

Louisiana 2020 and 2021 Hurricane Disaster Spend Plan

APPLICANT: Louisiana Department of Wildlife and Fisheries (LDWF)

DURATION: TBD

TITLE: Louisiana 2020/2021 Hurricane Disaster Grant Application and Spending Plan

INTRODUCTION:

On August 27, 2020, Hurricane Laura made landfall in Cameron Parish, Louisiana with sustained winds of 150 mph and a maximum storm surge of 18 feet above sea level (Pasch et al. 2021). The storm maintained Category 4 strength 40 miles inland, causing widespread destruction of coastal fishing communities and severe damage to the Lake Charles metropolitan area. Hurricane Laura was the third and strongest of five named storms to make landfall in Louisiana during the record-breaking 2020 Atlantic storm season (NOAA 2021a). Within days of landfall, Laura would be classified as the strongest Louisiana hurricane on record, to date, since the “Last Island Storm” of 1856.

Hurricane Laura’s storm track impacted some of the nation’s most important fishing communities in Cameron Parish. Hurricane Laura also exacerbated the current economic and physical difficulties of selling and harvesting seafood in Louisiana related to the ongoing COVID-19 pandemic. In our coastal parishes, the commercial and recreational fishing industry is a vital employer and important component of these parishes’ and ultimately this state’s economy. The impacted parishes were home to nearly 2,500 commercial fishermen and vessels combined and over 100 wholesale dealers participating in the oyster, shrimp, crab, and saltwater finfish fisheries.

On October 9, 2020 two weeks after Laura’s landfall, Hurricane Delta, a Category 2 storm, made landfall in Louisiana. Hurricane Delta came ashore near the same location as Laura and compounded damages to the already heavily impacted southwest region of Louisiana. Later that month, on October 28, Hurricane Zeta made landfall as a Category 3 storm. Hurricane Zeta came ashore in southeastern Louisiana causing substantial damage to coastal communities of Orleans, Plaquemines, and St. Bernard parishes.

Hurricanes Laura, Delta, and Zeta crisscrossed the two regions of southwest and southeast Louisiana that have historically accounted for 80% of the state’s commercial fishing population and fisheries infrastructure. A detailed impact analysis conducted by LDWF looking at qualifying trip ticket revenue losses greater than 35% showed a total loss in dockside revenue of \$29,435,387.

On August 29, 2021, Hurricane Ida made landfall in Port Fourchon, Louisiana with sustained winds of 150 mph and a maximum storm surge of 12 feet above sea level. The eye crossed between Houma and New Orleans and then between Baton Rouge and Hammond causing widespread destruction to a large area of densely populated coastal fishing communities. In terms of wind speed, Hurricane Ida is tied with Hurricane Laura 2020 and the Last Island Hurricane of 1856 as the strongest on record to make landfall in Louisiana. Hurricane Ida’s storm track crossed some of the nation’s most important fishing communities in the most heavily impacted parishes of Terrebonne, Lafourche, and Jefferson. In all, 20 parishes were impacted which were home to nearly 7,000 commercial fishermen and over 1,000 wholesale dealers participating in the oyster, shrimp, crab, and saltwater finfish fisheries. Additionally, approximately 630 licensed charter captains call the impacted parishes home. A detailed impact analysis conducted by LDWF looking at qualifying trip ticket revenue losses greater than 35% showed a total loss in dockside revenue of \$11,131,165.

On February 9, 2024 National Oceanic and Atmospheric Administration (NOAA) Fisheries allocated to LDWF, \$19,701,988 for losses associated with the 2020 hurricane season and \$7,450,423 for losses associated with the 2021 hurricane season. NOAA Fisheries will award LDWF with these funds, after review and approval of a grant application. The grant application must reflect the appropriate use of funds and considerations as outlined here and in accordance with the Magnuson-Stevens Act, as amended by the Fishery Resource Disasters Improvement Act (16 U.S.C. 1861a(a)).

This spending plan will serve as the basis of the grant application and aims at providing financial assistance to the eligible entities through direct payout.

OBJECTIVE 1: Seafood Testing and Enforcement.

One-hundred thousand dollars (\$100,000) will be set aside from the \$19,701,988 allocated to the 2020 hurricane season to enhance seafood testing and enforcement of both product origin and health/safety requirements. Funding may be utilized for any labor, equipment, supplies or other expenses related to enhancing seafood testing. Some examples may include (but are not limited to), increased staffing levels, acquiring new/or additional test kits or industry education and outreach. Work conducted under this objective may be carried out directly by LDWF and/or contracted to other testing/enforcement agencies, such as the Louisiana Department of Health. This work will likely be part of a larger effort that includes multiple funding sources.

