

Louisiana Senate Finance Committee



FY25 Executive Budget

Schedule 11 – Department of Energy and Natural Resources

March 2024

*Senator Cameron Henry, President
Senator Glen Womack, Chairman*

Sherry Phillips-Hymel



FY25 Recommended Budget

Schedule 11 — Energy and Natural Resources Agencies

Departmental mission — “To ensure and promote sustainable and responsible use of the natural resources of the state,” particularly non-renewable resources such as oil, gas, and coal, and renewable resources such as solar energy.

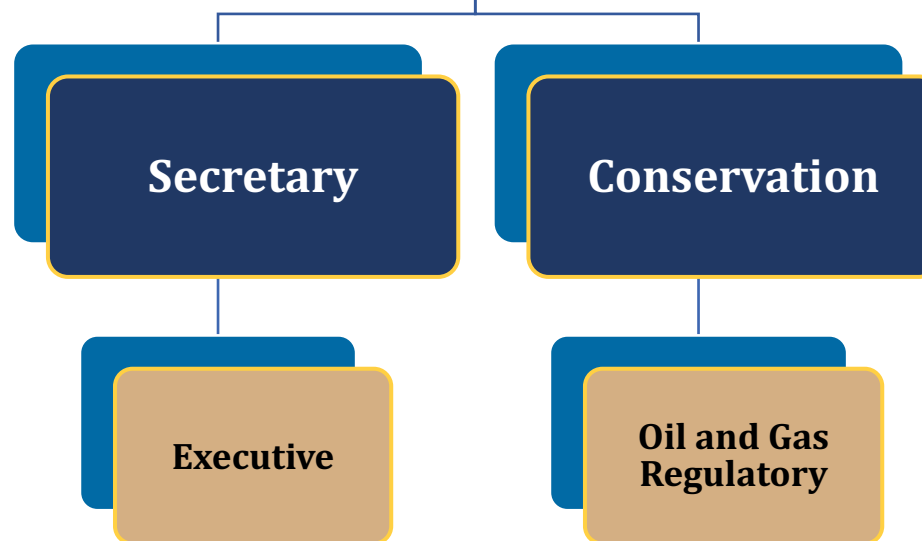
*Tyler Gray,
Secretary*

*Dustin Davidson,
Deputy Secretary*

*Mark Normand,
Undersecretary*



*Benjamin Bienvenu,
Commissioner
of Conservation*





Department of Energy and Natural Resources

Offices of the Secretary and Conservation

Office of the Secretary



Executive Program

- Home of the departmental secretary, executive counsel, undersecretary, and internal auditor.
- Also includes Legal, Public Information, and Technology Assessment duties.
- Provides leadership, guidance, and coordination to ensure consistency within the department as well as externally.
- Responsibilities include administration, accounting, budget, grants management, program analysis, and internal auditing, among other duties.
- Maintains and updates SONRIS, which is the online, searchable departmental database and imaging system.
- Home of the State Mineral and Energy Board and administrative staff.
- Implements the Louisiana Coastal Resources Program (LCRP), which was established in 1978. The LCRP is the state's federally approved coastal zone management program, which oversees coastal use permits.

Office of Conservation



Oil and Gas Regulatory Program

The Department of Conservation was originally created in 1912 and was later incorporated into the present day Department of Energy and Natural Resources.

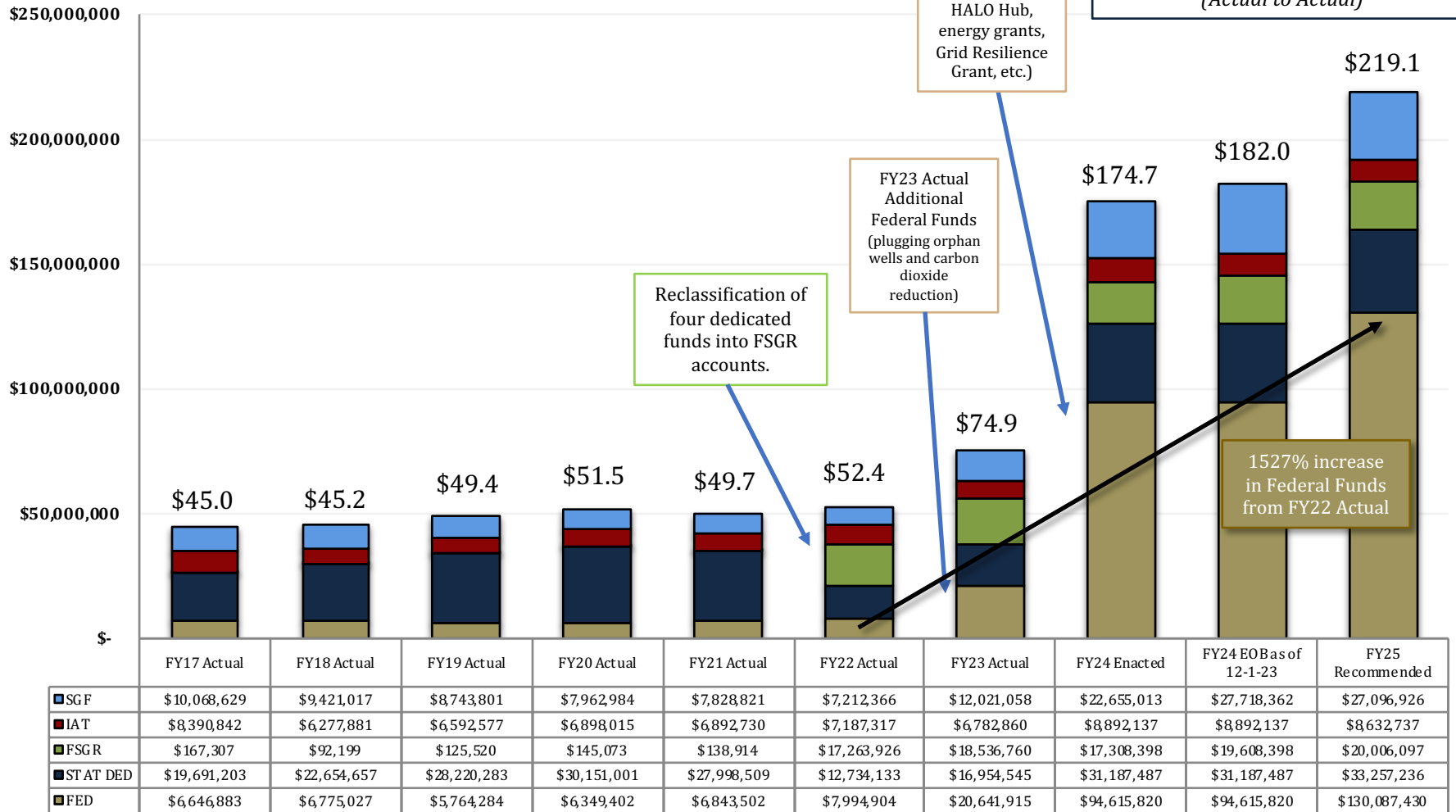
- Home of the commissioner of conservation and managing staff.
- Administers the conservation and development of the non-renewable natural resources in the state, while seeking to minimize negative environmental impact.
- Responsibilities include administration of regulatory programs for oil and natural gas wells, pipelines, drilling, and mining, as well as inspections, ground water management, and other duties.
- Administers the Oilfield Site Restoration Program and the Underwater Obstruction Removal Program.



