



MARCH 2017

DEEPWATER HORIZON FUNDS

FUNDING SOURCES

As the result of the Deepwater Horizon Oil Spill (DWH), Texas has access to the following funding sources:

- Resources & Ecosystems Sustainability, Tourist Opportunities & Revived Economies of the Gulf Coast States Act of 2012 (RESTORE)
 - ✓ At least \$550 million available to Texas through 2031
- Gulf Environmental Benefit Fund (NFWF)
 - ✓ \$203 million available to Texas from 2013 to 2018
- Natural Resource Damage Assessment (NRDA)
 - ✓ \$238 million available to Texas through 2032
- Economic Damages
 - ✓ \$150 million to Texas from BP through 2033

NATIONAL FISH & WILDLIFE FOUNDATION (NFWF)

NFWF will receive \$2.54 billion from the U.S. Department of Justice's criminal plea agreement with BP and Transocean.

NFWF selects Texas projects in consultation with the state's Natural Resource Trustee agencies: -
- TPWD; GLO; and TCEQ.

NFWF funding for Texas 2013 - 2018: \$203 million.

Funding for Texas projects to date: \$82 million.

Allocation expected for Texas projects in 2017: \$40.6 million.

NATURAL RESOURCE DAMAGE ASSESSMENT (NRDA)

Through a settlement with BP, \$238 million has been made available for NRDA projects in Texas through 2032.

To date, \$107.9 million has been received for restoration projects in Texas.

- \$59.2million has been distributed for seven selected projects in Texas.
- \$48.7 million is currently held by Department of Interior for distribution in Texas.

State and Federal Trustees for NRDA-DWH are responsible for developing plans to distribute the NRDA funds.

- Texas Trustees: TPWD; GLO; and TCEQ
- Federal Trustees: NOAA; DOI; EPA; and USDA.

ECONOMIC DAMAGES

Texas will receive a total of \$150 million for economic damages

These funds will be deposited to the state's General Revenue (GR) account.

In June 2016, \$50 million was deposited to a GR account.

Beginning in 2019, \$6.6 million will be deposited to GR through 2033.

FEDERAL RESTORE ACT

With passage of the RESTORE Act in 2012, Congress established the Gulf Coast Restoration Trust Fund (Fund).

80% of civil and administrative penalties resulting from the DWH oil spill assessed under the Clean Water Act are deposited to the Fund.

Fund Purpose: ecosystem restoration; economic recovery; and tourism promotion in Gulf Coast region.

GULF COAST ECOSYSTEM RESTORATION COUNCIL

The RESTORE Act also created the Gulf Coast Ecosystem Restoration Council to oversee certain components of the Fund and implement the Act.

Council Membership

- Governors of Texas, Louisiana, Mississippi, Alabama, and Florida, or their designee;
- Secretaries of the U.S. Departments of Commerce, Agriculture, Army, Homeland Security & Interior, as well as the U.S. EPA Administrator.

RESTORE TRUST FUND

Civil and Administrative penalties for deposit to the federal RESTORE Trust Fund:

\$800 million from TransOcean settlement

- Currently in the Fund

\$128 million from Anadarko settlement

- Currently in the Fund

\$4.4 billion from BP settlement

- To be deposited to the federal Fund beginning in 2017 thru 2031.

2017

RESTORE FUNDS AVAILABLE TO TEXAS

An estimate of the amount of federal Trust Fund money that is expected to be available to Texas:

- Bucket 1 - \$373.45 million
 - Currently available: \$65.45 million
 - BP settlement (paid from 2017 thru 2031): \$308 million
- Bucket 2
 - Currently available: Texas is to receive \$26.3 million
 - BP settlement (paid from 2017 thru 2031): \$1.6 billion to be distributed by the Council on a competitive basis to the Gulf states and federal Council members

RESTORE FUNDS AVAILABLE TO TEXAS

- Bucket 3 - \$121.5 million
 - Currently available: \$21 million
 - BP settlement (paid from 2017 thru 2031): \$100.5 million
- Bucket 5 - \$26 million
 - Currently available: \$4 million
 - BP settlement (paid from 2017 thru 2031): \$22 million

