

Representative Jim Fannin
Chairman



Representative Bryan Adams
Vice Chairman

FY 15-16 Executive Budget Review
DEPARTMENT OF ENVIRONMENTAL QUALITY

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



Agenda

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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

Means of Finance	Actual Expenditures FY 13-14	Existing Operating Budget FY 14-15 (12/1/14)	Executive Budget Recommended FY 15-16	Change from FY 14-15 to FY 15-16	Percent Change from FY 14-15 to FY 15-16
State General Fund	\$474,735	\$495,377	\$460,700	(\$34,677)	(7.0%)
Interagency Transfers	\$1,014,574	\$1,200,100	\$350,000	(\$850,100)	(70.8%)
Fees and Self-Gen. Rev.	\$21,994	\$90,000	\$38,790	(\$51,210)	(56.9%)
Statutory Dedications	\$80,449,239	\$109,460,543	\$93,941,517	(\$15,519,026)	(14.2%)
Federal Funds	\$17,565,205	\$21,747,803	\$19,930,946	(\$1,816,857)	(8.4%)
TOTAL	\$99,525,747	\$132,993,823	\$114,721,953	(\$18,271,870)	(13.7%)
Authorized Positions	701	691	677	(14)	(2.0%)

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.

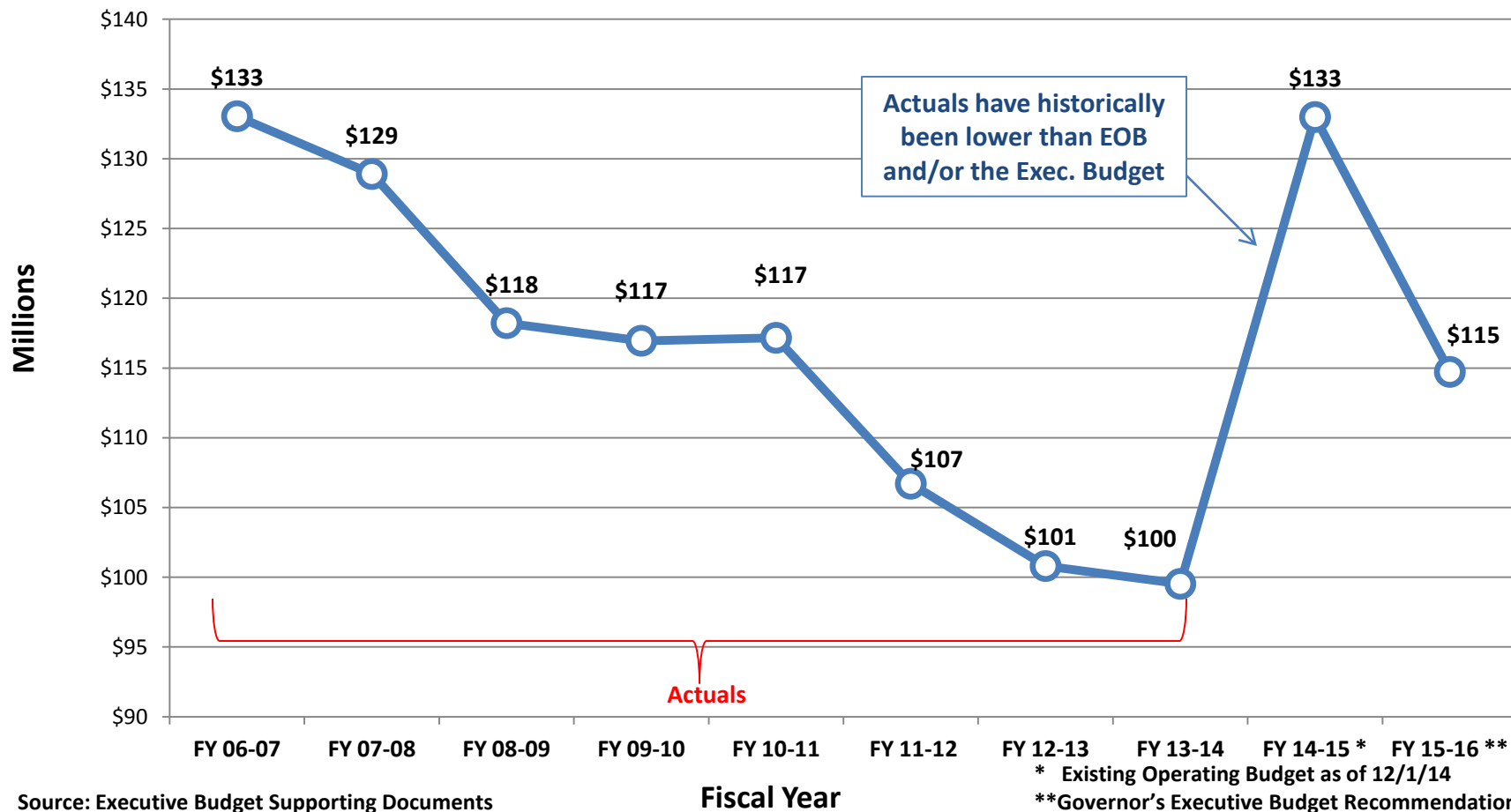
(14) T.O.s





10-Year Budget History

DEPARTMENT OF ENVIRONMENTAL QUALITY (Total Funding)





Major Sources of Revenue FY 15-16

Interagency Transfers - \$350,000

- Demolition and Landfill Oversight

Statutory Dedications - \$93.9 Million

- | | |
|-------------------------------------|-----------|
| • Environmental Trust Fund | \$ 61.0 M |
| • Motor Fuels Underground Tank Fund | \$ 16.5 M |
| • Waste Tire Management Fund | \$ 10.7 M |
| • Hazardous Waste Site Cleanup Fund | \$ 3.6 M |
| • Clean Water State Revolving Fund | \$ 1.9 M |

Federal Funds - \$19.9 Million

- | | |
|--------------------------------------|----------|
| • Office of the Secretary | \$ 4.1 M |
| • Office of Environmental Compliance | \$ 8.4 M |
| • Office of Environmental Services | \$ 3.8 M |
| • Office of Management and Finance | \$ 3.6 M |



Expenditure Breakdown

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

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.

