

State of Louisiana Recovery Plan

American Rescue Plan Act - State and Local Fiscal Recovery Funds 2022 Report



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State of Louisiana
2022 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

On March 11, 2021, the American Rescue Plan, Pub. L. No. 117-2 (ARPA) was signed into law. Pursuant to section 9901 of ARPA, Sections 602(b) and 603(b) were added to the Social Security Act (the Act), establishing the Coronavirus State Fiscal Recovery Fund and the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, as authorized by the Department of Treasury (Treasury). This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19.

Coronavirus State and Local Fiscal Recovery Funds provide eligible state, local, territorial, and Tribal governments with resources to address pandemic response needs. Within the categories of uses, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Recipients may use Coronavirus State and Local Fiscal Recovery Funds to:

- **Support public health expenditures**, by funding COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff;
- **Address negative economic impacts caused by the public health emergency**, including economic harms to workers, households, small businesses, impacted industries, and the public sector;
- **To continue funding government services** using this funding up to the amount of lost revenue experienced due to the pandemic;
- **Provide premium pay for essential workers**, offering additional support to those who have borne and will bear the greatest health risks because of their service in critical infrastructure sectors; and
- **Invest in water, sewer, and broadband infrastructure**, making necessary investments to improve access to clean drinking water, support vital wastewater and stormwater infrastructure, and to expand access to broadband internet.

As part of this program, the Treasury has transferred over \$3 billion to the State of Louisiana (the State) to provide support for the State's response to the economic and public health impacts of COVID-19. The treasury has allocated \$315.5 million for distribution to non-entitlement units of local government (NEUs) throughout the state and transferred the first tranche of this allocation to the state in June 2021 and will transfer the remaining funds in 2022.

The State's response to the impacts of the pandemic and allocation of the SLFRF funding was a focus and priority throughout the State Legislature's 2021 Regular Legislative Session. The Louisiana Legislature passed Act 410 to immediately appropriate \$1.6 billion of this funding to new state programs focused on statewide recovery efforts. In 2021, the State allocated funding to replenish Federal payments made to the State's Unemployment (UI) Trust Fund, which was depleted during the height of the pandemic, to invest in critical water and sewer infrastructure, and to assist those small businesses and industries with significant negative impacts as a result of the pandemic.

As part of the State's continuing recovery efforts, the Legislature worked during the 2022 Regular Legislative Session to allocate the remaining SLFRF funding to critical programs throughout the

state. Additional funding was allocated to critical Water and Sewer Infrastructure projects including matching funds for state revolving loan programs. Allocations were also made to other programs assisting in the economic recovery of small businesses and industries with significant negative impacts of the pandemic, to provide additional funding to the UI Trust Fund and to replenish funding that was reduced or halted due to the overall reduction in available state revenues.

In future Recovery Plan updates, the State will report on data that is tracked and collected to monitor the success of these programs. This data will also be used to modify programs and program requirements in order to best meet the needs of the most vulnerable populations in Louisiana as the State recovers from the COVID-19 Pandemic.

Uses of Funds

The Act defines four general eligible uses and provides broad flexibility within these use categories for the recipients to best meet the needs of their communities. SLFRF Funds may be used for public health and economic impacts, premium pay, revenue loss, and investments in infrastructure. The State has implemented programs to distribute the \$3 billion in SLFRF funding to provide relief in many of the critically impacted industries and populations throughout the state. These programs are listed in the Project Inventory section of this report along with the applicable eligible use category.

Promoting equitable outcomes

Louisiana was affected early on by the COVID-19 pandemic and has consistently reported high concentrations of cases throughout the pandemic. By April 2020, Louisiana's unemployment rate had reached 13.5%, rising more than 8 percent in a 3 month period. The unemployment rate as of June 2022, has reached pre-pandemic levels, however, the economic recovery is still in progress.

The State has allocated funds to specific needs related to recovery including targeted programs focused on those groups most significantly affected by the pandemic. As these focused recovery programs are established, consideration is given to the specific impacts within each group of eligible applicants as well as any sub-groups that may exist in order to promote the most equitable outcomes in each program. For instance, the replenishment of the UI Trust Fund aids the State in providing assistance to those who lost their jobs due to the pandemic. Another example of promoting equitable outcomes is the State's immediate focus on impacted industries, for instance, creating programs such as the Tourism Revival Program, described in detail below, and the MSRP – Save Our Screens and Louisiana Loggers Relief Programs. Louisiana's top community is the forest industry with more than 15M acres of state forest, valued at 3.49B in 2018¹. The impact of COVID-19 on the industry, coupled with \$1.25B in damages from Hurricanes Laura and

¹ Highlights of Louisiana Agriculture, Baton Rouge, LA: LSU Agricultural Center Communications, 2018

Delta, were critical factors in the legislature directing the use of \$10M in ARP funds as economic relief to the industry. Similarly, Louisiana's movie theatres and theatres nationally have experienced an 80% reduction in ticket sales, or the worst sales in 40 years².

