precipitation, sea level rise, land use and groundwater elevation).

The data set will be used to develop the Comprehensive Statewide Flood Vulnerability and Sea Level Rise Data Assessment.

The data assessment is developed in coordination with the Florida Flood Hub and Florida's Chief Science Officer. It identifies inland and coastal infrastructure, geographic areas, and communities in the state vulnerable to flooding and sea level rise and the associated risks.

Statewide Flooding and Sea Level Rise Resilience Plan

By December 1, 2021, and each December 1 thereafter, the Department of Environmental Protection shall develop a Statewide Flooding and Sea Level Rise Resilience Plan on a three-year planning horizon and submit it to the Governor, the President of the Senate, and the Speaker of the House of Representatives. To be eligible for inclusion in the plan, a project must have been submitted by a municipality, county, special district (e.g., drainage district, regional water supply authority, utility authority, airport authority, water management district) or must have been identified in the comprehensive statewide flood vulnerability and sea level rise assessment.

Florida's statute specifically excludes the plan from including expenses associated with the following:

- aesthetic vegetation;
- recreational structures such as piers, docks, and boardwalks;
- water quality components of stormwater and wastewater management systems (except for expenses to mitigate negative impacts to water quality caused by the project, or expenses related to maintaining the quality of water necessary to obtain a permit for the project);
- maintenance and repair of over-walks;
- park activities and facilities, except expenses to control flooding or erosion;
- navigation construction, operation, and maintenance activities; and,
- projects that provide only recreational benefits.

The plan must consist of ranked projects that address risks of flooding and sea level rise to coastal and inland communities in the state. All eligible projects submitted to the department pursuant to this section must be ranked and included in the plan. Each plan must include a detailed narrative overview describing how the plan was developed, including:

- a description of the methodology used by the department to determine project eligibility;
- a description of the methodology used to rank projects;
- the specific scoring system used;
- the project proposal application form;
- a copy of each submitted project proposal application form separated by eligible projects and ineligible projects;
- the total number of project proposals received and deemed eligible; and,
- the total funding requested for eligible projects.

Each plan submitted by the department must include the following information for each recommended project:

- a description of the project;
- the location of the project;
- an estimate of how long the project will take to complete;
- an estimate of the cost of the project;
- the cost-share percentage available for the project;
- a summary of the rank and score assigned to the project; and,
- the project sponsor.

Method for Scoring Grant Proposals

To score grant proposals, Florida Statute 380.093 requires the Department of Environmental Protection to implement a four-tier scoring system.

Tier 1, which comprises 40% of a project's score, is based on project impact. Because Florida is concerned about sea-level rise and threats of increased flooding, Florida is interested in the capability of each project to reduce flood risks and mitigate future flood damage costs. Florida plans to utilize a state model—the Comprehensive Statewide Flood Vulnerability and Sea Level Rise Assessment—or local government vulnerability assessments (if applicable) to forecast the potential project impact.

Tier 2 makes up 30% of a project's score and is based on:

- the degree to which flooding and erosion currently affect the condition of the project area;
- the overall readiness of the project to proceed in a timely manner, considering the project's readiness for the construction phase of development, the status of required permits, the status of any needed easement acquisition, and the availability of local funding sources;
- the environmental habitat enhancement or inclusion of nature-based options for resilience, with priority given to state or federal critical habitat areas for threatened or endangered species; and,
- the cost-effectiveness of the project.

Tier 3 makes up 20% of a project's score and is based on:

- the availability of local, state, and federal matching funds, considering the status of the funding award, and federal authorization, if applicable; and,
- previous state commitment and involvement in the project, considering previously funded phases, the total amount of previous state funding, and previous partial appropriations for the proposed project.

Tier 4 makes up 10 % of the total project score and is based on:

- the proposed innovative technologies designed to reduce project costs and provide regional collaboration; and,
- the extent to which the project assists financially disadvantaged communities.

SOURCE: Florida Statute 380.093 and interviews with Florida Resiliency Program staff.

PEER's Response to the Mississippi Department of Environmental Quality's Response

The Mississippi Department of Environmental Quality (MDEQ) submitted a response to the PEER Committee's report entitled *A Review of the Administration of Selected Coastal Resiliency and Restoration Funds in Mississippi*. While the PEER Committee rarely publishes a written response to that of the entity reviewed, the Committee believes that such a response is warranted in this case.

