

**LEGISLATIVE FISCAL OFFICE  
ANALYSIS OF BA-7 REQUEST  
Approved By JLCB**

DEPARTMENT: Public Safety

AGENDA NO.: 1

AGENCY: State Police

ANALYST: Evelyn McWilliams

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Traffic Enforcement	\$14,254,740	0
Interagency Transfers:	\$0	Criminal Investigation	\$0	0
Self-Generated Revenue:	\$0	Operational Support	\$0	0
Statutory Dedications:	\$14,254,740	Gaming Enforcement	\$0	0
Federal Funds:	\$0	Auxiliary Account	\$0	0
<b>Total</b>	<b><u>\$14,254,740</u></b>	<b>Total</b>	<b><u>\$14,254,740</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The Oil Spill Coordinator's Office (LOSCO) through the Office of State Police is requesting approval to add \$14.3 M in Statutory Dedications from the Natural Resources Restoration Trust Fund to its budget to enable it to reimburse state agencies for assessment and restoration costs incurred due to the Deepwater Horizon Oil Spill. Monies deposited in the fund comes from the federal Natural Resources Damage Assessment (NRDA) process. NRDA is a scientific and legal process used by natural resources trustees to develop the public's claim for natural resource damages against parties responsible for a discharge of oil or a substantial threat of a discharge, and to seek compensation for the harm done to natural resources and the services provided by those resources. LOSCO, along with the state departments of Wildlife & Fisheries, Natural Resources, Environmental Quality, and the Coastal Protection & Restoration Authority will perform the assessments. The steps involved in the assessment are pre-assessment, restoration planning, and restoration implementation.

The funding requested in this BA-7 will be utilized for the following expenditures:

\$809,959 - Total Salaries and Related Benefits for 19 State Police employees performing research, reviewing claims for reimbursement, consulting with scientists on legal issues, etc.

\$9,990,672 - Total Professional Services:

\$9,000 to Merlin Management for guidance to the state for cost reimbursement procedures.

\$5,316,784 to Stratus for assisting in the assessment of natural resource damages and restoration planning. Examples of services include planning, facilitating and managing environmental testing and data collection, injury assessment and quantification, and design and implementation of ecosystem restoration projects.

\$438,392 to Plauche & Stock for advice and counsel to the LOSCO and trustees related to the NRDA process and associated claims and removal actions arising from the Deepwater Horizon Oil Spill.

\$300,000 to Jackson, Gilmour & Dobbs for advice and legal services to LOSCO, DOA, state trustees and agencies, as well as the attorney general on any legal matters arising from the Deepwater Horizon Oil Spill.

\$433,858 to Vicky Peters for advice to LOSCO during the entire NRDA process, including preassessment, restoration planning and restoration implementation.

\$50,393 to Barnes Economics for expertise and assistance with respect to data collection, evaluation and quantification of economic impacts and other damages.

\$6,953 to Lewis Terrel & Associates for expertise and assistance with respect to data collection, evaluation and quantification of economic impacts and other damages.

\$3,435,292 to Weston for planning, facilitation and management of environmental testing and data collection; injury assessment and quantification, coordination of NRDA activities to ensure projects proceed on schedule and within budget; identify and, if so directed, retain experts and subcontractors to aid in the state's NRDA efforts.

\$3,454,109 - Total Interagency Transfers:

\$463,914 to Environmental Quality for expenses related to managing and evaluating data, literature reviews and work with external resource experts to further injury determinations, to assist in the development of restoration actions, etc.

\$79,120 to Natural Resources for 11 coastal resources scientists.

\$1,802,511 to Wildlife and Fisheries for salaries, related benefits, operating expenses for NRDA claims; includes funding to

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support 34 existing temporary employees.

\$734,065 to Office of Coastal Protection and Restoration for 7 fulltime non-T.O. employees to assist with NRDA claims; includes 3 attorneys, 2 public information officers, 1 coordinator and 1 coastal restoration scientist.

\$374,499 to Governor's Office for contracts for oil spill response and remediation activities and environmental projects.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years. The funding and activities provided for in this grant is considered one-time and non-recurring.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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DEPARTMENT: Public Safety

AGENDA NO.: 2

AGENCY: State Fire Marshal

ANALYST: Evelyn McWilliams

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Fire Prevention	\$1,220,000	0
Interagency Transfers:	\$1,220,000			
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$0			
<b>Total</b>	<b><u>\$1,220,000</u></b>	<b>Total</b>	<b><u>\$1,220,000</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The Office of State Fire Marshal is requesting approval to add \$1.2 M IAT revenue to its budget to provide for development of a new computer system. The requested funding originates from federal grants from the La. Department of Natural Resources (\$350,000 American Recovery & Reinvestment Act (ARRA) funding from U. S. Dept. of Energy), and the Governor's Office of Homeland Security & Emergency Preparedness (\$870,000 from Hazard Mitigation Grant received from FEMA). This is the third and final year of the state's eligibility for the ARRA funding. The Hazard Mitigation Grant funding is part of the \$14 M awarded to the state in 2007 after Hurricane Katrina. Local governments received priority funding from the \$14 M grant (before the state). The State Fire Marshal is currently allocated \$2 M from the \$14 M total grant.