In programs such as Water and Sewer Infrastructure, we have considered program specific inequities that may naturally occur and have developed requirements to appropriately address these identified inequities and potentially refocus the programs as needed. For instance, the 2022 allocations made to meet matching requirements of revolving loan funds will provide access to certain rural systems that may have otherwise been denied by the programs. We will extend this awareness throughout the life of the programs and adjust requirements as necessary. Where appropriate, we will track data and demographics that will provide the ability to report on the equity of the recovery efforts including closing gaps, reaching universal levels of service, or disaggregating progress by race, ethnicity, and other equity dimensions.

As the programs are further implemented and the projects are completed throughout the state, programmatic data will be available and will be included in future reports. As of July 2022, data supporting the equitable outcomes of the programs is being compiled and will be reported when adequate details and results are available.

Community Engagement

The Treasury Compliance and Reporting Guidance requires that this section describes:

- How the state's planned use of funds incorporates written, oral, and other forms of input that capture diverse feedback from constituents, community-based organizations, and the communities themselves; and
- Where relevant, how funds will build the capacity of community organizations to serve people with significant barriers to services, including people of color, people with low incomes, limited English proficiency populations, and other traditionally underserved groups.

The State's allocation of ARPA – SLFRF funding was appropriated by the State Legislature through the State's statutorily required legislative process. During this process, all planned appropriations are heard by legislative committees in public meetings prior to passage into law. Members of the public may testify before these committees to express opinions and present alternative plans for use of funding. The Governor and members of the Legislature engage with citizens of the State, including special interest groups, as part of the Legislative appropriation process. As the programs are launched, the administrators of each program will remain engaged with the citizens of the State so that the needs of the most vulnerable citizens are appropriately addressed.

² Sarah Whitten, This Chart Shows 2020 had a chance to break box office records, but Covid caused lowest haul in decades, CNBC, December 29, 2020.

Labor Practices

The Treasury Compliance and Reporting Guidance requires description of workforce practices on any infrastructure projects being pursued including:

- How projects are using strong labor standards to promote effective and efficient delivery of high-quality infrastructure projects; and
- How projects are also supporting the economic recovery through strong employment opportunities for workers.

Examples include reporting whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and local hiring.

The State will include fair labor practices as the policies for ARPA infrastructure projects are implemented and continued to be developed. Currently, the Louisiana Department of Transportation and Development (DOTD) monitors federally funded construction projects over \$200,000 with prevailing wage requirements (the Davis Bacon Act) to ensure workers in various classifications are paid correctly for work being performed. These construction contracts contain standard specifications that address compliance requirements for prevailing wage requirements. Information pertinent to compliance with Prevailing wages is obtained and determined by local Workforce Development areas through surveys conducted throughout the state.

Use of Evidence

The Treasury Compliance and Reporting Guidance requires that states:

- Identify whether SLFRF funds are being used for evidence-based interventions; and/or
- Identify if projects are being evaluated through rigorous program evaluations that are designed to build evidence; and/or
- Describe their overall approach for using evidence and evaluation, including how a Learning Agenda (either narrowly focused on SLFRF or broadly focused on the recipient's broader policy agenda) could support their overarching evaluation efforts in order to create an evidence-building strategy for their jurisdiction.