MDEQ's Allegations on the PEER Review Process:

While the MDEQ Executive Director raised concerns about the PEER review process regarding the timeliness and accuracy of the report, he seemed to misunderstand the PEER review process. PEER conducted an entrance conference with MDEQ leadership on February 13, 2023, at the MDEQ central office. As custom and practice during an entrance conference, the PEER review process is explained and outlined for all parties present. It is the primary opportunity to provide an overview of the review process, establish points of contacts among the agencies, and offer initial estimates on the project timeline. Additionally, an overview of the PEER review process is publicly available at https://www.peer.ms.gov/Pages/Five_Phases_of_a_PEER_Project.aspx.

On May 11, 2023, PEER notified MDEQ that the PEER Committee unanimously voted to proceed to the exit conference phase of the review with MDEQ (along with MDA and MDMR). PEER delivered the confidential report drafts (i.e., exit or exposure draft) to MDEQ on Friday morning, May 12, 2023. Once drafts are delivered to an agency, PEER schedules a time with the agency to conduct an exit conference and provides approximately 10 to 14 days from receipt of the draft to begin developing an agency response. The PEER Committee reviews the response for consideration of its inclusion in the final report and votes to approve it. MDEQ was provided an initial deadline of May 31, 2023. Due to time constraints expressed by MDEQ, the exit conference was scheduled for Monday, May 22, 2023, at the PEER office.

The exit conference is the agency's opportunity to provide any documentation for factual errors noted within the draft. PEER's exit letter, which explains the purpose of the exit conference, was delivered to MDEQ on May 12, 2023. The exit letter states:

The primary purpose of the exit conference is to identify any alleged factual errors in the draft report and to provide clear and concise documentation supporting each allegation. In the event that supporting documentation involves extensive records, please contact...[PEER staff]...to schedule a review of such records prior to the exit conference.

Further, any agency receiving copies of a draft in preparation for the exit conference must sign a confidentiality statement. This explains that the draft is confidential as it is not the final report because it is not yet ready to be approved for formal, public release by the PEER Committee.

It seems that MDEQ leadership misunderstood the purpose of the exit conference to review the draft. MDEQ specifically expressed concerns in its agency response regarding the accuracy of the draft in preparation for the exit conference with PEER. MDEQ's response stated:

MDEQ's review of the draft revealed numerous substantive factual inaccuracies. At an "exit conference" on May 22, MDEQ representatives expressed concerns to PEER Committee staff regarding these inaccuracies, it was revealed that the draft MDEQ that was provided was not, in fact, the PEER staff's final draft.

The PEER report draft process is an iterative one, as quality assurance and grammatical editing is ongoing throughout the drafting phase. As previously mentioned in this response to MDEQ's response, the final draft does not occur until after any factual corrections have been made to the draft resulting from the exit conference.

During the exit conference, the MDEQ Executive Director repeatedly referenced "numerous errors" and that the report draft "needed an entire rewrite." However, only the MDEQ Executive Director brought his confidential draft with limited notes to the exit conference. He did not wish to use his draft during the exit process because the detailed notes and documentation necessary to address the corrections were not on hand. When PEER inquired about the location and status of these documents, MDEQ staff stated the drafts with detailed notes were left at the MDEQ central office building. In addition, no one from MDEQ contacted PEER prior to the exit conference to schedule a review of such documentation to address any factual corrections as instructed within the PEER exit letter.

When PEER offered MDEQ the option to obtain these annotated drafts, MDEQ staff stated that they could get them to PEER "in a few days." Further, the MDEQ Executive Director stated that he would also inquire with the PEER Chairman about "having the meeting date moved."

Though the MDEQ Executive Director had misunderstood the PEER process, PEER did offer an extension on the formal agency response to June 12, 2023 (32 calendar days from receipt of the draft). In addition, PEER also offered to email any corrections or changes in the draft as a result of MDEQ staff notes in an annotated version of the report by chapter. This was intended to allow MDEQ staff more flexibility and time to review the changes that would contribute to the final report draft presented to the PEER Committee at its upcoming meeting. Despite agreeing to this accommodation for MDEQ staff, based on his agency response, the MDEQ Executive Director did not seem to comprehend the meaning of "final draft." MDEQ's response states:

While PEER staff has provided various revised sections, or "chapters," of the report, to date MDEQ has not yet received a final draft of the full Report.

