



# **HOUSE COMMITTEE ON APPROPRIATIONS**

**FY 12-13**

**Executive Budget Review**

**Department of Environmental Quality**

**April 2, 2012**



**The Department of Environmental Quality has four budget units:**

- 13-850 Office of the Secretary**
- 13-851 Office of Environmental Compliance**
- 13-852 Office of Environmental Services**
- 13-855 Office of Management and Finance**



# AGENDA

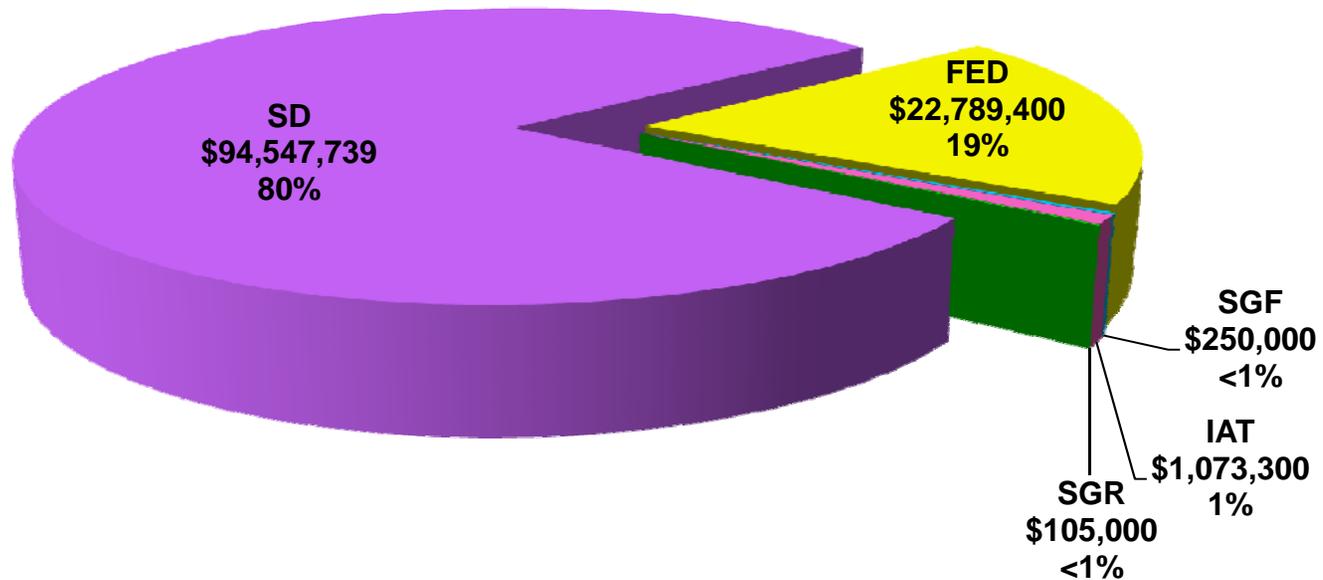
## Overview of Budget

- Changes from FY 11-12 to FY 12-13
- Expenditures
- Discretionary/Non-Discretionary
- Statutory Dedications



# ENVIRONMENTAL QUALITY

**FY 12-13 TOTAL BUDGET = \$118.8 MILLION**





## Executive Budget By Means of Finance

DEPARTMENT OF ENVIRONMENTAL QUALITY					
	Actual Expenditures FY 2010-11	Existing Operating Budget FY 2011-12 (12/1/11)	Executive Budget FY 2012-13	Change From FY 11-12 to FY 12-13	Percent Change From FY 11-12 to FY 12-13
Means of Financing (MOF)					
State General Fund (SGF)	\$0	\$250,000	\$250,000	\$0	0.00%
Interagency Transfers (IAT)	\$4,162,919	\$1,073,300	\$1,073,300	\$0	0.00%
Fees and Self-gen. Rev. (SG)	\$642,512	\$494,543	\$105,000	(\$389,543)	(78.77%)
Statutory Dedications (SD)	\$93,369,783	\$106,811,362	\$94,547,739	(\$12,263,623)	(11.48%)
Interim Emergency Board (IE)	\$0	\$0	\$0	\$0	0.00%
Federal Funds (FED)	\$18,990,642	\$25,269,665	\$22,789,400	(\$2,480,265)	(9.82%)
<b>TOTAL MOF</b>	<b>\$117,165,856</b>	<b>\$133,898,870</b>	<b>\$118,765,439</b>	<b>(\$15,133,431)</b>	<b>(11.30%)</b>
Authorized Positions	847	805	762	(43)	(5.34%)



