

Representative Cameron Henry
Chairman



Representative Franklin Foil
Vice Chairman

FY16-17 Executive Budget Review

DEPARTMENT OF ENVIRONMENTAL QUALITY

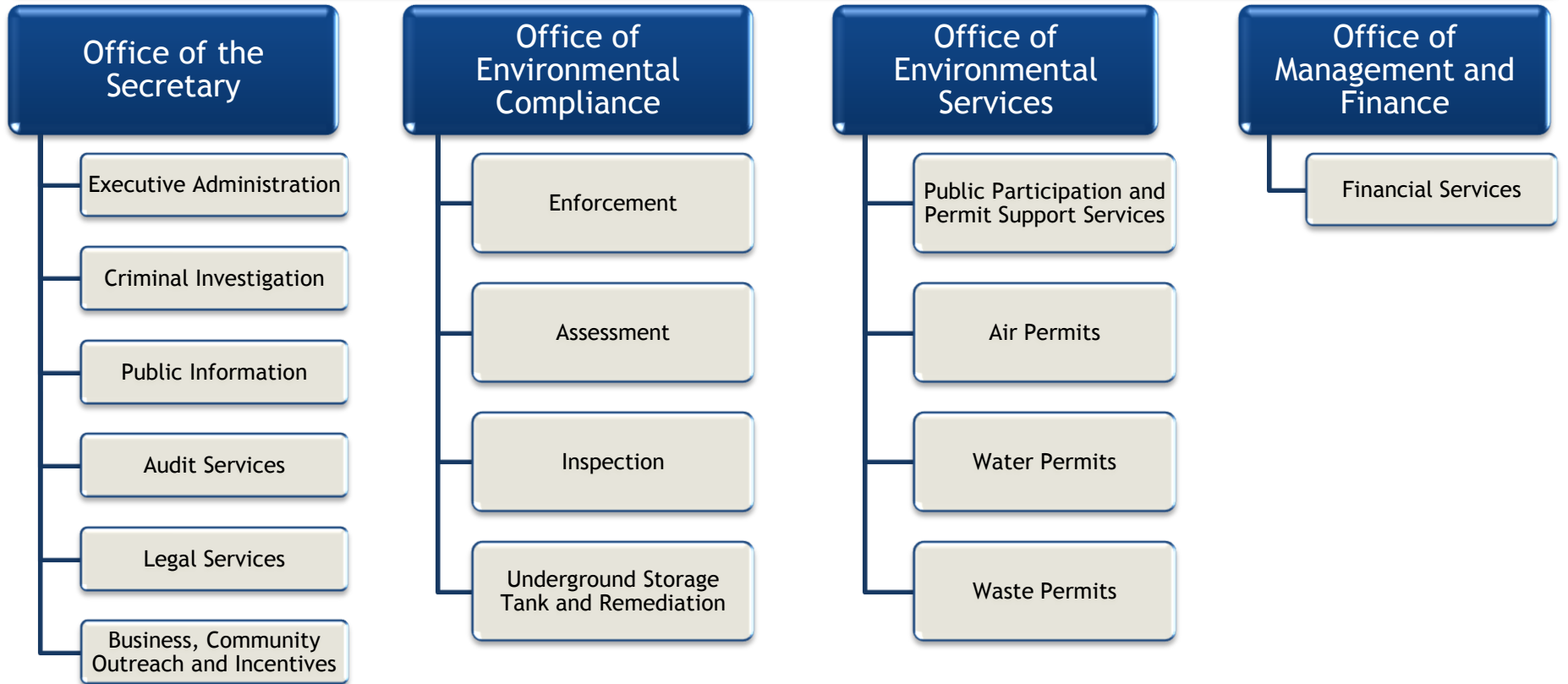
House Committee on Appropriations
by the House Fiscal Division

March 30, 2016

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DEPARTMENT ORGANIZATION



OFFICE OF THE SECRETARY

Executive Administration

- Contains the Secretary and his Executive Staff.

Criminal Investigation

- Investigates negligence and knowing or willful violations of Louisiana environmental law.

Public Information

- Communicates with the media and citizens on information regarding the department's activities.

