

# Maximizing Hidalgo and Willacy County's Share of BP Restoration Funding

**A presentation by  
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# Four BP \$ Funding Accounts will be pursued for Hidalgo and Willacy Counties

- RESTORE Act estimated to produce between \$3.526 billion and \$11.8 billion.
  - Texas's share of RESTORE Act \$ will have 2 streams
    - A. an **infrastructure** component (locked in at 7%), and
    - B. an **environmental** component (competitive\*)
- Criminal Settlements of \$2.8 billion already agreed to will provide 8% to Texas which equals \$224 million at present and allocation will be all **environmental**
- Natural Resource Damages Act final tally estimated here to become \$5 billion with a balance after early restoration of \$4,335,000,000 and will be all **environmental** (competitive\*) \*denotes 'Gulf-wide' competition

# Population estimates within BP RESTORE Act “eligible” Texas counties

- 16 Texas counties are 100% in the Coastal Zone Management Area + 25 miles (CZMA+25), the “RESTORE Act defined zone.”
- 15 Texas counties are partially within CZMA+25.
- Total Texas population estimate in these 31 counties within CZMA+25 = **7,000,000**.
- 40% of Hidalgo plus all of Willacy = 300,000 people or **4.3%** of “funding eligible population/area” for Texas RESTORE Act \$
- All of Hidalgo’s plus Willacy’s population = 722,000 or **10.3%** of “funding eligible population/area” for Texas RESTORE Act \$

U.S. Treasury to rule on \$ zone before 9/1/2014 projects funding date.

Governor to have discretion on Texas controlled funds for economic & environmental investments if federal BP Council chair agrees.

## Deepwater Horizon RESTORE Act scenarios for Texas **infrastructure funds** eligible for Hidalgo and Willacy Counties

A. Transocean's **\$800** million agreed to and now in RESTORE Act accounts plus an **ordinary** negligence trial verdict for the Federal Water Pollution Control Act sends an additional **\$2,728,000,000** to RESTORE accounts,

= **\$ 3.528 billion** is the total **minimum** estimate for the RESTORE Act

B. Transocean's **\$800** million in RESTORE Act accounts plus a **gross** negligence trial verdict sends an additional **\$11,000,000,000** to RESTORE accounts,

= **\$11.8 billion** is the total **maximum** estimate for the RESTORE Act used here

Texas's share of total BP RESTORE Act funding *eligible for infrastructure* will be either

**\$247** million minimum or 7% of \$ 3,528,000,000, or

**\$826** million maximum or 7% of \$11,800,000,000

Governor Perry decides the Texas allocation pattern among coastal areas of the above sums by September 1, 2014 if there's no BP appeal to the New Orleans trial verdict.

# Funding allocation scenarios based on **pro-rata** population in CZMA+25

If Texas spent the “**infrastructure eligible**” BP \$ based purely on population within CZMA+25, then,

Hidalgo and Willacy would get:

\$10,621,000 or 4.3% of the minimum of \$247 million, or

\$35,518,000 or 4.3% of the maximum of \$826 million, or

If all Hidalgo was included then use 722,000 people or 10.3% (not 4.3%) of 7,000,000 people, then Hidalgo and Willacy could receive,

\$25,441,000 minimum or \$85,078,000 maximum

Note: BP RESTORE Act funds can be used as non-federal match.

And “population” as the basis for allocations is not mandated by the RESTORE Act but simply used for this analysis as a way to measure allocation equity.

# Other Texas BP funds eligible for **environmental** investment

If parts of the Raymondville Drain were ruled to be *also an environmental investment* then as much as **\$1.303 billion** in discretionary environmental funds (from RESTORE Council \$212 million, criminal settlements \$224 million and NRDA funds \$867 million) to be spent in Texas could be competed for in the worst case, and as much as **\$1.799 billion** could be competed for in the best case based on trial outcomes (BP RESTORE Council \$708 million, criminal \$224, NRDA \$867).

If environmental funds were allocated pro-rata on population, the Hidalgo Willacy minimum (at 4.3% of spill region population) would be \$56 million of \$1.303 billion and maximum would be \$77.35 million out of \$1.799 billion of these **green dollar investments in water quality and conservation**. If all of Hidalgo County qualified use 10.3% for Hidalgo and Willacy instead of 4.3% then the totals are **\$134 million minimum** and **\$185 million maximum**.

Again, **these green dollars** will derive from Texas' share of the BP Council's comprehensive plan component, the criminal settlements and an estimated final Natural Resource Damages Act penalty.

# Projected totals of Hidalgo Willacy BP funding using population pro-rata

## Minimum

Infrastructure \$ x .043% of \$247 million  
= \$10,621,000

BP Council \$ x .043% of \$212 million  
= \$ 9,116,000

Criminal \$ x .043% of \$224 million  
= \$ 9,632,000

NRDA \$ x .043% of \$867 million  
= \$37,281,000

Total = \$66,650,000

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If \$ x 10.3% then it would =  
\$159,650,000

## Maximum

Infrastructure \$ x .043% of \$826 million  
= \$35,518,000

BP Council \$ x .043% of \$708 million  
= \$30,444,000

Criminal \$ x .043% of \$224 million  
= \$ 9,632,000

NRDA \$ x .043% of \$867 million  
= \$37,281,000

Total = \$112,875,000

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If \$ x 10.3% then it would =  
\$270,375,000