

Gulf Coast Ecosystem Restoration Council
Fiscal Year 2019
Annual Performance Report

January 2020

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Preface

Established by the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012, or the RESTORE Act, codified at 33 U.S.C. § 1321 (t), the Gulf Coast Ecosystem Restoration Council (Council) is comprised of five Governors from the Gulf Coast States of Alabama, Florida, Louisiana, Mississippi and Texas (States), the Secretaries from the U.S. Departments of the Interior, Army, Commerce, Agriculture, and Homeland Security, and the Administrator of the U.S. Environmental Protection Agency. The Administrator of the Environmental Protection Agency currently serves as the Council's Chairperson. In cooperation with our restoration partners, the Council is striving to establish a benchmark for collaborative work while facilitating efficient and responsible implementation of large-scale restoration projects across the Gulf. The Council recognizes its unique and unprecedented opportunity to implement a restoration effort in a way that restores and protects the Gulf Coast environment, reinvigorates local economies and creates jobs in the region. Further, the Council is committed to working with Gulf communities and partners to invest in actions, projects, and programs that will ensure the long-term environmental health and economic prosperity of the Gulf Coast region.

The Council has oversight over the expenditure of 60% of the funds made available from the Gulf Coast Restoration Trust Fund established by the RESTORE Act (Trust Fund). Under the Council-Selected Restoration Component of the RESTORE Act, 30% of available funding will be administered for Gulf-wide ecosystem restoration and protection according to a Comprehensive Plan developed by the Council. Another 30% is allocated to the States under the Spill Impact Component according to a formula established by the Council through a regulation, and spent according to individual State Expenditure Plans (SEPs) to contribute to the overall economic and ecological recovery of the Gulf.

In fiscal year 2019 (FY2019), the Council obligated \$51.2 million through grants and interagency agreements to carry out projects and programs under the RESTORE Act, bringing the total amount awarded to \$254.9 million: \$177.0 million from the Council-Selected Restoration Component and \$77.9 million from the Spill Impact Component. Now that State Expenditure Plans have been approved by the Council and each of the States, projects and programs under the Spill Impact Component are being awarded at an increasing pace. Also, as the Council works to award the few remaining Initial Funded Priorities List (FPL) projects, it has continued its collaborative efforts and taken steps to develop and approve the next FPL. The Council completed a Planning Framework in 2019 to advance its vision for a healthy and productive Gulf ecosystem achieved through collaboration on strategic restoration projects and programs.

Foundational to the Council's success during FY2019 were the funds provided to its members through the Commitments and Planning Support Funded Priority List (CPS FPL) to enhance collaboration, planning and public engagement in support of future funding decisions under the Council-Selected Restoration Component of the RESTORE Act. In concomitance with the CPS FPL, an internal Council collaboration strategy was finalized by the Council as the foundation for the development of subsequent Funded Priority Lists. This strategy is embodied in what the Council calls its Planning Framework. The Planning Framework serves as a "bridge" from one FPL to the next. It is not intended to describe all of the restoration needs of the Gulf. Rather, the Planning Framework identifies priorities that will strategically link past and future restoration funding decisions.

This report is available on the internet at the [RESTORE Council Website](#).

1. Introduction

The Gulf Coast region is vital to our Nation and our economy, providing valuable energy resources, abundant seafood, extraordinary beaches and recreational activities, and a rich cultural heritage. Its waters and coasts are home to one of the most 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 crucial U.S. industries like 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.

Despite the tremendous economic, social and ecological importance of the Gulf Coast region, the health of the region’s ecosystem has been significantly impacted, most recently by the *Deepwater Horizon* oil spill, as well as by chronic and acute harm caused by other past and ongoing human actions. Restoring an area as large and complex as the Gulf Coast region is a costly and multi-generational undertaking. Over the past several decades, the Gulf Coast region has experienced loss of critical wetlands, erosion of barrier islands, imperiled fisheries, water quality degradation leading to, among many other impacts, one of the world’s largest hypoxic zones every year, alteration of hydrology, and other cumulative environmental impacts. While hurricanes, subsidence and other natural forces are also key factors in land loss, this may be exacerbated by human actions which have greatly reduced ecosystem resilience and thus made coastal wetlands more vulnerable to these natural stressors.

The cumulative impacts of chronic (e.g., water quality, sea level rise) and acute (e.g., hurricanes and floods) stressors to the Gulf ecosystems have resulted in increased storm risk, land and habitat loss, depletion of natural resources, altered hydrology and compromised water quality and quantity, which are imperiling coastal communities’ natural defenses and ability to respond to natural and man-made disruptions. These problems not only endanger the natural systems but also the economic vitality of the Gulf Region.

In addition, the Gulf of Mexico experienced extensive and severe water quality and habitat impacts resulting from the *Deepwater Horizon* oil spill including excess nutrients, altered sediment resources, pathogens, mercury, remaining *Deepwater Horizon* oil and other pollutants. Eight years after the spill, living coastal and marine systems still show signs of stress, such as depleted species populations and degraded habitats.

The Council is playing a key role in helping to ensure that the Gulf’s natural resources are sustainable and available for future generations. Use of the Gulf restoration funds represent a great responsibility. The ongoing involvement of the people who live, work and play in the Gulf region is critical to ensuring that these monies are used wisely and effectively.

The Council was formally established in 2015 as a new, independent Federal Agency with a clear mission to implement a long-term, comprehensive plan for the ecological and economic recovery of the Gulf Coast region. This document represents the Council’s submission of the Annual Performance Plan (APP) for Fiscal Year 2018. Unlike most federal agencies, the Council does not receive funds through the annual federal appropriations process (all funds are received through the Trust Fund (Trust Fund)); however the Council does appear in the Appendix to the President’s Budget.

The Gulf Coast Restoration Trust Fund

The Gulf Coast environment was significantly injured by the 2010 *Deepwater Horizon* oil spill as well as by past and ongoing human actions. Restoring an area as large and complex as the Gulf Coast region is a costly, multi-generational undertaking. Gulf habitats are also continually degraded and lost due to development, infrastructure, sea-level rise, altered riverine processes, ocean acidification, salinity changes and other human-caused factors. Water quality in the coastal and marine environments is degraded by upstream pollution and hydrologic alterations spanning multiple States and involving the watersheds of large and small rivers alike. Stocks of marine and estuarine species are depleted by over-utilization and conflicting resource use. Some of the region's environmental problems such as wetland loss and hypoxia span areas the size of some U.S. states. This degradation represents a serious risk to the cultural, social and economic benefits derived from the Gulf ecosystem.

On October 5, 2010, the President issued Executive Order 13554, which established the [Gulf Coast Ecosystem Restoration Task Force \(Task Force\)](#) "to coordinate intergovernmental responsibilities, planning, and exchange of information to better implement Gulf Coast ecosystem restoration and to facilitate appropriate accountability and support throughout the restoration process." The Task Force was an advisory body composed of senior officials from the five Gulf Coast states of Alabama, Florida, Louisiana, Mississippi, and Texas, and eleven federal agencies and White House offices. The U.S. Environmental Protection Agency's former Administrator Lisa P. Jackson served as Chair of the Task Force, and the former Chair of the Coastal Protection and Restoration Authority of Louisiana, Garret Graves, served as Vice-chair.

The primary charge of the Task Force was to create a unified, strategic approach to restore the region's ecosystem. In December 2011, the Task Force members published the [Gulf of Mexico Regional Ecosystem Restoration Strategy](#) (Strategy) and the [Gulf of Mexico Ecosystem Science Assessment and Needs](#) that articulated an overarching vision for restoration.

Signed into law in July 2012 the [RESTORE Act](#) (33 U.S.C §1321(t) and *note*) enacted as an amendment to the federal *Clean Water Act (or Federal Water Pollution Control Act)*, created the Gulf Coast Restoration Trust Fund (Trust Fund) in the U.S. Department of the Treasury. The Act established the Council and the Gulf Coast Restoration Trust Fund (Trust Fund); the latter receives 80 percent of the civil and administrative penalties assessed under the Clean Water Act (CWA) resulting from the *Deepwater Horizon* oil spill. The Act imposed a one-year timeline for development of the [Initial Comprehensive Plan](#) (Initial Plan) to describe how the Council would restore the ecosystem and the economy of the Gulf Coast region.

The RESTORE Act directs the Council to use the best available science and give highest priority to ecosystem projects and programs that meet one or more of the following four Priority Criteria. The Council will use these criteria to evaluate proposals and select the best projects and programs to achieve comprehensive ecosystem restoration.

- Projects that are projected to make the greatest contribution to restoring and protecting the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region, without regard to geographic location within the Gulf Coast region.
- Large-scale projects and programs that are projected to substantially contribute to restoring and protecting the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast ecosystem.

- Projects contained in existing Gulf Coast State comprehensive plans for the restoration and protection of natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region.
- Projects that restore long-term resiliency of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands most impacted by the *Deepwater Horizon* oil spill.

The funds supporting the Council’s efforts are defined by the RESTORE Act, which divides funds made available from the Trust Fund into five components, colloquially referred to as “buckets,” and sets parameters for how these funds will be spent.

On January 3, 2013, the United States announced that Transocean Deepwater Inc. and related entities had agreed to pay \$1 billion (plus interest) in civil penalties for violating the Clean Water Act in relation to their conduct in the *Deepwater Horizon* oil spill. In accordance with the consent decree, Transocean has paid all three of its installments of civil penalties plus interest to the U.S. Department of Justice. The U.S. Department of Justice has transferred 80 percent of these funds to Treasury for deposit into the Gulf Coast Restoration Trust Fund, totaling \$816 million. On November 20, 2015 the federal court for the Eastern District Court of Louisiana ordered Anadarko Petroleum Corp. to pay a \$159.5 million civil fine; of this amount, \$128 million, including interest, has been deposited in the Trust Fund. Anadarko was the last defendant in the *Deepwater Horizon* spill Clean Water Act litigation.

In 2015 the Council approved the [Initial Funded Priority List \(FPL\)](#) for approximately \$156.6 million in restoration activities such as hydrologic restoration, land conservation, and planning for large-scale restoration projects. The funding for the Initial FPL came from the settlement of CWA civil penalties against *Transocean Deepwater* Inc. and related entities. When it approved the Initial FPL, the Council did not know the amount and timing of additional funding that could be obtained from the then-ongoing litigation with British Petroleum (BP).

On April 4, 2016, a federal court in New Orleans entered a consent decree resolving civil claims against BP arising from the *Deepwater Horizon* oil spill ([United States vs. BXP et al.](#)). The resolution of civil claim totals for entities held responsible for the *Deepwater Horizon* oil spill will yield more than \$20 billion, the largest civil penalties ever awarded under any environmental statute, and the largest recovery of damages for injuries to natural resources of The United States. Of these penalties, the RESTORE Act will provide \$5.33 billion (80 percent of \$6.659 billion) to the Trust Fund, based on the following: \$1 billion (plus interest) in civil penalties from Transocean Deepwater Inc. and related entities for violating the Clean Water Act in relation to their conduct in the *Deepwater Horizon* oil spill; \$159.5 million from a civil fine paid by Anadarko Petroleum Corporation; and \$5.5 billion (plus interest) from BP Exploration and Production, Inc. (BP) for a Clean Water Act civil penalty under the April 4, 2016 consent decree, payable over a fifteen-year period at approximately \$91 million per year through 2031 (Figure 1).

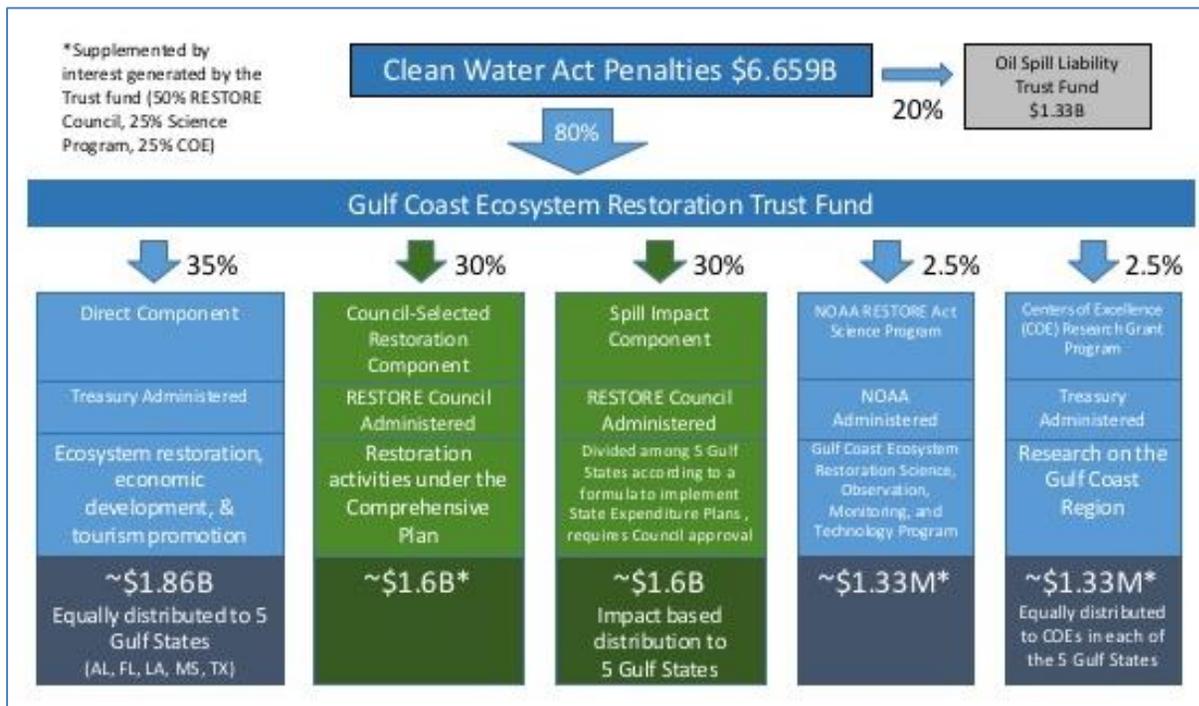


Figure 1. Allocation of the Gulf Coast Restoration Trust Fund based on settlements with BP, Transocean and Anadarko; RESTORE Council oversight components are highlighted in green.