Audit Services

- Performs internal audits on the department.

Legal Services

- Responsible for the department's legal needs.

Business, Community Outreach and Incentives Division

- Administers the Drinking Water Protection Program, Small Business/Community Assistance Program, and several other programs.



OFFICE OF ENVIRONMENTAL COMPLIANCE

Inspection Division

- Inspects facilities for permit compliance.
- Responds to citizen complaints in regards to unauthorized release of water or air pollution.

Assessment Division

- Evaluates overall quality of air and water resources.
- Responds to emergency situations or releases of water or air pollution.

Underground Storage Tank and Remediation Division

- Protects soil and groundwater resources from unauthorized releases of motor fuels from underground storage tanks.

Enforcement Division

- Enforces penalties for violations of state and federal laws.
- Negotiates settlements for violations of state and federal laws.



OFFICE OF ENVIRONMENTAL SERVICES

Water Permits Division

- Authorizes permits administered under Louisiana Water Quality Regulations.

Solid and Hazardous Waste Permits Division

- Authorizes permits administered under the Solid Waste and Hazardous Waste Regulations.
- Provides engineering and geological services throughout the state.

Air Permits Division

- Authorizes permits administered under Air Quality Regulations.

Public Participation and Permit Support Division

- Facilitates public participation through public hearings and informing the public through notices.
- Provides support to permit divisions with administration, database management, certifications, accreditations and notifications.



OFFICE OF MANAGEMENT AND FINANCE

Financial Services

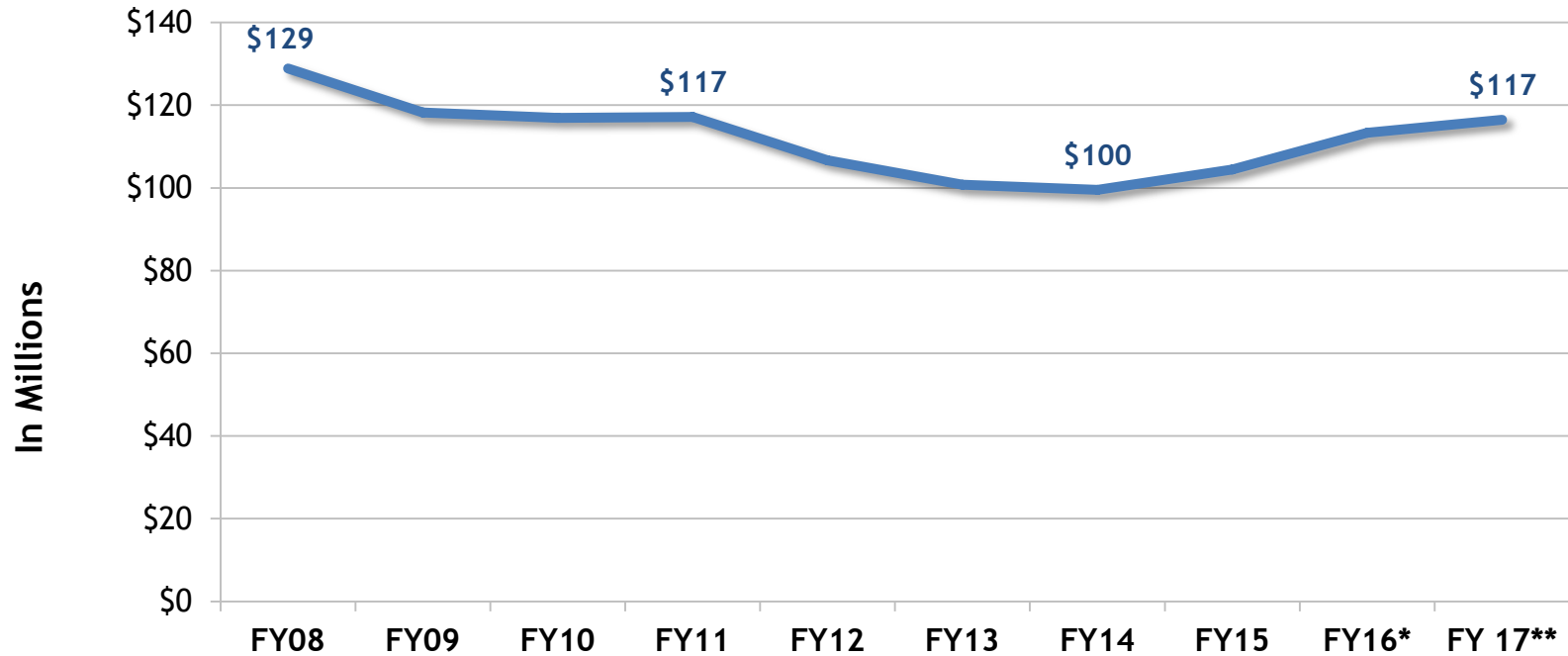
- Responsible for accounting of the department.
- Produces financial reports.
- Responsible for Clean Water State Revolving Fund, Motor Fuel Underground Storage Tank Fund and the Waste Tire Program.