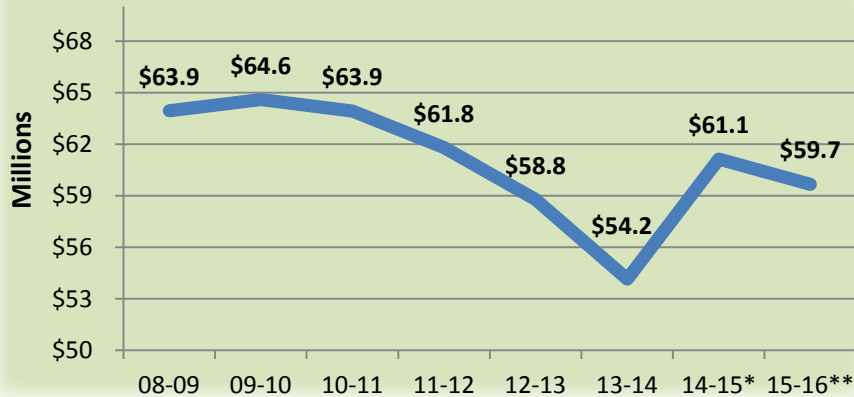
Other Charges

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

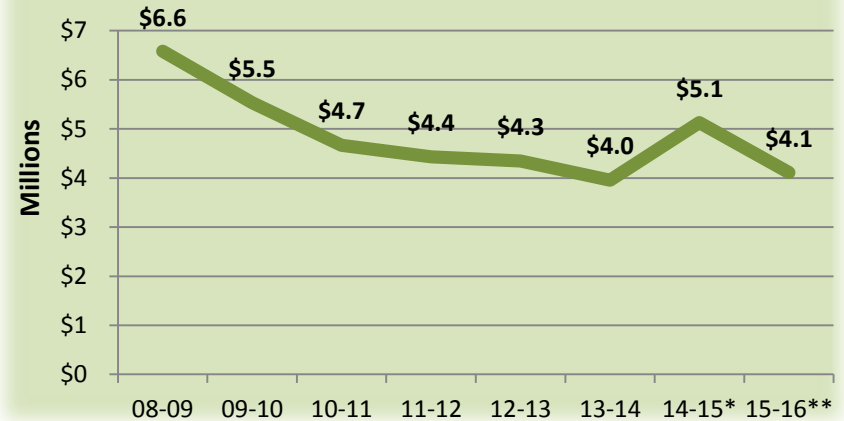


8-Year Expenditure History

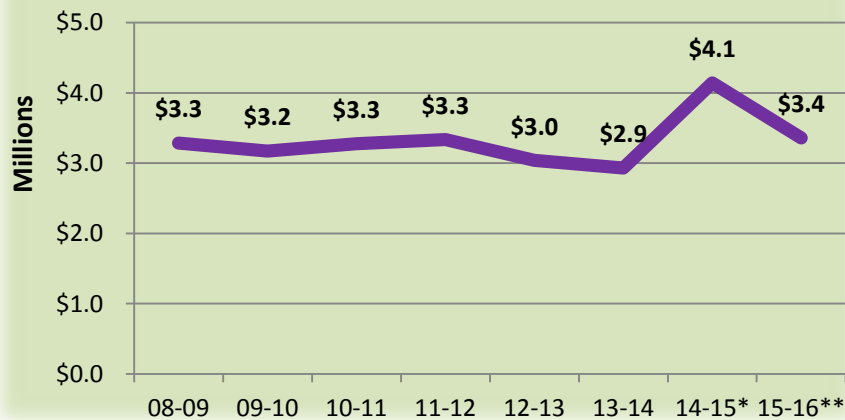
Personal Services



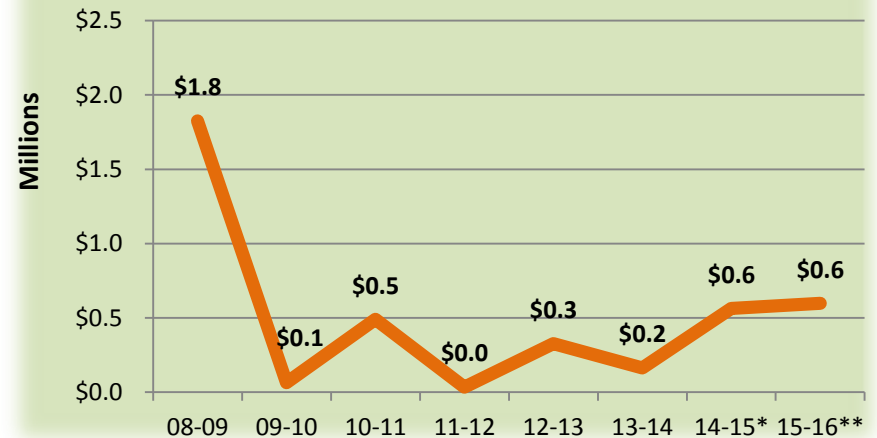
Operating Expenses



