



State of Louisiana

**DEPARTMENT OF ENERGY
AND NATURAL RESOURCES**

Federal Update

*Raising the GOMESA Cap,
FY26 Budget, and FEMA*

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LA Department of Energy & Natural Resources
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Reconciliation to include GOMESA Cap Raise

“As a longtime champion of coastal restoration and flood protection, I’m glad that my language to increase the current cap of GOMESA funding that goes to the states is included in this reconciliation bill.

I fought to include this revenue sharing language in the bill because it is critical for our nation’s energy and economic security that energy producing states are able to properly and fairly share in the revenues collected from drilling.”

- House Majority Leader Steve Scalise



Scalise with Republican colleagues, Governor on 2024 Offshore Energy Tour

House Natural Resources Committee Print

On May 7, the [HNR Committee advanced](#) its response to the budget reconciliation instructions along party lines.

The GOMESA cap is raised by \$150M for FY25 - FY34, before reverting back.

The [bill also](#) establishes revenue sharing for onshore renewables (25% states, 25% counties) and for Alaska’s Cook Inlet activity (90% state).

30 lease offshore oil and gas lease sales are required for the next 15 year in the Gulf of America.

Next Steps

Three more House committees will need to mark up their legislation to fulfil the reconciliation instructions.

The Budget Committee in each chamber will package these responses together into a single bill. Speaker Johnson’s goal is to pass it by Memorial Day, in order to send it to the President by July 4th recess.

The Score

- Estimated + \$18.5B generated in new revenue and savings
- GOMESA cap raise reduced that score by adding \$1.5B in cost



Funding Potential of GOMESA Cap Raise

Current Policy - Cap of \$500M a year

- Gulf Producing States receives 75%
- Land and Water Conservation fund receives 25%

How this works in practice

1. DOI calculates GOMESA eligible revenues (from leases 2007 onward) for the year
- 2a. If less than \$1 billion, DOI allocates 37.5% of the total.
- 2b. If greater than \$1 billion, DOI allocates 37.5% of \$1 billion, or 75% of \$500M → \$375M
3. DOI subtracts 5.7% for budget sequestration → ~\$353.6M
4. States receive percentage based on GOMESA formula (TX ~27%, LA ~44%, MS ~15%, AL ~14%)
5. Louisiana receives ~\$156.3 million in each of last 3 years as cap was reached.

If Cap is Raised to \$650M a year for FY25 - FY34

LSU Center for Energy Studies projects the eligible revenues will exceed the cap each of these years.

Therefore, the states should be able to receive the full benefit of the cap raise.

\$650M cap → \$487.5M for GOMESA → \$459.7M after budget sequestration → \$202M for LA, a \$46M increase

If the new cap is hit for ten years, Louisiana would see approximately \$460M more GOMESA dollars.

Precedent

Previously, Congress raised the cap to \$650 million for FY20 and FY21. Unfortunately, this resulted in no additional dollars as the eligible revenues were lower those years.



America the Beautiful Act Introduced

Legislation proposes continuation of using federal revenues from energy, including offshore oil and gas produced in the Gulf of America, to fund deferred maintenance in national parks and public lands.

Legacy Restoration Fund - Additional \$16 billion

The bipartisan [America the Beautiful Act, S. 1547](#), would reauthorize the National Parks and Public Land Restoration Fund, known as the Legacy Restoration Fund. The bill was [introduced](#) by Senator Daines (R-MT) and Senator King (I-ME) on May 1, 2025.

The bill would reauthorize the Legacy Restoration Fund for 8 years at **\$2 billion** a year, a **\$100 million increase** from the previous 5 years. Allows all U.S. Fish & Wildlife Service land to be eligible.

Congress established this Legacy Restoration Fund as part of 2020's [Great American Outdoors Act](#) (GAOA). The GAOA had a score of **\$17.2 billion** that was not offset for passage.

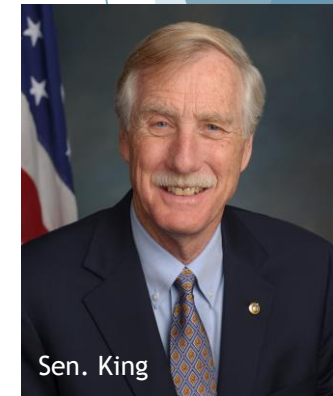
At the time of passage, advocates [touted](#) the need to address the **\$11.9 billion** maintenance backlog for national parks. Now, after receiving **\$9.5 billion**, advocates say reauthorization is needed to address the **over \$40 billion** deferred maintenance backlog for national parks and public lands.