Support Services

- Provides support to the department by providing safety trainings and providing information technology assistance.



BUDGET HISTORY



Source: Executive Budget Supporting Documents

*Existing Operating Budget as of 12/1/15
**Governor's Executive Budget Recommendation

MEANS OF FINANCE BREAKDOWN

Means of Financing	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
State General Fund	\$482,377	\$437,665	\$162,072	(\$275,593)	(63.0%)
Interagency Transfers	\$212,160	\$441,000	\$441,000	\$0	0.0%
Fees and Self-Gen Rev.	\$20,515	\$24,790	\$24,790	\$0	0.0%
Statutory Dedications	\$86,717,126	\$92,417,463	\$96,186,307	\$3,768,844	4.1%
Federal Funds	\$17,043,424	\$20,000,179	\$19,689,946	(\$310,233)	(1.6%)
Total Means of Finance	\$104,475,602	\$113,321,097	\$116,504,115	\$3,183,018	2.8%

The Division of Administration estimates that \$437,665 in State General Fund is needed in FY 17 to fully fund projected normal operating costs and other priorities. Therefore, \$275,593 additional SGF is needed to fully fund operations.

SOURCES OF REVENUE

Federal Funds \$19.7 Million

Federal Funds consist of various grants issued by the Environmental Protection Agency, the Department of Energy, and the Department of Defense.

Statutory Dedications \$96.2 Million

There are seven Statutory Dedications within the Department, including the Environmental Trust Fund (\$62.2M), the Motor Fuels Underground Storage Tank Fund (\$15.6M), and the Waste Tire Management Fund (\$10.1M).

Self Generated \$24,790

Fees and Self-generated Revenue is made up of the sale of forms and solid waste certification fees.

Interagency Transfers \$441,000

Interagency Transfers are made up mostly of a single transfer (\$350,000) from the Louisiana Office of Homeland Security and Emergency Preparedness, which is used for hurricane related demolition and landfill oversight.

STATUTORY DEDICATIONS

Statutory Dedication	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Environmental Trust Fund	\$56,976,937	\$62,222,662	\$5,245,725	9.2%
Motor Fuel Underground Storage Trust Fund	\$15,649,485	\$15,649,485	\$0	0.0%
Waste Tire Management Fund	\$10,146,950	\$10,087,684	(\$59,266)	(0.6%)
Hazardous Waste Site Cleanup Fund	\$5,366,946	\$3,766,331	(\$1,600,615)	(29.8%)
Clean Water State Revolving Loan Fund	\$4,026,000	\$4,209,000	\$183,000	4.5%
Oil Spill Contingency Fund	\$156,145	\$156,145	\$0	0.0%
Lead Hazard Reduction Fund	\$95,000	\$95,000	\$0	0.0%
Total	\$92,417,463	\$96,186,307	\$3,768,844	4.1%

Statutory Dedications are 83% of the department's recommendation in FY17.

SIGNIFICANT ADJUSTMENTS



\$1.6 M
SD

Increase in budget authority for the Environmental Trust Fund for the department's Mobile Air Monitoring Laboratory (MAML). This is funded entirely by a donation to the Environmental Trust Fund from Phillips 66 and Marathon Petroleum with the requirement that the donation be used for the procurement of the MAML.