Council-Selected Restoration Component

The RESTORE Act requires creation of a funded priorities list (FPL) that includes the projects and programs the Council intends to fund through the Council-Selected Restoration Component. The Council completed its Initial FPL during the first quarter of fiscal year 2016 using a process that emphasized public input, transparency, coordination with other restoration programs, and rigorous science review.

Spill Impact Component

Spill Impact Component funds will be invested in projects, programs, and activities developed by the States and identified in approved State Expenditure Plans (SEPs). The RESTORE Act allocates 30 percent of the Trust Fund to the Gulf Coast States under a formula established by the Council through a regulation, and spent according to individual SEPs. Each State will develop one or more SEPs describing how it will disburse the amounts allocated to it under the Spill Impact Component. These projects and programs will be implemented through grants to the States in a manner that is consistent with the requirements of the RESTORE Act as well as the goals and objectives of the Comprehensive Plan.

2. Strategic Goals

The task of restoring the Gulf environment is a multi-generational undertaking. A comprehensive approach to Gulf restoration must include the engagement of a wide and diverse array of stakeholders, including federal, state and local governments, Tribes, private businesses, non-governmental organizations (NGOs) and the general public. By working closely with our restoration partners, the Council believes it can make

significant progress towards comprehensive Gulf restoration and provide substantial environmental and economic benefits to current and future generations.

A significant component in assisting the Council achieve ecosystem restoration of the Gulf is through its Comprehensive Plan. The Council updated its 2013 Initial Comprehensive Plan during 2016 with the intention to provide strategic guidance that will help the Council more effectively address complex and critical challenges inherent to ecosystem restoration in the Gulf of Mexico by:

- Ensuring consistency with the Priority Criteria referenced in the Act;
- Reinforcing the Council's goals, objectives and commitments;
- Setting forth a Ten-Year Funding Strategy, including a Council vision for ecosystem restoration;
- Increasing collaboration among Council members and partner restoration programs;
- Refining the process for ensuring that the Council's decisions are informed by the best available science; and
- Improving the efficiency, effectiveness and transparency of Council actions.

Following an extensive public feedback effort, the Council approved the [2016 Comprehensive Plan Update](#) on December 16, 2016. The Comprehensive Plan Update takes a holistic approach to restoration recognizes the interconnected nature of coastal and marine ecosystems, a fundamental organizational principle of watersheds/estuaries, and the importance of addressing system-wide stressors that reduce ecosystem integrity. The Council's selections for the FPL were therefore based on a variety of factors, including the need to respond to widely-recognized ecological stressors, foundational investment needs, substantial public input, support for certain high-value areas, and socioeconomic and cultural considerations. Moving forward, the Council will work to use this holistic approach before, during, and after the proposal development, review, and selection processes in order to maximize project benefits and track outcomes.

To provide the overarching framework for an integrated and coordinated approach for region-wide Gulf Coast restoration and help guide the collective actions at the local, state, tribal and federal levels, the Council has adopted five Strategic Goals as follows in the 2013 Comprehensive Plan, recommitting to them (with the addition of Water Quantity to Strategic Goal 2) in the 2016 Comprehensive Plan Update:

- **Strategic Goal 1:** Restore and Conserve Habitat – Restore and conserve the health, diversity, and resilience of key coastal, estuarine, and marine habitats;
- **Strategic Goal 2:** Restore Water Quality and Quantity – Restore and protect water quality of the Gulf Coast region's fresh, estuarine, and marine waters;
- **Strategic Goal 3:** Replenish and Protect Living Coastal and Marine Resources – Restore and protect healthy, diverse, and sustainable living coastal and marine resources;
- **Strategic Goal 4:** Enhance Community Resilience – Build upon and sustain communities with capacity to adapt to short- and long-term changes;
- **Strategic Goal 5:** Restore and Revitalize the Gulf Economy – Enhance the sustainability and resiliency of the Gulf economy. The fifth goal focuses on reviving and supporting a sustainable Gulf economy to ensure that those expenditures by the Gulf Coast States authorized in the RESTORE Act under the Direct Component (administered by the Department of the Treasury) and the Spill Impact Component can be considered in the context of comprehensive restoration.

To achieve all five goals, the Council supports ecosystem restoration that can enhance local communities by giving people desirable places to live, work, and play, while creating opportunities for new and existing businesses of all sizes, especially those dependent on natural resources. In addition, the Council will support ecosystem restoration that builds local workforce capacity.

3. Strategic Objectives

The Council will select and fund projects and programs that restore and protect the natural resources, ecosystems, water quality, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region. Projects and programs not within the scope of these Strategic Objectives for ecosystem restoration will not be funded under the Council-Selected Restoration Component. The Strategic Objectives are not listed in any particular order, and the Council does not anticipate that restoration efforts funded under the Council-Selected Restoration Component will be equally distributed among these objectives. Further, restoration projects and programs are likely to achieve multiple objectives simultaneously.

- **Strategic Objective 1:** Restore, Enhance, and Protect Habitats – Restore, enhance, and protect the extent, functionality, resiliency, and sustainability of coastal, freshwater, estuarine, wildlife, and marine habitats. These include barrier islands, beaches, dunes, coastal wetlands, coastal forests, pine savannahs, coastal prairies, submerged aquatic vegetation, oyster reefs, and shallow and deep-water corals.
- **Strategic Objective 2:** Restore, Improve, and Protect Water Resources – Restore, improve, and protect the Gulf Coast region’s fresh, estuarine, and marine water resources by reducing or treating nutrient and pollutant loading; and improving the management of freshwater flows, discharges to and withdrawals from critical systems.
- **Strategic Objective 3:** Protect and Restore Living Coastal and Marine Resources – Restore and protect healthy, diverse, and sustainable living coastal and marine resources including finfish, shellfish, birds, mammals, reptiles, coral, and deep benthic communities.
- **Strategic Objective 4:** Restore and Enhance Natural Processes and Shorelines – Restore and enhance ecosystem resilience, sustainability, and natural defenses through the restoration of natural coastal, estuarine, and riverine processes, and/or the restoration of natural shorelines.
- **Strategic Objective 5:** Promote Community Resilience – Build and sustain Gulf Coast communities’ capacity to adapt to short- and long-term natural and man-made hazards, particularly increased flood risks associated with sea-level rise and environmental stressors. Promote ecosystem restoration that enhances community resilience through the re- establishment of non-structural, natural buffers against storms and flooding.
- **Strategic Objective 6:** Promote Natural Resource Stewardship and Environmental Education – Promote and enhance natural resource stewardship efforts that include formal and informal educational opportunities, professional development and training, communication, and actions for all ages.

- **Strategic Objective 7:** Objective Improve Science-Based Decision-Making Processes – Improve science-based decision-making processes used by the Council.
- **Management Focused Strategic Objective:** Organizational Excellence – Council staff will provide exceptional service to Council members, partner state and federal agencies, and public, private, and other stakeholders to support the Council’s efforts to achieve integrated and coordinated efforts for region-wide Gulf Coast restoration.

4. Performance Metrics for Individual Council-Funded Programs and Projects

All projects funded by the Council are required to monitor the performance of the award toward ecosystem restoration. The Council has currently identified 56 [RESTORE Council Project Metrics](#) for grants to states and Interagency Agreements (IAA) with the federal members funded through the Council-Selected Restoration Component (*aka* “Bucket 2”), and for grants funded under the Spill Impact Component (*aka* “Bucket 3”) of the RESTORE Act. These metrics are used to monitor and evaluate the efficacy of projects and programs in meeting mission goals and objectives of the Council and track annual performance.

5. Performance Goals and Indicators for Fiscal Year 2019

The RESTORE Council is using several coordinated and strategic approaches to improve their ability to efficiently and effectively accomplish the goals of the Comprehensive Plan. A collaborative process is being used to help ensure that Council-Selected Restoration Component (Bucket 2) funded projects and programs complement restoration being accomplished through the Spill Impact Component, as well as other funding streams. The funding available through the Council, as well as the other DWH-related funding sources (including other components of the RESTORE Act, Natural Resource and Damage Assessment (DWH NRDA), and National Fish and Wildlife Foundation Gulf Environmental Benefit Fund (NFWF GEBF) presents an unprecedented opportunity to restore Gulf ecosystem conditions and functions, representing one of the most substantial investments in landscape-level restoration in U.S. history. However, it is critical to note that these funds will not fully address all the ecosystem restoration needs of the Gulf given the multiple stressors impacting the region, ranging from man-made sources like the DWH oil spill disaster, water quality/quantity issues and the annual offshore hypoxic zone, as well as naturally-occurring impacts including hurricanes. Because of these large-scale stressors and ever-changing

There are myriad natural and man-made factors that could potentially affect performance of the projects and programs funding through the Council. Therefore, the Council must consider a wide range of past, ongoing, and emerging environmental threats which could impact performance of awards under the Council-Selected Restoration and Spill Impact components of the RESTORE Act. For example, sea-level rise combined in some areas with ongoing subsidence can pose a significant risk to coastal ecosystems and communities, and to the Council’s own coastal restoration investments. Water quality degradation is another environmental issue impacting resilience and sustainability leading to, among many other impacts, one of the world’s largest hypoxic regions (“Dead Zone”) which forms each year off the Louisiana coast and can reach the size of the State of New Jersey. The Council is committed to using the best available science

to consider relative sea-level rise, water quality, and other risks as it makes coastal restoration funding decisions. The Council is also committed to working with a broad range of stakeholders interested in coastal resilience.

There are also inherent risks the Council will consider regarding the efficacy of individual projects and/or programs themselves ranging from impacts to performance (due to unforeseen events like impacts from a hurricane) to changes in cost beyond projected contingency plan levels, which could potentially impact the ability to complete a project or program. There are several strategies that the Council has employed to anticipate and prepare for risk with associated mitigation strategies. The Council has completed an Enterprise Risk Assessment, and has developed a risk profile that has identified strategic, operational, compliance, financial and reporting risks, assessed their likelihood and impact, and determined an overall risk rating with a categorization of critical, high, medium and low. This analysis highlighted seven critical risks (high likelihood and high impact). One of the risks speaks to the potential for overlapping project funding for the same purpose, and the second is This could take the form of project duplication within the Council-Selected Restoration Component, or a project funded by either the Spill Impact Component, or by one of the other Deepwater Horizon funding streams, including NRDA or the NFWF GEBF. The emphasis and funding provided through the CPS FPL to support collaboration among the Council members and the other DWH funding streams specifically addresses this risk.

5.1. Performance Goal 1: Promote a Gulf-Wide Comprehensive Approach to Restoration

The Council is moving forward with an integrated and coordinated approach to Gulf Coast restoration. This approach strives to both restore the Gulf Coast region's environment and, at the same time, revitalize the region's economy because the Council recognizes that ecosystem restoration investments may also improve economic prosperity and quality of life. In addition, this approach acknowledges that coordinated action with other partners is important to successfully restore and sustain the health of the Gulf Coast region. This coordination is particularly important because diverse funding sources and decision-making bodies are simultaneously investing in Gulf Coast restoration.

Performance Indicator 1:

Examination of stressors and environmental drivers with Council members, the NGO community, interested stakeholders and public during fiscal year 2019 results in project proposals for gulf-wide restoration efforts on a watershed-estuary scale rather than random acts of restoration. Proposed projects will substantially improve the restoration or conservation of key watersheds without regard to political boundaries, or provide foundational support for future efforts towards gulf-wide restoration.

On December 9, 2015, the Council voted to approve the Initial FPL. The Initial FPL is organized around ten key watersheds/estuaries across the Gulf to concentrate and leverage available funds to address critical ecosystem needs in high priority locations (Figure 2). The Council identified activities for the Initial FPL that would either complement each other or have synergistic effects with other restoration projects. Taking a holistic approach to restoration recognizes the interconnected nature of coastal and marine ecosystems, a

fundamental organizational principle of watersheds/estuaries, and the importance of addressing system-wide stressors that reduce ecosystem integrity. The Council’s selections for the Initial FPL were therefore based on a variety of factors, including the need to respond to widely-recognized ecological stressors, foundational investment needs, substantial public input, support for certain high-value areas, and socioeconomic and cultural considerations. Moving forward, the Council will work to use this holistic approach in order to maximize project benefits and track outcomes.