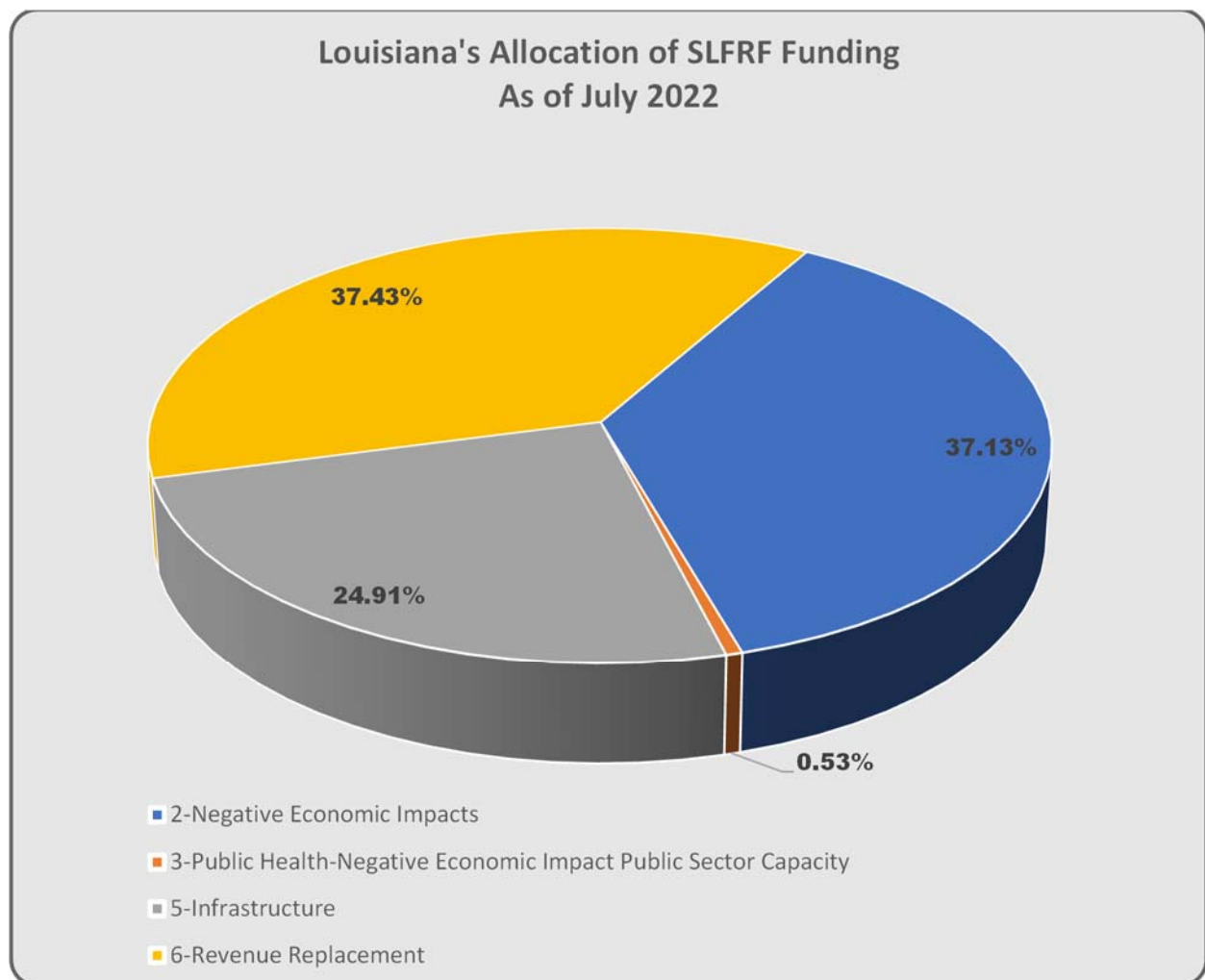
In determining the best use of SLFRF funding, the State considered all impacts of the pandemic in order to develop the best programs for the most critical needs of Louisianans. As part of the Legislative budgetary process, proposals were presented in support of a number of potential uses of SLFRF funding. During presentations in support of programs such as early childhood development and small business assistance, studies and evaluations that have been performed on the proposed uses and related needs as well as the intended outcomes are discussed and made available to the legislative committees and to the public. When funding is allocated to the programs, additional evaluations and data may be required in order to support the policy decisions and to gauge the effectiveness and efficiencies of the

programs as they are implemented. With adequate evidence, new policies may be created to adjust the programs to best fit the needs of the State.

Within the project inventory descriptions, details regarding the evidence used to support each critical needs are identified. As allocations are made to support evidence-based interventions, this data will be reported in future updates to our Recovery Plan.

PROJECT INVENTORY

As of July 31, 2022, the State has allocated the SLFRF funding to the programs discussed within this plan and will report progress by project as funding activity begins.



During fiscal year ending June 30, 2022, the State began implementing the recovery plan and expended 23% of total SLFRF funding as depicted below.

Program by Eligible Use Category		Cumulative Expenditures to date
2.28	Contributions to UI Trust Funds	\$ 490,000,000
2.29	Louisiana Small Business and Nonprofit Assistance Fund	\$ 9,806,444
2.11	Louisiana Tourism Revival Fund	\$ 72,613,451
2.12	Louisiana Main Street Recovery Rescue Plan Fund	\$ 5,714,387
2.12	Louisiana Port Relief Fund	\$ 47,230,119
2.13	Healthcare Employment Reinvestment Opportunity (HERO) Fund	\$ 458,500
6.1	Legislative Capitol Technology Enhancement Fund	\$ 777,229
6.1	Southwest Louisiana Hurricane Recovery Fund	\$ 9,790,846
6.1	Louisiana Rescue Plan Fund - Caesar's Superdome	\$ 26,800,000
6.1	Capitol Outlay Relief Fund	\$ 23,953,172
Total		\$ 687,144,148

The projects currently allocated SLFRF funding are described below by expenditure category. Allocations of the SLFRF funding were completed during the 2022 Regular Legislative Session and the related programs are currently being developed. Additional information including performance reporting will be included in future reports.