OBJECTIVE 2: Distribute Federal fisheries disaster funds through direct payments to eligible participants.

Approach:

The LDWF will administer economic assistance based on the approved Louisiana 2020 and 2021 Hurricane Disaster Spend Plan to the eligible entities in Louisiana through direct payments utilizing the remaining \$19,601,988 allocated to the 2020 hurricane season and \$7,450,423 allocated to the 2021 hurricane season. LDWF will utilize a maximum of 10% (\$1,960,199 and \$745,042 respectively) for program administration to include program development, industry outreach and assistance, application processing, application review, and final payment determinations. The LDWF may hire contractors to assist with processing applications and payments, and provide eligible entities with application and language assistance. The remaining \$24,347,170 will be utilized for direct payments to eligible entities.

Administrative expenses will be billed 72.5% to the 2020 allocation and 27.5% to the 2021 allocation. Direct payments will be calculated and paid separately utilizing the eligibility criteria associated with each allocation.

Funding is allocated across all species based on fishery sectors that are identified in trip tickets and licensing data. These sectors include, commercial fishermen, vessel owners, fresh product dealers, docks and charter captains. Funding is allocated to each sector so that the ratio of payments between each sector matches those shown in Table 1. These payment ratios are similar to those utilized in Louisiana's CARES ACT programs, which were shown to be acceptable to fishery entities as a whole. The allocation percentage needed to reach the target payment ratios and the amount of funding for each sector is shown in Table 2.

Menhaden landings and value are disproportionately high compared to all other fisheries. Including these landings at actual value would result in a large portion of the available funding going to a small number of individuals. As a result, Menhaden landings were down weighted by 90%. This reduction may seem high at first, however, after this reduction menhaden participants remained in the top 10% of revenue producers in all sectors with some remaining the top revenue producer.

Table 1. Target payment ratios by sector. The payment calculated for a commercial fisherman serves as the baseline.

Sector	Payment Ratio
Commercial Fishermen	1.0x
Vessel Owners	1.5x
Fresh Product Dealers	0.65x
Wholesale Dealer Docks	2.50x
Charter Captains	2.0x

Eligible entities within each sector have been identified and pre-qualified utilizing the trip ticket and licensing data on file with LDWF. Eligible entities can qualify for more than one sector if all of the eligibility criteria is met for each qualifying sector. For example, commercial fishermen will also be allowed to qualify as a vessel owner and a vessel owner can also qualify as a dock. It is possible for an eligible entity to qualify for all five sectors. The number of pre-qualified eligible entities in each sector are shown in Tables 2 and 3. Sector allocations will be adjusted based on the number of actual applicants per sector to maintain the payment ratios described in Table 1.

Table 2. 2020 Sector allocations based on those pre-qualified using trip ticket date on file with LDWF.

Entity	# Pre-Qualified	Allocation Percentage	Allocation Amount
Commercial Fishermen	4788	41.25%	\$5,457,928.47
Vessel Owners	3310	42.73%	\$5,653,752.33
Fresh Product Dealers	288	1.62%	\$214,347.74
Wholesale Dealer Docks	532	11.45%	\$1,514,988.63
Charter Captains	856	2.95%	\$390,324.58
<i>Appeals Reserve</i>			\$4,410,447.25
TOTAL			\$17,641,789

Table 3. 2021 Sector allocations based on those pre-qualified using trip ticket date on file with LDWF.

Entity	# Pre-Qualified	Allocation Percentage	Allocation Amount
Commercial Fishermen	4643	40.57%	\$2,040,278.80
Vessel Owners	3298	43.20%	\$2,175,543.44
Fresh Product Dealers	254	1.44%	\$72,418.11
Wholesale Dealer Docks	541	11.8%	\$593,426.22
Charter Captains	855	2.99%	\$150,368.17
<i>Appeals Reserve</i>			\$1,676,345.25
TOTAL			\$6,705,381

The calculation of direct payments will be broken into three components with a certain percentage of each sector's funding allocation applied to each component. The first component, the Base Payment, will serve as a basic minimum payment to every qualified entity. The second component, the Loss Payment, will provide a payment based on the proportion of the entity's loss as compared to all entities combined within that sector. The third component, the Revenue Payment, will provide a payment based on the proportion of the entity's overall revenue as compared to all entities combined within that sector. Only sectors which report landings/revenue on trip tickets are eligible for the Loss and Revenue payments, as a result, Charter Captains will only receive a Base Payment. This payment breakdown is intended to alleviate past inadequacies with disaster relief programs penalizing those individuals who put in the extra effort to mitigate their losses. Tables 4 and 5 show the allocation percentages by sector and payment component along with the total amount of funding allocated to each combination.