MDEQ received all the content corrections and changes to the draft as completed by PEER. While MDEQ did not receive the final draft as a single document, MDEQ elected to receive it in real-time as edited and completed by PEER to better accommodate MDEQ staff.

In order to ensure accuracy in its reports, PEER requests that agencies participate in the review process. It is clear that the MDEQ Executive Director did not understand the process and did not wish to participate in it, despite having it explained to him on numerous occasions.

It should be noted that PEER conducted the same review process with both MDA and MDMR. These agencies received the same initial draft as well as any corrections or changes completed as a result of the exit conferences with the respective agencies, with no issues.

MDEQ's Allegations on the PEER Report Analysis and Recommendations:

Both MDEQ and MDMR stated objections to PEER's initial recommendation to establish a coastal resiliency and restoration coordinating committee to develop a state coastal resiliency and restoration plan that addresses how best to optimize all funding sources.

- Primarily, both MDEQ and MDMR stated they already coordinate and did not want to add an additional coordinating committee (i.e., another level of bureaucracy).
- While MDEQ and MDMR do coordinate, such coordination has not risen to the level of developing a state coastal resiliency and restoration plan that would cross funding sources.

Following the exit process, the initial recommendation became Option A – “The Legislature should consider establishing a formal coastal resiliency and restoration coordinating committee to establish a state coastal resiliency and restoration master plan.” Based on agency concerns about the potential restrictions imposed by a plan created by the Legislature, PEER added an additional recommendation as Option B – “to have MDMR, MDEQ, and MDA to coordinate to develop a state coastal resiliency and restoration master plan and submit such plan by December 15, 2024.” This was to allow the agencies involved in administering coastal resiliency and restoration funds enhanced flexibility to develop their own master plan to coordinate across the various funding streams.

While MDEQ may focus on how NRDA and GEBF projects are selected, there is no formal planning around how RESTORE Bucket 1 and Bucket 3 projects, GOMESA projects, and GCRF projects are selected. As discussed in the report, MDEQ submits a multi-year implementation plan for RESTORE Bucket 1 projects and a state expenditure plan for Bucket 3 projects, but those generally only include the projects submitted, and do not serve as formal planning documents.

PEER does not propose a one-size fits all approach, as MDEQ suggests.

In its response, MDEQ states that both recommendation options in the report seem to contemplate a one-size-fits-all approach to restoration, without accounting for existing complexities. PEER states, under both options A and B, that the three agencies shall identify available funding sources that could be utilized to carry out the implementation of a coastal resiliency and restoration master plan, including the limitations of each funding source.

At no time does PEER state that MDEQ, MDMR, or MDA should modify the existing NRDA, RESTORE, or GEBF agreements in place. However, if, as part of such planning efforts, MDEQ, MDMR, or MDA determines it is necessary to seek to amend existing law, regulation, or structure to better support the state coastal resiliency and restoration process, it should endeavor to do so. It is best practice that any long-term planning document identify any legal barriers and consider how those barriers may impact future operations.

PEER did not recommend that Mississippi adopt the Texas masterplan model.

Despite the MDEQ Executive Director’s assertion, PEER does not recommend that MDEQ adopt the Texas masterplan model utilized by the Texas General Land Office. PEER stated the Texas model, in comparison to the Louisiana model, may be more comparable or more adaptable to existing Mississippi structure for managing coastal resiliency and restoration funds. The Texas Coastal Resiliency Master Plan originates out of the Texas General Land Office and is a model that fits Texas. It is not required that the Texas Commission on Environmental Quality—the agency that administers the Texas RESTORE—follow it. The Texas Coastal Resiliency Master Plan establishes Tier 1, Tier 2, and Tier 3 funding priorities that guide the Texas General Land Office in funding projects. These priorities are not permanent or unchangeable. A Tier 3 priority project may be elevated to a Tier 1 priority, while a Tier 2 priority project may be later removed from the list altogether.

MDEQ’s NFWF-funded plan falls short of being the comprehensive plan as referred as by MDEQ.

MDEQ did develop a NFWF-funded plan for GEBF titled *The Mississippi Gulf Coast Restoration Plan: A Path Toward Sustainability* in 2015. However, the plan is not a comprehensive plan. It does include an environmental assessment of the coast and was used to develop two tools utilized to support the planning and decision-making process: MDEQ’s Mississippi Comprehensive Ecosystem Resource Planning Tool (MCERT) and MDEQ’s Decision Support System (DSS).

The 2015 plan includes a draft fiscal plan, but only for FY 2016 and only for GEBF-funding. The plan was last updated in 2017. MDEQ states:

The current version, the 2017 Mississippi Gulf Coast Restoration Plan, is a full update to the existing plan, and the project's efforts are now complete.

However, the 2017 update does not include a draft fiscal plan.

The plan does broadly target three general restoration program areas, as identified through stakeholder engagement and MCERT development:

- land resources;
- water resources; and,
- coastal and marine living resources.

For each target program area, the plan outlines two objectives and restoration action examples, but does not identify specific projects. This is only for NFWF-GEBF funding, although there is opportunity for overlap with some portions of NRDA.

In conclusion, current planning efforts do not constitute a formal coordinated approach in administering coastal resiliency and restoration funds across the various funding streams. Contrary to the assertion by MDEQ that PEER recommends a one-size fits all approach, PEER recommends the opportunity under Option A or Option B to develop a formalized plan for Mississippi that both crosses funding streams and establishes a formal coordinated approach to identify priorities and address the state's coastal resiliency and restoration needs.

Mississippi Department of Environmental Quality Response



State of Mississippi
TATE REEVES
Governor

MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY
CHRIS WELLS, EXECUTIVE DIRECTOR

June 12, 2023

Mr. James F. Booth
Executive Director
Mississippi Joint Legislative PEER Committee
P.O. Box 1204
Jackson, MS 39215-1204

Via E-mail and US Mail

Re: PEER Report

Dear Mr. Booth:

Thank you for the opportunity to provide a response to "A Review of the Administration of Coastal Resiliency and Restoration Funds in Mississippi" (the "Report"). Our response is divided into two sections:

1. Comments regarding process and inaccuracies in the initial draft Report.
2. A response to the recommendations of the Report.

Review Timeline and Inaccuracies

MDEQ was provided an initial draft of the Report on May 12, 2023, with a deadline of May 31 to provide a response. MDEQ's review of that draft revealed numerous substantive factual inaccuracies. At an "exit conference" on May 22, after MDEQ representatives expressed concerns to PEER Committee staff regarding these inaccuracies, it was revealed that the draft MDEQ that was provided was not, in fact, the PEER staff's final draft.¹ Given the volume of revisions required, it was agreed during the May 22 meeting that MDEQ would provide commentary on, and suggested revisions to, the content of the initial draft report, and the ultimate deadline for MDEQ's response to the final Report was extended to June 12, 2023. While PEER staff has provided various revised sections, or "chapters," of the report, to date MDEQ has not yet received a final draft of the full Report. While MDEQ believes that at least some of its suggested revisions have been made, it is not certain that all of the substantive factual inaccuracies from the initial draft have been corrected.

¹ During the May 22 exit conference, MDEQ recommended to PEER Committee staff that the process for review of draft reports be revisited to avoid inefficiencies inherent in executive agency staff reviewing drafts before they are genuinely ready for such review.

Accordingly, MDEQ takes no position as to whether the background sections of the final Report are fully accurate.

Report Analysis

The draft Report recommendation section contains two options, neither of which MDEQ believes are advisable, practicable, timely, or in the best interest of the state for the DWH restoration process. We hasten to say that MDEQ is not opposed to the idea of comprehensive planning. In fact, MDEQ has, to the extent practicable within the legal constraints applicable to RESTORE Act, NRDA and NFWF GEBF funding streams, taken a comprehensive planning approach to the selection and implementation of ecological restoration projects. However, both of the recommendation options in the Report seem to contemplate a one-size-fits-all approach to restoration, without accounting for existing complexities. More importantly perhaps, both options add additional layers of bureaucracy to an already bureaucratic process. It is also important to note that the Report recommends adopting a Texas masterplan model, which is similar to the very planning process that MDEQ has used in Mississippi.