2.14 Healthy Childhood Environments: Early Learning

Project SLFRF15LA, Early Childhood Supports and Services Program Fund - \$27 million

The State appropriated \$27 million in Act 167 of the 2022 Regular Session of the Louisiana Legislature to be used by the Louisiana Department of Health (LDH) to fund its Early Childhood Supports and Service (ECSS) Program. ECSS is a State program managed by LDH – Office of Behavioral Health which provides a coordinated system of screening, evaluation and referral services and treatment for children through age 5 and their families.

2.25 - Addressing Educational Disparities Academic Social and Emotional Services

Project SLFRF20LA, READ Program to provide books to students LDOE - \$5 million

The State appropriated funds to create the READ Program. This program will provide books and reading materials to certain public school students in need throughout the state based on established eligibility thresholds. Additional details will be reported in future reporting periods.

2.28 - Replenishment of UI Trust Fund

Project SLFRF1LA, Replenishment of UI Trust Fund - \$990 million

The State appropriated \$490 million of SLFRF funding, in House Bill 1 of the 2021 Regular Legislative Session, to repay the federal government for the federal unemployment insurance (UI) Title XII advances and to replenish the balance of the fund which was depleted by the unprecedented needs during the pandemic.

During the 2022 Regular Legislative Session, the State appropriated an additional \$500 million of SLFRF funding to the Unemployment Compensation Fund. This will help to ensure that unemployment benefits can continue for those who are suffering from unemployment and will help to avoid increased rates for businesses.

2.29 – Assistance to Small Businesses - Loans or Grants to Mitigate Financial Hardship

Project SLFRF2LA, Louisiana Small Business and Nonprofit Assistance Program - \$10 million



The Louisiana Nonprofit & Small Business Assistance Program (*Louisiana Revised Statute (LRS) 39:100.44.2*) will be administered by the Louisiana Department of Revenue (“LDR”) and will provide grants, of not greater than \$25 thousand, to eligible nonprofits and small businesses to assist in the administration of COVID-19 response and relief efforts.

The acceptable uses of grant funds will depend on whether the applicant is a nonprofit or a small business. As part of the application process, applicants will be required to explain how the services and activities will assist in the COVID-19 response and relief efforts. Applicants should

understand that these grant funds are taxpayer dollars received from the federal government, and strict compliance with federal law and guidelines is required.

For nonprofits, grant funding must be used to provide aid to individuals impacted by COVID-19. Priority consideration shall be given to nonprofit organizations that provide programs related to food, employment assistance, and education assistance. These activities and services must be made available to the broader community and not restricted to the nonprofits' membership, congregation, or other limited groups. For churches and other houses of worship, there is no prohibition on religious liberties such as providing a Bible or other religious materials at the same time as offering these activities and services. However, the activities and services must be freely given and not in return for commitments to join or donate to a particular organization. Examples of eligible uses of grants funds include, but are not limited to, the following:

- Creating tutoring or afterschool programs to address educational disparities exacerbated by COVID-19.
- Creating job training programs to accelerate rehiring for unemployed workers.
- Creating an unemployed workers assistance fund to assist with transportation to and from a jobsite or interview, childcare assistance, or other rehiring efforts

For small businesses, grant funding is available to provide workforce development activities, to current or prospective employees or the general public, that directly address a negative economic impact of the COVID-19 public health emergency. The funds must be used to develop Louisiana's workforce by increasing the ability to secure and maintain gainful employment in light of the negative economic impacts of the pandemic. Priority will be given to those small businesses that can demonstrate the most impactful use of grant funds in the workforce development activity. These include any program, service, or activity that involves workforce preparation, vocational skills training, or that improves an individual's employment opportunities, such as basic education, academic education, vocational, technical, or occupational education, job readiness training, or job search training.

Project SLFRF17LA, Small Business Innovation Recruitment Fund - \$500 thousand

The State appropriated five hundred thousand in Act 477 of the 2022 Regular Session of the Louisiana Legislature. Act 477 creates this fund within the Department of Economic Development as an economic development incentive to recruit out-of-state small businesses that received Phase II Small Business Innovation Research (SBIR) or Phase II Small Business Technology Transfer (STTR) federal grants to move to Louisiana.