Table 4. 2020 Sector and payment component allocations and resulting funding allocations.

		Base Payment Allocation	Loss Payment Allocation	Revenue Payment Allocation
Entity	Sector Allocation	20%	60%	20%
Commercial Fishermen	41.25%	\$1,091,585.69	\$3,274,757.08	\$1,091,585.69
Vessel Owners	42.73%	\$1,130,750.47	\$3,392,251.40	\$1,130,750.47
Fresh Product Dealers	1.62%	\$42,869.55	\$128,608.64	\$42,869.55
Wholesale Dealer Docks	11.45%	\$302,997.73	\$908,993.18	\$302,997.73
Charter Captains	2.95%	\$390,324.58		

Table 5. 2021 Sector and payment component allocations and resulting funding allocations.

		Base Payment Allocation	Loss Payment Allocation	Revenue Payment Allocation
Entity	Sector Allocation	20%	60%	20%
Commercial Fishermen	40.57%	\$408,055.96	\$1,224,167.88	\$408,055.96
Vessel Owners	43.20%	\$434,508.69	\$1,303,526.07	\$434,508.69
Fresh Product Dealers	1.44%	\$14,483.62	\$43,450.87	\$14,483.62
Wholesale Dealer Docks	11.8%	\$118,685.24	\$356,055.73	\$118,685.24
Charter Captains	2.99%	\$150,368.17		

Vessel licensing and ownership of multiple vessels and frequent ownership changes presents a unique challenge in this type of direct payment program when assigning landings and revenue over multiple years. As a result, vessel payment calculations will be treated differently than all other sectors. Vessels with relevant trip ticket landings will

be identified and matched to an owner utilizing the account number (SSN/TIN) associated with the vessel license or registration information that is provided on the trip ticket. Ownership and landings assignment will be determined on a monthly level to capture ownership changes mid-year and appropriately assign credit for landings data. Landings and revenue will be combined across all vessels owned by each unique account number. Each unique account number will receive a base payment, while the combined data from that account will be utilized for calculating the Loss and Revenue payments. The combination of landings and revenue across all vessels with a common owner eliminates the need to differentiate between vessel owners who operate a single vessel who may have changed vessels, and those vessel owners who operate multiple vessels at a time.

A primary goal of this spend plan is to distribute funds to the industry as quickly as possible. Utilizing a single payment process which requires all applications and appeals to be completely processed will cause an unacceptable delay in funds distribution. Therefore, the LDWF intends to implement a two-phase payout process while reserving a portion of the allocation for each sector to cover payments resulting from appeals and ensure all eligible entities receive assistance. Reserved funding will be distributed via a second payment once all applications and appeals have been received and processed. It will also allow any unused administrative funds to be redistributed proportionally to each sector prior to the second payment.

Sector Input:

Following a public announcement and publishing on the plan on LDWF's website, public comment on the draft spend plan will be gathered electronically via a website and email. Government entities, associations and groups representing sector participants were contacted directly requesting their formal input and that they provide the plan to their members.

Once the spending plan is approved by NOAA, the LDWF will provide the industry with the finalized plan and allocations through a variety of outreach forums, including news releases, communication the each fishery task force, communication with fishing industry associations, the LDWF website, and possibly in-person meetings.

2020 Allocation Eligibility Criteria:

The federal statutes governing the use of this fisheries disaster funding, the Magnuson-Stevens Fishery Conservation and Management Act (MSA) and the Interjurisdictional Fisheries Act (IFA), pertain only to marine fisheries in the United States. As a result, eligibility is limited to marine and coastal fisheries. Freshwater fisheries, including crawfish, are not eligible.

Eligible entities must meet the following eligibility criteria:

- Must be a resident of Louisiana and must be at least 18 years old
- If an entity is a limited liability company, corporation, or partnership, the business must register and remain in good standing with the Louisiana Secretary of State
- Commercial fisherman, vessel owners, fresh-product dealers, and wholesale/retail dealers must have held the corresponding resident commercial license and have reported saltwater seafood sales on LDWF trip tickets in 2019 or 2020
- Charter captains must have held a resident charter captain license in 2019 or 2020
- Entities who entered business for the first time in 2021 or had no revenue between 2016 and 2020 are not eligible
- Must possess a 2023 or 2024 LDWF resident commercial fisherman, vessel, fresh-product, wholesale/retail dealer license, or charter captain license

These qualifying criteria are intended to capture those individuals that have been directly affected by the 2020 hurricane season and not those that have either exited the fishery prior to or entered the fishery after 2020.

