

AFTER THE SPILL: FLORIDA'S STATE EXPENDITURE PLAN FOR COASTAL ECOSYSTEMS PROTECTION AND RESTORATION

Background

The coast of the Gulf of Mexico is vital to the US economy, providing valuable natural resources, abundant seafood, extraordinary beaches and recreational activities, and a rich cultural heritage. Its waters and coast are home to one of the more diverse environments in the world, including over 15,000 species of sea life. More than 22 million Americans live in Gulf coastal counties and parishes, working in industries such as commercial seafood, recreational fishing, tourism, and oil and gas production. The region also boasts of a significant shipping industry with 10 of America's 15 largest ports accounting for nearly a trillion dollars in trade each year.

Following the blowout of the Deepwater Horizon well in April 2010, Congress enacted the Resources and Ecosystems Sustainability, Tourist Opportunities and Revived Economies of the Gulf Coast States Act (RESTORE Act) establishing the Gulf Coast Ecosystem Restoration Council. The Council was charged to develop and implement a comprehensive plan for recovery. Among other allocations of money to address specific environmental damages, the RESTORE Act created a trust fund that receives 80% of the Clean Water Act civil and administrative penalties paid by BP and the other companies responsible for the Deepwater Horizon oil spill. The trust fund is divided into five components, each with different objectives and institutional oversight. The Oil Spill Impact Component requires the development of a "State Expenditure Plan", to be approved by the Council, describing the ecological and economic restoration projects eligible for funding via the Council.

Florida's State Expenditure Plan

In Florida, the State Expenditure Plan was prepared by the Gulf Consortium (Consortium), an interlocal agency comprised of representatives of 23 Gulf Coast counties and six governor's appointees. The Consortium was formed prior to the passage of the RESTORE Act to ensure that Florida's impacted local governments had a say in the projects to be included in the Plan.

Following more than two years' of policy and budget deliberation, and project identification and planning, the Council approved Florida's State Expenditure Plan. The Plan has a total of 69 diverse initiatives, including living shorelines, improved community resilience measures, enhanced public access (e.g., dune walkovers and boat ramps), coastal ecosystem protection via land acquisition and habitat restoration, conversion of on-site septic to central wastewater collection and treatment capital improvement projects, and stormwater management retrofit projects. By the end of process – expected in 2030 – Florida will have invested \$293 million (USD) of RESTORE Trust Fund monies into the state's Gulf Coast. Further, these funds are expected to be leveraged with other local, state, and federal dollars yielding a total investment of more than \$627 million.

Roles of The Balmoral Group

The Balmoral Group (TBG) was contracted to serve as the General Manager of the Gulf Consortium, which by design maintains no permanent staff or other bureaucracy. As general manager, TBG coordinates the daily affairs of the Consortium, from running Board meetings and maintaining a website for public information, to payment of invoices and oversight of other contractor deliverables.

A key responsibility for TBG was to establish the administrative structure and capacity of the Consortium: in sum, as a deliberative body the Consortium was not positioned to coordinate the expenditure of more than \$290 million among 23 counties. TBG proposed, and received Council approval for a "Stand-Up State Expenditure Plan", developed in parallel with the counties' project-driven plan, that would establish all administrative functions necessary for grant and contract management, consistent with the rigorous standards and financial controls imposed by the US Department of the Treasury and the RESTORE Council for receipt of BP funds.

The goal of the Stand-Up Plan is to expedite implementation of all projects in the State Expenditure Plan by ensuring that the Consortium is prepared to receive and effectively manage implementation grants once individual requests for project implementation grants have been applied for and awarded. The Stand-Up Plan establishes additional cost-effective administrative and fiscal management processing structures to ensure sufficient separation of duties, internal controls, and financial integrity of the Gulf Consortium, particularly with respect to Federal audit procedures and accountability of all funds received. As grant sub-awardees, the 23 counties will generally have the primary tasks of implementing their respective projects, the Gulf Consortium is the designated entity to receive RESTORE monies on behalf of the State of Florida and is ultimately responsible for carrying out the vision of the Florida's State Expenditure Plan.

State Expenditure Plan Implementation

The State Expenditure Plan (and its constituent projects) was determined to be fully consistent with the RESTORE Council's own Comprehensive Plan to restore the ecosystem and the economy of the Gulf Coast region. Consequently, success of the State Expenditure Plan requires active monitoring of grant progress, deliverables, and ecological and economic outcomes, as applicable. The State Expenditure Plan (and all applications for funding) includes measurable milestones for all projects and most projects feature several years of environmental monitoring and analysis (eg, water quality, habitat recovery, species populations) to support determinations of success. Using its technical skills in environmental science, GIS and economics, TBG proposes to provide routine updates of the impact of the State Expenditure Plan on the Gulf of Mexico.