Professional Services



Acquisitions & Major Repairs



Source: Executive Budget Supporting Documents

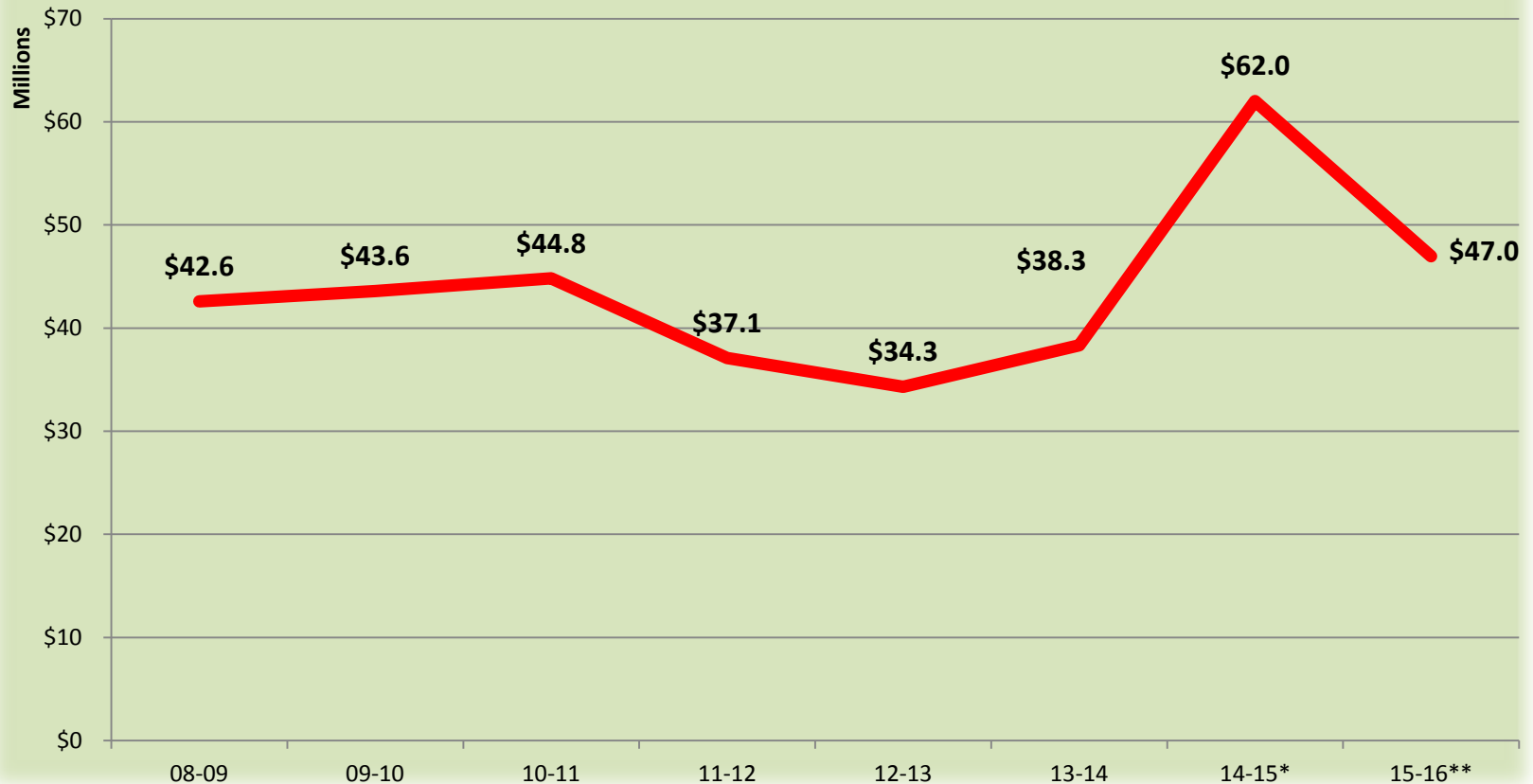
* Existing Operating Budget as of 12/1/14

** 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



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.