Energy and Natural Resources

Changes in Funding since FY17

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**





Energy and Natural Resources

Statewide Adjustments for FY25

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$27,718,362	\$8,892,137	\$19,608,398	\$31,187,487	\$94,615,820	\$182,022,204	329	FY24 Existing Operating Budget as of 12-1-23
\$402,944	\$0	\$197,000	\$30,750	\$186,500	\$817,194	0	Acquisitions & Major Repairs
\$0	\$1,540	\$0	\$8,068	\$0	\$9,608	0	Administrative Law Judges
(\$611,795)	(\$99,377)	\$0	(\$106,233)	(\$99,377)	(\$916,782)	0	Attrition Adjustment
(\$15,144)	\$0	\$0	\$0	\$0	(\$15,144)	0	Capitol Park Security
\$0	\$0	\$3,609	\$0	\$0	\$3,609	0	Capitol Police
\$7,929	\$0	\$0	\$0	\$0	\$7,929	0	Civil Service Fees
\$78,243	\$8,824	\$0	\$9,432	\$8,824	\$105,323	0	Civil Service Training Series
\$56,595	\$13,319	\$0	\$14,239	\$13,319	\$97,472	0	Group Insurance Rate Adjustment for Active Employees
\$38,614	\$10,674	\$0	\$11,410	\$10,674	\$71,372	0	Group Insurance Rate Adjustment for Retirees
(\$16,908)	\$0	\$0	\$0	\$0	(\$16,908)	0	Legislative Auditor Fees
\$1,138	\$0	\$0	\$0	\$0	\$1,138	0	Maintenance in State-Owned Buildings
\$552,212	\$103,480	\$0	\$110,618	\$103,480	\$869,790	0	Market Rate Classified
\$0	\$0	(\$439,003)	(\$48,800)	(\$218,204)	(\$706,007)	0	Non-Recurring Acquisitions & Major Repairs
(\$5,063,349)	\$0	\$0	\$0	\$0	(\$5,063,349)	0	Non-recurring Carryforwards
\$1,579	\$0	\$1,766	\$0	\$0	\$3,345	0	Office of State Procurement
(\$17,573)	(\$123,344)	(\$20,875)	\$0	\$0	(\$161,792)	0	Office of Technology Services (OTS)
\$514,381	\$63,511	\$0	\$67,892	\$63,511	\$709,295	0	Related Benefits Base Adjustment
\$16,306	\$0	(\$22,748)	\$0	\$0	(\$6,442)	0	Rent in State-Owned Buildings
(\$862,379)	(\$204,096)	\$0	(\$218,171)	(\$204,096)	(\$1,488,742)	0	Retirement Rate Adjustment
\$8,034	\$0	(\$22,011)	\$0	\$0	(\$13,977)	0	Risk Management
\$7,951	(\$33,931)	\$0	(\$36,272)	(\$33,931)	(\$96,183)	0	Salary Base Adjustment
\$0	\$0	\$0	(\$498)	\$0	(\$498)	0	State Treasury Fees
(\$303)	\$0	(\$39)	(\$220)	\$0	(\$562)	0	UPS Fees
(\$4,901,525)	(\$259,400)	(\$302,301)	(\$157,785)	(\$169,300)	(\$5,790,311)	0	Total Statewide Adjustments
\$0	\$0	(\$2,300,000)	\$0	(\$20,229,748)	(\$22,529,748)	(2)	Non-Recurring Other
\$4,280,089	\$0	\$3,000,000	\$2,227,534	\$55,870,658	\$65,378,281	14	Other Adjustments
\$27,096,926	\$8,632,737	\$20,006,097	\$33,257,236	\$130,087,430	\$219,080,426	341	Total FY25 Recommended Budget
(\$621,436)	(\$259,400)	\$397,699	\$2,069,749	\$35,471,610	\$37,058,222	12	<i>Total Adjustments (Statewide and Agency-Specific)</i>



Energy and Natural Resources

Agency-Specific Adjustments for FY25

Non-Recurring Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$0	(\$20,229,748)	(\$20,229,748)	(2)	Non-recurs federal budget authority and two (2) authorized T.O. positions (Accountant/Grant Reviewer and a Federal Energy Program Manager) that were appropriated during the 2023 Regular Legislative Session for the Regional Clean Hydrogen Hubs Program (HALO). HALO was a partnership between Louisiana, Arkansas, and Oklahoma for a regional clean hydrogen hub designed to replace fossil fuels such as coal and oil with cleaner burning hydrogen as an energy source. However, HALO was not selected among the final seven hubs.
\$0	\$0	(\$2,300,000)	\$0	\$0	(\$2,300,000)	0	Non-recurs Fees and Self-generated Revenues out of the Coastal Resources Trust Dedicated Fund Account for Beneficial Use to extend the Rockefeller Refuge Shoreline Project (ME-35). This project reduced erosion along a critical stretch of the Gulf of Mexico shoreline.
\$0	\$0	(\$2,300,000)	\$0	(\$20,229,748)	(\$22,529,748)	(2)	Total Non-Recurring Other Adjustments

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$0	\$325,000	\$325,000	0	Increase for an existing federal award for the Louisiana Habitat Protection and Restoration Capacity Building project (\$150,000) and to receive a new grant award (\$175,000) to support the federally approved Louisiana Coastal Zone Management program's ability to implement projects, initiatives and programs that increase the climate resilience of coastal communities. Both of these grants are through the U.S. Department of Commerce to be sent to the Coastal Protection and Restoration Authority (CPRA).
\$0	\$0	\$0	\$0	\$10,114,874	\$10,114,874	1	Increase for the Home Efficiency Rebates (HER) program and one (1) authorized T.O. position (Federal Program Manager - will be responsible for handling grant applications, contracting, federal reporting requirements, as well as planning, preparing, and implementing multiple projects for this grant). This grant is under the Home Energy Rebates Program and will offer rebates for energy efficiency upgrades that improve the overall energy performance of a single-family home or multi-family building.
\$0	\$0	\$0	\$0	\$10,114,874	\$10,114,874	1	Increase for the Home Electrification and Appliance Rebates (HEAR) program and one (1) authorized T.O. position (Federal Program Manager - will be responsible for handling grant applications, contracting, federal reporting requirements, as well as planning, preparing, and implementing multiple projects for this grant). This grant is under the Home Energy Rebates Program and was established to provide point-of-sale rebates to eligible entities for qualified electrification projects (QEPs).

(continued)



Energy and Natural Resources

Agency-Specific Adjustments for FY25 (cont.)

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$74,030	\$0	\$0	\$0	\$0	\$74,030	0	Increase for the rental of a boat service for the Lafayette District Office. This boat service will be utilized to take Office of Conservation inspectors deep into the gulf to perform inspections.
\$0	\$0	\$0	\$0	\$25,114,874	\$25,114,874	1	Increase for the Solar For All federal grant and an increase of one (1) authorized T.O. position. This grant is designed to enable low-income and disadvantaged communities to benefit from zero-emissions technologies. The requested position (Federal Program Manager) will be responsible for handling grant applications, contracting, federal reporting requirements, as well as planning, preparing, and implementing multiple projects for this grant.
\$0	\$0	\$3,000,000	\$0	\$0	\$3,000,000	0	Increase in Fees and Self-generated Revenues out of the Coastal Resources Trust Dedicated Fund Account for Beneficial Use increase due to the rising costs associated with the construction of Coastal Restoration projects.
\$4,009,750	\$0	\$0	\$0	\$23,077,807	\$27,087,557	0	Increase in State General Fund (Direct) and Federal Funds for the Louisiana HUB for Energy Resilience Operations (HERO) project. This project is part of the Grid Resilience and Innovation Partnerships (GRIP) program established by the Infrastructure Investment and Jobs Act (IIJA). This grant will enhance grid flexibility and improve the resilience of Louisiana's power grid against growing threats of extreme weather and climate change.
\$123,830	\$0	\$0	\$90,973	\$13,760	\$228,563	1	Increase in State General Fund (Direct) by \$123,830, Statutory Dedications out of the Carbon Dioxide Geologic Storage Trust Fund by \$90,973, and federal funds by \$13,730 and increase authorized T.O. by one (1) position and one (1) job appointment in the Injection and Mining Division (Conservation Enforcement Specialist 3 - will be responsible for field surveillance inspection and oversight of Class VI CO2 wells; Petroleum Scientist 3 - position (four year job appointment) will be responsible for permitting and oversight of injection wells related to underground storage of hydrogen, helium, and other gases, lithium and carbon sequestration.
\$72,479	\$0	\$0	\$14,900	\$103,469	\$190,848	0	Increase in State General Fund (Direct), Statutory Dedications out of the Carbon Dioxide Geologic Storage Trust Fund, and federal budget authority for expenses related to replacement of IT equipment.
\$0	\$0	\$0	\$158,850	\$0	\$158,850	1	Increase in Statutory Dedications out of the Carbon Dioxide Geologic Storage Trust Fund for one (1) authorized T.O. position. The Petroleum Scientist Manager 2 position will act as the Assistant Director and support the administration of the Hydrogen Storage and Carbon Sequestration programs.
\$0	\$0	\$0	\$100,400	\$6,000	\$106,400	0	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund and federal budget authority for expenses related to replacement of IT equipment.
\$0	\$0	\$0	\$340,974	\$0	\$340,974	3	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund for three (3) authorized T.O. in the Fiscal Division {two (2) Accountant 1/2/3/4 positions and 1 Contract/Grant Reviewer Manager} to manage the significant amount of funding from various federal grant programs.

(continued)



Energy and Natural Resources

Agency-Specific Adjustments for FY25 (cont.)

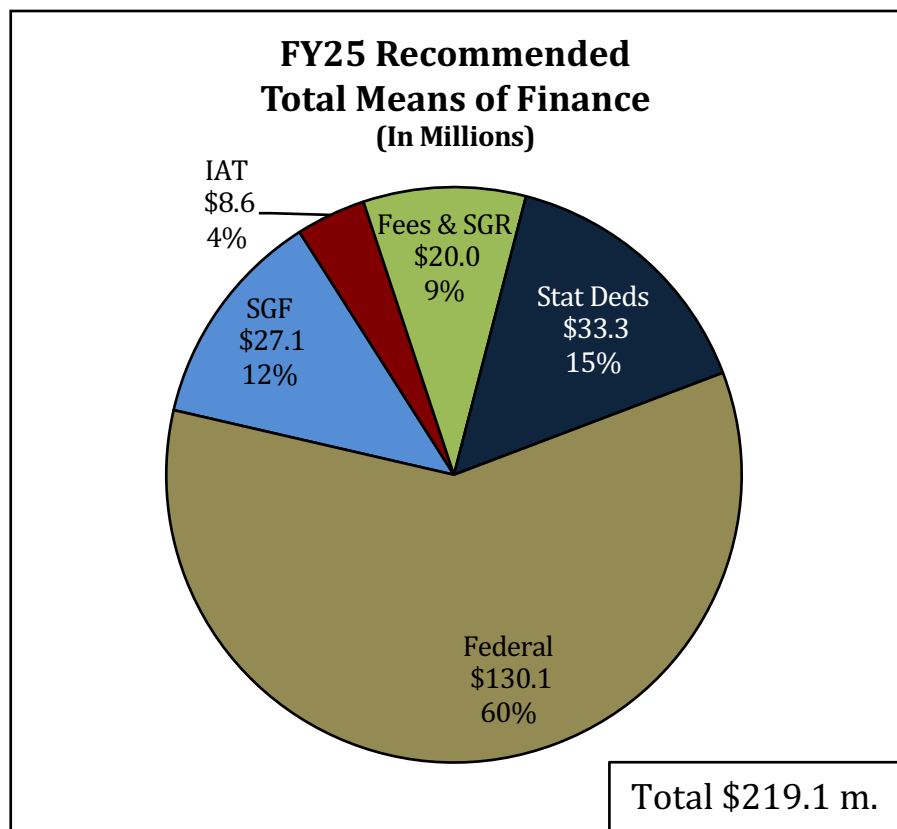
Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$34,800	\$0	\$34,800	0	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund for travel budget for the fiscal section of DNR for inventory audits and grant conferences.
\$0	\$0	\$0	\$1,256,889	\$0	\$1,256,889	2	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund for two (2) authorized T.O. positions (Audit Manager and Auditor 1/2/3) and to create a federal compliance section to manage requirements that come with federal grants.
\$0	\$0	\$0	\$229,748	\$0	\$229,748	2	Increase in Statutory Dedications out of the Mineral and Energy Operation Fund for two (2) authorized T.O. positions (Federal Energy Program Managers) per Act 555 of the 2022 Regular Session which authorizes DNR to regulate solar power generating facilities.
\$0	\$0	\$0	\$0	\$0	\$0	2	Increase of two (2) authorized T.O. positions. These Conservation Enforcement Specialists positions are needed to perform water well inspections.
\$0	\$0	\$0	\$0	(\$13,000,000)	(\$13,000,000)	0	Reduction related to the Orphaned and Marginal Oil and Gas Well Program. The FY 23-24 existing operating budget contains \$50 million in federal budget for this program. However, for FY 24-25, the department anticipates receiving a total of \$37 million in federal grants from the Department of Interior (\$35 million) and the Department of Energy (\$2 million).
\$4,280,089	\$0	\$3,000,000	\$2,227,534	\$55,870,658	\$65,378,281	14	Total Other Adjustments



Energy and Natural Resources

FY25 Recommended Means of Finance



Non-SGF Sources of Funding:

Federal sources are the largest non-SGF funding source at 60 percent. They include funds from the U.S. Dept. of Interior; U.S. Dept. of Energy's State Energy Conservation Program (SEP); Federal Coastal Zone Management Act of 1972; Federal Infrastructure Investment and Jobs Act; and Federal Energy Settlement Funds.

Dedicated Funds contribute 15 percent of non-SGF funding. They include:

- Carbon Dioxide Geologic Storage Trust Fund,
- Mineral and Energy Operation Fund,
- Oilfield Site Restoration Fund, and
- Oil Spill Contingency Fund.

Interagency Transfers are derived from Administrative Costs from the Office of Conservation and Oilfield Site Restoration Fund for the Office of the Secretary.

Fees and Self-generated Revenues are derived from Interest revenues received from energy efficiency loans made through the Home Energy Loan Program (HELP); Insurance Recovery; Sale of surplus property; and Data Subscriptions.



Energy and Natural Resources

Dedicated Funds, Fees and Self-generated Revenues, and Fund Accounts

Statutory Dedications	Source of Funding	FY23 Actual	FY24 Enacted	FY24 EOB as of 12-1-23	FY25 Recommended	Difference FY24 EOB to FY25 REC
Oilfield Site Restoration Fund	Annual Assesments on Inactive, Unplugged Wells	\$12,603,980	\$23,149,044	\$23,149,044	\$23,139,430	(\$9,614)
Mineral and Energy Operation Fund	Judgments/Settlements/Fees/Other Sources	\$4,137,566	\$5,304,594	\$5,304,594	\$7,097,975	\$1,793,381
Carbon Dioxide Geologic Storage Trust	Fees/penalties/bond forfeiture/private contributions/interest earnings/civil penalties/grants/donations/trust accounts	\$0	\$2,519,376	\$2,519,376	\$2,814,849	\$295,473
Oil Spill Contingency Fund	Fees/Taxes/Penalties/Judgments/Reimbursements /Charges/Federal Funds	\$213,000	\$214,473	\$214,473	\$204,982	(\$9,491)
Total:		\$16,954,545	\$31,187,487	\$31,187,487	\$33,257,236	\$2,069,749

Dedicated Funds make up about 15 percent of DENR's budget for FY25 Recommended, with the Mineral and Energy Operation Fund showing the largest projected increase at \$1.8 million.

Fees and Self-generated Revenues and Fund Accounts	FY23 Actual	FY24 Enacted	FY24 EOB as of 12-1-23	FY25 Recommended	Difference FY24 EOB to FY25 REC
Fees and Self-generated Revenues	\$ 150,010	\$ 212,011	\$ 212,011	\$ 212,011	\$0
Coastal Resources Trust Fund Account	\$ 3,576,422	\$ 1,261,113	\$ 3,561,113	\$ 4,202,717	\$641,604
Fisherman's Gear Compensation Fund Account	\$ 231,568	\$0	\$0	\$0	\$0
Underwater Obstruction Removal Fund Account	\$ 350,000	\$ 982,000	\$ 982,000	\$ 982,000	\$0
Oil and Gas Regulatory Fund Account	\$ 14,228,759	\$ 14,853,274	\$ 14,853,274	\$ 14,609,369	(\$243,905)
TOTALS	\$ 18,536,760	\$ 17,308,398	\$ 19,608,398	\$ 20,006,097	\$397,699

Fees and Self-generated Revenues and Fund Accounts contribute 9 percent to DENR's budget for FY25 Recommended. Of the \$20 million total, Fund Accounts provide \$19.8 million mainly due to the Oil and Gas Regulatory Fund Account (\$14.6 m.) and the Coastal Resources Trust Fund Account (\$4.2 m.).



Categorical Expenditures

Examples of Categories

Departments expend funding in the five major categories listed below.

Personal Services

- Salaries – Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation – Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits – Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

Total Operating Expenses

- Travel – In-state and Out-of-state, including meal reimbursement.
- Operating Services – Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies – office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

Professional Services – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

Total Other Charges

- Other Charges – Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service – Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure – Any expenses paid for with Interagency Transfers – from commodities and services to equipment.

Acquisitions and Major Repairs

- Acquisitions – Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs – Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.



Energy and Natural Resources

Categorical Expenditures at FY25 Recommended

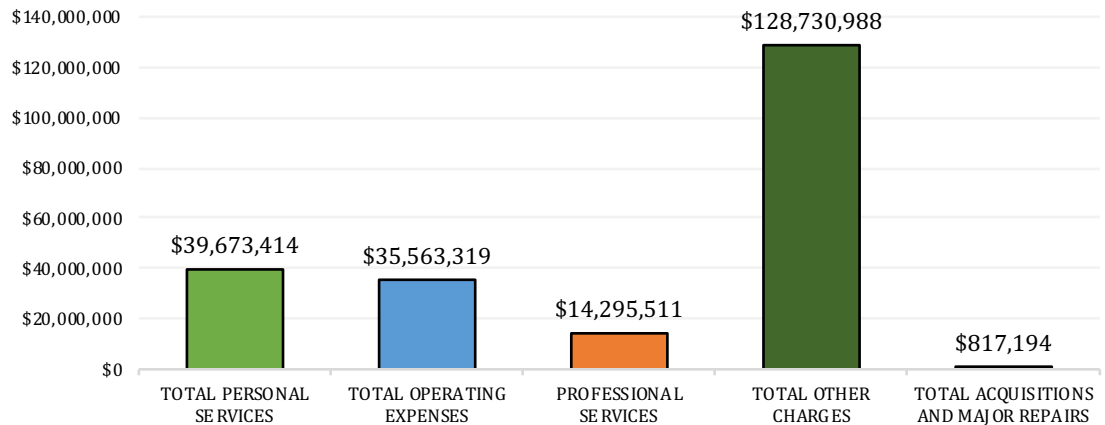
The largest expenditure category in DENR for FY25 Recommended is Total Other Charges at 59 percent of the budget.

Within this category, the Other Charges line-item expense makes up 80 percent of expenditures, while Interagency Transfers contribute 20 percent.

Total Personal Services are 18 percent of the budget, with Salaries providing 63 percent and Related Benefits 36 percent within the category.

Total Operating Expenses make up about 16 percent of the budget, followed by Professional Services at 7 percent and Total Acquisitions and Major Repairs at less than 1 percent.

FY25 Recommended Expenditures



Categorical Expenditures	FY23 Actual	FY24 Enacted	FY24 EOB as of 12/01/23	FY25 Recommended	Difference FY24 EOB vs. FY25 REC	Percent Change
Salaries	\$21,139,748	\$24,307,902	\$24,307,902	\$25,131,512	\$823,610	3
Other Compensation	\$184,050	\$264,944	\$264,944	\$264,944	\$0	0
Related Benefits	\$13,093,145	\$14,419,125	\$14,419,125	\$14,276,958	(\$142,167)	(1)
TOTAL PERSONAL SERVICES	\$34,416,943	\$38,991,971	\$38,991,971	\$39,673,414	\$681,443	2
Travel	\$377,239	\$469,531	\$469,531	\$509,561	\$40,030	9
Operating Services	\$24,045,840	\$67,366,339	\$67,366,339	\$34,416,339	(\$32,950,000)	(49)
Supplies	\$400,764	\$618,619	\$618,619	\$637,419	\$18,800	3
TOTAL OPERATING EXPENSES	\$24,823,843	\$68,454,489	\$68,454,489	\$35,563,319	(\$32,891,170)	(48)
PROFESSIONAL SERVICES	\$2,648,221	\$5,985,755	\$11,150,104	\$14,295,511	\$3,145,407	28
Other Charges	\$912,180	\$38,737,209	\$40,936,209	\$103,515,010	\$62,578,801	153
Debt Service	\$0	\$0	\$0	\$0	\$0	0
Interagency Transfers	\$12,041,165	\$21,783,424	\$21,783,424	\$25,215,978	\$3,432,554	16
TOTAL OTHER CHARGES	\$12,953,345	\$60,520,633	\$62,719,633	\$128,730,988	\$66,011,355	105
Acquisitions	\$94,786	\$706,007	\$706,007	\$817,194	\$111,187	16
Major Repairs	\$0	\$0	\$0	\$0	\$0	0
TOTAL ACQ. & MAJOR REPAIRS	\$94,786	\$706,007	\$706,007	\$817,194	\$111,187	16
TOTAL EXPENDITURES	\$74,937,138	\$174,658,855	\$182,022,204	\$219,080,426	\$37,058,222	20

Additional information shown by agency.



DENR - Office of the Secretary

FY25 Recommended Categorical Expenditures

Executive

Professional Services

\$1,790,325	Expansion of the State Energy Program. This program prepares and implements multiple projects throughout the state dealing primarily with energy efficiency in schools, other government subdivisions, and communities.
\$596,844	Due to consolidation from Office of Mineral Resources(Engineering Services - Management and Development of Natural Resources)
\$2,708,756	Hub for Energy Resilience Operations (HERO) - HERO is a five-year competitive grant that will enhance grid flexibility and improve the resilience of Louisiana's power grid against growing threats of extreme weather and climate change.
\$1,000,000	Home Efficiency Rebates (HER) program - HER is a five-year formula grant that will offer rebates for energy efficiency upgrades that improve the overall energy performance of a single-family home or multi-family building.
\$1,000,000	Federal Compliance Section to secure access to external consultants or tools that have specialized expertise that may not be readily available in-house.
\$1,000,000	Home Electrification and Appliance Rebates (HEAR) - HEAR is a five-year formula grant that will establish programs to provide point-of-sale rebates to eligible entities for qualified electrification projects (QEPs).
\$2,500,000	Solar For All is a five-year competitive grant designed to spur the deployment of residential distributed solar energy to lower energy bills for millions of Americans and catalyze transformation in markets serving low-income and disadvantaged communities.
<u>\$1,109,343</u>	Other professional services
\$11,705,268	

Other Charges

\$37,128,498	IIJA grants (orphan wells)
\$24,378,801	Louisiana Hub for Energy Resilience Operations (HERO)
\$9,000,000	Home Efficiency Rebates (HER)
\$9,000,000	Home Electrification and Appliance Rebates (HEAR)
\$22,500,000	Solar For All program
\$264,900	FES - Warner Projects
\$148,099	Other Professional Services
\$23,000	Legal Services - Mineral and Energy Operation Fund
\$426,988	Coastal Management
<u>\$421,710</u>	Fisherman's Gear Fund (Claims)
\$103,291,996	

Interagency Transfers

\$1,831,447	Office of Conservation - Oilfield Site Restoration
\$6,600	DOA - Office of State Mail Operations (Postage)
\$861	Treasury Fees
\$94,889	Underwater Obstruction and Fisherman's Gear Compensation Fund - Personnel Services



DENR - Office of the Secretary

FY25 Recommended Categorical Expenditures (cont.)

Executive (cont.)

Interagency Transfers (cont.)