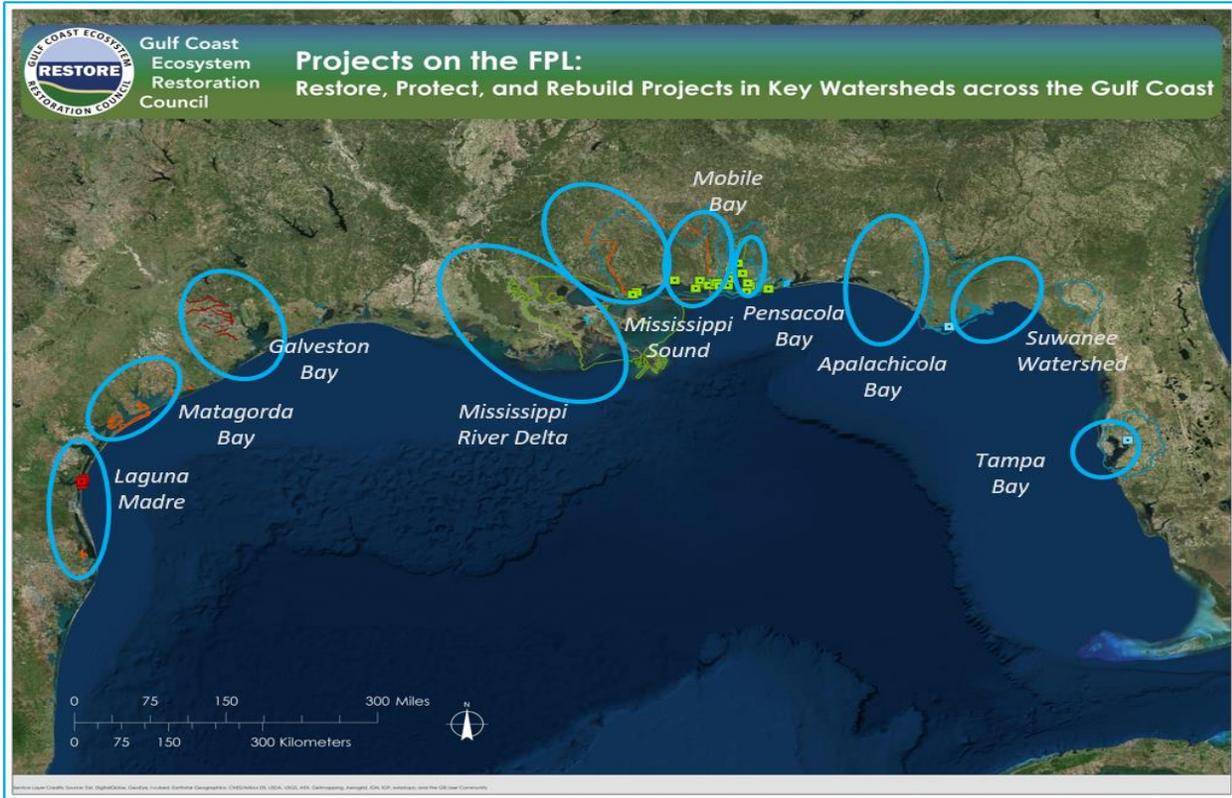


Figure 2. Ten key watershed/estuaries identified in the Initial Funded Priorities List.

By identifying and focusing on watersheds, the Council was able to make difficult funding decisions in a way that leverages limited restoration resources for maximum effectiveness, while also supporting planning, science and other activities that can set the stage for future success. All activities in the Initial FPL came from the original member submissions. In some cases, the activities are a component or smaller increment of an original submission. Many stakeholders cautioned the Council against distributing the available funds in a way that supports disconnected (although beneficial) restoration projects; the Council was asked not to engage in “random acts of restoration.” The Council shares that perspective and believes that focusing on key watersheds and other foundational activities will ensure that the funds are spent in a way that contributes to comprehensive Gulf restoration.

The Council approved the Comprehensive Plan Update on December 16, 2016. The Comprehensive Plan Update took a holistic approach to restoration recognizes the interconnected nature of coastal and marine ecosystems, a fundamental organizational principle of watersheds/estuaries, and the importance of addressing system-wide stressors that reduce ecosystem integrity.

As part of the Comprehensive Plan Update, the Council recognized that a clear and concise vision statement can help direct and shape future funding decisions. The Council believes that its vision statement for the Ten-Year Funding Strategy should include reference to both the desired environmental outcome and the process used to get there. Furthermore, the Council will build upon the tremendous restoration experience, science expertise, and other capabilities of its diverse membership of state and federal agencies. The Council’s collective wisdom is greater than the sum of its individual parts.

The Council sought to capture this sentiment as well as other key elements as it developed the following vision statement:

A healthy and productive Gulf ecosystem achieved through collaboration on strategic restoration projects and programs.

Over the four fiscal years of 2016 through 2019, a total of 24 grants and 22 IAAs have been awarded from FPL1, 5 grants and 5 IAA’s under the CPS FPL, and 13 SEP awards to date (Table 1).

Table 1. Number of awards (grants and IAA) by program and year

Year	FPL 1	FPL 1	CPS (FPL2)	CPS (FPL 2)	SEP
	Grants	IAA	Grants	IAA	
2016	1	1	0	0	2
2017	13	8	0	0	2
2018	6	9	5	4	4
2019	4	4	0	1	5
Totals	24	22	5	5	13

Meeting Council Goals

Ecosystem restoration efforts by the Council have primarily focused on two of the Council Goals: Restore and Conserve Habitat and Restore and Conserve Water Quality and Quantity. Funding trends by fiscal year are shown in Figure 3 for all funding sources in support of the Council’s goal to Restore and Conserve Habitat and Restore Water Quantity and Quality in Figure 4. The cumulative funding for both goals by fiscal year (Figure 5) indicates the higher funding in support of the goal to Restore and Conserve Habitat (68.1% of all funds). In total, 90.7% of the funding from the Council-Selected Restoration and Spill Impact Components has supported Restore and Conserve Habitat (\$173,464,545 / 68.1%) (Table 2) and Restore Water Quality and Quantity (\$57,471,094 / 22.6%).

Figure 3. Funding trends for grants and IAA's from FPL 1 and SEPs in support of the Restore and Conserve Habitat Goal by fiscal year.

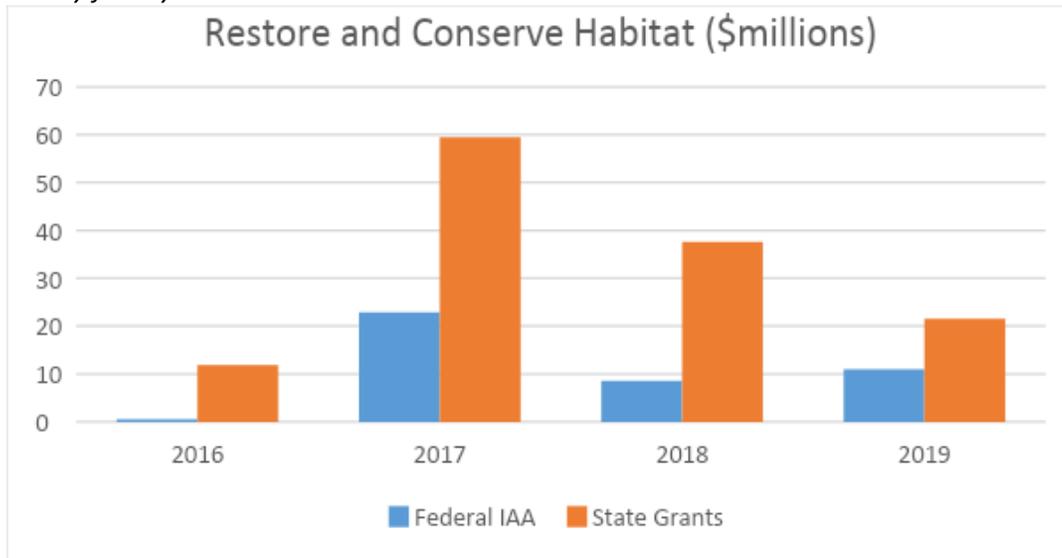


Figure 4. Funding trends for grants and IAA's from FPL 1 and SEPs in support of the Restore and Conserve Water Quality and Quantity Goal by fiscal year.

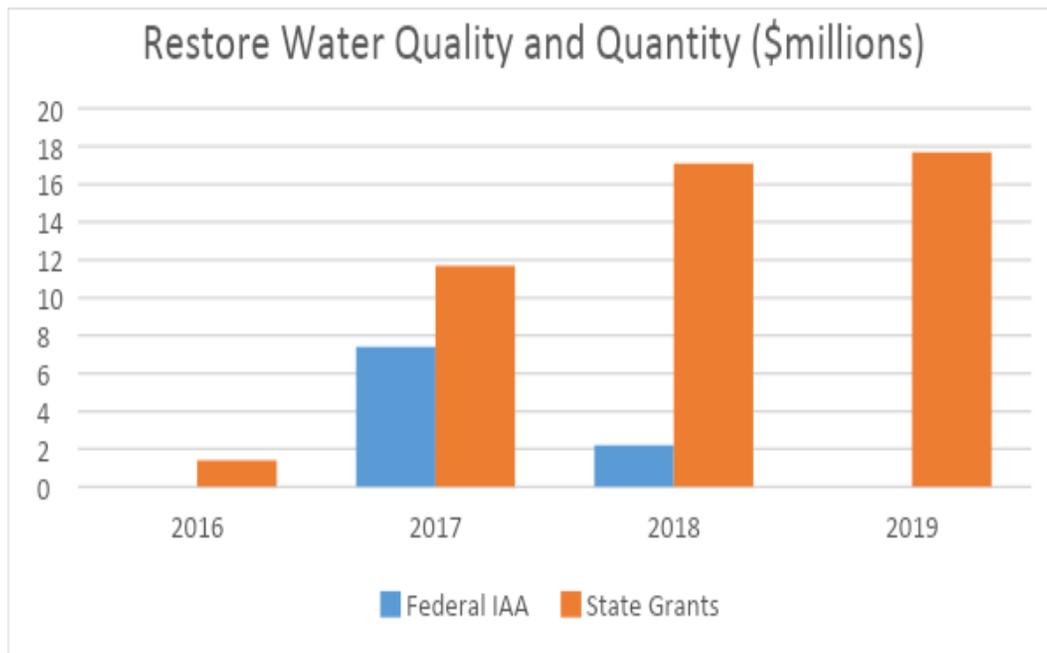


Figure 5. Funding trends (all sources) by fiscal year in support of two of the Council’s Goals.

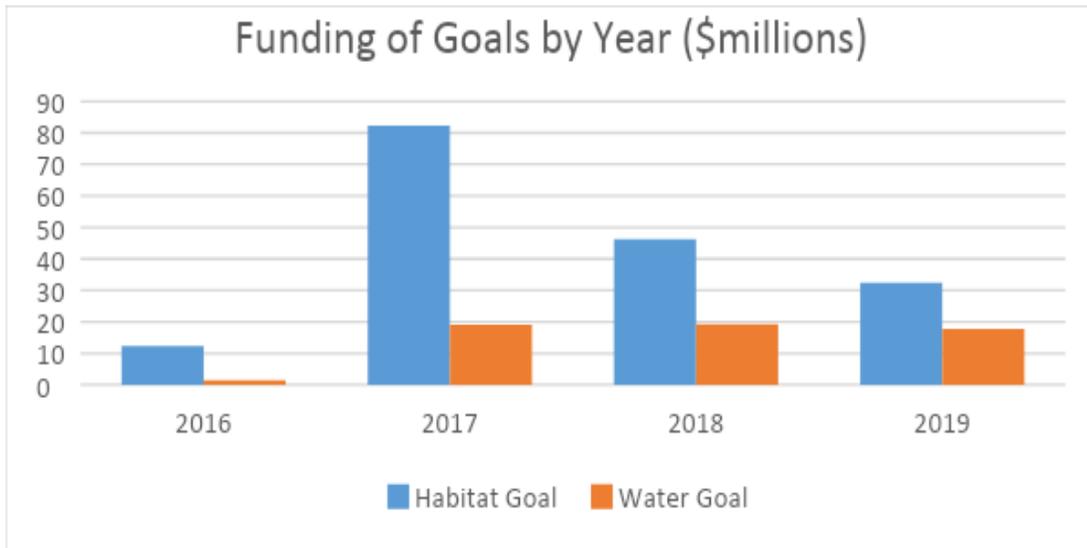


Table 2. Summary of funding for all programs in support of Council goals. (F-Federal IAA; S-State Grant; T-Total)

GOAL	2016	2017	2018	2019	Total to Date
Restore and Conserve Habitat	\$12,399,891	\$82,336,377	\$46,239,470	\$32,488,807	\$173,464,545
Restore Water Quality and Quantity	\$1,374,612	\$19,078,209	\$19,277,742	\$17,740,531	\$57,471,094
Enhance Community Resilience	\$0	\$0	\$0	\$2,827,150	\$2,827,150
Restore and Revitalize the Gulf Economy	\$0	\$0	\$0	\$338,943	\$338,943
All Goals	\$0	\$0	\$18,727,476	\$2,100,000	\$20,827,476
TOTALS	\$13,774,503	\$101,414,586	\$84,244,688	\$55,495,431	T-\$254,929,208 F-\$62,905,133 S-\$192,024,075

Meeting Council Objectives

The Council identified seven (7) objectives in its Comprehensive Plan to support the Council’s Goals. The Council uses these objectives to select and fund projects and programs that restore and protect the natural

resources, ecosystems, water quality, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast region. Projects and programs not within the scope of the following Objectives for ecosystem restoration will not be funded under the Council-Selected Restoration Component.