Land and Water Conservation Fund - Already permanently funded

The GAOA legislation also permanently required **\$900 million** in yearly mandatory funding to the Land and Water Conservation Fund (LWCF). Through GOMESA, the LWCF also receives 12.5% of all GOMESA-eligible revenues which have averaged **\$125 million** in recent years. Therefore, the LWCF receives over **\$1 billion** a year from federal oil and gas revenues, majorly derived from the Gulf of America.



Sen. Daines



Sen. King



Legislation Advances on Gulf of America

Congresswoman Marjorie Taylor Greene (R-GA) introduced H.R. 276, the Gulf of America Act.

The bill would direct the Secretary of Interior to update any law, map, regulation, document, paper or other record

The House Natural Resources Committee voted 24-17 in favor of it along party lines in April.

The full House voted on the bill in May, with the bill passing 211 - 206.

The legislation now moves to the Senate for consideration.



FY26 ‘Skinny’ Presidential Budget Released

On May 2, the White House Office of Management & Budget released its high-level overview of the FY26 budget, known as the ‘skinny’ budget.

Key Takeaways

Non-defense discretionary reduction of \$163 billion (22.6%) compared to FY25.

Seeks to use funding from the Republicans FY25 reconciliation to provide increase to border security and defense.

Review looked for programs that could be “provided better by State or local governments (if provided at all)”

Budget sought to remove funding from programs seen as too focused on climate or environmental justice.

Notable Increases

- + **\$1.76 billion** to DOT’s multimodal, rail, shipbuilding, and ports grants

Notable Decreases

- - **\$1 billion** to Harbor Maintenance Trust Fund deployed by U.S. Army Corps of Engineers
- - **\$1.3 billion** NOAA operations, research, & grants
- - **\$646 million** to FEMA’s non-disaster grant programs
- - **\$2.46 billion** to EPA’s clean and drinking water state revolving loan funds.
- - **\$1 billion** to EPA’s categorical grants, including beaches protection grants
- - **\$100 million** to EPA’s environmental justice program
- - **\$15 billion** to DOE’s “Green New Scam funds” from the IIJA for renewables, CO₂ removal, etc.
- - **\$900 million** for National Parks System to divest properties for state-level management
- - **\$37 million** to allow NOAA Fisheries regulatory program for ESA and MMPA to go to U.S. Fish & Wildlife Service



Assessing FEMA

On January 24, President Trump issued [Executive Order 14180](#), establishing a Council to Assess FEMA to conduct a full-scale review of the agency.

The Council is to advise the President on changes related to FEMA to best serve the national interest, including the existing ability on FEMA to capably and impartially address disasters within the United States.

EO cites concerns of political bias and lost mission focus, as well as spending “well over a billion dollars to welcome illegal aliens.”

Council will issue a report covering:

- FEMA’s responses in past 4 years to disasters
- Comparison to state/local/private responses
- Federal role in disaster relieve, assistance, and preparedness
- Consideration of when FEMA was not a part of Department of Homeland Security, and before FEMA existed
- Traditional role of states in disaster preparedness and recovery
- Evaluation of FEMA serving as support agency, providing supplemental assistance to the states rather than supplanting state control of disaster relief



Trump in Swannanoa, NC discussing FEMA. Photo credit Mandel Ngan.

Appointed Members

- Kristi Noem, Sec. of Homeland Security (Co-Chair)
- Pete Hegseth, Sec. of Defense (Co-Chair)
- Greg Abbott, Governor, State of Texas
- Phil Bryant, Former Governor, State of Mississippi
- Jane Castor, Mayor, City of Tampa, Florida
- Mark Cooper, Former Chief of Staff, Governor Edwards
- Rosie Cordero-Stutz, Sheriff, Miami-Dade County
- Evan Greenberg, CEO, Chubb Limited
- Kevin Guthrie, Executive Director, Florida Division of Emergency Management
- W. Nim Kidd, Chief, Texas Division of Emergency Management
- Michael Whatley, Chairman, Republican National Committee
- Glenn Youngkin, Governor, Commonwealth of Virginia
- Robert J. Fenton, Jr., Region 9 Administrator and two-time Acting Administrator, FEMA



Secretary Noem Testifies on FEMA

On May 6, Department of Homeland Security Secretary Kristi Noem testified before the House Appropriations Homeland Security Subcommittee.