2020 Allocation Loss and Revenue Calculations:

Existing LDWF trip ticket records will be utilized to prequalify eligible entities based on their individual revenue data. A year for the purposes of this program begins September 1 and ends August 31. For example, the value for 2016 is calculated using date from September 1, 2015 to August 31, 2016.

Revenue losses will be calculated using 2021 revenue data compared to the five year average from 2016 to 2020.

- Entities who have been in business less than five years are still eligible; average revenue will be calculated only from those years in which they were in business and had revenue

Overall revenue will be calculated using 2021 total revenue data.

2021 Allocation Eligibility Criteria:

The federal statutes governing the use of this fisheries disaster funding, the Magnuson-Stevens Fishery Conservation and Management Act (MSA) and the Interjurisdictional Fisheries Act (IFA), pertain only to marine fisheries in the United States. As a result, eligibility is limited to marine and coastal fisheries. Freshwater fisheries, including crawfish, are not eligible.

Eligible entities must meet the following eligibility criteria:

- Must be a resident of Louisiana and must be at least 18 years old
- If an entity is a limited liability company, corporation, or partnership, the business must register and remain in good standing with the Louisiana Secretary of State
- Commercial fisherman, vessel owners, fresh-product dealers, and wholesale/retail dealers must have held the corresponding commercial license and have reported saltwater seafood sales on LDWF trip tickets in 2020 or 2021
- Charter captains must have held a charter captain license in 2020 or 2021
- Entities who entered business for the first time in 2022 or had no revenue between 2017 and 2021 are not eligible
- Must possess a 2023 or 2024 LDWF resident commercial fisherman, vessel, fresh-product, wholesale/retail dealer license, or charter captain license

These qualifying criteria are intended to capture those individuals that have been directly affected by the 2021 hurricane season and not those that have either exited the fishery prior to or entered the fishery after 2021.

2021 Allocation Loss and Revenue Calculations:

Existing LDWF trip ticket records will be utilized to prequalify eligible entities based on their individual revenue data. A year for the purposes of this program begins September 1 and ends August 31. For example, the value for 2017 is calculated using date from September 1, 2016 to August 31, 2017.

Revenue losses will be calculated using 2022 revenue data compared to the five year average from 2017 to 2021.

- Entities who have been in business less than five years are still eligible; average revenue will be calculated only from those years in which they were in business and had revenue

Overall revenue will be calculated using 2022 total revenue data.

Payment Calculations:

Payments will be calculated utilizing the data available to LDWF at the time of pre-qualification. Corrections to the data resulting from appeals will only impact the entity submitting the appeal. The payment calculations for all other entities **will not** be recalculated, as doing so could result in some entities having to return funds.

Base Payment = Total funding allocated to base payments by sector / Total # pre-qualified

Loss Payment = Total funding allocated to loss payments by sector * (Entity's revenue loss / Total revenue loss of the sector)

Revenue Payment = Total funding allocated to contribution payments by sector * (Entity's overall revenue / Total overall revenue of the sector)

The resulting maximum, minimum and average payments resulting from the above calculations can be seen in Tables 6 and 7.

Table 6. 2020 maximum, minimum and average payments by sector.

Entity	Maximum	Minimum	Average
Commercial Fishermen	\$25,289.89	\$228.25	\$1,139.91
Vessel Owners	\$153,939.89	\$342.09	\$1,708.09
Fresh Product Dealers	\$14,707.70	\$152.85	\$744.26
Wholesale Dealer Docks	\$115,256.11	\$569.62	\$2,847.72
Charter Captains			\$455.99

Table 7. 2021 maximum, minimum and average payments by sector.

Entity	Maximum	Minimum	Average
Commercial Fishermen	\$13,884.49	\$87.98	\$439.44
Vessel Owners	\$16,707.19	\$131.88	\$658.75
Fresh Product Dealers	\$4,103.03	\$57.58	\$285.11
Wholesale Dealer Docks	\$32,968.28	\$219.60	\$1,096.90
Charter Captains			\$175.87

Funding Distribution:

Utilizing a single payment process, which requires all applications and appeals to be completely processed, will cause an unacceptable delay in fund distribution. Therefore, LDWF intends to implement a two-phase payout process. LDWF will reserve 25 percent of total funding available for grant payments, which will be utilized to fund additional or increased payments resulting from the appeal process.

Phase 1: During the first phase, pre-qualified entities will receive the full amount of their calculated payment as applications are approved in an effort to get funding to those in need as quickly as possible. The calculated payment was determined as described above. New or increased payments resulting from the appeals process will also be distributed during this phase.

