FY 15-16 Executive Budget Review
DEPARTMENT OF ENVIRONMENTAL QUALITY

House Committee on Appropriations
by the House Fiscal Division
April 1, 2015
Budget Overview

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Department Structure

Office of the Secretary
- Executive Administration
- Business, Community Outreach and Incentives

Office of Environmental Compliance
- Enforcement Division
- Assessment Division
- Inspection Division
- Underground Storage Tank and Remediation Division

Office of Environmental Services
- Public Participation and Permit Support Services Division
- Air Permits Division
- Water Permits Division
- Waste Permits Division

Office of Management and Finance
- Support Services
- Financial Services
# Means of Finance

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>State General Fund</td>
<td>$474,735</td>
<td>$495,377</td>
<td>$460,700</td>
<td>($34,677)</td>
<td>(7.0%)</td>
</tr>
<tr>
<td>Interagency Transfers</td>
<td>$1,014,574</td>
<td>$1,200,100</td>
<td>$350,000</td>
<td>($850,100)</td>
<td>(70.8%)</td>
</tr>
<tr>
<td>Fees and Self-Gen. Rev.</td>
<td>$21,994</td>
<td>$90,000</td>
<td>$38,790</td>
<td>($51,210)</td>
<td>(56.9%)</td>
</tr>
<tr>
<td>Statutory Dedications</td>
<td>$80,449,239</td>
<td>$109,460,543</td>
<td>$93,941,517</td>
<td>($15,519,026)</td>
<td>(14.2%)</td>
</tr>
<tr>
<td>Federal Funds</td>
<td>$17,565,205</td>
<td>$21,747,803</td>
<td>$19,930,946</td>
<td>($1,816,857)</td>
<td>(8.4%)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$99,525,747</td>
<td>$132,993,823</td>
<td>$114,721,953</td>
<td>($18,271,870)</td>
<td>(13.7%)</td>
</tr>
<tr>
<td>Authorized Positions</td>
<td>701</td>
<td>691</td>
<td>677</td>
<td>(14)</td>
<td>(2.0%)</td>
</tr>
</tbody>
</table>

## Significant Adjustments

### Interagency Transfers
- Non-recurs Deepwater Horizon expends (-$700K) and reduces various expend categories to budget closer to a 3-year average pattern (-$125K).
- **($850,100)**

### Statutory Dedications
- Includes non-recurring Harrelson Landfill (-$3.5M), GEMS savings (-$1.9M), annualizes Mid-Year Reductions (-$2.5M), and aligns expenses closer to 3-year average pattern of spending (-6.3M).
- **($15.5M)**

### Federal Funds
- Reduction of various expenditure categories that closer align to a 3-year average pattern of spending.
- **($1.8M)**

### Authorized Positions
- Eliminates 3 vacancies in the Office of the Secretary, 8 in Environmental Compliance, and 3 in Environmental Services.
- **(14) T.O.s**
10-Year Budget History

DEPARTMENT OF ENVIRONMENTAL QUALITY
(Total Funding)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 06-07</td>
<td>$133</td>
</tr>
<tr>
<td>FY 07-08</td>
<td>$129</td>
</tr>
<tr>
<td>FY 08-09</td>
<td>$118</td>
</tr>
<tr>
<td>FY 09-10</td>
<td>$117</td>
</tr>
<tr>
<td>FY 10-11</td>
<td>$117</td>
</tr>
<tr>
<td>FY 11-12</td>
<td>$107</td>
</tr>
<tr>
<td>FY 12-13</td>
<td>$101</td>
</tr>
<tr>
<td>FY 13-14</td>
<td>$100</td>
</tr>
<tr>
<td>FY 14-15</td>
<td>$133</td>
</tr>
<tr>
<td>FY 15-16</td>
<td>$115</td>
</tr>
</tbody>
</table>

Millions

Actuals have historically been lower than EOB and/or the Exec. Budget

Source: Executive Budget Supporting Documents

Karen L. Auguste (225) 342-2444
Department of Environmental Quality
House Fiscal Division
## Major Sources of Revenue FY 15-16