Project SLFRF18LA, Small Business Innovation Fund - \$150 thousand

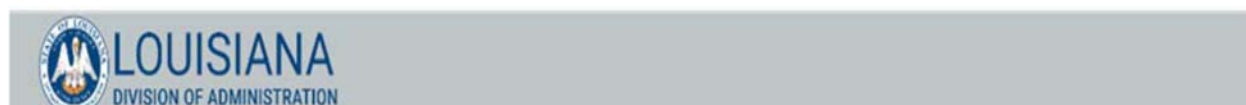
The State appropriated one hundred and fifty thousand in Act 508 of the 2022 Regular Session of the Louisiana Legislature. Act 508 creates this fund within the Department of Economic Development by awarding grants with the purpose of assisting entities in the completion of Phase I or II of SBIR or STTR applications and to provide funds for the Louisiana Technology Transfer Office (LTTO) for the purpose of funding technical assistance, outreach programs, and program-related promotions.

Project SLFRF19LA, Small Business Innovation Retention Fund - \$1.105 million

The State appropriated \$1.105 million in Act 476 of the 2022 Regular Legislative Session. Act 476 creates this fund within the Department of Economic Development (DED) by awarding grants to entities that are in either Phase I or II of SBIR or STTR programs and to provide funds to DED in order to administer the grants.

2.35 - Aid to Tourism, Travel, or Hospitality

Project SLFRF3LA, Louisiana Tourism Revival Program – \$60 million



The negative impacts of the COVID-19 pandemic on the travel and tourism industry in Louisiana were devastating. In fact, the pandemic cut visitor spending in the State by \$5.3 billion in 2020³. The Tourism Revival Program was created to support the efforts of state, local, and regional tourism entities to revive tourism in Louisiana by investing in programs focused on marketing and promoting Louisiana as a destination for in-state and out-of-state travel activity.

The Division of Administration (“DOA”) has established a portal into which applications for grants from the program shall be submitted. Notification of the establishment of this portal has been provided to the Louisiana Travel Association and all eligible tourism entities throughout the State. Grants will be awarded exclusively to official tourism commissions (“commissions”), convention and visitors bureaus (“bureaus”), and official destination marketing organizations (“organizations”) and will be based upon proof of “negative economic impact” incurred by the commission, bureau or organization.

Tourism Revival grants will be awarded by DOA based upon the receipt, review and approval of audited financial statements for calendar years 2019 and 2020. The difference in revenue between the two years shall be deemed the “negative economic impact” on each eligible commission, bureau or organization. Grants will be awarded, on a pro rata basis, depending upon the total calculated impact of all applicants.

The commissions, bureaus and organizations may spend grant funds and/or distribute grant funds to local and regional agencies located within their respective jurisdictional boundaries by investing in programs focused on marketing and promoting Louisiana as a destination for in-state and out-of-state travel activity. Grant recipients will be required to report on the use of funds to DOA on a quarterly basis. Recipients must demonstrate that the awarded funds are expended, in accordance with ARPA-SLFRF, for one of the following purposes:

- to reimburse the loss of statutorily enabled revenues;

³ Louisiana Office of Tourism – *Economic Impact of Visitors in Louisiana in 2020*, by Tourism Economics, <https://www.crt.state.la.us/Assets/Tourism/research/documents/2020-2021/2020%20Louisiana%20Tourism%20Economic%20Impact%20Report%20FINAL%20REV.pdf>

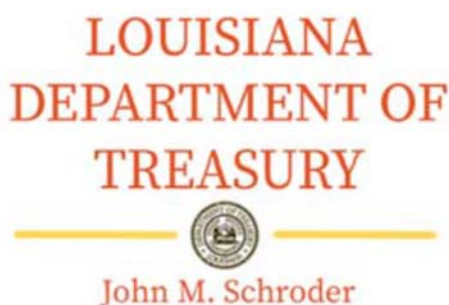
- to market, sell, promote, communicate and engage in activities that generate professional meetings and other events that create financial gain for and economic recovery on behalf of Louisiana workers and businesses, attractions, venues and other hospitality related enterprises;
- to drive economic gain that generates jobs recovery and re-creation of hospitality employment and to assist in efforts to provide job opportunities for and the connection of hospitality workers to career paths;
- to enable the restoration of festivals, major sporting events and international air travel; and/or
- to stimulate and incentivize the return of professional meetings, conferences, conventions, tradeshows and other gatherings.

In the 2021 Regular Session of the Louisiana Legislature, \$60 million was allocated to this program. Funding was awarded in accordance with Section 9901 of ARPA which amended Title VI of the Social Security Act to add section 602, which establishes the Coronavirus State Fiscal Recovery Fund. Section 602 (c)(1)(a) provides, in part, that funds may be used to provide aid to impacted industries, such as tourism, travel, and hospitality, in response to negative economic impacts resulting from the public health emergency.

The tourism portal can be found at: <https://wwwcfprd.doa.louisiana.gov/TourismPortal/index.cfm>
In December 2021, payments totaling \$59,996,083.48 was made to thirty-seven applicants to revive tourism in Louisiana.