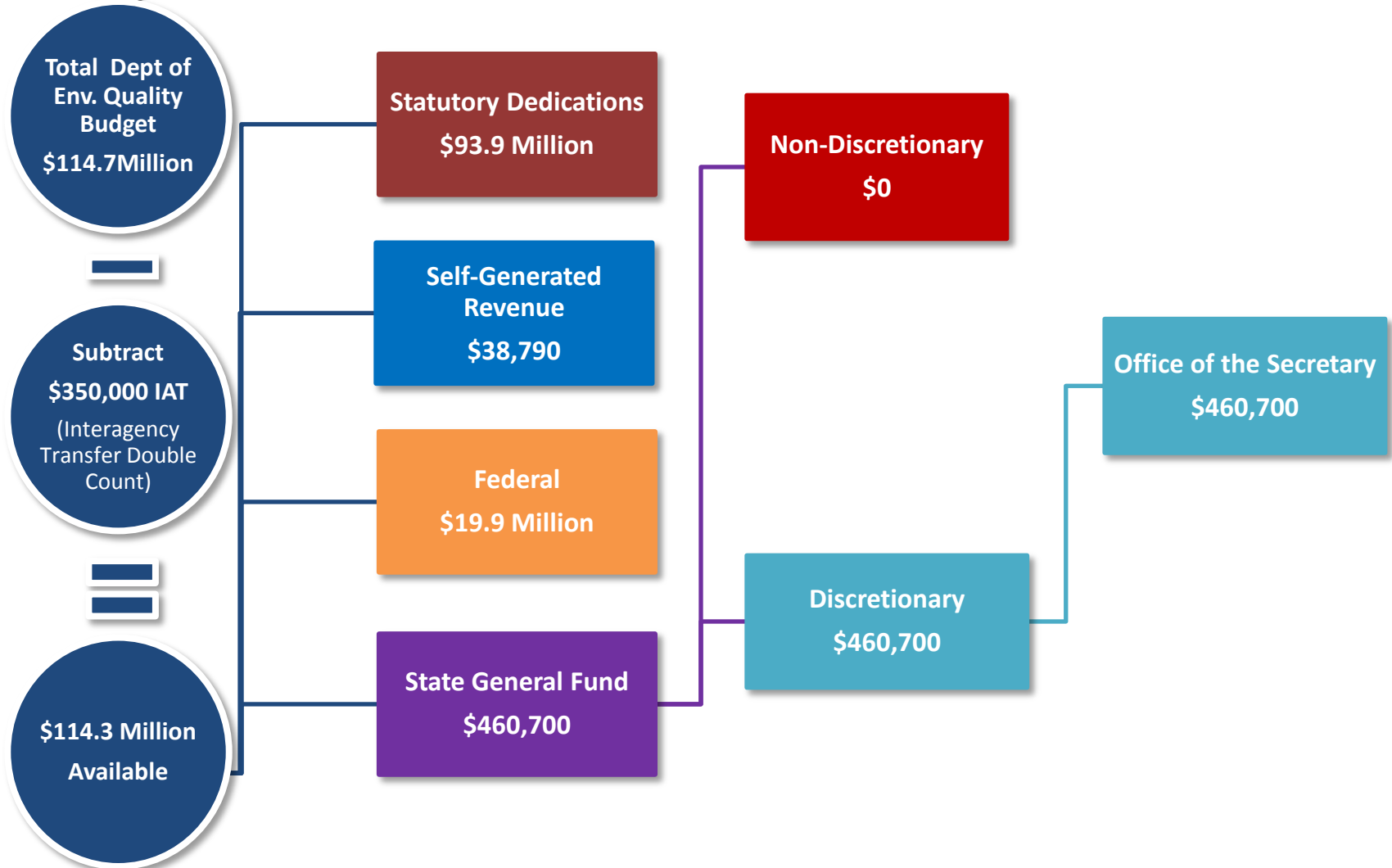
(\$6.3M)
SD



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





Salaries and Positions

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)