The requested funding will provide for a professional services contract for software development, migration of existing data to the new system, training on the new computer system (\$1.13 M), and acquisition of servers and SAN storage discs (\$90,000). The total cost for development of the new computer system is estimated at \$2.35 M (\$2.26 M professional services contract and \$90,000 hardware acquisition). The \$2.26 M total cost for the professional services contract will be expended over 2 fiscal years (\$1.13 M each year).

The new computer system will integrate the work processes of all 11 sections in the Fire Marshal's Office into one computer application. The new system will provide real-time, paperless submittals for plan review, permitting, and inspections. The new system will allow applicants to apply for permits on-line, attach drawings, specifications and information, and to pay associated fees. Access and assistance will be provided at each of the Fire Marshal's 7 regional offices (Baton Rouge, New Orleans, Monroe, Lafayette, Shreveport, Alexandria, and Lake Charles) and will be made available to each local permitting office within the state.

Development of the new system is anticipated to take 18 months to complete and is anticipated to be operational by March 2013. The agency anticipates having a vendor selected and application development begin in December 2011. Testing of the new system is anticipated to begin in December 2012 with training on the new system expected to be provided in February 2013.

**II. IMPACT ON FUTURE FISCAL YEARS**

The total cost for development of the new computer system is estimated at \$2.35 M (\$2.26 M professional services contract and \$90,000 hardware acquisition). In addition to the funding included in this BA-7 request, the Fire Marshal will receive an additional \$1.13 M Hazard Mitigation funding from the Governor's Office of Homeland Security & Emergency Preparedness in FY 13. The \$1.13 M anticipated in FY 13 will provide for the balance of expenditure required for the professional services contract that is estimated to cost a total of \$2.26 M. No budget increase for ongoing maintenance expenditures is required. The agency will utilize its existing budget of \$15,000 from the Fire Marshal Fund for maintenance of the current system to provide for maintenance of the new system.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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DEPARTMENT: Natural Resources

AGENDA NO.: 3

AGENCY: Office of Secretary

ANALYST: Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Executive	\$0	0
Interagency Transfers:	\$59,998	Management & Finance	\$0	0
Self-Generated Revenue:	\$0	Technology Assessment	\$0	0
Statutory Dedications:	\$0	Atchafalaya Basin	\$59,998	0
Federal Funds:	\$0	Auxiliary Account	\$0	0
<b>Total</b>	<b><u>\$59,998</u></b>	<b>Total</b>	<b><u>\$59,998</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to increase IAT budget authority in order to receive funds from the Federal Emergency Management Agency (FEMA) via the Office of Homeland Security & Emergency Preparedness (GOHSEP) and the Office of Coastal Protection & Restoration. The funding in this BA-7 request is associated with Executive Proclamation No. 41 BJ 2011 and will be used to analyze data from the Spring 2011 Mississippi River flooding event.

An agreement is currently being negotiated between the Department of Natural Resources and the LA Geological Survey, which will perform the work associated with this BA-7 request. The proposed budget for the project is \$59,998, of which 75% or \$44,999 is from FEMA and the 25% match or \$14,998 is from the Office of Coastal Protection & Restoration (Coastal Protection & Restoration Fund). Services that will be performed include retrieving and analyzing data pertinent to the flood, inventorying, documenting and archiving the data collected into a digital database, compiling and spatially analyzing the data in a geographical information system (GIS), graphically displaying the information collected, and preparing a report of the information collected.

The department will reimburse the LA Geological Survey for their expenses which include salaries (\$35,736), related benefits (\$12,150), cartographic (mapping) supplies (\$500) and indirect costs to LSU (\$11,612). Funding for salaries is based on a portion of 5 employees of the LA Geological Survey. Indirect costs are paid to LSU, where the LA Geological Survey is housed and represents 24% of the direct costs.

**II. IMPACT ON FUTURE FISCAL YEARS**

Approval of this BA-7 request will have no impact on future fiscal years.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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DEPARTMENT: Revenue