The initial Council focus on restoring and conserving habitat and restoring water quality and quantity goals are reflected in the level of funding supporting the associated objectives to Restore, Enhance and Protect Habitats (\$146,230,931 from all funding sources) and Restore, Improve and Protect Water Resources (\$42,363,642), which represents 57.4% and 16.7% , respectively, of all Bucket 2 and 3 funds (grants and IAAs) as shown in Table 3.

Table 3. Total funding by Objective and Fiscal Year.

Objective	2016	2017	2018	2019	Total to Date
Restore, Enhance, and Protect Habitats	\$7,259,216	\$57,400,938	\$49,081,970	\$32,488,807	\$146,230,931
Restore, Improve and Protect Water Resources	\$0	\$18,785,706	\$19,477,936	\$4,100,000	\$42,363,642
Protect and Restore Living Coastal and Marine Resources	\$1,374,612	\$292,503	\$1,299,806	\$9,298,031	\$12,264,952
Restore and Enhance Natural Processes and Shorelines	\$0	\$0	\$0	\$0	\$0
Promote Community Resilience	\$0	\$0	\$0	\$2,827,150	\$2,827,150
Promote Natural Resource Stewardship and Environmental Education	\$500,000	\$750,000	\$0	\$0	\$1,250,000
Improve Science-based Decision-Making Processes	\$4,640,675	\$24,185,439	\$0	\$0	\$28,826,114
All Objectives	\$0	\$0	\$18,727,476	\$2,438,943	\$21,166,419
Other Objective	\$0	\$0		\$338,943	\$338,943
TOTALS	\$13,774,503	\$101,414,586	\$88,587,188	\$51,152,931	T-\$254,929,208 F-\$62,905,133 S-\$192,024,075

Funding by Gulf of Mexico Watershed

The use of a watershed/estuary-based approach for comprehensive ecological restoration was captured as a fundamental component of the Comprehensive Plan Update following completion of FPL 1 which included funding in 10 key watersheds. Linking projects to environmental stressors by watershed or estuary is scientifically sound and offers operational advantages which assist in leveraging ecosystem restoration program resources. While the use of a watershed/estuary-based approach is a good framework, it is

important to note that there are features of the Gulf system that extend beyond coastal watershed boundaries, including private lands in upper watersheds, and marine and offshore habitats.

The watersheds that have received the most funding as a total of all funding sources (Table 4) are the Mississippi River Delta (\$73,557,857) and Mississippi Sound (\$52,336,495), representing 28.9% and 20.5% of total funds (Figure 6). The focus of the federal IAA's (Figure 5) is primarily been toward a Gulf wide focus (\$21,267,383) and the Mississippi River Delta (\$13,893,084); the "Other" category includes funds to support the CPS FPL (\$10,333, 596) and other non-watershed focused efforts. The states have funded work in several watersheds through both the Council-Selected Restoration and Spill Impact Components (with the relatively large funding levels under "Other" capturing stand up of SEPs in each of the five states (\$24,518,939)) as shown in Figure 7.

Table 4. Total funding by Watershed and Fiscal Year.

Watershed	2016	2017	2018	2019	Total to Date
APALACHICOLA BAY	\$0	\$13,899,856	\$0	\$387,726	\$14,287,58
GALVASTON BAY	\$0	\$0	\$8,077,000	\$0	\$8,077,000
GULFWIDE	\$500,000	\$17,717,583	\$3,049,800	\$221,038	\$21,488,421
LAGUNA MADRE	\$0	\$4,378,500	\$1,317,567	\$404,318	\$6,100,385
MATOGORDA BAY	\$0	\$6,012,000	\$0	\$0	\$6,012,000
MOBILE BAY	\$0	\$358,000	\$6,125,453	\$3,908,500	\$10,391,953
MISSISSIPPI RIVER DELTA	\$7,259,216	\$26,920,277	\$27,820,214	\$11,558,150	\$73,557,857
MISSISSIPPI SOUND	\$1,374,612	\$2,928,847	\$17,077,742	\$30,955,294	\$52,336,495
OTHER	\$4,640,675	\$19,760,359	\$18,727,476	\$3,717,905	\$46,846,415
PENSACOLA BAY	\$0	\$6,555,164	\$2,200,000	\$0	\$8,755,164
SUWANNEE WATERSHED	\$0	\$2,884,000	\$0	\$0	\$2,884,000
TAMPA BAY	\$0	\$0	\$4,191,936	\$0	\$4,191,936
TOTALS	\$13,774,503	\$101,414,586	\$88,587,188	\$51,152,931	T-\$254,929,208 F-\$62,905,133 S-\$192,024,075

Figure 6. Total funding from the RESTORE Council-Selected Restoration and Spill Impact Components by watershed from Fiscal Year 2016 through 2019.

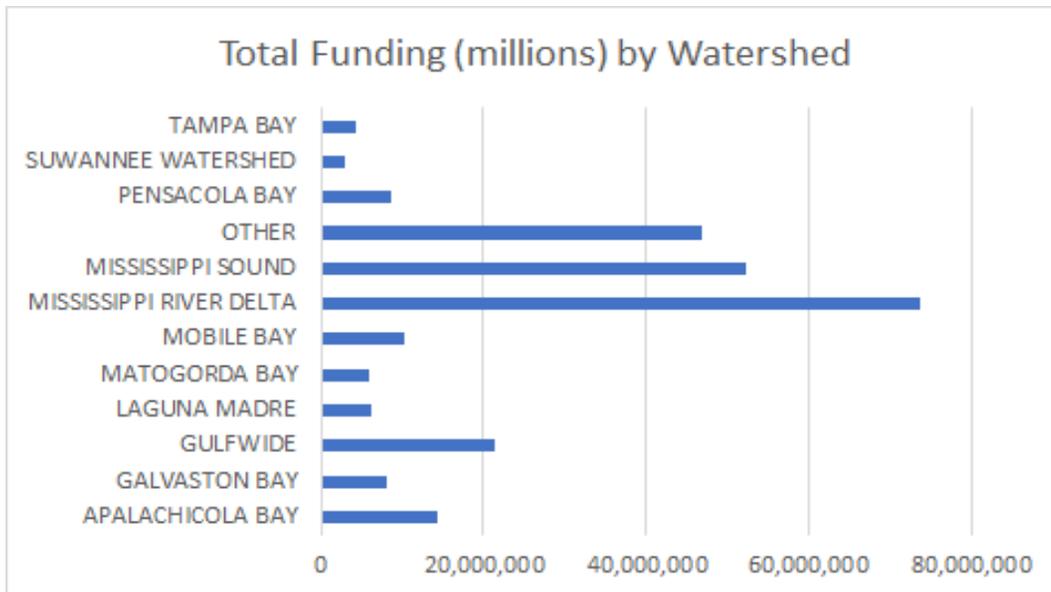
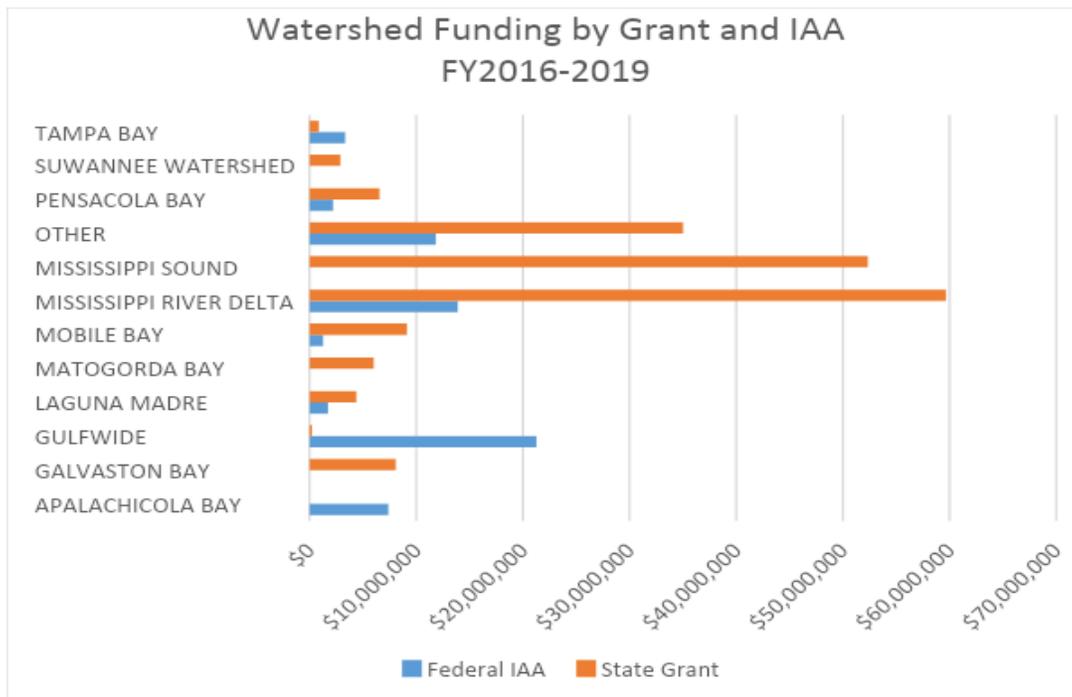


Figure 7. Grant and IAA funding from the RESTORE Council-Selected Restoration and Spill Impact Components by watershed from Fiscal Year 2016 through 2019.



Performance Indicator 2:

Promote coordination and collaboration among members and other restoration efforts of Gulf restoration to maximize the Council’s “return on investment.”

The following are elements of this Performance indicator:

- a) A Council Collaboration Strategy is developed by the end of fiscal year 2019 that strengthens partnerships, leveraging, and encourages projects that comprise a holistic approach to ecosystem-wide restoration.*
- b) Regular, well-attended meetings with active participation by the state and Gulf wide Technical Implementation Groups of the Natural Resource Damage Assessment, and Gulf Environmental Benefit Fund find inter-program efficiencies during fiscal year 2019.*
- c) Facilitate dialogue among Gulf restoration partners by identifying potential gaps that limit our collective ability to achieve large-scale restoration and by serving as the connector between funding sources through regional and state collaboration meetings sponsored by the Council during fiscal years 2019.*

Building on the strong foundation established in the Gulf Coast Ecosystem Restoration Task Force Gulf of Mexico Regional Ecosystem Restoration Strategy and other local, regional, state, and federal plans, the Council is taking an integrated and coordinated approach to Gulf Coast restoration. This approach strives to both restore the Gulf Coast region’s environment and, at the same time, revitalize the region’s economy because the Council recognizes that ecosystem restoration investments may also improve economic prosperity and quality of life. In addition, this approach acknowledges that coordinated action with other partners is crucial to successfully restore and sustain the health of the Gulf Coast region.

The RESTORE Council is using a collaborative process to help ensure that Council-Selected Restoration Component (Bucket 2) funded projects and programs complement restoration being accomplished through other funding streams. The funding available through the Council, as well as the other DWH-related funding sources (including other components of the RESTORE Act, Natural Resource and Damage Assessment (DWH NRDA), and National Fish and Wildlife Foundation Gulf Environmental Benefit Fund (NFWF GEBF)) presents an unprecedented opportunity to restore Gulf ecosystem conditions and functions, representing one of the most substantial investments in landscape-level restoration in U.S. history. However, these funds will not fully address all the ecosystem restoration needs of the Gulf given the multiple stressors impacting the region, ranging from man-made sources like the DWH oil spill disaster, water quality/quantity issues and the annual offshore hypoxic zone, as well as naturally-occurring impacts including hurricanes. Because of these large-scale stressors and ever-changing conditions of these coastal environments, it is infeasible to restore the Gulf to conditions that were present at a specific time in the past. By working collaboratively among the Council members and with other DWH-related funding sources, as well as working with other federal, state, and philanthropic funds, great strides can be achieved to increase the resiliency of the Gulf of Mexico ecosystem against these stressors.

The Council recognized that meeting its Comprehensive Plan commitments requires resources to support the personnel, travel, and logistics necessary for more effective collaboration and planning. In 2017, the Council approved funding to support this planning and collaboration. A major challenge to Gulf-wide ecosystem restoration is coordinating efforts within each state, among Council members, among stakeholders, and across the Gulf restoration efforts. This funding was approved in a second FPL titled

“Funded Priorities List: [Comprehensive Plan Commitment and Planning Support](#)” (FPL 2). Prior to FPL 2, there was no designated funding to support Council member efforts to plan and coordinate restoration activities under Bucket 2. Council members had to rely upon general, tax-generated or appropriated funds to support such work. The FPL 2 funding provides the necessary resources for Council members to stimulate and encourage the coordination and collaboration necessary to achieve the commitments of the Comprehensive Plan. Specifically, the CPS FPL funding will provide funds necessary for members to:

- Strengthen ecosystem restoration proposals for future FPL(s) under the Council-Selected Restoration Component;
- Enhance the efficiency of future FPL development processes; and
- Facilitate long-term planning and leveraging efforts across funding streams.

Under FPL 2, each of the eleven Council members may apply for up to \$500,000 per year for up to three years and up to \$300,000 per year for two years thereafter. This equals up to \$23.1 million, or 1.44% of the total funds available (not including interest) in Bucket 2.

The Council believes that investing a relatively small amount of resources in planning can ensure that restoration projects selected for funding will yield greater ecosystem benefits in the future. The Council will review the effectiveness of this CPS FPL funding at year four and consider whether extending planning and commitment support efforts beyond the five-year period is needed to continue to meet the Comprehensive Plan commitments.