## **Significant Budget Changes - Statewide**

- (\$3,926,550) SD      Reduce funding for LASERS rate adjustment**
  
- (\$2,622,418) SD      Annualization of FY 11-12 Mid Year Reduction, including fourteen (14) positions**
  
- (\$2,133,083) SD      Non-recurred funding for the 27<sup>th</sup> pay period**
  
- (\$2,494,321) SD      Reduction in salary base adjustment, attrition, and eliminated twenty-nine (29) positions**
  
- (\$431,525) SD      Non-recurring carryforward in the Office of Environmental Compliance for contractual obligations to conduct an investigation and site characterization to define the extent of contamination within the Fredeman pit area, Calcasieu Shipyard Site and for payment of purchase order items for equipment used to conduct the site investigations.**



## **Significant Budget Changes MOF Substitution**

- \$519,735 FED**      Increase Federal Funds from the Performance Partnership grant and reduce Statutory Dedications out of the Environmental Trust Fund in the Office of Environmental Compliance and the Office of the Secretary to attain environmental compliance in the regulated community and to protect environmental resources, public health and safety of the citizens of the state.
- \$35,000 SD**      Increase Statutory Dedications out of the Environmental Trust Fund and decrease Self-generated Revenues in the Office of Management and Finance and the Office of Secretary due to a reduction in revenues from non-state agency services sales.



## **Significant Budget Changes – Nonrecur Funding**

- (\$3,000,000) FED** This adjustment non-recurs Federal Funds from the Underground Storage Tank Hurricane grant in the Office of Environmental Compliance for the evaluation and remediation of underground storage tanks impacted by Hurricanes Katrina and Rita.
- (\$354,543) SGR** This adjustment non-recurs Self-generated Revenues used for hurricane demolition monitoring in the Office of Environmental Compliance.



## **Significant Budget Changes – Reductions**

**(\$700,000) SD      Reduction in Statutory Dedications out of the Waste Tire Management Fund to historical level of expenditures in the Waste Tire Program.**

