

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: SB 244 SLS 25RS 1291

Bill Text Version: ENGROSSED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.: SB 193

Date: May 18, 2025	5:05 PM	Author: HENSGENS
Dept./Agy.: Department of Energy and Natural Resources		
Subject: Restructuring and Renames DENR to DCE		Analyst: Richie Anderson

NATURAL RESOURCES DEPT

EG SEE FISC NOTE GF EX

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Provides for the Dept. of Energy and Natural Resources. (8/1/25)

Proposed law restructures and renames the Department of Energy and Natural Resources into the Department of Conservation and Energy (DCE). Proposed law provides for the Office of Permitting Compliance, Office of Enforcement, and the Office of State Lands. Proposed law provides for the authorities of each office and each office’s role. Proposed law provides that DCE absorb the Capital Area Groundwater Conservation District and the Sparta Groundwater Commission. Proposed law transfers the duties of the Assistant Secretary and the Commissioner of Conservation to the Secretary of DCE. Proposed law establishes a new expedited permitting process, Natural Resources Commission, and the Natural Resources Financial Security Fund within the DCE.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Annual Total						

EXPENDITURE EXPLANATION

Proposed law will have a direct material effect on governmental expenditures. Additional expenditures will be needed to absorb the Capital Area Groundwater Conservation District (CAGCD) and the Sparta Commission, to restructure and rename the department, create the Natural Resources Commission, and to create the Natural Resources Financial Security Fund. To the extent the Department of Energy and Resources (DENR) utilizes existing staff and resources, the fiscal impact of this measure may be mitigated.


New Budget Units. Proposed law is unclear whether the CAGCD and the Sparta Commission would become on-budget entities within the newly renamed DCE or remain off-budget entities. To the extent they become on-budget entities, commission expenditures would be reclassified from Local Funds to SGR and accounted for in the department’s annual budget. If these commissions do not become part of DCE’s budget, then state expenditures would not be impacted. The Department of Energy and Resources (DENR) reports proposed law will not result in a significant increase in expenditures. Any increase in expenditures detailed below are speculative and will depend on how proposed law is implemented. This fiscal note contemplates the impacts of these entities becoming on-budget units.

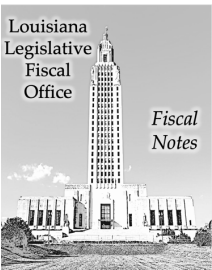
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REVENUE EXPLANATION

This fiscal note contemplates the impacts of these entities becoming on-budget units. To the extent they become on-budget entities, revenues would be reclassified from Local Funds to SGR. Proposed law will increase SGR revenues for the Department of Conservation and Energy (DCE) by an amount equal to the revenues of the entities being absorbed by DCE. Proposed law moves the Capital Area Groundwater Conservation District (CAGCD) and the Sparta Groundwater Commission into DCE. In FY 24, the CAGCD collected \$3.7 M in revenues from pumpage fees. The Sparta Groundwater Commission generates revenue through donations and grants. In FY 24, the commission collected \$46,500 in donations and received a grant for \$99,204.

Note: If these commissions do not become part of DCE’s budget, revenues in DENR would not be impacted.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	Patrice Thomas
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Deputy Fiscal Officer



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Sparta Groundwater Commission. Proposed law transfers the Sparta Groundwater Commission to DCE. In FY 25, the Sparta Commission had \$67,183 in expenditures. Expenditures for the commission fluctuate based on available funds generated primarily through donations from municipalities that make up the board. Currently, the commission has two outstanding contract obligations: (1) \$90,000 for the Executive Director who is contracted through 12/31/26, and (2) \$20,614 for the U.S. Geological Survey. The Sparta Commission reports that they do not have any debt, have a cash balance of \$164,556, and can be absorbed into DCE with no increase in expenditures to the commission. To the extent the commission is unable to collect donations or grants to cover expenditures in the future, DCE may be required to cover the operating expenses of the commission.

Capital Area Groundwater Conservation District. Proposed law transfers the Capital Area Groundwater Conservation District (CAGCD) to DCE. The CAGCD has three full-time employees (two unclassified and one classified) and one part-time employee who is a 1099 contractor. The full-time employees are state Civil Service Employees, who are paid through a pumpage charge fee that is recouped from users in the jurisdiction of the district. Proposed law would allow the CAGCD to continue collecting revenues; however, these revenues are required to be used for the specific purpose of defraying the costs of the district as outlined in R.S. 38:3076 (14)(a). CAGCD was audited at the end of FY 24 and had operating expenses of \$3.5 M, which was covered by \$3.7 M in revenue generated from pumpage fees. According to an audit report released on June 30, 2024, CAGCD had total liabilities of \$2 M that include long-term liabilities of \$942,218, comprised of a right-of-use lease for their building, and pension liability to the retirement system. The Executive Council for CAGCD reports that these liabilities are included in their operating expenses and will not require an additional expenditure increase from DCE, assuming that revenues continue to exceed expenditures.

Restructures and Renames. Proposed law restructures and renames the Department of Energy and Natural Resources into the Department of Conservation and Energy (DCE). The proposed legislation is anticipated to have a nominal effect on expenditures within the department, presumably from SGF, but could include various other means of finance in the budget. DENR reports that the replacement of badges, letterheads, stationery, and business cards will be replaced using existing operating budget. There could be additional costs associated with removing and replacing building signage, but these would be absorbed by the routine operating budget as well.

Natural Resources Commission. Proposed law creates the Natural Resource Commission. Proposed law requires the secretaries of the Department of Conservation and Energy, Department of Revenue, Department of Environmental Quality, Department of Wildlife and Fisheries, and Public Service Commission along with a Governor appointee to meet quarterly to convene the Natural Resources Commission. Proposed law provides that the Governor Appointee shall represent statewide flood control interests. This appointee shall be one of the following: the Secretary of the Department of Transportation and Development, the Executive Director of the Coastal Protection Restoration Authority, the Executive Director of the Coordinated Use of Resources for Recreation, Economy, Navigation, and Transportation Authority, or the Chief Resilience officer. These departments have reported that all secretaries or executive directors will be able to attend these meetings using their existing operating budget.

Department of Treasury. Treasury requires certain resources to create and administer a Fund account, as in this measure. Should aggregate session action result in the creation of funds beyond that which can be absorbed within existing resources, additional funding may be required, which is assumed to be SGR in this fiscal note.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	
			<div>Patrice Thomas Deputy Fiscal Officer</div>