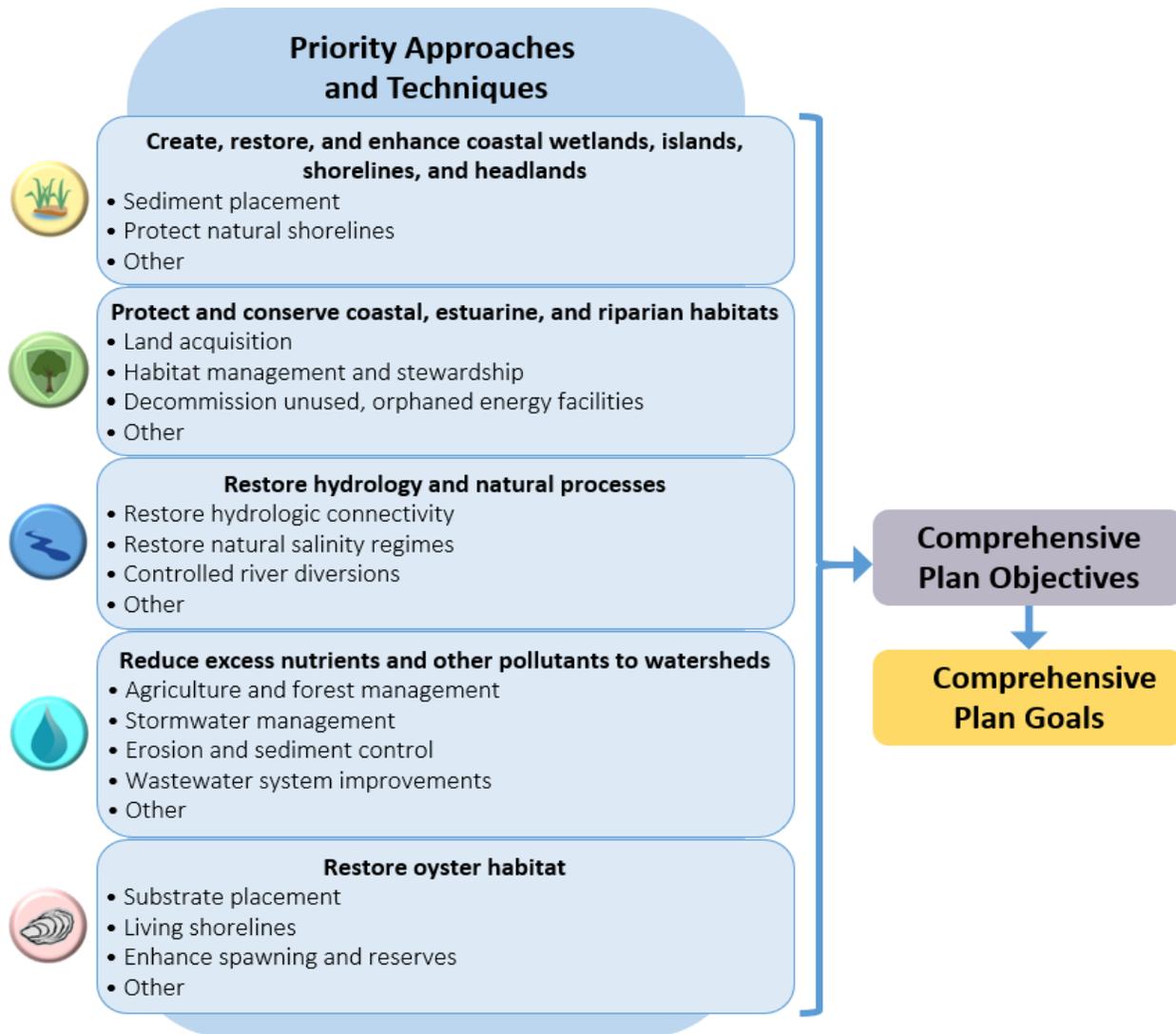
In approving the CPS FPL, the Council provided the opportunity for its members to receive the necessary funds to enhance collaboration, coordination, public engagement and use of best available science in developing and selecting restoration projects. Council members began using these CPS FPL funds to support the collaboration and other planning activities needed to develop effective project and program proposals for the next round of funding decisions in FPL 3. The Council was initially planning on developing FPL 3 as a single action, comprised of a list of restoration projects and programs addressing ecosystem needs across the Gulf coast. As a result of the collaborative process, it appears that developing FPL 3 in two phases would enable the Council to respond to ecosystem needs, save money, and take advantage of important partnership opportunities to advance large-scale ecosystem restoration in the first phase. In the second phase of FPL 3, the Council would consider restoration projects and programs that address additional ecosystem needs across the Gulf.

As the Council turned its attention to laying the foundation for the next FPL members used CPS FPL funds to work with other Council members, potential funding partners (including other DWH funding sources), stakeholders, and the public to generate project ideas that address known environmental challenges and stressors across the Gulf. Members held numerous meetings throughout the Gulf to discuss ecosystem restoration concepts and potential techniques to address environmental challenges and stressors in various watersheds, estuaries and broader geographic regions. An outcome of these collaborative efforts lead to the Council’s development of the [2019 Planning Framework](#).

The Planning Framework is a new element of the FPL process and is being used for the first time in the development of FPL 3. The Planning Framework intended to serve as a “bridge” between the Comprehensive Plan and FPLs, and from one FPL to the next. The Planning Framework strategically links past and future restoration funding decisions to the overarching goals and objectives outlined in the 2016 Comprehensive Plan Update. As the 2015 Initial FPL focused on Comprehensive Plan goals related to habitat and water quality, the Planning Framework draft provides an indication of the types of resources,

habitats, and geographic areas where the RESTORE Council will focus in FPL 3 in advance of selecting projects and programs (Figure 8). In this way, this Planning Framework draft indicates priorities designed to continue building on previous investments in habitat and water quality, while expanding opportunities to meet all Comprehensive Plan goals and objectives in the future.

Figure 8. The 2019 Planning Framework priority approaches and techniques can be applied to support the Comprehensive Plan objectives and goals



For the RESTORE Council, the Planning Framework represents another step toward meeting the commitments of improved, transparent, and collaborative planning and decision-making to achieve the vision of the 2016 Comprehensive Plan Update for “A healthy and productive Gulf ecosystem achieved through collaboration on strategic restoration projects and programs.”. The priority approaches and associated techniques discussed in this document and their application within certain geographic areas are intended to provide the public and potential funding partners with a better understanding of the context under which projects will be developed as part of FPL 3. The Council views the Planning Framework as a “living document” that will support the Council’s continued efforts to build upon prior restoration

investments during the project or program selection process. As part of the development process for future FPLs (e.g., FPL 4, FPL 5, etc.), this Planning Framework will be reviewed and revised as needed. In addition to RESTORE Act activities, the Council will consider restoration activities funded by DWH NRDA, NFWF GEBF, and other restoration efforts in the Gulf of Mexico region as it determines future funding priorities

The Planning Framework lists priority restoration approaches and techniques (Figure 2) their relationship to the Comprehensive Plan goals and objectives, and associated geographic areas. The purpose of this document is to provide the public and potential funding partners with an indication of the kinds of projects that are anticipated to be developed for FPL 3 funding consideration. As part of the process of developing future FPLs, the Planning Framework will be reviewed and revised as needed to incorporate outcomes and lessons learned from previously implemented projects, scientific and technical developments, changing policy, public input, and other planning considerations.

It was also through this collaborative process that the Council recognized that developing FPL 3 in two phases would enable the Council to fund projects requiring near-term attention and take advantage of important partnership opportunities to advance large-scale ecosystem restoration in the first phase, FPL 3a. In the second phase, FPL 3b, the Council will consider restoration projects and programs that address additional ecosystem needs across the Gulf.

5.2. Performance Goal 2: Council-Selected Restoration Performance Excellence

The RESTORE Act requires creation of a funded priorities list (FPL) that includes the projects and programs the Council intends to fund through the Council-Selected Restoration Component. The Council completed its Initial FPL during the first quarter of Fiscal Year 2016 ([RESTORE Council's Initial Funded Priority List](#)) using a process that emphasized public input, transparency, coordination with other restoration programs, and rigorous science review.

Performance Indicator 1:

Draft improved Grant and Interagency Agreement Submission Guidelines is developed to facilitate the submission of effective and coordinated proposals by evaluating the efficacy of concepts, lessons learned and best practices for potential inclusion in the next FPL development process.

In 2019, the Council developed updated guidance for its members on the content and review process for Bucket 2 funding proposals. This updated guidance is called the FPL 3 Proposal Submission Guidelines and Review Process ([2019 Submission Guidelines](#)). The primary purpose of the Guidelines is to help Council members develop effective proposals for potential funding in FPL 3. Council members are the only entities eligible to submit proposals for potential funding under Bucket 2. Federally -recognized Tribes may submit proposals via a federal Council member sponsor. This guidance document is divided into three sections:

- **Section 1- Proposal Evaluation Criteria and Related Information:** This section discusses the statutory criteria that FPL 3 proposals must address to be considered for funding under Bucket 2, along with other legal requirements pertaining to best available science (BAS) and environmental

compliance. This section also discusses the FPL categories and Planning Framework that will help guide the selection of projects and programs for inclusion in FPL 3.

- **Section 2 - Guidance for FPL Proposal Content:** This section describes the information to be included in FPL 3 proposals.
- **Section 3 - FPL Proposal Review Process and Public Engagement:** This section outlines how the Council will review and consider FPL 3 proposals to ensure compliance with the RESTORE Act, BAS, and consistency with the goals, objectives, and commitments set forth in the Comprehensive Plan. It also describes the opportunities for the public to engage in the FPL 3 development process.

Performance Indicator 2: Advance efficiency of the Environmental Compliance processes to support Council actions.

The following are elements of this Performance Indicator:

- a) Effective processes for the determination of environmental compliance of Category 2 projects for funding consideration by the Council are developed to support the evaluation of the efficacy of moving Category 2 projects under the Initial FPL to Category 1.*
- b) The efficiency and effectiveness of Council environmental compliance is enhanced by the Council participation in the interagency regulatory efficiency team and sharing of efficiency tools and practices.*
- c) Tools and approaches to enhance efficiency and effectiveness of Council environmental compliance are identified, developed and/or adopted.*

In addition to approving funds for specific projects and programs, the Initial FPL also lists activities the Council has identified as priorities for potential future funding. This category of activities (referred to as Category 2 activities) are projects and programs the Council believes have merit, but which were not ready for implementation funding because the requisite environmental compliance had not been completed. The Council set aside a pool of available funds for potential use on Category 2 activities, pending Council approval. The Council also approved planning funds to address the environmental laws applicable to these Category 2 activities. Once these laws have been addressed for a Category 2 activity, the Council can vote to approve funding for that activity through an amendment to the Initial FPL. Such a vote only occurs after public comments have been considered by the Council.

In addition to approving funds for specific projects and programs, the Initial FPL also lists activities the Council has identified as priorities for potential future funding. This category of activities (referred to as Category 2 activities) are projects and programs the Council believes have merit, but which were not ready for implementation funding because the requisite environmental compliance had not been completed. The Council set aside a pool of available funds for potential use on Category 2 activities, pending Council approval. The Council also approved planning funds to address the environmental laws applicable to these Category 2 activities. Once these laws have been addressed for a Category 2 activity, the Council can vote to approve funding for that activity through an amendment to the Initial FPL. Such a vote only occurs after public comments have been considered by the Council. In FY2019, the Council amended the Initial FPL to approve implementation funding for the following restoration project that was originally in Category 2:

Amendment to FPL 1 – Upper Mobile Bay Beneficial Use Wetland Creation Site: In May, 2019, the Council approved changing the Responsible Member for this project, which was originally submitted by USACE as a component of the proposal “Beneficial Use of Dredged Material to Create Emergent Tidal Marsh in Upper Mobile Bay,” to the State of Alabama. This planning effort will develop the final design and permitting of a 1,200-acre wetland creation site in the Upper Mobile Bay south of the US Highway 90/98 causeway. The site has been developed in coordination with an Interagency Working Group (IWG) established to evaluate sediment management practices in Mobile Bay.

Amendment to FPL 1 – Mobile Bay National Estuary Program Implementation: In August of 2019 the Council voted to approve moving the Mobile Bay National Estuary Program to Category 1. The project submitted by EPA, the responsible Council Member, includes restoring Twelve Mile Creek in accordance with the Stream Restoration Design Plan developed in the Planning activity; eradicating and controlling invasive species in Three Mile Creek in accordance with the Invasive Species Control and Eradication Plan developed in the Planning activity; adherence to environmental and other regulatory compliance requirements; quality assurance and post-restoration monitoring. The Implementation activity will ensure the stream restoration project and invasive species control and eradication are completed in a timely and fully-compliant manner. MBNEP will be responsible for ensuring timely initiation and completion of the project elements, including compliance, monitoring and reporting requirements.

The RESTORE Council is an active member of the Gulf Coast Interagency Environmental Restoration Working Group’s (GCIERWG), which was formed to help achieve more effective and efficient environmental reviews of Gulf ecosystem restoration projects. Improved environmental reviews should then result in more timely restoration implementation. Formed in recognition of the critical need for increased regulatory collaboration through early and consistent interagency coordination and prioritization of restoration work across funding streams, GCIERWG coordinates through standing monthly interagency conference calls and is currently led by the National Oceanic and Atmospheric Administration (NOAA) assisted by Council staff.

In FY2019 GCIERWG continued two interagency regulatory clearinghouse pilots the [Pensacola Bay Living Shoreline – Phase 1 project](#), sponsored by the Florida Department of Environmental Protection and the [Golden Triangle Marsh Creation project](#), sponsored by the Coastal Protection and Restoration Authority of Louisiana. These pilot efforts are demonstrating both the utility and efficiency of early, field-level collaborative technical review during restoration project planning. Both Florida and Louisiana have expressed that the assistance of GCIERWG proved to be very valuable, and they have an interest in working to potentially expand this pilot approach. This year, NOAA elected to dedicate a portion of its upcoming CPS FPL funding over the next several years to work with GCIERWG to identify, refine and utilize tools and approaches to enhance the efficiency, effectiveness and transparency of environmental compliance to accelerate achievement of ecosystem benefits.

Performance Indicator 3:

Programmatic Review of Grant and Interagency Agreements. The programmatic component of the Council staff will review all grant and Interagency Agreement applications for funding under the Initial FPL meeting timelines established by the RESTORE Act, Council Guidelines and the Notice of Funds Availability. This will include review of submissions for best available science and environmental compliance with NEPA and other environmental federal regulations; and

Performance Indicator 4:

Compliance Review of Grant and Interagency Agreements. The grants and compliance component of the Council staff will review all grant and Interagency Agreement applications for funding under the Initial FPL meeting timelines established by the RESTORE Act, Council Guidelines and the Notice of Funds Availability. The review will ensure compliance with all administrative and regulatory requirements under the RESTORE Act, Part 200, the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other federal regulatory requirements.

During FY19, four grants and four IAA's totaling \$34,888,807 (\$21,465,763 in grants and in \$11,023,044 supporting IAAs) were funded from the Initial FPL. Over the four fiscal years of 2016 through 2018, the Council has awarded 20 grants and 18 IAAs under the Initial FPL providing \$117.2 million in funding over this time period for restoration activities in the Gulf.

The Initial FPL purposely focused on the first two Council Goals resulting in \$130.8 million to support the Restore and Conserve Habitat Goal (\$87.8 million in grants to states and \$43 million in IAAs), and \$25.3 million in support of the Council goal to Restore Water Quality and Quantity (\$15.8 million in grants and \$9.6 million in IAA's (Table 5). A similar trend is found for the Council objectives (Table 2). The Initial FPL focused on ten watersheds and estuaries, along with a number of Gulf-wide projects. To date, nearly \$52.2 million has been invested in the Louisiana Mississippi River Delta watershed (Table 3), followed by Mississippi Sound, MS (\$20.5 million Apalachicola Bay, FL (\$14.3 million), Mobile Bay, AL (\$10.4 million), Pensacola Bay, FL (\$8.8 million), Galveston Bay, TX (\$8.1 million), Laguna Madre, TX (\$6.1 million) Matagorda Bay, TX (\$6.0 million), Tampa Bay, FL (\$4.2 million), and Suwannee Watershed (\$2.9 million). Gulfwide project investments now total nearly \$21.3 million (Table 6).

The Council's second FPL completed in 2017 focused on providing financial resources to members to meet Council commitments defined in the Comprehensive Plan Update (e.g., enhanced member collaboration in project/program development, focusing on a watershed approach to restoration, and better defining best available science parameters). Designated as the Commitment and Planning Support (CPS), this FPL provided \$10,493,880 for grants to the five states over a five-year period (fiscal year 2018- fiscal year 2022) and \$10,333,596 to the federal members to support efforts under the CPS FPL which support all five of the Council's goals.

Table 5. RESTORE Council-Selected Component funding by Goals and Fiscal Year (F-IAA; S-Grant).

Year	GOAL	GOAL	GOAL	Totals
	Restore and Conserve Habitat	Restore Water Quality and Quantity	All Goals	
2016	F- \$500,000 S-\$7,259,216	F-\$0 S-\$0	F-\$0 S-\$0	F-\$500,000 S- \$7,259,216
2017	F-\$22,879,667 S-\$39,988,854	F-\$7,358,000 S-\$11,427,706	F-\$0 S-\$0	F-\$30,237,667 S-\$51,416,560
2018	F-\$8,610,826 S-\$19,108,430	F-\$2,200,000 S-\$0	F-\$8,233,596 S-\$10,493,880	F-\$19,044,422 S-\$29,602,310
2019	F-\$11,023,044 S-\$21,465,763	F-\$0 S-\$4,342,500	F-\$2,100,000 S-\$0	F-\$13,123,044 S-\$25,808,263
Total to Date	F-\$43,013,537 S-\$87,822,263	F-\$9,558,000 S-\$15,770,206	F-\$10,333,596 S-\$10,493,880	F-\$62,905,133 S-\$114,086,349 T-\$176,991,482

Table 6. RESTORE Council-Selected Component funding by Objective and Fiscal Year (F-IAA; S-Grant)

	2016	2017	2018	2019	Total to Date
OBJECTIVE					
Restore, Enhance, and Protect Habitats	F- S-\$7,259,216	F- \$18,162,084 S- \$39,238,854	F-\$7,110,826 S- \$23,450,930	F- \$11,023,044 S- \$21,465,763	F-\$36,295,954 S-\$91,414,763
Restore, Improve and Protect Water Resources		F-\$7,358,000 S- \$11,427,706	F-\$3,700,000		F-\$11,058,000 S-\$11,427,706
Protect and Restore Living Coastal and Marine Resources					\$0

Restore and Enhance Natural Processes and Shorelines					\$0
Promote Community Resilience					\$0
Promote Natural Resource Stewardship and Environmental Education	F-\$500,000	F-\$750,000 S-\$750,000			F-\$500,000 S-\$750,000
Improve Science-based Decision-Making Processes		F-\$4,717,583			F-\$4,717,583 S-\$0
All Objectives			F-\$8,233,596 S-\$10,493,880	F-\$2,100,000	F-\$10,333,596 S-\$10,493,880
Other Objective					\$0
TOTALS	F-\$500,00 S-\$7,259,216	F-\$30,237,667 S-\$51,416,560	F-\$19,044,422 S-\$33,944,810	F-\$13,123,044 S-21,465,763	F-\$62,905,133 S-\$114,086,349 GT-\$176,991,482

5.3. Performance Goal 3: Spill Impact Component Performance Excellence

Performance Indicator 1:

Timely review (e.g., 60-day review for SEPs) of State Expenditure Plans while ensuring public comment was duly considered and other Council Member input is addressed.

The following are elements of this performance Indicator:

- a) *Programmatic Staff Review of Grant and Interagency Agreements. The programmatic component of the Council staff will review all grant and Interagency Agreement applications for funding under the SEP processes, meeting timelines established by Council Standard Operating Procedures. This will include review of submissions for best available science and environmental compliance with NEPA and other environmental federal regulations.*

- b) Compliance Staff Review of Grant and Interagency Agreements. The grants and compliance component of the Council staff will review all grant and Interagency Agreement applications for funding under each state’s SEP, meeting timelines established by the RESTORE Act, Council Guidelines and the Notice of Funds Availability. The review will ensure compliance with all administrative and regulatory requirements under the RESTORE Act, 2 C.F.R. Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and other federal regulatory requirements.

In addition to the Council-Selected Restoration Component funding, the remaining 30 percent of the Trust Fund under the Council’s purview is allocated to the States under the Spill Impact Component, according to a formula established by the Council and implemented through a [regulation](#). These funds are spent according to individual State Expenditure Plans (SEPs) that contribute to the overall economic and ecological recovery of the Gulf. The SEPs must adhere to four basic criteria set forth in the RESTORE Act and are subject to approval by the Council in accordance with those criteria. On December 15, 2015, the Council published the Spill Impact Component regulation, which set forth allocation for each State. These allocations became effective on April 12, 2016, following entry of the Consent Decree.

Spill Impact Component funds are disbursed to the Gulf States via grants after the Council Chair has approved of the given state’s SEP. During fiscal year 2019, five SEP grants were approved totaling \$16.6 million. This brings a total of nine SEPs and amendments which have been approved by the Council which totals to nearly \$78 million in awards have been dispersed to date. . As part of the grant process, all activities for which funding is sought are carefully reviewed to ensure consistency with the approved SEP and compliance with the RESTORE Act and all other applicable requirements. Funding for implementation activities is disbursed to the State after verification of compliance with all applicable federal environmental and other laws. Funding for planning activities in the SEP will be disbursed after verification of a direct relationship to the Spill Impact Component criteria.

The five Gulf states have now received \$42.6 million through Spill Impact grants to support the Restore and Conserve Habit Goal (Table 7), and \$32.1 million to support the goal to Restore Water Quality and Quantity (Goal 2, Water Quality was amended to include Water Quantity in the 2016 Comprehensive Plan Update). The SEP funding is going to support a number of the Council’s objectives (Table 8), including Improving Science-based Decision-making Processes (\$24.1 million), Restoring, Improving, and Protecting Water Resources (\$19.9 million) and Restoring, Enhancing and Protecting Habitats (\$18.5 million). Most of the work funded thus far is going to support program development, but some projects are underway in the Mississippi River Delta (\$21.3 million) and Mississippi Sound (\$31.8 million) watersheds (Table 9).

Table 7. Spill Impact Component Funding by Council Goal and Fiscal Year

GOAL	2016	2017	2018	2019	Total to Date
Restore and Conserve Habitat	\$4,640,675	\$19,467,856	\$18,520,214		\$42,628,745
Restore Water Quality and Quantity	\$1,374,612	\$292,503	\$17,077,742	\$13,398,031	\$32,142,888

Enhance Community Resilience				\$2,827,150	\$2,827,150
Restore and Revitalize the Gulf Economy				\$338,943	\$338,943
TOTALS	\$6,015,287	\$19,760,359	\$35,597,956	\$16,564,124	\$77,937,726

Table 8. RESTORE Spill Impact Component funding by Objective and Fiscal Year

	2016	2017	2018	2019	Total to Date
Restore, Enhance, and Protect Habitats			\$18,520,214		\$18,520,214
Restore, Improve and Protect Water Resources			\$15,777,936	\$4,100,000	\$19,877,936
Protect and Restore Living Coastal and Marine Resources	\$1,374,612	\$292,503	\$1,299,806	\$9,298,031	\$12,264,952
Restore and Enhance Natural Processes and Shorelines					\$0
Promote Community Resilience				\$2,827,150	\$2,827,150
Promote Natural Resource Stewardship and Environmental Education					\$0
Improve Science-based Decision-Making Processes	\$4,640,675	\$19,467,856			\$24,108,531
All Objectives					\$0
Other Objective				\$338,943	\$338,943
TOTALS	\$6,015,287	\$19,760,359	\$35,597,956	\$16,564,124	\$77,937,726

Table 9. RESTORE Spill Impact Component funding by Watershed and Fiscal Year

	2016	2017	2018	2019	Total to Date
GULFWIDE				\$221,038	\$221,038
MISSISSIPPI RIVER DELTA			\$18,520,214	\$2,827,150	\$21,347,364
MISSISSIPPI SOUND	\$1,374,612		\$17,077,742	\$13,398,031	\$31,850,385
OTHER	\$4,640,675	\$19,760,359		\$117,905	\$24,518,939
TOTALS	\$6,015,287	\$19,760,359	\$35,597,956	\$16,564,124	\$77,937,726

5.4. Performance Goal 4: Operational Excellence

An administrative infrastructure that supports team work, collaboration, synergy between functional areas and overall operational excellence to provide excellent services, programs and outcomes to the Gulf Coast region is maintained.

Performance Indicator 1:

Effective oversight of Grant and Interagency Agreement post-award cash disbursement processes supports the prevention of improper payments.

All grants to state Council members and Interagency Agreements from federal Council members underwent thorough post-award cash disbursement processes for the awards completed during this reporting period (see the following sections of this report: **Council-Selected Restoration Performance Excellence** and **Spill Impact Component Performance Excellence**: Effective and efficient implementation and administration of the Spill Impact Program to achieve the goals of the Act). All grants and IAAs were reviewed for compliance with all award terms and conditions.

- a) *Grant and IAA drawdowns are compliant with award terms and conditions, and consistent with progress achieved and milestones met.*
- b) *Applications include relevant and adequate justification for the selection of particular metrics with the progress achieved and milestones met. Reported progress toward metrics provides a useful gauge of the success of the project or program.*
- c) *Reports include a description of the methodology for quantifying results for each metric and monitoring the achievement of the metrics.*

All grants to state Council members and Interagency Agreements from federal Council members underwent thorough post-award cash disbursement processes for the awards completed during this reporting period

(see the following sections of this report: **Council-Selected Restoration Performance Excellence** and **Spill Impact Component Performance Excellence**: Effective and efficient implementation and administration of the Spill Impact Program to achieve the goals of the Act). All grants and IAAs were reviewed for compliance with all award terms and conditions.

Grant Recipients Organizational Self-Assessment (OSA) Review

A desk review of the primary grant recipients updated Organizational Self-Assessment's (OSA) was conducted by the Enterprise Risk Management Analyst using the Council's Risk Assessment Tool. In addition to the internal risk assessment tool, external documents such as "Single" Audits, Annual Financial Statement Audits, and/or Consolidated or Comprehensive Annual Financial Reports (CAFR's), State Financial Statements Audits, Office of Inspector General (OIG), General Accounting Office (GAO) Reports or State Auditor Reports, as applicable, were reviewed. Any audit findings, responses to those findings, and corrective action plans will be reviewed and assessed whether they are relevant to the Council grant programs. Based on that review, area(s) of concern will be addressed.