2.36 Aid to Other Impacted Industries

Project SLFRF5LA, Louisiana Main Street Recovery Plan (MSRP) - Save Our Screens/Louisiana Loggers Relief Program – \$14.19 million



The Save Our Screens Program was created to distribute grants, not exceeding ten thousand dollars per movie screen located in Louisiana, to eligible movie theater businesses impacted by COVID-19. The Louisiana Loggers Relief Program was created to provide grants, not exceeding \$25 thousand dollars per business, to eligible timber harvesting and timber hauling businesses impacted by COVID-19.

To implement the programs directed by the Louisiana Legislature, the Louisiana Department of Treasury partnered with the Louisiana Forestry Association, the Louisiana Logging Association, and Theatre Owners of Mid-America to identify eligible applicants, hold webinars, and coordinate outreach activities. The application portal can be found on the Louisiana Department of Treasury website: <https://www.treasury.la.gov/> under the heading “Screens/Loggers.”

In 2022, approximately \$5.7 million was paid out to movie theater businesses and timber harvesting and hauling businesses.

Project SLFRF6LA, Major Events Fund – \$10 million

The Major Events Fund was established to provide funding for entities within the state for the costs associated with attracting, hosting, and staging major events of area-wide, statewide, regional, national, or international prominence. No additional information is available on this program at this time.

3.3 Public Sector Workforce – Other

Project SLFRF7LA, Healthcare Employment Reinvestment Opportunity (HERO) Fund – \$5 million

The HERO Fund was created to meet the current and growing needs of the nursing and allied health fields as well as to provide support and incentives to these healthcare field.

Act 109 was passed in the 2021 Regular Session with an effective date of August 1, 2021 relating to the HERO fund. This bill includes incentives like tuition forgiveness upon employment in a Louisiana health care facility and bonuses for working in medically underserved areas of the state. In 2022, approximately \$458 thousand was paid out of this program.

Project SLFRF21LA, Rural Primary Care Physicians Development Fund - \$8 million

The State appropriated \$2,673,634 in Act 167 of the 2022 Regular Session of the Louisiana Legislature. The fund shall be used by LDH to fund the Health Professional Development Program (HPDP) established pursuant to R.S. 40:1205.1. HPDP was created by LDH's office of management and finance to meet the severe shortage of medical professionals in rural areas.

Project SLFRF22LA, Continuum of Care Fund - \$3 million

The State appropriated \$1 million in Act 167 of the 2022 Regular Session of the Louisiana Legislature. The fund shall be used by Department of Children and Family Services (DCFS) to fund continuum of care initiatives which are designed to provide direct services, supports, social services case management and referrals to biological parents of unborn children and biological or adoptive parents of children under the age of two. This is a new fund that is assumed to become a TANF initiative in FY26.

5.5 Clean Water: Other Sewer Infrastructure/5.15 Drinking Water: Other Water Infrastructure

Project SLFRF8LA2, Water Sector Fund-Clean Water - \$266 million

Project SLFRF8LA1, Water Sector Fund-Drinking Water - \$483.5 million

The Water Sector Fund (WSF) was created to fund repairs, improvements, and consolidations of water and sewer systems.

DOA has established a portal into which applications for grants from the Program shall be submitted. The applications will be reviewed by the Louisiana Department of Health (LDH) and the Department of Environmental Quality (DEQ) based on documentation submitted and data available to the reviewing agency. Louisiana Office of Community Development – Local Government Assistance and Louisiana Office of Facility Planning and Control will review scores submitted by LDH and DEQ and develop funding recommendations for submittal to the Water Sector Commission. A maximum of \$5 million will be allowed per application except for projects involving a consolidation of systems which can aggregate based on a \$5 million cap for each system involved in the project. An exception to the cap may be granted if approved by the Water Sector Commission and Joint Legislative Committee on the Budget.

The following are types of projects that are eligible under this program:

- Improvements to enable systems to comply with drinking water regulations.
- Infrastructure capital improvements, including the installation and replacement of failing treatment and distribution systems.
- Consolidation of existing drinking water systems.
- Construct, improve, and repair wastewater treatment plants.
- Control non-point sources of pollution.
- Improve resilience of infrastructure to severe weather events.
- Create green infrastructure.
- Protect waterbodies from pollution.
- Storm water repairs and improvements.

Ineligible activities include development of new systems for new housing construction or developments, improvements to eligible water/sewer systems owned by federal agencies, improvements to eligible water/sewer systems to foster growth, and refinancing debt of eligible water/sewer systems.

Scoring criteria for project review will be based on project severity and needs, consolidation, resiliency, sustainability, if the project is ready to proceed, and the amount of local cost share.