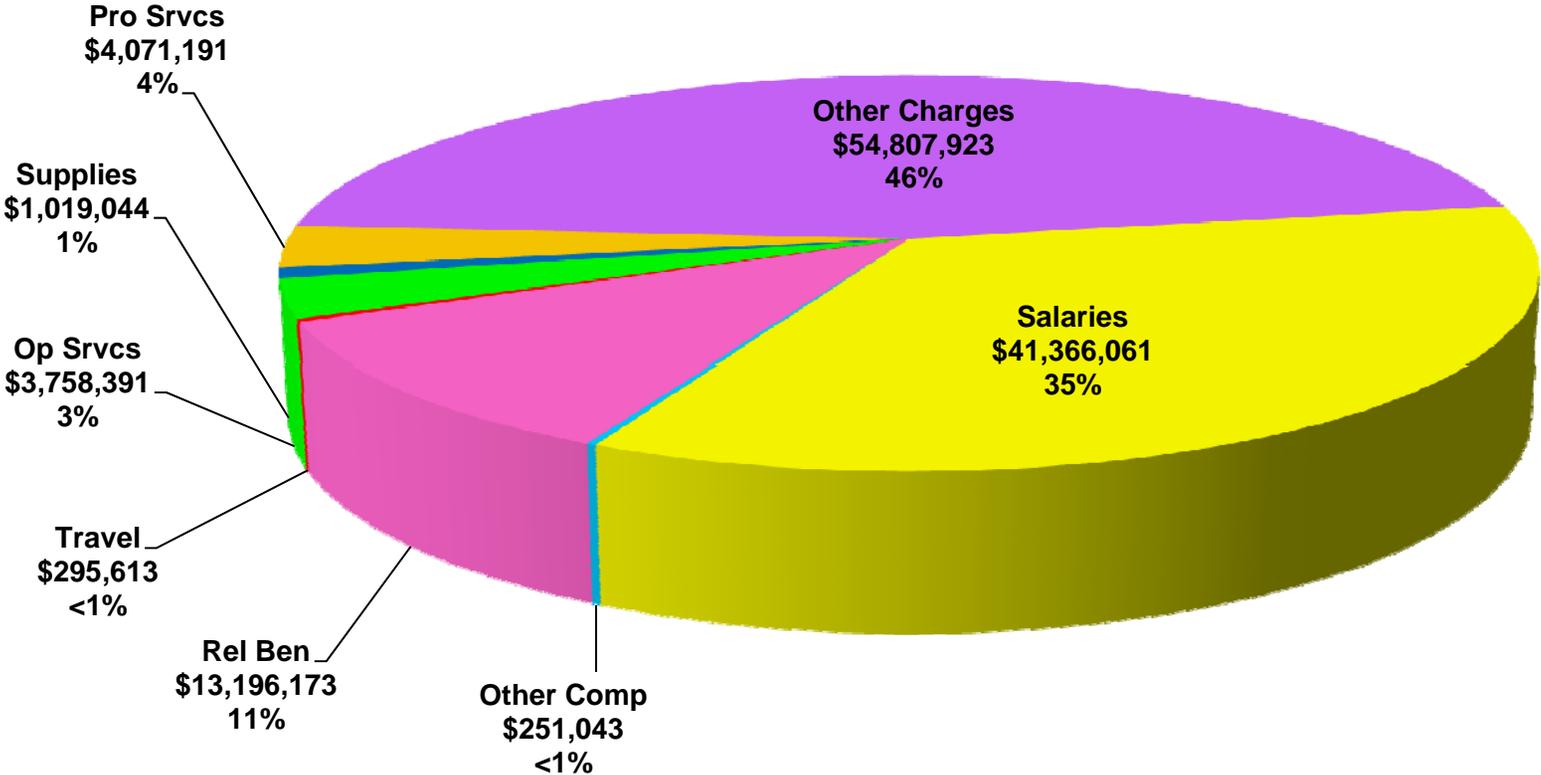


## **Significant Budget Changes – Increases**

**\$500,000 SD**      **Funding out of the Environmental Trust Fund for the implementation of the Louisiana Enterprise Resource Planning (ERP) system. Funding will be utilized for salaries and related benefits for DEQ staff to be housed at the Division of Administration, for training on using ERP.**



# ENVIRONMENTAL QUALITY FY 12-13 TOTAL EXPENDITURES \$118.8 MILLION





## FY 12-13 Executive Budget by Expenditure Line Item

Department of Environmental Quality					
Expenditures	FY 10-11 Actual Budget	FY 11-12 Existing Operating Budget (12/01/11)	FY 12-13 Executive Budget	Change from FY 11-12 to FY 12-13	Percent Change
Salaries	\$47,208,929	\$44,784,627	\$41,366,061	(\$3,418,566)	(7.63%)
Other Compensation	\$159,211	\$251,043	\$251,043	\$0	0.00%
Related Benefits	\$16,549,024	\$17,659,465	\$13,196,173	(\$4,463,292)	(25.27%)
Travel	\$409,035	\$411,813	\$295,613	(\$116,200)	(28.22%)
Operating Services	\$3,200,924	\$3,799,591	\$3,758,391	(\$41,200)	(1.08%)
Supplies	\$1,056,097	\$1,576,098	\$1,019,044	(\$557,054)	(35.34%)
Prof Srvcs	\$3,279,012	\$4,837,191	\$4,071,191	(\$766,000)	(15.84%)
Other Charges	\$44,812,191	\$58,949,883	\$54,807,923	(\$4,141,960)	(7.03%)
Acq/Major Repairs	\$491,433	\$15,028	\$0	(\$15,028)	(100.00%)
Unallotted	\$0	\$1,614,131	\$0	(\$1,614,131)	(100.00%)
TOTAL EXP	\$117,165,856	\$133,898,870	\$118,765,439	(\$15,133,431)	(11.30%)



## Environmental Quality Discretionary and Non-Discretionary Funding in FY 12-13 Executive Budget

Discretionary	\$107,973,374	90.91%
Non-Discretionary	\$10,792,065	9.09%
Total	\$118,765,439	100.00%

**Non-discretionary funding within Environmental Quality's FY 12-13 Executive Budget Recommendation is rent and maintenance in state owned building and retirees group insurance.**