A recipient risk assessment may take into account several other factors (which may be in the OSA), including but not limited to:

- Evidence of effective financial and administrative internal control systems to administer grant funds;
- Award complexity and size of award amount with larger award receiving more frequent and detailed monitoring;
- Prior experience administering federal grant awards with added emphasis if an award involves a subrecipient; and
- Checking Excluded Parties List, Do Not Pay, and being aware of any potential conflict of interest.

Using the Council's Risk Assessment Tool, a risk rating is given to each primary grant recipient. If the risk assessment indicates a high potential for financial or organizational risk then a proposed risk mitigation strategy will be developed. Regardless of the risk rating, technical assistance will be provided by the appropriate Council member to help ensure compliance and mitigate risk

Post Grant Award Recipient Monitoring

The Council has the responsibility to monitor activities of a recipient on an ongoing basis throughout the life of an award. Activities are designed to help ensure that funds are being used for authorized, eligible and allowable purposes, that performance/results goals are met, and projects/recipients are in compliance with all RESTORE and other applicable federal requirements. The Restoration Assistance and Awards Management System (RAAMS) is an electronic grants management system used for the entire life cycle of an award from application to close-out and monitoring. Post award reports for financial and progress data, completion of special award conditions and grant award amendments will be utilized to help ensure compliance.

Grant Management Specialists will perform project financial/compliance site visits or desk reviews utilizing the Council's Project Financial Site Visit Questions. The ERM Analyst will randomly select drawdowns for review. The review/visit will take into account several factors including (as applicable) but not limited to:

- Financial Management Processes and Systems;
- Co-Funding;
- Budget;
- Cash Forecasting;

- Project Management and Performance Tracking;
- Special Award Conditions;
- Procurement;
- Subrecipient Monitoring;
- Records and Reporting; and
- Construction.

A Program Specialist will perform Program Field Visits/Reviews utilizing the Council’s Program Field Visit questions. The ERM Analyst will randomly select projects for site reviews. The review/visit will take into account several factors including (as applicable) but not limited to:

- Organizational Structure;
- Program Results;
- Schedule and Milestones;
- Project Execution and Performance Tracking;
- Project Management;
- Performance Barriers and/or Strengths;
- Reporting;
- Environmental Compliance;
- Construction; and
- Land Acquisition or Improvement.

Several additional measures have been put in place to help mitigate risk as highlighted on page two. The Annual Recipient Review/Risk Assessment and Post Award Recipient Monitoring will help address the following critical risks:

- Insufficient monitoring and technical assistance resulting in the risk of fraud, waste and abuse;
- Reputation risk and public embarrassment due to fraud, waste and abuse;
- Lack of adequate recipient internal control to track and manage funds; and
- Insufficient due diligence or recipient internal control prior to award.

Performance Indicator 2:

Reported Progress toward metrics provides a useful gauge of the success of the project or program.

To date, Council funds have been used to acquire 7458 acres of land and improved management practices on 8285 acres, primarily in support of the Council’s goal to Restore and Conserve Habitat (Table 10). It should be noted that most land acquisition and improved management practices also have direct connection to improving water quality and quantity. Council funds under Council-Selected Restoration and Spill Impact Components are being used to restore land, marine habitat, wetlands and remove invasive species (2,480 acres) which support the Council’s goal to Restore and Conserve Habitat. Funds invested through the Council-Selected Restoration and Spill Impact Components are also providing support for research and planning, monitoring activities, outreach and education, and providing economic benefits in support of the Council’s goal to Restore and Revitalize the Gulf Economy.

The Council’s 2019 Annual Performance Plan (APP) described the specific actions the Council planned to take during fiscal year 2018 in furtherance of its long-term effort to restore the Gulf of Mexico ecosystem

as laid out by the Council’s 2013 and Updated 2016 Comprehensive Plan.

Table 10. Performance-level metrics results from projects funded under the Comprehensive Plan Component and Spill-Impact Component Funding. The information in the table summarizes the accomplishments (for FY18 and FY19) resulting from funding under the Initial FPL and SEPs awarded to date. For each metric measure, the associated Council Goal and Objective is provided.

Metric Category	Metric Measure	Goals	Objective	Year		Total
				2018	2019	
Land Acquisition	Acres Acquired in fee simple	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	7,243 acres	215 acres	7,458 acres
Land Acquisition	Miles Acquired	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	8 miles	0	8 miles
Improved Management Practices	Acres under Best Management Practices	Restore and Conserve Habitat; Restore Water Quality and Quantity; Enhance Community Resilience	Restore, Improve and Protect Water Resources; Promote Community Resilience	0	827	827 acres
Improved Management Practices	Acres under improved management	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	5,164 acres	2294	7,458 acres
Improved Management Practices	Miles under improved management	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	8 miles	0	8 miles

Land Restoration	Acres restored	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	1,481 acres	0	1,483 acres
Marine Habitat Restoration	Acres restored - Oysters habitat	Restore and Conserve Habitat	Restore, Enhance and Protect Habitats	317 acres	0	317 acres
Removal of Invasive Species	Acres restored	Restore and Conserve Habitat	Restore, Enhance and Protect Habitats	57 acres	176	233 acres
Wetland Restoration	Acres restored	Restore and Conserve Habitat; Restore Water Quality and Quantity	Restore, Enhance and Protect Habitats	398 acres	51	449 acres
Research and Planning	Number of studies used to inform management	All	Improve Science-based Decision-Making Processes	6 studies	6	12 studies
Research and Planning	Number of planning tools developed	All	Improve Science-based Decision-Making Processes	0	2	2 tools
Research and Planning	Number of management plans developed	All	Planning Phase	0	4	4 plans
Monitoring Activities	Number of streams/sites being monitored	All	Improve Science-based Decision-Making Processes	0	130	130 sites
Monitoring Activities	Acres being monitored	All	Improve Science-based Decision-Making Processes	0	2202	2202
Outreach/ Education / Technical Assistance	Number of individuals reached by outreach,	All	Promote Natural Resource Stewardship and	263	450	713 individuals

	training, or technical assistance activities		Environmental Education			
Outreach/ Education / Technical Assistance	Number of people enrolled to implement best management practices	All	Promote Natural Resource Stewardship and Environmental Education; Economy	0	4	4 individuals
Outreach/ Education / Technical Assistance	Number of users engaged online	All	Promote Natural Resource Stewardship and Environmental Education	345	1389	1734 users
Outreach/ Education / Technical Assistance	Number of subgrants/agreements to disseminate education and outreach materials	All	Promote Natural Resource Stewardship and Environmental Education	5 subgrants/agreements	0	5 subgrants/agreements
Building institutional capacity	Number of participants that successfully completed training	All	Promote Natural Resource Stewardship and Environmental Education	258 participants	123	381 participants
Economic benefits	Number of jobs created - temporary jobs	Restore and Revitalize the Gulf Economy	Gulf Economy	75 jobs	91	166 jobs
Economic benefits	Number of local contracts	Restore and Revitalize the Gulf Economy	Gulf Economy	1	1	2
Economic benefits	Percentage of program funding to existing local organization(s)	Restore and Revitalize the Gulf Economy	Gulf Economy	17.5%	48% from NOAA Conservation Corps Program	no total on percentages

Performance Indicator 3:

Ensure all Applicant/Recipient Guidance Materials are updated. The Council will publish comprehensive guidance to inform potential applicants of the statutory and administrative requirements for proposals, SEPs, grant applications and IAA applications.

The Council published, and continuously updates, a library of documents (found at [RESTORE Council Grant Resources](#)) to assist grant and IAA applicants from the Council membership. This information is divided into the following categories:

- Guidance Materials
 - [Recipient Proposal and Award Guide for Grant Recipients and Federal Interagency Agreement Servicing Agencies](#) [PDF 162pp 1.1Mb]
 - [RAAMS Users' Guide](#) [PDF 41pp. 1.1Mb]
 - [Uniform Guidance \(2 C.F.R. Part 200\)](#) (link is external)
 - [Financial Assistance Standard Terms and Conditions](#) [PDF 55pp 502Kb]
 - [Interagency Agreement Standard Terms and Conditions](#) [PDF 18pp 199Kb]
- Application Documents
 - [RAAMS Application Required Documents List](#) [PDF 3pp. 119Kb]
 - [RAAMS Authorization Letter Template](#) [DOCX 5pp. 136Kb]
 - [RAAMS Data Elements Spreadsheet](#) [XLSX 15Kb]
 - Forms
 - [RESTORE Council Applicant Certifications and Assurances](#) [PDF 8pp. 456Kb]
 - [Disclosure of Lobbying Activities Form \(SF-LLL\)](#) [PDF 2pp. 29Kb]
 - Organizational Self-Assessment
 - [Instructions for the Organizational Self-Assessment](#) [PDF 4pp 258Kb]
 - [Organizational Self-Assessment Worksheet](#) [MSWord 12pp 82Kb]
 - [Internal Control Compliance Document List \(Addendum to organizational self-assessment\)](#) [PDF 2pp 78Kb]
 - Project Information Templates
 - [Abstract and Executive Summary Templates](#) [MSWord 1pp 18Kb]
 - [Project Narrative Template](#) [MSWord 4pp 22Kb]
 - Metrics
 - [Initial Project/Program Metrics](#) [PDF 10pp 109Kb]
 - [Metrics Template](#)
 - [Milestones Template](#) [MSWord 1pp 20Kb]
 - Observational Data Plans and Data Management Plans
 - [Observational Data Plan Guidance](#) [PDF 27pp 37Kb]
 - [Observational Data Plan Checklist](#)
 - [Preliminary Observational Data Management Plan Guidance](#) [PDF 12pp 180Kb]

- Observational Data Management Plan Checklists
 - [Foundational Questions](#)
 - [Data Specific Questions](#)
 - [Observational Data Plan and Data Management Plan Frequently Asked Questions](#) [PDF 3pp 89Kb]
 - [Environmental Compliance Checklist](#) [DOCX 2pp. 7Kb]
 - GIS File Submission
 - [GIS Submission Instructions](#)[PDF 1pp. 86Kb]
 - [GIS Submission Template](#) [ZIP 51Kb]
- Budget Templates
 - [Budget Narrative Template](#) [MSWord 20pp 69Kb]
 - [Subrecipient Budget Template](#) [XLSX 16Kb]
 - [Instructions for Calculating Allowable Indirect Costs under the three percent \(3%\) cap for administrative costs](#) [PDF 4pp 146Kb]
 - [3% Administrative Cost Spreadsheet](#) [MSExcel 30Kb]
 - [Cash Forecasting Example](#) [MSExcel]
- Award Documentation
 - Interagency Agreements
 - [General Terms and Conditions 7600A](#) [PDF 4pp 180Kb]
 - [Order Requirements and Funding 7600B](#) [PDF 5pp 667Kb]
 - Grants Agreements
 - [Financial Assistance Award 7700](#) [PDF 2pp 111Kb]

Performance Indicator 4:

Ensure all RAAMS System Guidance and Technical Resources are current.

The Council continuously updates the RAAMS User Guide and other supporting technical resources. The Council has also developed internal standard operating procedures to be used in conjunction with the RAAMS System Guidance and associated documentation, and with the Grants Manual.

In December 2015, the Council deployed its automated grants management system, the Restoration Assistance and Agreements Management System (RAAMS), and began implementing its grants and IAA program concurrent with the approval of the Initial FPL. The Council is committed to ensuring that the process used for awarding and disbursing funds is as efficient as possible, while also providing the oversight needed for sound fiscal management. As it did with the Initial FPL, after a year of experience the Council initiated a thorough review of its application, disbursement and post-award oversight processes to identify and implement system changes that will lead to greater efficiency and effectiveness.

In September 2017, the commercial owner of Easygrants (the COTS software underlying RAAMS) announced they would no longer support the program beyond a reasonable transition period to select and move to a new system. In response, the Council established a Task Force to develop system requirements and explore replacement options. The results of these efforts and solutions developed by the Council are discussed under Performance Goal 5 (Management Excellence), Performance Indicator 5.

The Council published a library of documents ([RESTORE Council Grant Resources](#)) to assist grant and IAA applicants from the Council membership (see section: Operational Excellence, Performance Indicator 3). In December 2015, the Council deployed its automated grants management system, the Restoration Assistance and Agreements Management System (RAAMS), and began implementing its grants and IAA program concurrent with the approval of the Initial FPL. The Council is committed to ensuring that the process used for awarding and disbursing funds is as efficient as possible, while also providing the oversight needed for sound fiscal management. As it did with the Initial FPL, after a year of experience the Council initiated a thorough review of its application, disbursement and post-award oversight processes to identify and implement system changes that will lead to greater efficiency and effectiveness.

5.5 Performance Goal 5: Management Excellence

Council staff will provide exceptional service to the Council members and their accompanying state and federal agencies, as well to the many stakeholders associated with restoration of the Gulf of Mexico ecosystem by meeting programmatic, administrative and customer service objectives.

Performance Indicator 1:

Requisite Reports Submitted in Timely Manner.

