



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 341** SLS 22RS 468  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 19, 2022	12:24 PM	<b>Author:</b> BARROW
<b>Dept./Agy.:</b> Environmental Quality/Natural Resources		
<b>Subject:</b> Combines DEQ and DNR, Create Department of Housing		<b>Analyst:</b> Kimberly Fruge

STATE DEPARTMENTS OR SEE FISC NOTE SD EX Page 1 of 1

Creates the Department of Housing, consolidates the Department of Natural Resources and Department of Environmental Quality. (gov siq)

In present law, the Department of Environmental Quality (DEQ) and the Department of Natural Resources (DNR) are included within the 20 departments authorized by the constitution. Proposed law places DNR within DEQ as an independent agency with the same responsibilities granted under present law. Proposed law provides that DEQ is composed of the executive office of the secretary, the office of management and finance, the office of environmental assessment, the office of environmental compliance, the office of natural resources, the office of conservation, the office of mineral resources, the office of coastal management, the Oilfield Site Restoration Commission, and the office of environmental service.

Proposed law repeals present law that creates the Department of Elderly Affairs contingent upon the abolition of one or more of the existing 20 departments. Proposed law creates the Department of Housing and provides for its functions and administrations.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law may result in an indeterminable, but likely nominal, increase in governmental expenditures within the Department of Environmental Quality (DEQ) as well as the newly created Department of Housing. The Department of Natural Resources (DNR) will become an agency within the Department of Environmental Quality but provide independent services. *The Legislative Fiscal Office (LFO) assumes proposed law will not eliminate any programs or services provided by either department.* Proposed law also eliminates existing statute that would create the Department of Elderly Affairs and instead creates the Department of Housing.

**Department of Environmental Quality**

The LFO anticipates there may be costs associated with combining DEQ and DNR under one department name. These costs may be incurred over several fiscal years. Projected expenses include but are not limited to: IT computer systems changes and one-time expenses associated with a new department name on building signage, vehicle decals, badges, stationery, and notices.

The LFO assumes the proposed law may result in the elimination of various duplicative executive management positions or positions within support services. The DEQ Office of the Secretary and Office of Management and Finance provide fiscal services, human resources, information technology, and other administrative services for DEQ. To the extent that any support services provided by DEQ and DNR are duplicative, this legislation may result in savings from efficiencies and economies of scale in future fiscal years.

Note: DNR reports that the combination may present complications for new programs concerning renewable energy and water management being proposed for inclusion into DNR in the upcoming years, along with DNR's current work under the Infrastructure Investment and Jobs Act for various energy related grant programs. In addition, DNR has primary enforcement authority on several federal regulatory programs. The department will need to consult with federal partners to clarify that combining these departments will not jeopardize federal funding.

**Department of Housing**

This measure is anticipated to result in an indeterminable, but likely nominal, increase in total state expenditures in FY 23 as a result of creating the Department of Housing. The LFO assumes the Department of Housing may incur some one-time costs associated with the transition but will remain at the same budget proposed for the Louisiana Housing Corporation, which is already contemplated in the budgetary horizon. The Louisiana Housing Corporation is funded through SGR and Federal Funds. The LFO anticipates there may be some increase to operating expenses and equipment with implementation of this legislation.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer