

# Analysis and Recommendations Pursuant to Executive Order JML 24-13

DENR Office of Management, Budget and Finance



# Overview

The report details the current status, mission and structure of the Department of Energy and Natural Resources (DENR), Office of Management, Budget, and Finance (OMF) AND the Coastal Protection and Restoration Authority's (CPRA) Financial Services, Contracts and General Services, and Human Resources Sections. Key issues are identified and proposed recommendations for consideration



# Current Status

## Department of Energy and Natural Resources (DENR) Mission

### Office of Management and Finance – Fiscal and Human Resources

Responsible for the timely and cost effective administration of accounting and budget control, procurement and contract management, information technology, management and program analysis, personnel management and grants management to ensure compliance with state and federal laws and to ensure the department's offices have the resources to accomplish their program goals.



# Current Status

## Coastal Protection and Restoration Authority (CPRA) Mission

### Executive Division

Executive

Outreach and Engagement

Contracts and General Services

Legal

Financial Services

Human Resources

- **Executive Director**

- Provides agency leadership and direction
- Responsible for project implementation, policy making, administration, finance, human resources and public relations through the Deputy Executive Director, Chief Financial Officer and the Division/Section Administrators.

- **Chief Financial Officer**

- Responsible for the Financial Services, Contracts and General Services and Human Resources sections.
- Provide necessary support function to the agency, manage all business operations, coordinate audit activities, provide tailored and robust accounting program for project expenditures and ensure compliance with state and federal requirements.



# Current Status

## Division/Personnel

DENR - 27 Personnel with one vacancy

- OMR Executive - 5
- Fiscal - 17
- Human Resources - 5

CPRA - 26 Personnel

- Financial Services - 15
- Contracts and General Services - 8
- Human Resources - 3



# Current Status

## Budget

DENR Total 2024 Budget: \$3,271,879

### Funding Sources

- Interagency Transfers: \$1,259,525
- Federal: \$1,565,730
- General Fund: \$438,131
- Self-generated: \$8,493



# Current Status

## Budget

CPRA has one budgeted program, Implementation, for its five divisions. No separate budget for Financial Services, Contracts and General Services, and Human Resources

## Funding Sources

- Coastal Protection and Restoration Fund (LA.R.S.49:216.6.1 and LA CONST Art VII Sect 10.2)
- Natural Resources Restoration Trust Fund (LA.R.S.30:2480.2)
- Federal Funding



# Issues Presented

## DENR

1. Notable increase in federal funding
  - Expanding federal grant programs with limited capacity to effectively manage
    - Risk inefficiencies and missed opportunities
    - Diminished ability to leverage federal funds
  - Request for Proposal (RFP) process is lengthy and extensive
    - Limits time available to utilize federal funds
    - Delays project execution and responsiveness to evolving departmental needs
  
2. Decentralized Business Analytics Specialist duties
  - Act as fiscal intermediaries for their assigned offices.
  - The current reporting structure has resulted in fragmented management and communication.





# Issues Presented

## DENR

3. Understaffed Human Resources Section
  - Support needed for recruiting and professional development
  - Recruitment challenges related to Civil Service job titles and pay scale
  
4. Strategic Online Natural Resources Information System (SONRIS)
  - System is outdated and lacks integration with LaGov
  - Exploring avenues and opportunities for a system upgrade
  
5. Office Space
  - A shortage of office space affecting operations
  - Lack of private meeting areas
  - Additional employees needed but no available space to house
  - Unable to physically move LOSCO by 7/1/24



# Issues Presented

## CPRA

1. Recruitment and Retention of qualified staff
  - Extensive training required
  - Costly Turnover
  - Impacts management of project delivery for an expanding coastal program
2. Control of the RFP process by the Office of State Procurement (OSP)
  - Mandated use of LESA system
  - CPRA no longer allowed to facilitate the RFP process with OSP oversight
3. Occasional office space constraints



# Necessary Changes

## RECOMMENDATIONS

- CPRA expertise and guidance needed to assist DENR to develop its contracting services in order for DENR to effectively manage increased federal grants
- Restructure of Business Analytics Specialist position reporting to create centralized oversight by Fiscal enhancing efficiency and uniform implementation of financial policies



# For NRSC Review and Approval

## Financial vs Governance Structure

Financial - Concerned with financial management and resource allocation

1. Budget Unit
2. Program
3. Office

Governance – Focuses on providing strategic direction, ensuring oversight and maintaining compliance with broader department goals and regulations



# For NRSC Review and Approval

- Budget Unit (01-100) Executive Office, Office of the Governor
  - Program – Administrative
    - Office - The Governor's Office of Coastal Activities
    - Multiple offices related not related to the this report
- Budget Unit (01-109) Coastal Protection and Restoration Authority
  - Program – Implementation
    - Multiple divisions related to overall mission of the agency
- Budget Unit (11-431) DENR, Office of the Secretary
  - Program – Executive
    - Office of Management and Finance
    - Office of Coastal Management
    - Office of Mineral Resources
    - State Energy Office
    - Louisiana Oil Spill Coordinator's Office
- Budget Unit (11-432) DENR, Office of Conservation
  - Program – Oil and Gas Regulatory
    - Multiple offices related to the overall mission of the agency



# For NRSC Review and Approval

- An updated financial/budget structure that closely aligns with recommended governance framework to ensure financial resources are allocated based on priorities and objectives
- Alignment may involve different combinations of Budget Units, Programs, and Offices, organized to reflect organization's needs and goals



# Further Research Necessary

## DENR's potential utilization of CPRA's Indefinite Delivery Quantity process

- Evaluate feasibility of incorporating DENR services into CPRA's RFP process
- Establish DENR staff roles for contracts and task order protocol to ensure adherence to CPRA's established processes
- Consideration must be given to CPRA workload and how prioritization of work may be impacted for both if DENR incorporates services into CPRA's RFP solicitations