# Statutory Dedications

DEPARTMENT OF ENVIRONMENTAL QUALITY Statutory Dedication Comparison					
Statutory Dedications	FY 10-11 Actual Expenditures	FY 11-12 Existing Operating Budget 12/01/11	FY 12-13 Executive Budget	Change FY 11-12 to FY 12-13	Percent Change
Brownfields Cleanup Revolving Loan	\$93,421	\$500,000	\$500,000	\$0	0.00%
Clean Water State Revolving Fund	\$831,383	\$1,208,387	\$736,763	(\$471,624)	(39.03%)
Environmental Trust Fund	\$61,804,483	\$63,882,321	\$53,561,333	(\$10,320,988)	(16.16%)
Hazardous Waste Site Cleanup Fund	\$3,321,506	\$4,337,334	\$3,578,831	(\$758,503)	(17.49%)
Lead Hazard Reduction Fund	\$89,444	\$100,000	\$100,000	\$0	0.00%
Motor Fuels Underground Tank	\$15,302,884	\$24,757,120	\$24,757,120	\$0	0.00%
Oil Spill Contingency Fund	\$33,054	\$156,145	\$156,145	\$0	0.00%
Overcollections Fund	\$497,352	\$0	\$0	\$0	0.00%
Waste Tire Management Fund	\$11,396,256	\$11,870,055	\$11,157,547	(\$712,508)	(6.00%)
<b>TOTAL</b>	<b>\$93,369,783</b>	<b>\$106,811,362</b>	<b>\$94,547,739</b>	<b>(\$12,263,623)</b>	<b>(11.48%)</b>



## Dedications

### Environmental Trust Fund R.S.30:2015

- Revenues are generated through the collection of permits, licenses, registrations, variances, and monitoring fees charged by DEQ to facilities whose operations impact the environment
- Formula used to assess fees should be equal to the annual cost required of DEQ
- Recommended in the Executive Budget at \$53.6 million for operational expenses



## Dedications

### **Motor Fuels Underground Storage Tank Trust** **Fund R.S. 30:2195**

- Revenues are realized through fees of 8/10 of 1 cent per gallon of motor fuel delivered by distributors to non-exempt underground storage tanks
- Monies in the fund are used to assess the release of motor fuel contaminants, to provide for alternative drinking sources where primary water sources are polluted by leaking tanks, and to clean or remediate contaminated underground tank sites
- Recommended in the Executive Budget at \$24.8 million



## Dedications

### **Waste Tire Management Fund R.S. 30:2418**

- Revenues accumulate through the collection of fees on the sale of tires (\$2 for a passenger tire; \$5 for a medium truck tire; and \$10 for an off-road tire)
- Permitted waste tire processors are paid \$1.50 per twenty pounds of tire material that is recycled
- No monies from the fund shall be used to provide payments to waste tire processors for processing tires that are generated in Louisiana when those tires are processed in any other state.
- Recommended in the Executive Budget at \$11.2



## Dedications

### **Hazardous Waste Site Cleanup Fund R.S.** **30:2205**

- Revenues are derived from judgments, settlements, assessments of criminal or civil penalties from responsible parties, and funds generated by the hazardous waste tax
- Monies are used to defray the cost of investigation, testing, containment, control, and cleanup of hazardous waste sites
- Balance in the fund cannot exceed \$6 million. Any remaining funds are deposited into the Environmental Trust Fund
- Recommended in the Executive Budget at \$3.6 million



## Department of Environmental Quality

### FY 12-13 SALARIES/POSITIONS

- \$41.6 million for Salaries and Other Compensation
- \$13.2 million for Related Benefits
- Total Personal Services = \$54.8 million, 46% of the Environmental Quality total Executive Budget Recommendation
  
- Average Classified Salary = \$53,601
- Average Unclassified Salary = \$98,627
- Non-T.O = 18
  
- 762 Authorized Positions (753 classified and 9 unclassified)
  
- As of February 15, 2012, Environmental Quality had 58 vacancies (43 positions were reduced in the Executive Budget Recommendation)



## **Department of Environmental Quality**

<b>Ms. Peggy Hatch</b>	<b>Secretary</b>	<b>(225) 219-3950</b>
<b>Mr. Alexander Appeaning</b>	<b>Deputy Secretary</b>	<b>(225) 219-3951</b>
<b>Mr. Vince Sagnibene</b>	<b>Undersecretary</b>	<b>(225) 219-3840</b>