\$1,787	DOA - LPAA
\$130,000	DOJ - Attorney General
\$199,412	DOTD - Topographical Mapping
\$1,010,700	DOA - Rent in State Owned Buildings
\$137,992	DPS - Capitol Park Security
\$63,368	Department of Civil Service (Fees)
\$11,136	Administrative Law Judge
\$104,927	Legislative Auditor Fees
\$134,356	DOA - Office of Risk Management - (Insurance)
\$8,211	DOA - Office of Statewide Uniform Payroll System (Fees)
\$11,324,490	DOA - Office of Technology Services
\$1,588,570	Office of Technology Services - Telecommunications Services
\$2,600,000	Upgrade to the Strategic Online Natural Resources Information System (SONRIS)
\$2,988	Office of State Procurement
<u>\$1,055,556</u>	Gov-Coastal Protection and Restoration Authority - CPRA (Beneficial Use, Federal Grants)
\$20,307,290	

Acquisitions and Major Repairs

\$50,000	Replacement of one truck used for field work inspections and investigations for coastal use permits.
----------	--



DENR - Office of Conservation

FY25 Recommended Categorical Expenditures

Oil and Gas Regulatory

Professional Services

\$90,243	Legal Advice and Consultation on Regulatory Matters
<u>\$2,500,000</u>	Review of Class VI Carbon Dioxide Sequestration Permits
\$2,590,243	

Other Charges

\$223,014	E-Permitting/EPA Exchange Network Grant and other professional services
-----------	---

Interagency Transfers

\$2,778,968	Office of the Secretary - Indirect Cost
\$72,915	Legislative Auditor Fees
\$88,255	DOA - Office of State Printing
\$91,266	Administrative Law Judge
\$22,092	Louisiana Property Assistance GPS
\$82,384	Civil Service Fees
\$2,000	DOA - Office of State Procurement
\$10,287	DOA - Office of Statewide Uniform Payroll System (Fees)
\$1,040,804	DOA - Office of Technology Services
\$97,011	Office of Technology Services - Telecommunication Services
\$60,600	Office of State Register - Advertising
\$150,361	Rent in State Owned Buildings (Nelson & Brandywine)
\$223,334	DOA - Office of Risk Management
\$47,572	Maintenance in State-Owned Buildings
\$94,675	Office of State Police
<u>\$46,164</u>	Capitol Police
\$4,908,688	

Acquisitions and Major Repairs

\$767,194	Replacement of nine vehicles, one boat, and eleven GPS Units.
-----------	---

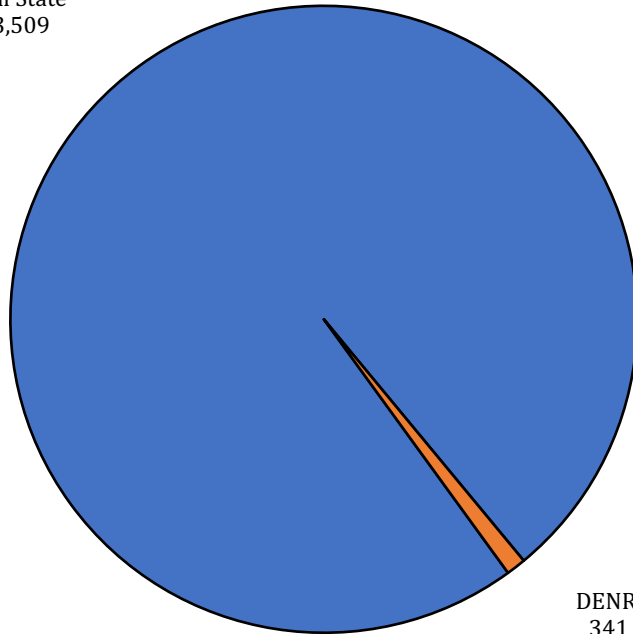


Energy and Natural Resources

FTEs, Authorized T.O., and Other Charges Positions

**FY25 Recommended Department Employees
as a portion of
FY25 Recommended Total State Employees**

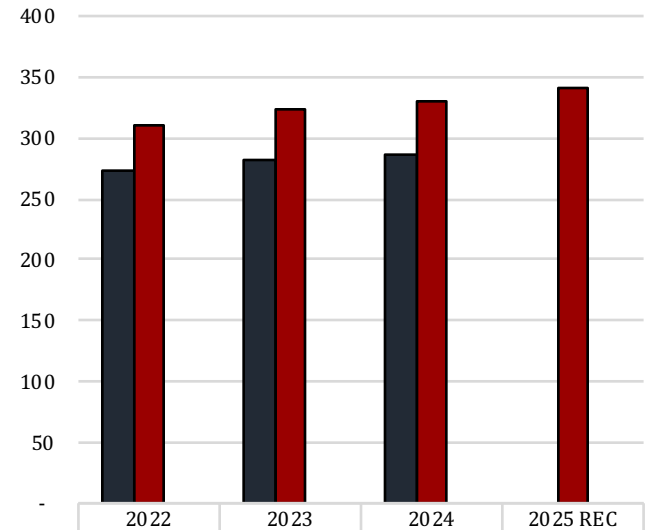
Total State
33,509



DENR
341
1%

FY24 number of funded, but not filled,
positions as of January 29 = 29

**Number
and
Types
of
Positions**



	2022	2023	2024	2025 REC
■ Total FTEs (1st July Report)	273	282	287	-
■ Authorized T.O. Positions	311	323	329	341
■ Other Charges Positions	-	-	-	-

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies include in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



Energy and Natural Resources

Related Employment Information

Salaries and Related Benefits for the Authorized Positions are listed below in Chart 1.
In Chart 2, benefits are broken out to show the portion paid for active versus retired employees.
This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2022 Actual	2023 Actual	2024 Enacted	2025 Recommended
Salaries	\$19,634,240	\$21,139,748	\$24,307,902	\$25,131,512
Other Compensation	\$171,536	\$184,050	\$264,944	\$264,944
Related Benefits	\$12,066,590	\$13,093,145	\$14,419,125	\$14,276,958
Total Personal Services	\$31,872,365	\$34,416,943	\$38,991,971	\$39,673,414

Average T.O. Salary = \$71,690

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY25 Recommended	Total Funding	%
Total Related Benefits	\$14,276,958	
UAL payments	\$6,746,422	47%
Retiree Health Benefits	\$2,217,880	
Remaining Benefits*	\$5,454,823	
Means of Finance	General Fund = 16%	Other = 84%

Department Demographics	Total	%
Gender		
Female	141	44
Male	176	56
Race/Ethnicity		
White	261	82
Black	41	13
Asian	7	2
Indian	0	0
Hawaiian/Pacific	1	<1
Declined to state	7	2
Currently in DROP or Eligible to Retire	70	21

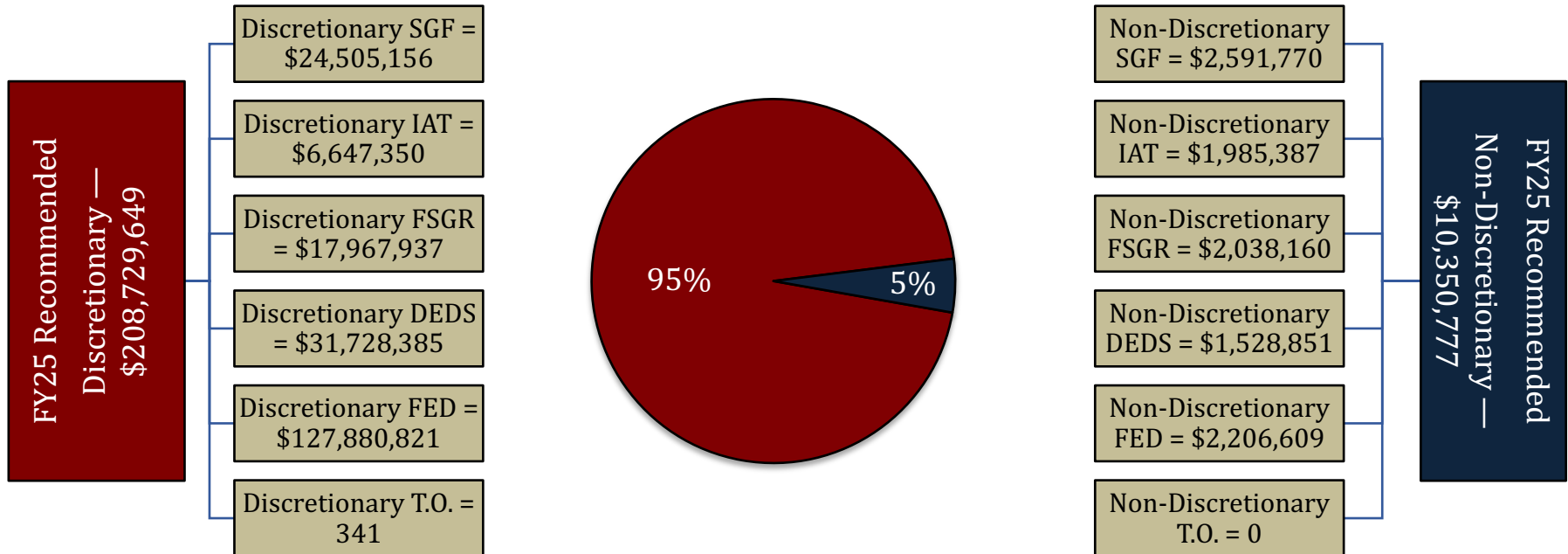
* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