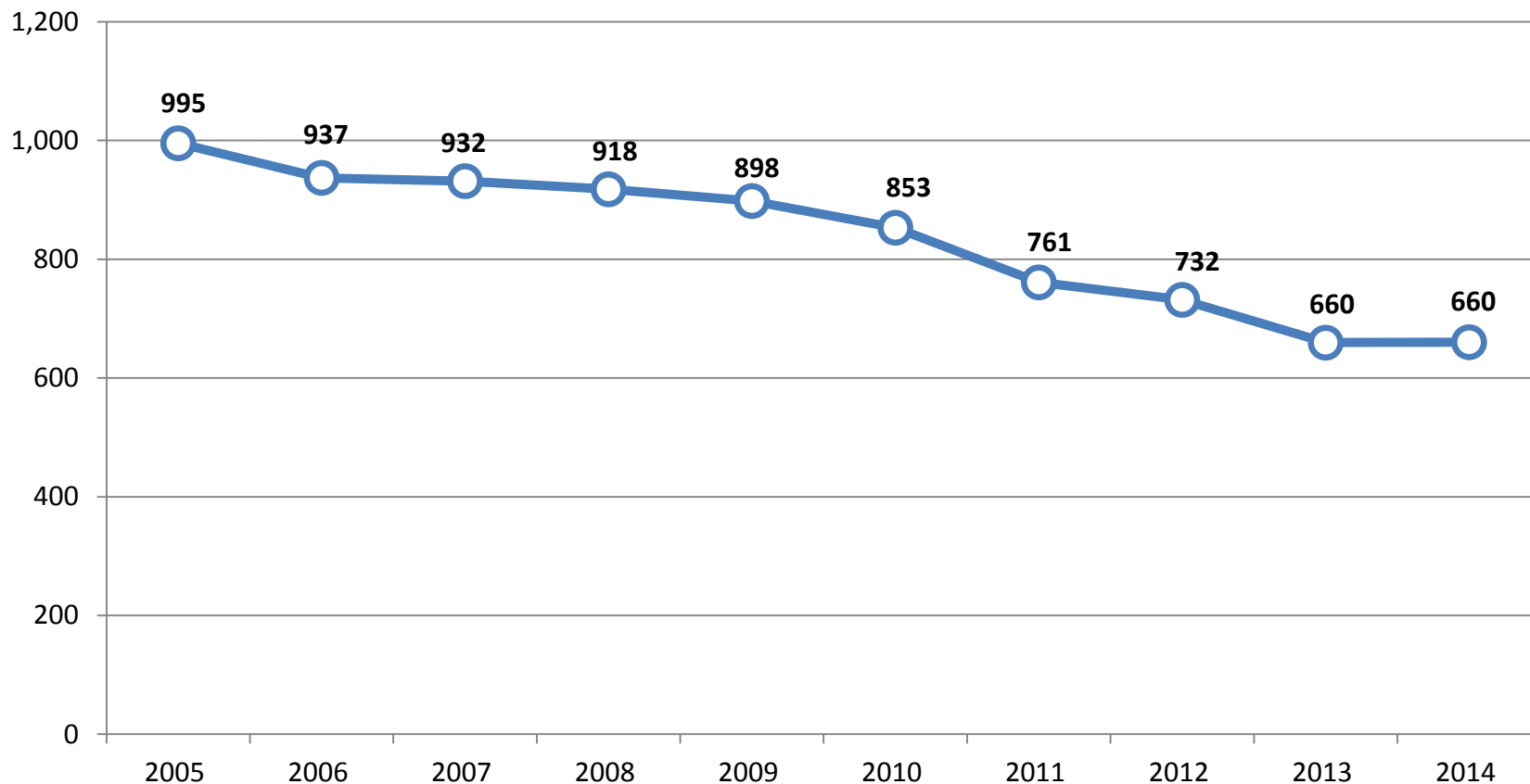
- 677 Authorized Positions (668 classified and 9 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions

- 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

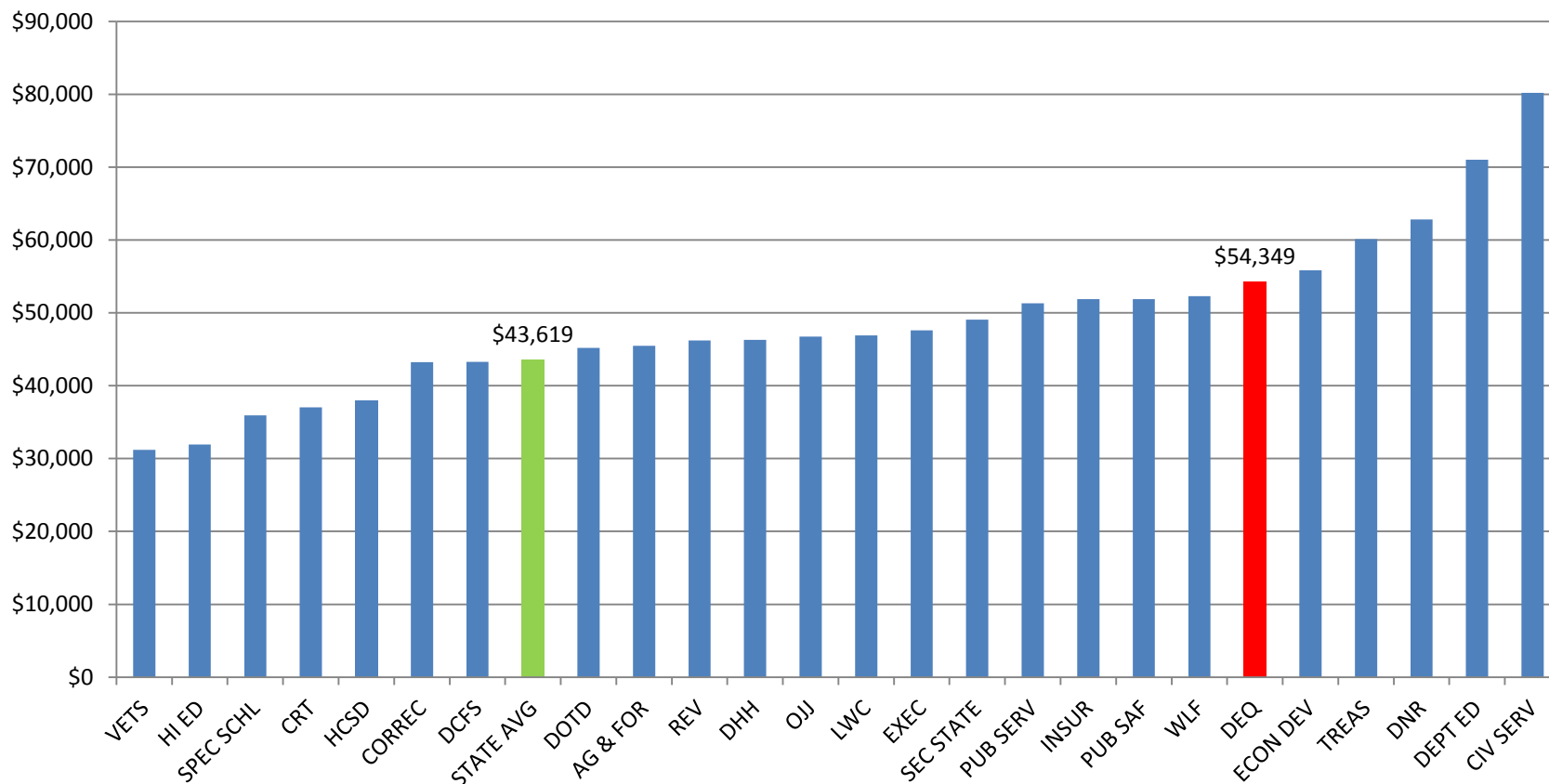


Source: Prepared by House Fiscal Division staff using information from ISIS-HR



Salaries and Positions

FY 14 CLASSIFIED AVERAGE ANNUAL PAY PER FTE

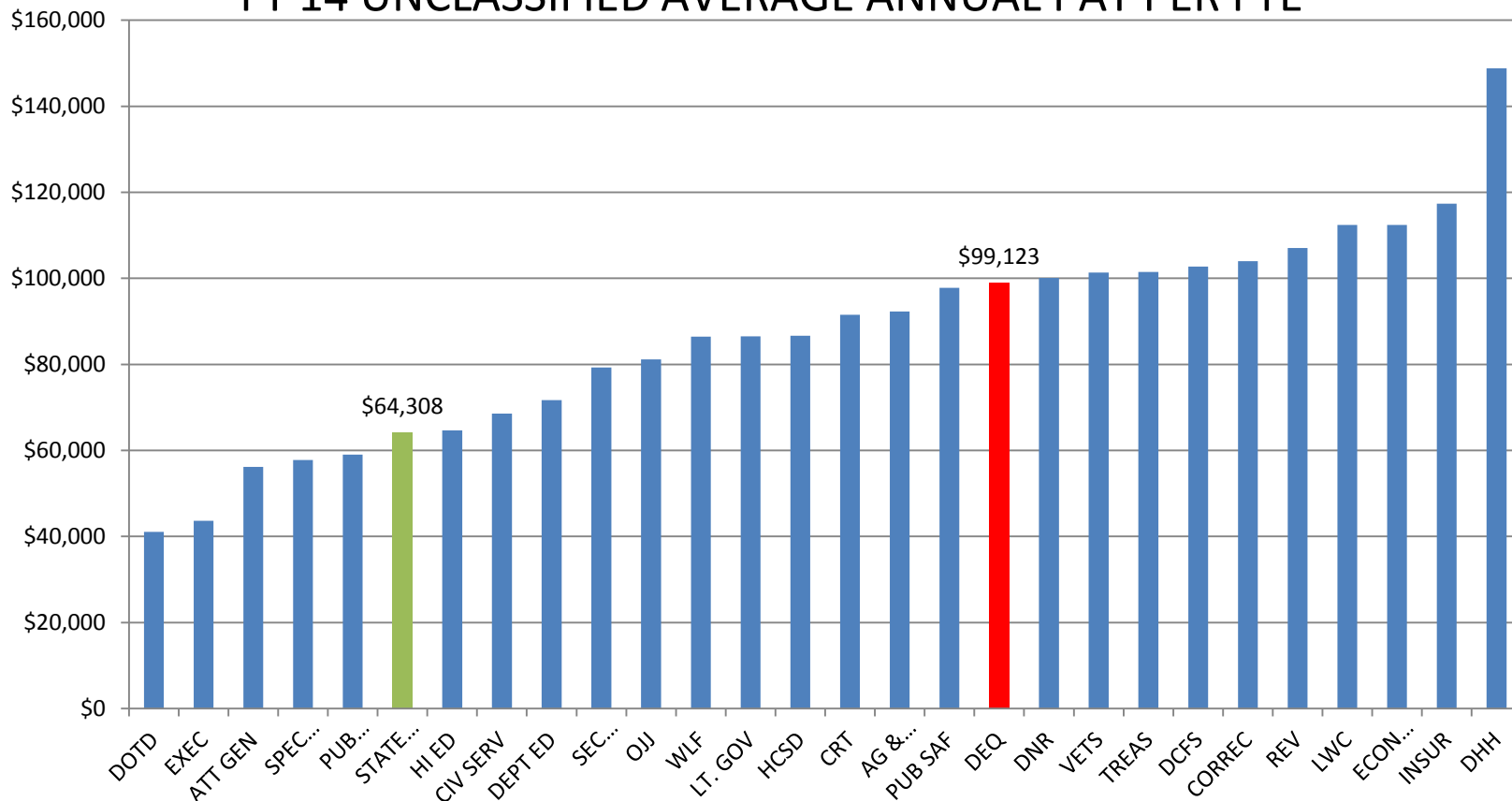


Source: Prepared by House Fiscal Division staff using information from ISIS-HR and Civil Service



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



Department Contacts

Name	Title	Phone Number
Peggy Hatch	Secretary	225-219-3950
Vince Sagnibene	Undersecretary	225-219-3840