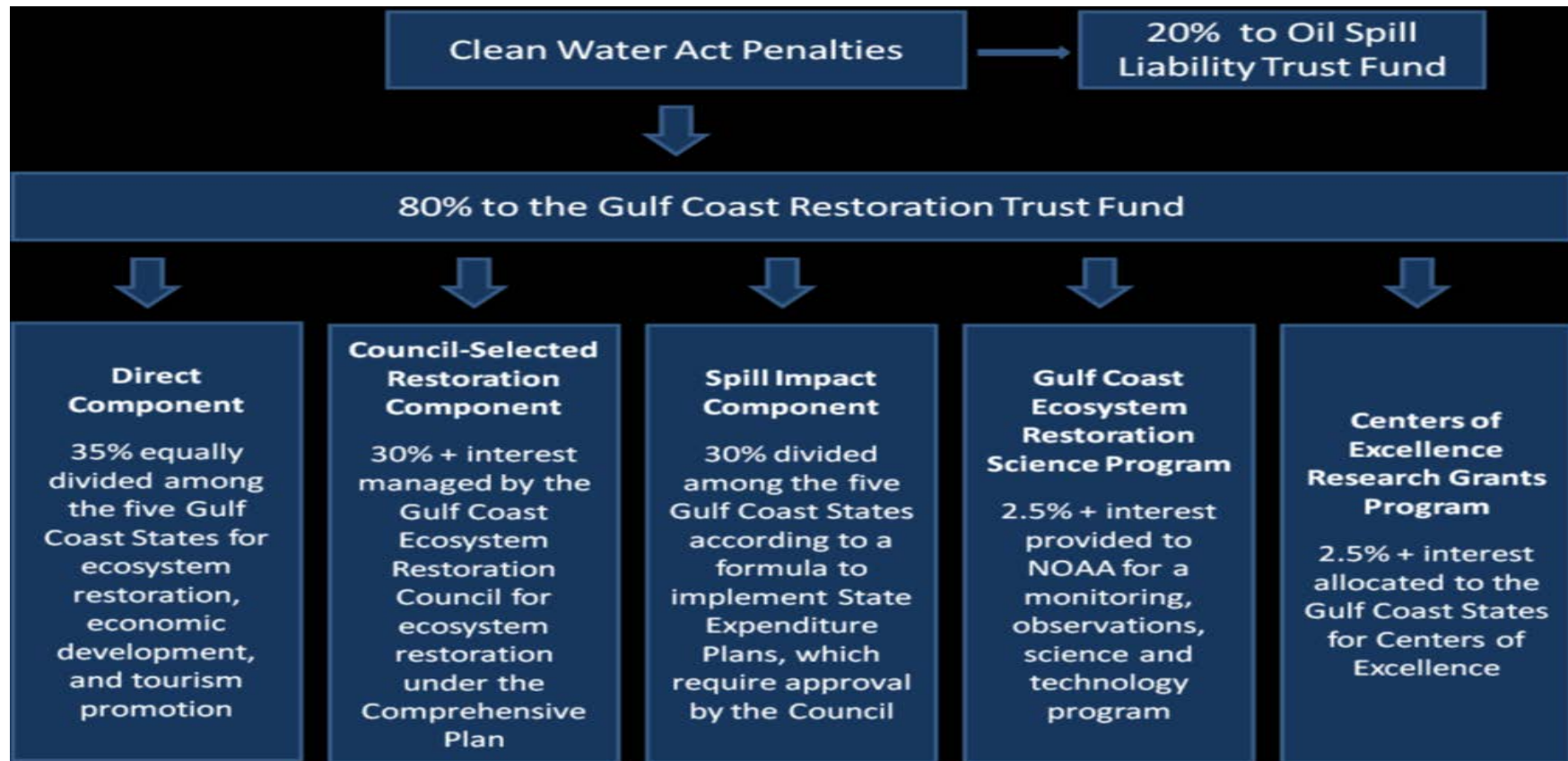
PROJECT ELIGIBILITY

RESTORE grant funding is available only for projects where the activity is primarily designed to restore or protect the Texas Gulf Coast region.

Projects must be located in the Texas Gulf Coast region or directly benefit that region.

The RESTORE Act defines the Gulf Coast region as the Coastal Management Zone or 25 miles from that zone.

RESTORE TRUST FUND USES



RESTORE FUNDS MANAGEMENT AND OVERSIGHT

Four of the five “buckets” of funds are available to Texas, with each having unique requirements.

Buckets 1 and 5 are overseen by U. S. Treasury.

Buckets 2 and 3 are overseen by the federal RESTORE Council.

There is extensive oversight by U.S. Treasury’s Office of Inspector General.

RESTORE FUNDS MANAGEMENT AND OVERSIGHT

Projects for funding under the various buckets will generally be selected through a competitive process.

Projects are funded through grant contracts.

Grant money is provided through reimbursements.

DIRECT COMPONENT

BUCKET 1 - Current

A Request for Grants (RFGA) for up to \$65 million in funding was published in 2016. Over 200 applications were received. These applications were scored by a review team consisting of representatives from several state agencies and the Governor's Office of Economic Development and Tourism.

In consultation with the Office of the Governor, a draft project list has been developed. The draft list includes 26 activities totaling \$113 million.

The Multi-Year Implementation Plan (MIP) with a draft list of projects for funding under this RFGA for Bucket 1 is expected to be posted for a 45 day public comment period in April 2017.

As required by the Act, the MIP, with a final list of Bucket 1 projects for this round, will be submitted to the U.S. Treasury for acceptance.

TEXAS BUCKET 2 PROJECTS – Current \$26.3 Million

Four Texas projects were competitively selected by the Federal Council to be managed by TCEQ:

- Bahia Grande Coastal Corridor in Cameron County
- Beneficial Use/Marsh Restoration activities in Orange, Jefferson & Galveston counties
- Matagorda Bay System Landscape Conservation in Brazoria, Fort Bend, Matagorda and Wharton counties
- Bayou Greenways in Harris County

Several projects in Texas will be managed by the Department of Interior:

- Bahia Grande Wetland System Restoration
- Plugging of Abandoned Oil Wells

BUCKET 3

SPILL IMPACT - Current

In the summer of 2017 we anticipate posting an RFGA for projects for approximately \$27 in funding under Bucket 3.

The submission, review, and selection process will be similar to Bucket 1: post RFGA; competitive selection process; and publish draft project list for 45 day public comment period.

The State Expenditure plan, with a project list, will be submitted to the federal RESTORE Council for approval.

CENTERS OF EXCELLENCE

BUCKET 5 - Current

Through a competitive process, Texas selected two Centers of Excellence:

- Texas OneGulf through Texas A&M/Corpus Christi; and
- Subsea Institute through the University of Houston.

The Centers of Excellence focus on using science, technology, and monitoring related research to address issues associated with Gulf Coast region.

ON-GOING ACTIVITIES

Continue outreach efforts.

As Texas' representative on the RESTORE Council advocate for the needs and interests of the Texas coastal region.

Provide opportunities to submit project applications for the various funding components.

ON-GOING ACTIVITIES

Conduct project selection and management of grant funds in an effective and efficient manner.

Periodically re-visit Texas coastal priorities as required.

Maintain up to date information on the web site.

Web site address: **www.restorethetexascoast.org**