Other Charges Benefits
\$0



Energy and Natural Resources

FY25 Discretionary/Non-Discretionary Comparison



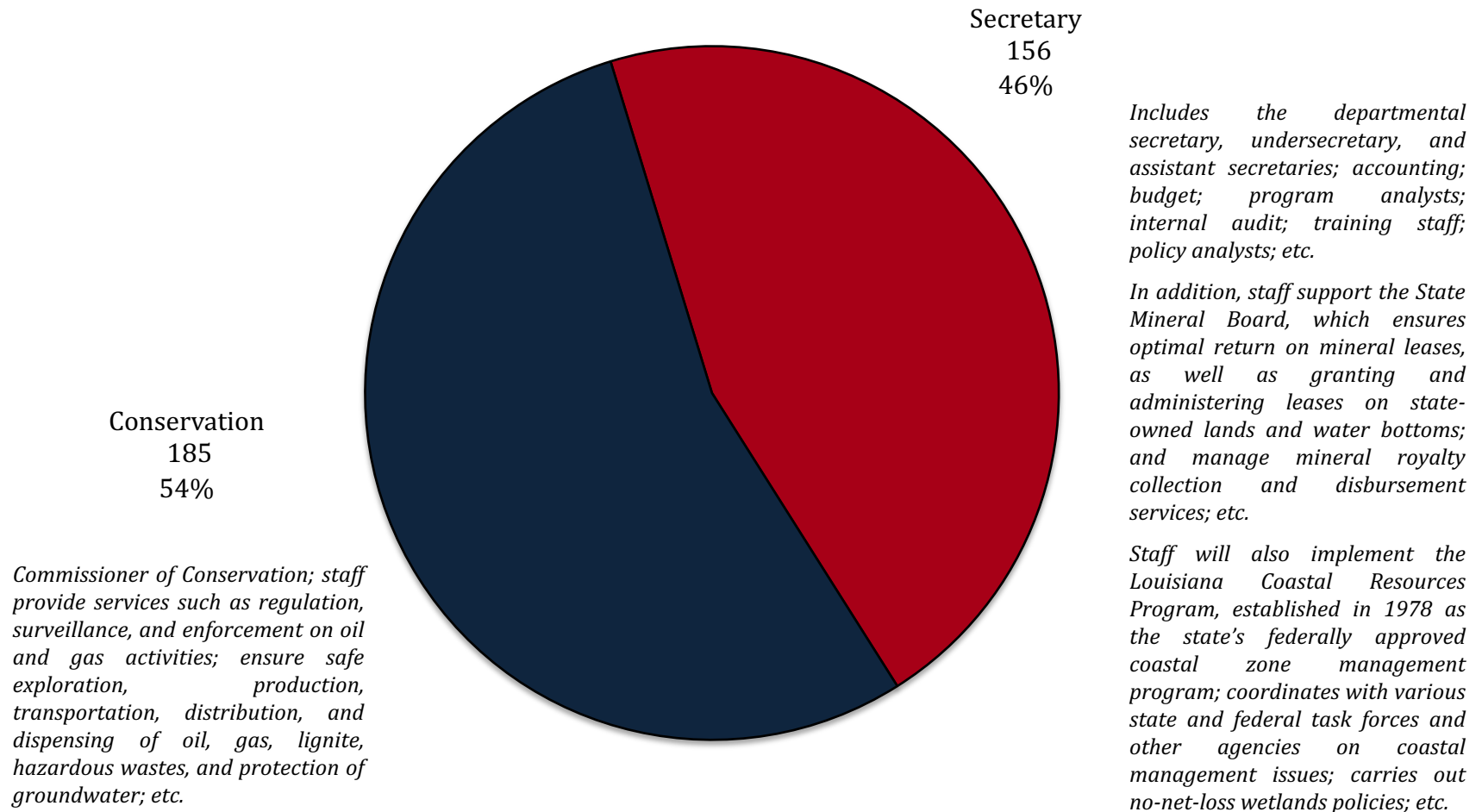
Total Discretionary Funding by Office		
Office of the Secretary	\$183,202,226	88%
Office of Conservation	\$25,527,423	12%
Total Discretionary	\$208,729,649	100%

Total Non-Discretionary Funding by Type		
Required by the Constitution (UAL)	\$ 6,746,422	65.18%
Needed to Pay Debt Service -- Rent in State-Owned Buildings	\$ 1,161,061	11.22%
Unavoidable Obligation -- Retirees' Group Insurance	\$ 2,217,880	21.43%
Unavoidable Obligation -- Legislative Auditor Fees	\$ 177,842	1.72%
Unavoidable Obligation -- Maintenance in State-Owned Buildings	\$ 47,572	0.46%
Total Non-Discretionary	\$ 10,350,777	100.00%



Energy and Natural Resources

FY25 Recommended Total Authorized Positions by Agency





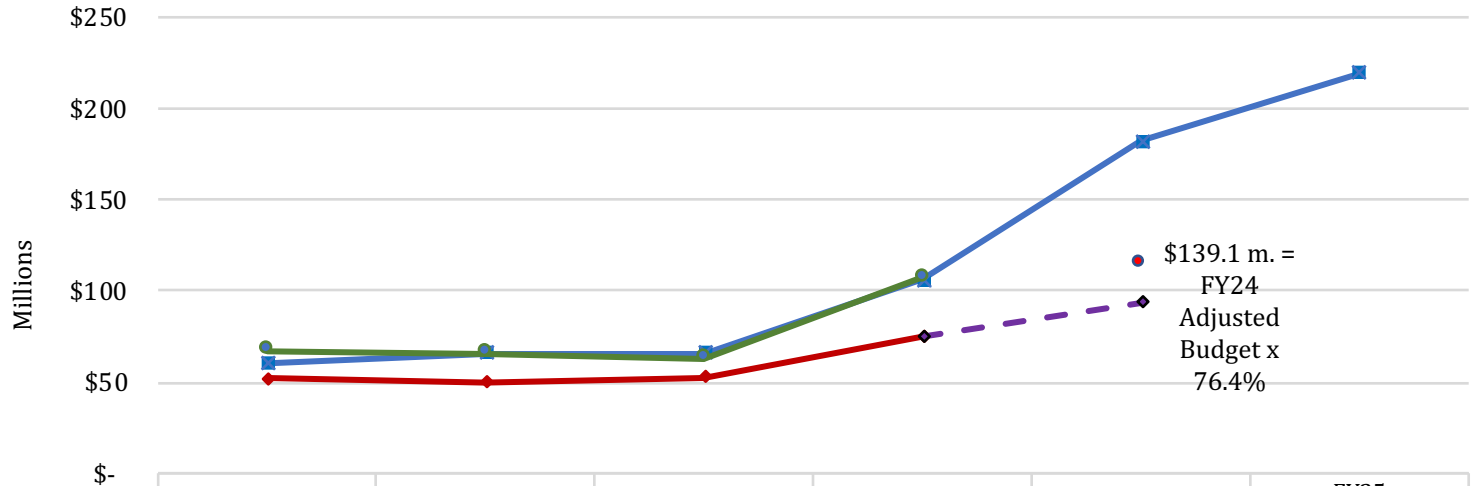
Energy and Natural Resources

Enacted & FYE Budget vs. Actual Expenditures FY20 to FY23

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY24, it is as of January.