### Interagency Transfers - $350,000

- Demolition and Landfill Oversight

### Statutory Dedications - $93.9 Million

<table>
<thead>
<tr>
<th>Fund</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmental Trust Fund</td>
<td>$61.0 M</td>
</tr>
<tr>
<td>Motor Fuels Underground Tank Fund</td>
<td>$16.5 M</td>
</tr>
<tr>
<td>Waste Tire Management Fund</td>
<td>$10.7 M</td>
</tr>
<tr>
<td>Hazardous Waste Site Cleanup Fund</td>
<td>$ 3.6 M</td>
</tr>
<tr>
<td>Clean Water State Revolving Fund</td>
<td>$ 1.9 M</td>
</tr>
</tbody>
</table>

### Federal Funds - $19.9 Million

<table>
<thead>
<tr>
<th>Agency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Secretary</td>
<td>$4.1 M</td>
</tr>
<tr>
<td>Office of Environmental Compliance</td>
<td>$8.4 M</td>
</tr>
<tr>
<td>Office of Environmental Services</td>
<td>$3.8 M</td>
</tr>
<tr>
<td>Office of Management and Finance</td>
<td>$3.6 M</td>
</tr>
</tbody>
</table>
### Expenditure Breakdown

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY 13-14 Actual Expenditures</th>
<th>FY 14-15 Existing Operating Budget (12/1/14)</th>
<th>FY 15-16 Executive Budget Recommendation</th>
<th>Change from FY 14-15 to FY 15-16</th>
<th>Percent Change from FY 14-15 to FY 15-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>$36,376,532</td>
<td>$38,654,554</td>
<td>$37,623,625</td>
<td>($1,030,929)</td>
<td>(2.7%)</td>
</tr>
<tr>
<td>Other Compensation</td>
<td>$224,056</td>
<td>$251,043</td>
<td>$211,043</td>
<td>($40,000)</td>
<td>(15.9%)</td>
</tr>
<tr>
<td>Related Benefits</td>
<td>$17,556,540</td>
<td>$22,232,466</td>
<td>$21,833,566</td>
<td>($398,900)</td>
<td>(1.8%)</td>
</tr>
<tr>
<td>Travel</td>
<td>$305,596</td>
<td>$393,963</td>
<td>$303,563</td>
<td>($90,400)</td>
<td>(22.9%)</td>
</tr>
<tr>
<td>Operating Services</td>
<td>$2,864,845</td>
<td>$3,593,296</td>
<td>$2,935,861</td>
<td>($657,435)</td>
<td>(18.3%)</td>
</tr>
<tr>
<td>Supplies</td>
<td>$787,073</td>
<td>$1,140,544</td>
<td>$870,448</td>
<td>($270,096)</td>
<td>(23.7%)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>$2,929,881</td>
<td>$4,141,191</td>
<td>$3,360,700</td>
<td>($780,491)</td>
<td>(18.8%)</td>
</tr>
<tr>
<td>Other Charges</td>
<td>$38,319,092</td>
<td>$62,023,935</td>
<td>$46,984,265</td>
<td>($15,039,670)</td>
<td>(24.2%)</td>
</tr>
<tr>
<td>Acq/Major Repairs</td>
<td>$162,132</td>
<td>$562,831</td>
<td>$598,882</td>
<td>$36,051</td>
<td>6.4%</td>
</tr>
<tr>
<td>Unallotted</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>$99,525,747</td>
<td>$132,993,823</td>
<td>$114,721,953</td>
<td>($18,271,870)</td>
<td>(13.7%)</td>
</tr>
</tbody>
</table>

**Salaries/Related Benefits**
- Net decrease primarily due to salary base adjustments, attrition adjustments, and personnel reductions.