***“The President has indicated he wants to eliminate FEMA as it exists today”
Sec. Noem.***

Exchange on eliminating FEMA

Ranking Member Rosa DeLauro (D-CT) - *“What is your plan in regard to FEMA? Are you planning to eliminate FEMA?”*

Noem - *“President Trump has been very clear since the beginning that he believes that FEMA’s emergency response in many, many circumstances has failed the American people. And that FEMA as it exists today should be eliminated. Empowering states to respond to disasters with federal government support.”*

DeLauro - *“Where is the evidence of the failure of FEMA?”*

Noem - *“Congresswoman, we still have claims open from Hurricane Katrina...”*

DeLauro (later) - *“I don’t know how many millions and millions of dollars went out in Louisiana... when Katrina hit. The response was overwhelming...”*



Note: Both Chairman Cole (R-OK) and Ranking Member DeLauro expressed support for the Building Resilient Infrastructure and Communities Program (BRIC) for pre-disaster mitigation.



FEMA Acting Administrator Hamilton Testifies

On May 7, [Cam Hamilton](#), Senior Official Performing the Duties of FEMA Administrator, testified before the House Appropriations Homeland Security Subcommittee.

Notable Hearing Topics

- Incentivizing states and locals to be capable (and concern on going to far)
- Concern that FEMA will only fund certain scale disasters (raising threshold)
- Concern of termination of Building Resilient Infrastructure and Communities (BRIC) grants
- Uncertainty in what makes up the \$646 million cut in the President's budget
- Removing red tape and improving technology in FEMA
- FEMA intends to overhaul its grants system "entirely"
- Opposition to FEMA being used for sheltering migrants

Hearing Fallout

Ranking Member DeLauro pressed Hamilton saying "Does this Administration seek to eliminate FEMA, and do you support eliminating FEMA?"

Hamilton responded saying that personally, "I do not believe it is in the best interest of the American people to eliminate FEMA."

Hamilton was fired the next day. The new acting administrator is David Richardson.

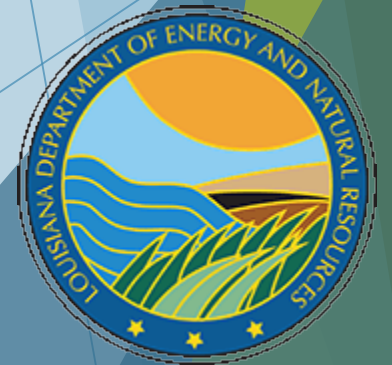


Fixing Emergency Management for Americans Act

On May 8, the bipartisan leadership of the House Transportation and Infrastructure Committee, Chairman Sam Graves (R-MO) and Ranking Member Rick Larsen (D-WA) released a “discussion draft” of the Fixing Emergency Management for Americans (FEMA) Act of 2025.

Provisions

- Restores FEMA as an independent, cabinet-level agency, reporting directly to the President for better leadership on disasters.
- Reduces FEMA role in non-*Stafford Act* disasters
- Empowers disaster-impacted states to lead the recovery.
- Incentivizes states to make investments in mitigations, robust rainy day funds, and private insurance policies.
- Permitting reforms to speed up rebuilding projects
- Establishes a Recovery Task Force to close out more than 1,000 lingering disaster declarations going back to Hurricane Katrina
- Establishes single application for disaster survivors.
- Removes disincentives to donations to charities and religious organizations
- Improves pre-disaster efforts, such as receiving preapproval for mitigation projects
- Provisions to reduce identity theft and disaster fraud.
- Reviews directed related to insurance coverage
- Prohibits political discrimination in disaster recovery assistance.



ASA(CW) Nominee

On March 24, President Trump nominated Adam Telle to be the Assistant Secretary of the Army for Civil Works, the ASA(CW).

Biography

- Chief of Staff, Senator Bill Hagerty (R-TN)
- Senate Liaison for White House Office of Legislative Affairs for President Trump's first term.
- Appropriations Committee staff under Chairman Richard Shelby (R-AL) and Chairman Thad Cochran (R-MS)
- Alabama native, Mississippi State graduate

Timing

- Telle appeared before the Senate Armed Services Committee yesterday. He will appear before the Senate Environment and Public Works Committee today.
- The previous two Senate confirmations for ASA(CW) occurred seven and four months after nomination, respectively.





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Questions?