**FY24 Known
Supplemental
Needs:**
\$0

**FY23 General Fund
Reversions:**
\$0



	FY20	FY21	FY22	FY23	FY24 EOB	FY25 Recommended
Enacted Budget	\$60,274,964	\$65,659,157	\$65,926,129	\$106,051,111	\$182,022,204	\$219,080,426
FYE Budget	\$67,268,013	\$65,659,157	\$62,651,129	\$107,519,151		
Actual Expenditures	\$51,506,475	\$49,702,476	\$52,392,647	\$74,937,138		
FY24 Expenditure Trend				\$74,937,138	\$93,360,876	

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-23	\$ 174,658,855	\$ 3,644,041	\$ 171,014,814	2.1%
Aug-23	\$ 179,722,204	\$ 10,120,053	\$ 169,602,151	5.6%
Sep-23	\$ 179,722,204	\$ 21,674,637	\$ 158,047,567	12.1%
Oct-23	\$ 179,722,204	\$ 25,722,920	\$ 153,999,284	14.3%
Nov-23	\$ 182,022,204	\$ 36,755,996	\$ 145,266,208	20.2%
Dec-23	\$ 182,022,204	\$ 45,383,739	\$ 136,638,465	24.9%
Jan-24	\$ 182,022,204	\$ 54,460,511	\$ 127,561,693	29.9%

Monthly Budget Activity

	FY24 Adjusted Budget	FY24 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-24	\$ 182,022,204	\$ 62,240,584	\$ 119,781,620	34.2%
Mar-24	\$ 182,022,204	\$ 70,020,657	\$ 112,001,547	38.5%
Apr-24	\$ 182,022,204	\$ 77,800,730	\$ 104,221,474	42.7%
May-24	\$ 182,022,204	\$ 85,580,803	\$ 96,441,401	47.0%
Jun-24	\$ 182,022,204	\$ 93,360,876	\$ 88,661,328	51.3%

Historical Year End Average

76.4%



Energy and Natural Resources

FY25 Recommended Rebate Programs and Other Initiatives from Federal Sources

Louisiana Hubs for Energy Resilience Operations (HERO) Program

\$27.1 m. FY25 Rec.

Description:

- Part of the Grid Resilience and Innovation Partnerships (GRIP) Program, which was funded with \$10.5 billion in the Infrastructure Investment and Jobs Act.
- It is designed to improve the strength and reliability of the power system during extreme weather.

Home Efficiency Rebates (HER) Program

\$10.1 m. FY25 Rec.

Description:

- Funded by \$4.3 billion in the U.S. Department of Energy.
- Provides households with discounts for efficiency upgrades that are predicted to save at least 20 percent of the home's energy use.

Solar For All Program

\$25.1 m. FY25 Rec.

Description:

- Funded by \$7 billion from the U.S. Environmental Protection Agency.
- The program is designed for low-income and disadvantaged communities to enable residential investment for these households to access solar energy.

Home Electrification and Appliance Rebates (HEAR) Program

\$10.1 m. FY25 Rec.

Description:

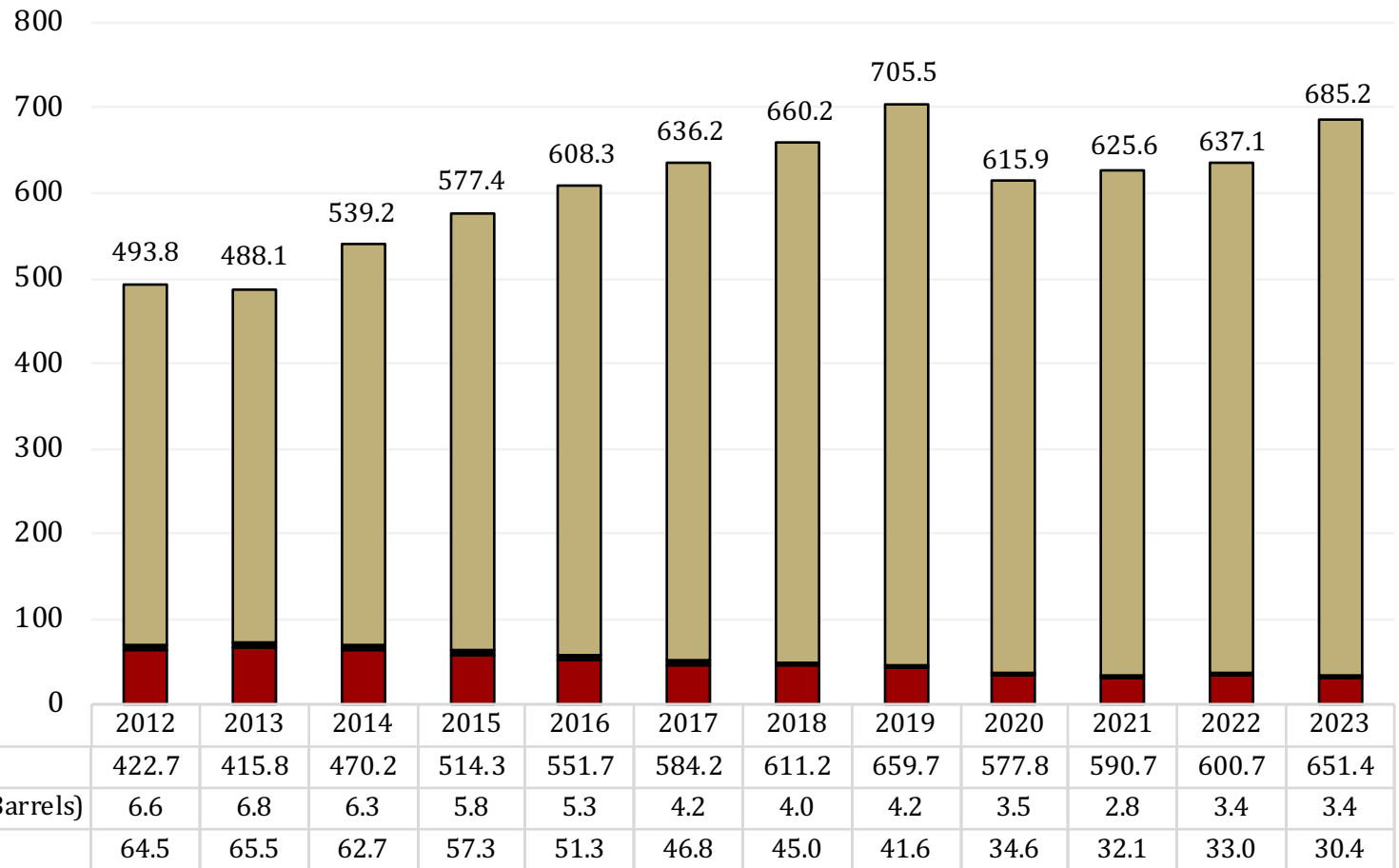
- Funded by \$4.5 billion in the U.S. Department of Energy.
- Provides households with discounts for high-efficiency home appliances and equipment.



Louisiana Total Crude Oil and Condensate Production

Production by Location

In millions
of barrels



3-12-24 Oil Prices

WTI Crude	\$77.79
Brent Crude	\$82.10
Murban Crude	\$82.52
Louisiana Light	\$81.62
Bonny Light	\$85.58
OPEC Basket	\$82.26

Source: oilprice.com

GOM Central = Oil production from Outer Continental Shelf Central region in the Gulf of Mexico.