6.1 Provision of Government Services

Project SLFRF4LA, Louisiana Port Relief Fund – \$50 million

The Port Relief Fund was created to provide funding to Louisiana port authorities for revenue loss and reimbursement of expenses related to COVID-19 and port security measures. The Division of Administration (“DOA”) has established a portal into which applications for grants from the Program shall be submitted. A pro rata share of the funds will be allocated and distributed to each port authority that qualifies for an award. In order to qualify for an award, port authorities must have had a physical and active operation in Louisiana as of March 1, 2020 and must have experienced a loss of gross revenue for the period of March 1, 2020 through June 30, 2021. Revenue loss is indicative of a negative impact of the pandemic on the industry. Applicants will provide proof of actual revenue for fiscal years 2019 and 2020, as well as 2021, if available. Upon the receipt, review, and approval of proof of revenue (financial statements or equivalent), awards will be calculated using the applicant’s pro rata share of the program funding based on the entity’s revenue loss. Reimbursement of port security expenses will be verified and awarded following the receipt, review, and approval of invoices and proof of payment.

Project SLFRF13LA, Louisiana Stadium and Exposition District - \$26.8 Million

The Louisiana Stadium and Exposition District maintains major event venues which play a vital role in attracting out-of-state travel and tourism to New Orleans, Louisiana. As part of \$450 million in upgrades to the Caesar's Superdome, the State allocated \$27 million. The upgrades include expanded club and suite levels, new concession stands, viewing decks, and various other improvements. In addition, the New Orleans Saints professional football team agreed to stay in New Orleans through 2035. The renovations are expected to be completed in February 2025. In 2022, the State has made payments totaling \$26,800,000.

Project SLFRF3LA2, Tourism Revival Fund – Office of Tourism - \$17.5 million

To further fund tourism recovery on the state, an additional allocation of \$17.5 million in ARPA-SLFRF funds was allocated by the Legislature directly to the Louisiana Department of Culture, Recreation, and Tourism to support the Department's recovery efforts that are geared towards the tourism and hospitality industry. Through fiscal year 2022, the Department has expended \$12.6 million through the Office of Tourism.

Project SLFRF9LA, Southwest Louisiana Hurricane Recovery Fund - \$30 Million

The Southwest Louisiana Hurricane Recovery fund was established to assist in repairing structural damages caused by the 2020 hurricane season in Southwest Louisiana and was allocated \$30 million of ARPA-SLFRF funding. Act 119 of the 2021 Regular Legislative Session directed disbursement of the \$30 million in ARPA funds to 12 recipients in the affected area. The State Treasury is administering this program and has obtained a signed Cooperative Endeavor Agreement (CEA) from each in order to document the understanding of both parties as well as compliance and reporting requirements related to the funding.

Recipients will provide written quarterly Progress Reports outlining the resources, initiatives, activities, services and performance consistent with the provisions, goals and objectives of the CEA and quarterly Cost Reports outlining the use of the appropriated funds. Adequate supporting documentation (including copies of invoices, checks and other appropriate records reflecting expenses incurred) will be required to be attached to the reports when submitted. All original documentation supporting the reports shall be maintained by the entities and shall be subject to audit.

During 2022, \$9,790,846 was distributed to the 12 recipient entities.

Project SLFRF10LA, Construction Sub of TTF – \$563 million

A critical need in the state is roads and bridges infrastructure. With the decreases in revenue that were caused by the pandemic, less state funding was available for allocation to these infrastructure projects. In accordance with Treasury guidance, the State allocated SLFRF funding to the Construction Subfund of the Transportation Trust Fund. DOTD administers the fund and operates with the mission to plan, design, build and sustain a safe and reliable multimodal transportation and infrastructure system that enhances mobility and economic opportunity.

There are 2 methods to identify projects to be added to the Highway Priority Program. The first method is to gather and analyze data. This analysis involves the consideration of the condition of

the road, how the road operates, safety, and the congestion on the road. The second method is to seek customer input from the public, state and local elected officials, the Metropolitan Planning Organizations (MPOs), regional and local planning officials as well as other state and federal agencies during the legislative public hearings and year round through letters, emails, and meetings.

DOTD Districts and the MPOs rank the projects based on technical analysis and customer input. The District then submits the suggested projects to the Project Selection Teams. The Project Selection Team makes the final selections based on District recommendations, technical analysis, customer input, available funding and the State Long Range Plan.