During fiscal year 2019, the Council submitted the following reports in a timely manner:

- Annual Performance Plan for FY2021;
- Council's Annual Financial Report (AFR) for FY2018
- Annual Performance Report for FY2018
- Annual Report to Congress for 2018

Performance Indicator 2:

OIG Audit Findings and Recommendations Addressed in a Timely Manner

Audits of the Gulf Coast Ecosystem Restoration Council

Audits are a significant review of how well our internal controls and processes are performing: The following Audits were planned by Treasury OIG for FY19. The audits underway or completed included the DATA Act, Charge Card Program, IPERA, Audit of Financial Statements and the FISMA evaluation. The remainder have not been scheduled this Fiscal Year. Results of the audits will be reviewed and applied to internal controls as required.

- Data Quality Reporting und the Data Act;
- Risk Assessment of the GCERC Charge Card Program;
- Improper Payments Elimination and Recovery Act;
- Agency Compliance with OMB's A-123 Enterprise Risk Management Requirements;
- FY2018/FY2019 Audit of Financial Statements;
- FY2018/2019 FISMA Evaluation;
- GCERC's Progress in Implementing Card Recommendations;
- Pre-award Phase Administration Process for Spill Impact Components Awards; and
- Grantee Compliance with RESTORE Act Land Purchase Requirements.

The Council’s mission is to effectively manage and execute the Council’s RESTORE Act responsibilities with a primary focus of overseeing Trust Fund expenditures in implementation of the Comprehensive Plan and State Expenditure Plans. To provide proper oversight, the U.S. Treasury and other Federal entities audit the Council’s programs, financial management and administrative functions to ensure compliance with federal regulatory requirements. The following graphic (Figure 9) provides a summary of audits in FY19 and future audits scheduled in FY 2020.

Figure 9. Summary of audits that were completed, audits in progress and future audits planned as of October 2019.



The audits have revealed the following information:

- The majority of the audits are from Treasury OIG;
- The Council is in compliance with all Federal Statutory and Regulatory requirements;
- Results from our Annual Audit of Financial Statements show the Council has adequate Financial internal controls and processes in place with Financial Statements accurately reflecting the Council’s Financial Position, in accordance with accounting principles generally accepted in the United States of America;
- A certified independent public accountant (IPA), working under OIG supervision, issued an unmodified opinion on Council fiscal years 2018 and 2017 financial statements. The audit did not identify any matters involving internal control and its operation to be considered material weaknesses in internal control over financial reporting. No instances of reportable noncompliance with laws, regulations, contracts, and grant agreements tested were identified. All Financial Statement audits since the Council inception have received unmodified (clean) opinions

Performance Indicator 3:

Workforce

- Decisions regarding human resources and HR requirements support the transition from an entrepreneurial start-up operation to a steady-state operational mode.*

- b) *Workforce initiatives support the 21st Century Cross-Agency Priority Goal and its Sub-goals: Enabling simple and strategic hiring practices; Improving employee performance management and engagement; and Reskilling and redeploying human capital resources.*
- c) *Issue regulation to implement the first implementing government-wide nondiscrimination requirements under Title VI of the Civil Rights Act of 1964, as amended, which prohibits recipients of federal financial assistance from discriminating on the basis of race, color, or national origin.*

During FY2019, the Council staff effectively managed five staff hiring panels to ensure compliance with OPM hiring policies and that effective documentation protocols were applied in the hiring of two GS 13 Grants Management Specialists, and completion of the hiring packages and advertisement of two, GS-15 level staff (Program Director and Grants Director), and a contract staff in support of the Council's public engagement responsibilities. In realization that the hiring of staff is only part of the human resources responsibilities, significant improvements were made for onboarding processes for new employees, including a detailed Orientation Guide, a list of required HR documents, and flow charts documenting that process. This guide also services as an Administrative and HR source of information multiple support areas such as WebTA payroll time card information, Concur Travel, and Travel Card information.

Performance Indicator 4:

Organizational Risk Assessed and Risk Mitigation Factors Employed.

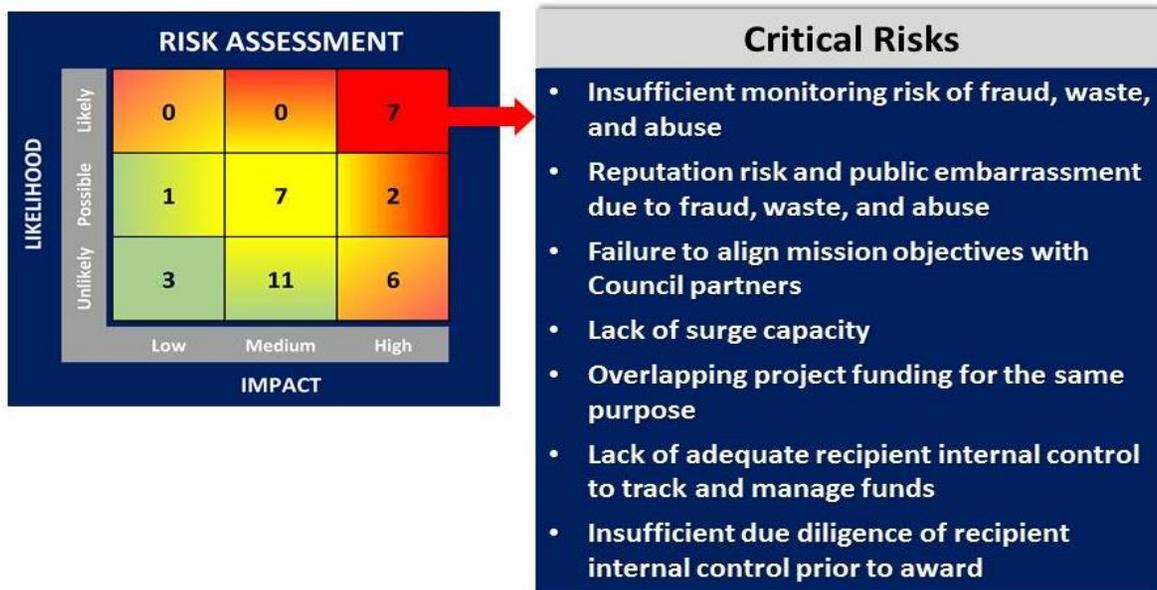
- a) *Fully implement the organizational risk assessment recommendations by the end of fiscal year 2019 by meeting all OMB Circular A-123 requirements and developing and documenting tactical level risk mitigation activities.*
- b) *Continually review and update administrative and financial policies and procedures.*
- c) *Enterprise Risk Management practices are more fully integrated into the Agency's day to day decision-making and management practices.*
- d) *Completion of project and program site visits serve as useful tools to provide technical assistance to our recipients while simultaneously mitigating critical risks on the Council's risk profile.*

Enterprise Risk Management (ERM)

The Council complies with the requirements of OMB Circular A-123 Management's Responsibility for Enterprise Risk Management (ERM) and Internal Controls, as well as Improper Payments and Elimination and Recovery Act (IPERA), the Uniform Guidance (2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards), the President's Management Agenda, etc., as well as internally generated ERM requirements. The Council has established an ERM governance structure that begins with the Council with specific oversight responsibility assigned to the Audit Committee. The Executive Director is delegated responsibility for implementation and oversight of the ERM program and in turn, has assigned program development and execution responsibilities to the CFO/Director of Administration. The Executive Director has designated the Director of Administration as the agency Chief Risk Officer who is supported directly by a risk management specialist. Risk management and internal controls are managed by staff within finance, budget, IT and the grants and compliance, although risk and internal controls are integrated into all elements of the organization.

The Council completed an Enterprise Risk Assessment in May 2016, and developed a risk profile that has identified strategic, operational, compliance, financial and reporting risks, assessed their likelihood and impact, and determined an overall risk rating with a categorization of critical, high, medium and low. The risk assessment identified 37 Program risks that the Council needs to mitigate, 7 of which are considered critical (Figure 10).

Figure 10. The following graphic provides a Summary Risk Matrix of the 37 Program Risks categorized by High, Medium and Low Impact and Likely, Possible, and Unlikely Likelihood.



The Council has implemented and integrated internal control framework to govern its operations, reporting and compliance and is currently developing its risk mitigation strategies, metrics, performance indicators, monitoring, analytics, communication, and remediation.

In the FY19 Risk Profile update, the main effort was focused on the top 7 critical risks. Each risk was reviewed and it was determined that effective controls were in place. To assist Program, Grants and Finance to mitigate some of the surge capacity risk, five new GS employees have been hired in FY19, including 2 Program Staff scientists, 1 Financial Analyst, and 2 Grant Analysts. This additional staffing will also help with the refinement of policies and procedures, processing efficiencies, and monitoring due diligence in our critical risk areas. In FY19, the Council will continue to closely monitor the top 7 risks and implement mitigation activities with the continued refinement and development of the Council Post-Award Grant/IAA Monitoring process and continued internal controls testing. The Council’s 17 Principles of Internal Control checklist has been updated in FY19. This annual checklist update is critical to demonstrate how the Council meets the requirements outlined in the GAO Green Book and OMB Circular A123.

FY19 Summary of GCERC risks

- Initial site visits with each of the primary grant recipients (state) and the Florida Consortium were completed. These visits were to provide a basic understanding of risk assessment and monitoring requirements.
- The Risk Management Analyst reviewed undated Organizational Self-Assessments (OSA) of all Council member states and the Florida Consortium. All entities received an official risk rating letter.

- Organizational Internal Control Review (OICR) site visits were conducted in Texas, Mississippi, and Alabama to review project and financial systems, organizational policies and procedures, associated audits/management reports, and overall general structure. OICRs were completed for Louisiana and the State of Florida in FY2018.
- Grant administrative desk reviews were conducted by the grants team to assess expenditure compliance with requirements of the grant Special Award Conditions, 2 CFR 200, and other federal regulation.
- Program site visits were completed to assess overall performance of the project, outcome/results, and possible environmental impacts.
- ERM staff completed internal risk assessment through reviews of GCERC purchase card transactions, procurement, travel, and financial obligations to assess compliance with existing internal controls.
- ERM conducted compliance tests of the process for desk reviews conducted by the grant's team.
- IT Security Testing is being conducted on a regular basis by the GCERC CIO and is reviewed quarterly by ERM staff.
- Better compliance and efficiency are being achieved with clarification and improvements being made to the Purchase Card, ARC invoice payment system (IPP), and MOU/Procurement approval process.

The Risk Assessment conducted in 2016 identified a total of 37 program risks that the Restore Council needs to mitigate, 7 of which are considered critical. The term critical means the risk is likely to occur and have a high negative impact on the Restore Council's reputation, operations or both. Mitigation is a response to a risk, designed to reduce or eliminate the probability and/or impact of the risk. This document provides a strategy to mitigate these top 7 critical risks. Risk Management is reviewing the effectiveness of identified mitigation and ongoing efforts of improving mitigation activities such as site visits and/or desk reviews performed to help ensure compliance. In FY2019, the Council implemented an Internal Control Testing and Risk Mitigation Policy.

The critical risk of overlapping project funding for the same purpose is being mitigated through a contract with the Gulf of Mexico Alliance (GOMA) to support and update the GOMA Gulf Coast Federal Funding Database. Interagency agreements with Treasury and NOAA to also utilize the GOMA database will provide a vehicle for all awarding agencies to input their grant award data and thus have a means by which grants can be screened for overlap.

The critical risk of failure to align mission objectives with Council partners is being mitigated through increased public engagement, collaboration meetings with Council members and partners, and the development of future projects that include ecosystem wide projects and programs.

Performance Indicator 5:

Selection of a New Grants/IAA Management System.

- a) *Requirements and alternative analysis result in continued implementation of a grants management system to follow on to RAAMS.*

In September 2017, the commercial owner of Easygrants (the COTS software underlying RAAMS) announced they will no longer support the program beyond a reasonable transition period to select and move to a new system. In response, the Council established a Task Force to develop system requirements and explore replacement options. The Task Force considered both federal shared service and commercial off-the-shelf grants management systems and recommended the Council's needs would best be met by a federal shared service provider. Upon the Task Force's recommendation, the Council approved entering into an Interagency Agreement with the U.S. Department of Health and Human Services (HHS) to conduct an analysis of

GrantSolutions, a federal shared service provider, to determine key data and components of Council programs and processes that fit within Grant Solutions and gaps needing solutions. HHS Grant Solutions completed the Fit/Gap Analysis Summary and Transition Plan in August 2018.

The Council made a final “unified solution” systems selection and funding decision at the November 28-29 2018 Steering Committee meeting, with an anticipated implementation and migration to the new systems no later than September 30, 2019. The unified solution includes the selection of GrantSolutions as the grant management system and the development of the Program Information Platform for Ecosystem Restoration (PIPER). The Council is taking advantage of this opportunity to reengineer processes and streamline award processing and management while maintaining the existing rigorous financial and compliance controls and does not expect any impact to its operations during the transition period or as a result of a migration of its data.

As a result, the Council developed a two-system replacement strategy that will utilize a federal grants management service provider, Grant Solutions, and the development of a program-focused system, the Program Information Platform for Ecosystem Restoration (PIPER) system. PIPER will be comprised of a suite of modules designed to manage program information, including proposal development and program information associated with awards, scope of work, ecological restoration metrics, geospatial information, and environmental compliance documentation, while Grant Solutions will support grant administrative, budgetary and compliance activities. The Council anticipates that this “unified” solution will be an effective replacement for RAAMS that will enhance the grants management process. In addition, there were increases for the cost of contractual support for IT systems and staff travel to conduct site visits, support collaboration, and attend public meetings, workshops, and training.