**Professional Services**
- Reduction due to bringing budget closer to three-year average spending patterns.

**Other Charges**
- Reduction due to bringing budget closer to three-year average spending patterns.
8-Year Expenditure History

**Personal Services**

- 08-09: $63.9
- 09-10: $64.6
- 10-11: $63.9
- 11-12: $61.8
- 12-13: $58.8
- 13-14: $54.2
- 14-15*: $61.1
- 15-16**: $59.7

**Operating Expenses**

- 08-09: $6.6
- 09-10: $5.5
- 10-11: $4.7
- 11-12: $4.4
- 12-13: $4.3
- 13-14: $4.0
- 14-15*: $5.1
- 15-16**: $4.1

**Professional Services**

- 08-09: $3.3
- 09-10: $3.2
- 10-11: $3.3
- 11-12: $3.3
- 12-13: $3.0
- 13-14: $2.9
- 14-15*: $4.1
- 15-16**: $3.4

**Acquisitions & Major Repairs**

- 08-09: $1.8
- 09-10: $0.1
- 10-11: $0.5
- 11-12: $0.0
- 12-13: $0.3
- 13-14: $0.2
- 14-15*: $0.6
- 15-16**: $0.6

Source: Executive Budget Supporting Documents

* Existing Operating Budget as of 12/1/14
**Governor's Executive Budget Recommendation
8-Year Expenditure History

Other Charges

Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/14
**Governor’s Executive Budget Recommendation

Karen L. Auguste  (225) 342-2444  Department of Environmental Quality

House Fiscal Division
Significant Adjustments

($2.5M) SGF and SD
Annualizes 2015 Mid-Year Reduction Plan (-$9,908 SGF, -$2,492,087 SD).

($1.9M) Various MOF
GEMS Savings (-$24,769 SGF, -$25,00 IAT, -$3,710 FSGR, -$1,852,994 SD).

($3.5M) SD
Non-recurs funds from the statutorily dedicated Environmental Trust Fund for expenses associated with the subterranean fire at Harrelson Landfill.

($6.3M) SD
Reduces Statutory Dedications in various expenditure categories to properly align the department’s expenditures closer to a 3-year average of actual expenditures. Includes Motor Fuels Trust Fund (-$5,652,500), Clean Water State Revolving Fund (-$533,000), and Waste Tire Management Fund (-$125,000).
Discretionary/Non-Discretionary Funding in FY 15-16 Executive Budget

Total Dept of Env. Quality Budget $114.7 Million

- Statutory Dedications $93.9 Million
  - Non-Discretionary $0
  - Self-Generated Revenue $38,790
  - Federal $19.9 Million

State General Fund $460,700

Office of the Secretary $460,700

Subtract $350,000 IAT (Interagency Transfer Double Count)

$114.3 Million Available
FY 15-16 SALARIES/POSITIONS

- $37.8 million for Salaries and Other Compensation
- $21.8 million for Related Benefits
- Total Personnel Services = $59.7 million; 88.1% of the Department of Environmental Quality’s total Executive Budget Recommendation (excluding Other Charges)

- 677 Authorized Positions (668 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions

- As of 1/30/2015, DEQ had 13 vacancies. 14 positions are being recommended for elimination, however, funding for 10 positions was eliminated during the mid-year budget cuts on 12/18/2014. Only 4 positions remain to be cut.
Salaries and Positions

TOTAL FULL-TIME EQUIVALENT (FTE) POSITIONS

Source: Prepared by House Fiscal Division staff using information from ISIS-HR

Karen L. Auguste (225) 342-2444  Department of Environmental Quality  House Fiscal Division
Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service

Karen L. Auguste (225) 342-2444
Department of Environmental Quality

House Fiscal Division
Salaries and Positions

FY 14 UNCLASSIFIED AVERAGE ANNUAL PAY PER FTE

Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service

Karen L. Auguste (225) 342-2444 Department of Environmental Quality

House Fiscal Division
### Department Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peggy Hatch</td>
<td>Secretary</td>
<td>225-219-3950</td>
</tr>
<tr>
<td>Vince Sagnibene</td>
<td>Undersecretary</td>
<td>225-219-3840</td>
</tr>
</tbody>
</table>