Per LRS 48 Section 229.1, DOTD must consider the following 8 objectives when prioritizing and selecting projects:

1. Brings the state highway system into a good state of repair and optimizes the usage and efficiency of existing transportation facilities.
2. Improves safety for motorized and non-motorized highway users and communities.
3. Supports resiliency in the transportation system, including safe evacuation of populations when necessitated by catastrophic events such as hurricanes and floods.
4. Increases accessibility for people, goods, and services.
5. Fosters diverse economic development and job growth, international and domestic commerce, and tourism.
6. Fosters multi-modalism, promotes a variety of transportation and travel options, and encourages intermodal connectivity.
7. Encourages innovation and the use of technology.
8. Protects the environment, reduces emissions, and improves public health and quality of life.

The selected projects are assembled into the proposed Highway Priority Program. The proposed Highway Priority Program is then submitted to the House and Senate Transportation Committees. The Joint Transportation Committee holds public hearings throughout the state for the Highway Priority Program and the State Transportation Improvement Program (STIP). The Final decision on the Highway Priority Program rests with the House and Senate Transportation Committees and ultimately the full Legislature.

DOTD intends to provide budget relief to capital outlay projects throughout the State of Louisiana.

Project SLFRF11LA, Appropriations to the Capital Outlay Relief Fund – \$35 Million

Capital Outlay Projects are state construction projects that are reviewed and evaluated in accordance with constitutional and statutory provisions and eliminated from funding if they are deemed not feasible. These projects receive appropriations of state and federal funding. As SLFRF funding is allocated to these projects, additional details will be included in future Treasury reporting.

Project SLFRF12LA, Legislative Capitol Technology Enhancement - \$15 Million

All expenditures from the fund shall be used by the Budgetary Control Council to fund construction, improvements, maintenance, renovations, repairs, and necessary additions to

legislative chambers/meeting rooms, and other areas of the capitol complex for audio-visual and technology enhancements.

Project SLFRF26LA, Lake Charles Bridge I-49 and Other Projects - Capital Outlay - \$200 million

In Act 117 of the 2022 Regular Legislative Session, the State appropriated \$100 million to replace the I-10 Bridge in Lake Charles and an additional \$100 million for the I-49 South connection from Lafayette to New Orleans.

Project SLFRF28LA, Opportunity/Contingency Fund - \$100 Million

The State appropriated \$100 million in Act 117 of the 2022 Regular Session of the Louisiana Legislature. The appropriations to the DOTD Highway Program for the Secretary's Emergency Fund, to meet federal match obligations, and to meet financial cost overruns on active projects.

Project SLFRF29LA, Baton Rouge to New Orleans Rail - \$12.5 Million

The State appropriated \$12.5 million in Act 117 of the 2022 Regular Session of the Louisiana Legislature. The appropriations to the DOTD Highway Program to finance the Baton Rouge to New Orleans Commuter Rail Project.

Project SLFRF16LA, Workforce Training Rapid Response Fund (LCTCS) - \$25 million

The State appropriated \$25 million in HB 1 of the 2022 Regular Session of the Louisiana Legislature. The appropriation is for expanding healthcare workforce training programs.

Project SLFRF27LA, Wildlife and Fisheries, Hurricane Ida Cleanup - \$5 million

The State appropriated \$5 million in HB 1 of the 2022 Regular Session of the Louisiana Legislature for boat and debris cleanup from Hurricane Ida damage.

Project SLFRF14LA, GOHSEP Radio Tower - \$1.5 million

The State appropriated \$1.5 million in Act 170 of the 2022 Regular Session of the Louisiana Legislature for a radio tower in Thibodaux for the LWIN system.

6.2 – Non-Federal Match for Other Federal Programs

Project SLFRF25LA, Matching Funds Fund, Revolving Loan Funds - \$23.7 million

The Legislature established a fund to assist those water and sewer systems that have limited access to the funding necessary to meet match requirements of revolving loan programs in an effort to equalize the field of applicants in the Water and Sewer Program. Of the total 2022

appropriation, \$10,020,300 is to be used by Department of Environmental Quality (DEQ) for matching funds for the Clean Water State Revolving Fund established pursuant to R.S. 30:2302 and \$13,687,798 shall be used by LDH for matching funds for the Drinking Water State Revolving Fund established pursuant to R.S. 40:2823.

7.4 Transfers to Non-entitlement Units

The State began outreach to NEUs in May 2021. Many of the towns and villages throughout the state are not accustomed to the processes and procedures involved in receiving Federal funding. The Louisiana Office of Community Development dedicated employees to individualized outreach efforts ahead of the transfer of funding from the Treasury. Once funds were received in June 2021, the application portal was opened for all NEUs to accept funding and to provide budget and payment information. Distributions of funds began in the summer of 2021 as the State continued outreach to the remainder of the NEUs to provide every opportunity to each of them to accept funding before deeming these entities nonresponsive.

The State anticipates distributing the second tranche of NEU payments by the end of September 2022.