It cannot be over-emphasized that the funding streams for which MDEQ has been given the responsibility of administering have specific geographic, ecological, and/or scientific requirements and specifically identify the entities responsible for the implementation of projects. Important relevant context for anyone considering the recommendations of the Report is the fact that MDEQ developed a comprehensive plan to guide the selection and implementation of ecological restoration projects.²

Regarding Option A, MDEQ believes that it would not be practicable or advisable to interject a new coordinating committee into the complex legal scheme already existing for each of the NRDA, RESTORE and NFWF GEBF funding streams, particularly since each of them already involves a governing board or committee. At the very least, adding yet another committee would interject additional delay in the already onerous Deepwater Horizon restoration process.

While Option B would not, on its face, result in the same level of added bureaucracy as Option A, MDEQ would submit that the process envisioned by Option B is substantively the same as the process of inter-agency coordination that has been followed in the past by MDEQ, MDMR and MDA, and as referenced above, MDEQ has already developed a comprehensive plan. If the desire of the Legislature is for MDEQ's existing comprehensive plan to be expanded to provide guidance that could be applied by other agencies, such an effort could certainly be undertaken.

However, it is important to note that neither option A or B addresses the need for funding for the development of a coastal restoration plan or the additional workload for MDEQ staff related to such a project. MDEQ's Office of Restoration is funded solely through the administrative funding

² MDEQ's Mississippi Gulf Coast Restoration Plan was funded by NFWF through the GEBF and admittedly contains language that could lead one to assume it is limited in its applicability to GEBF-funded projects. However, it is important to note that the process by which MDEQ developed that comprehensive plan included extensive public outreach and coastal stakeholder engagement, by which MDEQ determined the overarching restoration priorities held by the public. The plan was then developed by coupling those priorities with scientific and other considerations. The result was a plan that addresses most, if not all, of the issues which the Report recommends should be addressed by a comprehensive, or "master," plan.

provided by the NRDA, RESTORE, and the GEBF programs. That funding is very specifically limited to work directly related to, or required by, those funding streams. Further, MDEQ's Office of Restoration staff already regularly spends at least 40 hours per week diligently working to restore the injuries from the DWH oil spill. Both proposed options would require MDEQ staff to step away from current and ongoing restoration efforts or require MDEQ to enlist contractual support for the planning effort. Accordingly, any requirement that MDEQ (and other agencies) develop a new comprehensive plan, or modify the existing one, must be accompanied by financial resources for the effort.

Regarding the specifics of the options presented in the report, it is important to note the following:

1. Priority areas are already established for each funding stream. NRDA projects must have a nexus to the oil spill. Any project without this nexus is ineligible for funding. RESTORE projects must be located within the Gulf Coast Region as defined by the RESTORE Act, and GEBF projects must remedy harm and eliminate or reduce the risk of future harm to Gulf Coast natural resources that were adversely affected by the Deepwater Horizon explosion and oil spill.
2. Any goals and objectives of a state coastal resiliency plan would have to align with existing and established goals for NRDA, RESTORE, and GEBF funding. It can be said that, with respect to DWH funding, such goals are already established in the PDARP, RESTORE Act, RESTORE Council Comprehensive plan, and MDEQ's Mississippi Gulf Coast Restoration Plan, which includes the Mississippi Comprehensive Ecosystem Restoration Tool (MCERT).
3. Each of the three DWH funding streams have specific monitoring requirements. Monitoring under NRDA is guided through the Cross-TIG MAM Work Group, which works at the discretion of the Trustee Council. NRDA monitoring is conducted as required under the OPA NRDA regulations. Monitoring for RESTORE projects is coordinated with the Council Monitoring Assessment Workgroup (CMAWG), which operates at the discretion of the RESTORE Council. Additionally, monitoring for RESTORE projects may also be governed by the U.S. Department of Treasury regulations. NFWF has guidelines to oversee monitoring that must be adhered to in order to remain in compliance with the respective project awards.
4. Any "master" plan would need to consider the unique requirements of each DWH funding stream. It appears that the goal of the Report is to create a one-size-fits all approach, and, as noted, this approach is not practicable due to the varying natures and complexities of the NRDA, RESTORE, and NFWF funding streams. To the extent that the limitations of each DWH funding source could be included in a master plan, each project would need to be evaluated independently for compliance with the respective funding stream(s).
5. Any modifications to NRDA requires approval from the District Court that approved the settlement as well as all of the other state and federal trustees and the United States Department of Justice. Any modifications to the RESTORE Act would require approval by the United States Congress. Any modifications to the GEBF plea agreements would require approval by the District Court that approved those settlement agreements.