AGENDA NO.: 4

AGENCY: Office of Revenue

ANALYST: Deborah Vivien

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Tax Collection	\$0	0
Interagency Transfers:	\$0	Alcohol & Tobacco Control	\$583,007	0
Self-Generated Revenue:	\$0	Charitable Gaming	\$0	0
Statutory Dedications:	\$0			
Federal Funds:	\$583,007			
<b>Total</b>	<b><u>\$583,007</u></b>	<b>Total</b>	<b><u>\$583,007</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to appropriate federal funding for a Food and Drug Administration (FDA) contract to increase the complexity and frequency of tobacco compliance checks (undercover buys) as well as advertising and labeling inspections (audits). The agreement is by contract, not grant, and is similar in structure to the contract between the Alcohol & Tobacco Control (ATC) and the U.S. Department of Justice for enforcement of laws related to underage possession and consumption of alcohol. The negotiated contract, which is available to all states due to more stringent federal regulations within the Tobacco Control Act, will provide 100% federal reimbursement for up to \$583,007 between 9/15/2011 and 9/14/2012. The FDA has the option to continue the contract for 2 years beyond the contract expiration. The reimbursement includes expenses associated with increased compliance checks and inspections related to the federal regulations. The total contract amount over 3 years is \$1,749,021. Instead of conducting the investigations using federal authorities, the FDA has elected to use state resources to perform the mandated activities. The negotiations between the ATC and the FDA for this service have been on-going for about a year and the contract was finalized on 9/8/2011.

The ATC will not require any additional T.O. positions to fulfill the requirements of the contract, though the negotiated eligible expenses contain funding for an administrative assistant. This position will be filled using a vacant position but will be funded with federal dollars for the 3 years of the contract. Currently, there are 36 ATC field agents available to conduct compliance checks along with advertising and labeling inspections with an additional 12 commissioned law enforcement personnel to assist, if necessary. The field agents will be trained to perform the additional activities required by the federal contract and are expected to conduct these additional activities using overtime as needed. The federal inspections are more extensive than the state inspections, and thus more expensive, because they utilize a stratified randomization of samples, which removes efficiencies, such as visiting all locations in one area at the same time, require specific data requirements and may involve additional visits to the same location.

Anticipated reimbursable expenses for the annual contract to conduct 3,500 compliance checks and 3,500 inspections include:

Agent overtime at \$36/hour average	\$415,800
Operative (underage buyers) salaries @ \$10 per hour	\$38,500
Mileage reimbursement	\$62,475
Tobacco product purchases by operatives	\$1,260
Administration:	
Program Manager (overtime) at \$45/hour + \$612 mileage	\$17,112
Administrative Assistant (new position at \$19.50/hour salary and related benefits)	\$40,560
Training (Travel to D.C. conference)	\$4,900
Office Supplies	<u>\$2,400</u>
<b>TOTAL EXPENSES</b>	<b><u>\$583,007</u></b>

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**II. IMPACT ON FUTURE FISCAL YEARS**

This contract is in place for 1 year, beginning 9/15/2011 for \$583,007. However, the FDA has the option to extend the contract for each of the next 2 years to 9/15/2014, for an additional \$583,007 each year. If exercised, the contract would also impact FY 13, FY 14 and possibly FY 15 for a total of \$1,749,021. If the funds are not used each year, they may not be carried forward into subsequent years. However, the FDA has the option to allow an additional 6 months to complete the required services.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.

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DEPARTMENT: Wildlife & Fisheries

AGENDA NO.: 5

AGENCY: Office of Secretary

ANALYST: Stephanie C. Blanchard

<u>Means of Financing</u>		<u>Expenditures by Program</u>		<u>T. O.</u>
State General Fund:	\$0	Administrative	\$0	0
Interagency Transfers:	\$0	Enforcement	\$149,841	0
Self-Generated Revenue:	\$0			
Statutory Dedications:	\$0			
Federal Funds:	\$149,841			
<b>Total</b>	<b><u>\$149,841</u></b>	<b>Total</b>	<b><u>\$149,841</u></b>	<b><u>0</u></b>

**I. SUMMARY/COMMENTS**

The purpose of this BA-7 request is to increase federal budget authority in the amount of \$149,841 in order to accept federal funding from the FY 10 Port Security Grant Program. This program provides federal funding for transportation infrastructure security activities and facility security plans among port authorities, facility operators, and state and local government agencies required to provide port security services. Funding will be utilized to purchase a rigid hull inflatable patrol vessel package. No state match is required in order to receive this funding.

The rigid hull inflatable patrol vessel package includes a boat with necessary communication, surveillance and emergency equipment, trailer and motor. This equipment will enhance maritime security and all hazard response capabilities in the Port of Lake Charles/Calcasieu River. The department applied for this funding because this port houses critical infrastructure and valuable assets and equipment, including two major refineries and several chemical plants.

NOTE: Traditional open hull vessels with open consoles and no protective collar are not as effective for maritime security and protective zone enforcement around High Value Assets (HVA), such as chemical plants and refineries.

**II. IMPACT ON FUTURE FISCAL YEARS**

The purchase of this vessel with Federal funds offsets Conservation funds from being utilized to purchase a replacement vessel. Therefore, the department has indicated that Conservation funds will be utilized for ongoing operational costs such as fuel and maintenance costs of approximately \$10,000 annually.

**III. LEGISLATIVE FISCAL OFFICE RECOMMENDATION**

The Legislative Fiscal Office recommends approval of this BA-7 request.