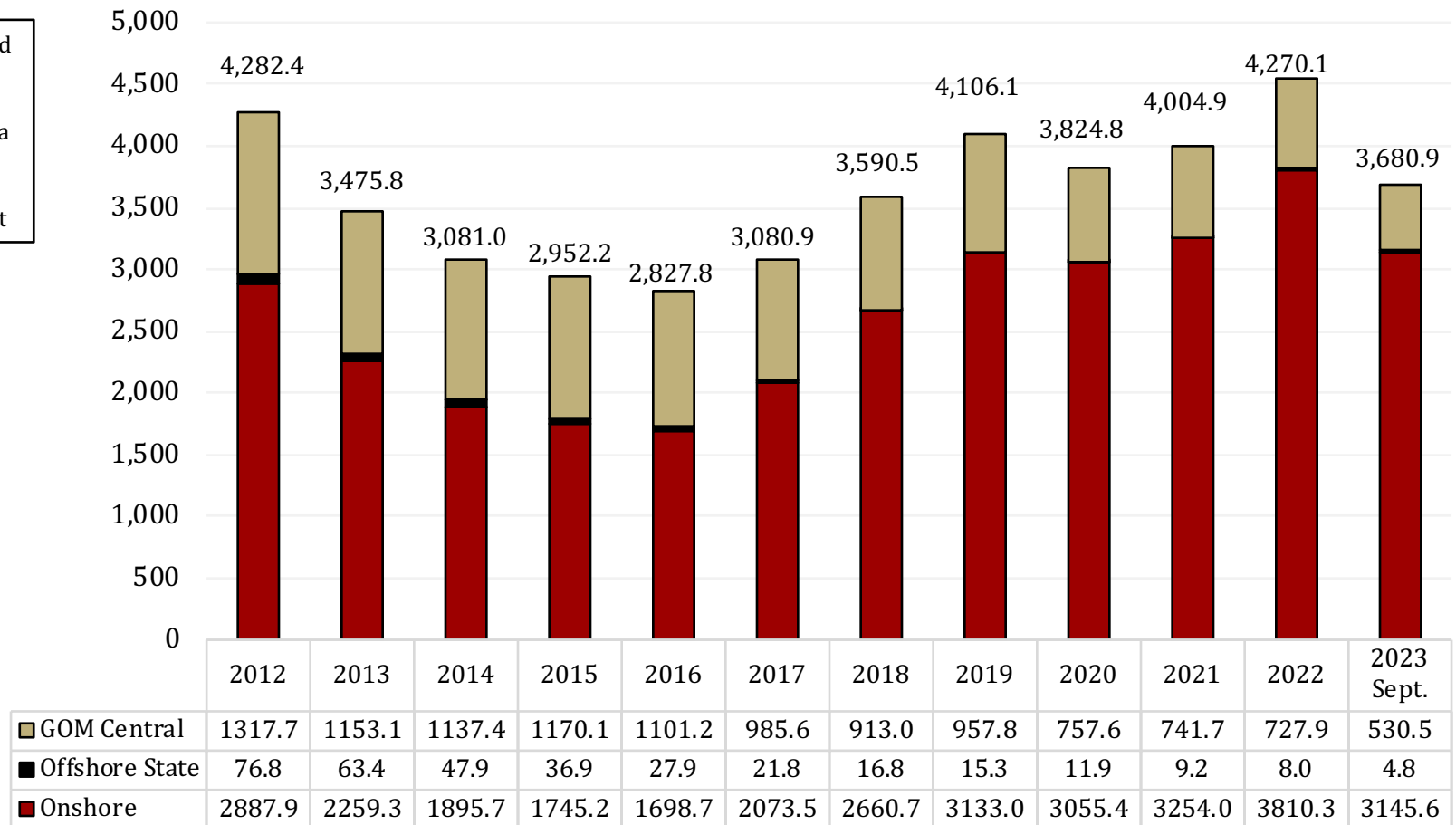
Source: Office of Conservation, January 10, 2024.



Louisiana Total Natural Gas and Casinghead Gas Production

Production by Location

In thousand
cubic feet
(MCF) at
15.025 psia
and 60
degrees
Fahrenheit



GOM Central = Oil production from Outer Continental Shelf Central region in the Gulf of Mexico.

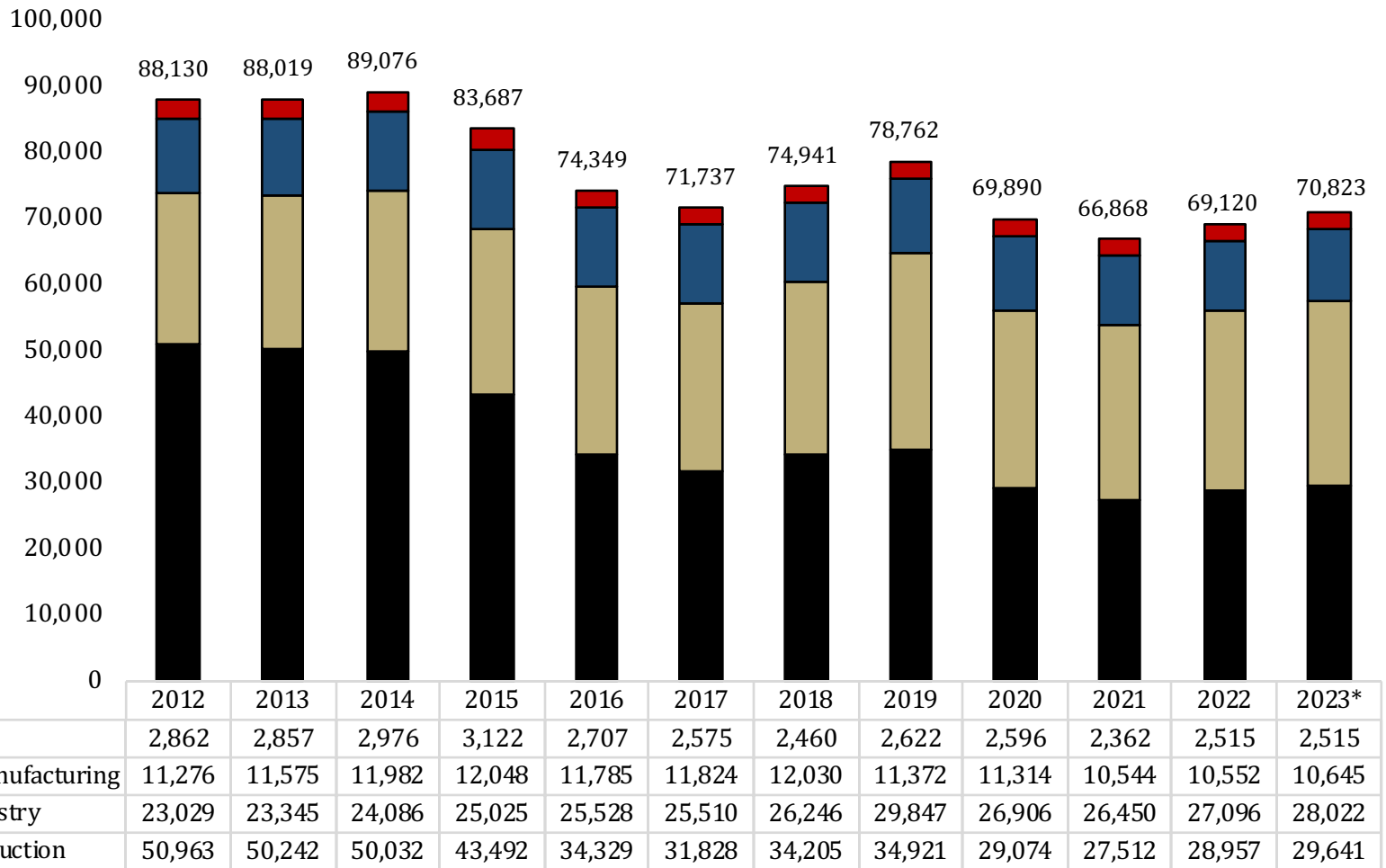
2023 thru
September

Source: Office of Conservation, as of January 29, 2024.



Louisiana Petrochemical Industry Employment

Average by Year for All Petrochemical Jobs and for Job Type



Source: Office of Conservation, February 20, 2024, from the Louisiana Workforce Commission

*2023 data as of June 30, 2023