6. With respect to inter-agency coordination, MDEQ and MDMR work collaboratively on restoration efforts through the Restoration Coordination Team (RCT). The RCT has been meeting since 2016, and its purpose is to effectuate the very sort of inter-agency coordination recommended in the Report. Ecological projects being proposed under GOMESA and the DWH funding streams are discussed in the RCT meetings. These discussions have led to projects being modified based on a particular agency's area of expertise, expanded based on the identification of leverage funding of multiple funding streams, or even eliminated due to issues raised regarding the timing or the potential effectiveness of a project. In fact, MDMR is a subrecipient for several MDEQ project grants. Further, MDEQ assists with review and identification of GOMESA projects and, to the extent practicable, already leverages monies from multiple funding streams for projects. Additionally, through the Governor's Gulf Coast Advisory Committee (GCAC) for RESTORE funding, there is already coordination among various state and local officials, as well as a wide range of other stakeholders, and the CGCAC sub-committees are made aware of other projects that may be funded from other sources. Lastly, MDEQ coordinates with the Secretary of State's office on all projects where the Secretary's approval or input is necessary and appropriate.

I very much appreciate the effort PEER staff went to in trying to summarize and explain a very complex program. We are very proud of the work we do to help restore the ecology and economy of the Mississippi Gulf Coast which was so negatively impacted by the Deepwater Horizon Oil Spill. I would be happy to have further discussions about that work with any member of the PEER committee, or any other members of the legislature, who have an interest in it.

Thank you again.

Sincerely,



Chris Wells
Executive Director
Mississippi Department of Environmental Quality

cc: Matthew Holmes, via e-mail

Mississippi Department of Marine Resources Response



STATE OF MISSISSIPPI
Tate Reeves
Governor

MISSISSIPPI DEPARTMENT OF MARINE RESOURCES
Joe Spraggins, Executive Director

May 31, 2023

Ted Booth, Executive Director
Joint Committee on Performance Evaluation
and Expenditure Review
P.O. Box 1204
Jackson, Mississippi 39215-1204

Dear Mr. Booth:

The Mississippi Department of Marine Resources (MDMR) is in receipt of your PEER report titled *A Review of the Administration of Coastal Resiliency and Restoration Funds in Mississippi*.

The cover letter states that the primary purpose of the exit conference is to identify any alleged factual errors in the draft report and to provide clear and concise documentation supporting each allegation.

The MDMR does not allege any factual errors and therefore has no documentation to submit for your review.

The MDMR understands your recommendation of establishing a formal coordinating committee for resiliency and restoration efforts. However, establishing a state coastal resiliency and restoration master plan could cause problems in the future due to constant changes and often unpredictable environmental and industry factors, that require immediate attention. MDMR continues to work with MDEQ, MDA, coastal counties and other state agencies to ensure we meet the coastal resiliency and restoration needs.

Thank you for your time and attention to this matter.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Joe Spraggins".

Joe Spraggins
Executive Director

1141 Bayview Avenue • Biloxi, MS 39530-1613 • Tel: (228) 374-5000 • dmr.ms.gov

Mississippi Development Authority Response

The Mississippi Development Authority reviewed the report and elected not to provide a formal agency response, as it noted no issues with the report as written.

James F. (Ted) Booth, Executive Director

Legal and Reapportionment

Barton Norfleet, General Counsel

Ben Collins

Administration

Kirby Arinder

Stephanie Harris

Gale Taylor

Quality Assurance and Reporting

Tracy Bobo

Hannah Jane Costilow

Performance Evaluation

Lonnie Edgar, Deputy Director

Jennifer Sebren, Deputy Director

Drew Allen

Emily Cloys

Kim Cummins

Matthew Dry

Matthew Holmes

Drew Johnson

Billy Loper

Debra Monroe-Lax

Taylor Mullins

Meri Clare Ringer

Sarah Williamson

Julie Winkeljohn

Ray Wright