Phase 2: Upon completion of application review, appeals, and other administrative processes, the full amount of remaining administrative and reserve funding will be distributed according to the original allocation and payment calculations.

LDWF will provide a determination notice with each Phase 1 payment that includes all payment calculations, and any other determinations that impact eligibility and the payment amount.

Application Process:

The application process will be conducted electronically through a simplified web-based form. The application process will be open for undetermined but extended period of time to allow as many eligible entities as possible to apply. Phase 1 payments will proceed during this open period. The individual named on the license or a registered agent of the named business must complete the application. Business applicants must also be currently registered with the Louisiana Secretary of State. All pre-qualified applicants will be notified of their potential eligibility via physical mail and/or email and will be provided with details about their payment calculations and instructions on how to apply.

Applicants will be required to enter the minimal amount of identifying and contact information needed to match the applicant to their pre-qualified information.

Applicants will be required to submit the following documents:

- Copy of photo id
- W-9 Form
- Board Resolution Form if the entity is a corporation, LLC, or partnership

One application may be submitted for all qualifying licenses under the same LDWF account number (SSN or Tax Identification Number). If the applicant has qualifying licenses under multiple LDWF account numbers (SSN or Tax Identification Number), a separate application must be completed for each account number.

LDWF intends to provide language and application assistance via a contractor. Assistance will be provided over the phone, video conference, or in person as time and capacity allow. Those without internet access will be assisted in person at the contractor's office or directed to the nearest public library.

Appeals Process:

Pre-qualified applicants will be provided with a physical letter detailing their eligibility and payment calculation. The information provided will allow the applicant to determine if an appeal is necessary at that time. Those who disagree with LDWF's determination will complete an application indicating that they wish to appeal. Applicants submitting an appeal will be required to explain the reason for their appeal and provide additional documentation supporting their request, such as a LDWF license or eligible trip tickets. The applicant will be prompted to provide this additional information during the appeal application.

Appeal requests will be reviewed by a panel consisting of LDWF staff members familiar with the grant and trip ticket programs.

Appeals from applicants that cannot or refuse to provide accompanying backup documentation will not be considered.

Expected Benefits:

Direct payments utilizing federal disaster funding are expected to provide some economic relief to those members of the fishing industry that have suffered losses due to the 2020 hurricane season in Louisiana.

Schedule:

The below schedule is tentative and begins upon final approval of the grant/spend plan.

Month 1 – Program and application development begins

Month 3 – Program outreach begins

Month 5 – The grant application submission portal opens

Budget:

LDWF expects to contract with an outside entity for a period of twelve months assist LDWF with the following (Budget TBD):

- Advertising the program
- Assist applicants with the application process either via telephone, video chat, or in person when necessary
- Provide Spanish and Vietnamese interpreters in person or via the telephone
- Hold in person meetings to cover program details and assist with applications

LDWF expects to contract with an outside entity for a period of eighteen months to assist with the following (Budget TBD):

- Process and review applications
- Process and issue payments
- Provide accounting and auditing support

Alternatively, LDWF may utilize existing staff and equipment to process and review applications. There will be no additional supplies or equipment needed outside of those in third party contracts. Any unused administrative funds, excluding those needed to conduct loss and income validation, will be redistributed proportionally to each sector prior to second payment.

Table 8. 2020 Allocation Budget.

Description	Budget
<i>Seafood Testing</i>	<i>\$100,000</i>
<i>Administration</i>	<i>\$1,960,199</i>
Application Contractor	TBD
Processing Contractor	TBD
LDWF direct expenses	TBD
<i>Direct Payments Total</i>	<i>\$17,641,789</i>
Appeals Reserve	\$4,410,447.25
Commercial Fishermen	\$5,457,928.47
Vessel Owners	\$5,653,752.33
Fresh Product Dealers	\$214,347.74
Wholesale Dealer Docks	\$1,514,988.63
Charter Captains	\$390,324.58
<i>Total</i>	<i>\$19,701,988</i>

Table 9. 2021 Allocation Budget.

Description	Budget
<i>Administration</i>	<i>\$745,042</i>
Application Contractor	TBD
Processing Contractor	TBD
LDWF direct expenses	TBD
<i>Direct Payments Total</i>	<i>\$6,705,381</i>
Appeals Reserve	\$1,676,345.25
Commercial Fishermen	\$2,040,279.80
Vessel Owners	\$2,172,543.44
Fresh Product Dealers	\$72,418.11
Wholesale Dealer Docks	\$593,426.22
Charter Captains	\$150,368.17
<i>Total</i>	<i>\$7,450,423</i>