\$1.4 M
SD

Increase is to the Environmental Trust Fund and the Hazardous Waste Site Cleanup Fund to restore the funds to their levels before the first FY 16 mid-year budget reduction.



\$615,397
SD

Increase in budget authority for the Hazardous Waste Site Cleanup Fund for additional site remediation work.



(\$275,593)
SGF

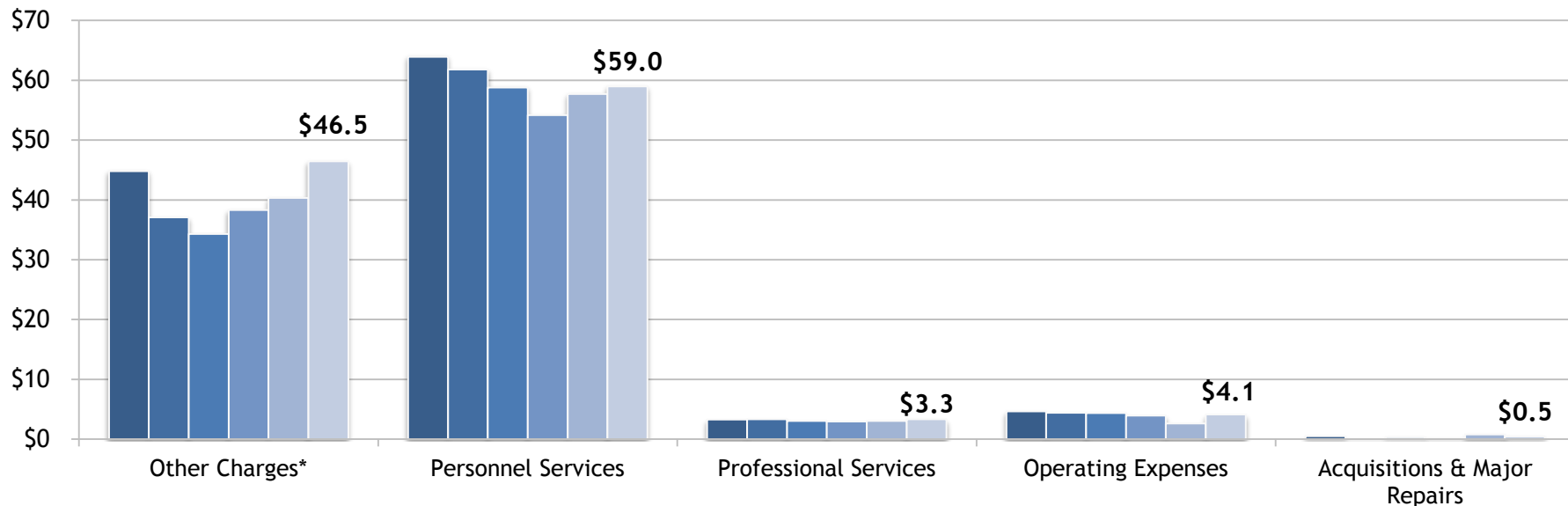
Reduces the appropriation for the Louisiana Rural Water Association by 63%, for a proposed appropriation of \$162,072 in FY17. The Association assists small water and wastewater systems through training, technical assistance and state operator certifications.

EXPENDITURE BREAKDOWN

Expenditure	FY 14-15 Prior Year Actual Expenditures	FY 15-16 Existing Operating Budget	FY 16-17 Executive Budget Recommendation	\$ Change from Existing	% Change from Existing
Salaries	\$37,377,275	\$37,138,110	\$37,523,801	\$385,691	1.0%
Other Compensation	\$245,394	\$211,043	\$211,043	\$0	0.0%
Related Benefits	\$20,071,287	\$21,628,715	\$21,756,109	\$127,394	0.6%
Travel	\$154,807	\$307,443	\$307,443	\$0	0.0%
Operating Services	\$1,766,915	\$2,933,361	\$2,933,361	\$0	0.0%
Supplies	\$689,782	\$868,998	\$872,498	\$3,500	0.4%
Professional Services	\$3,063,791	\$3,317,108	\$3,360,700	\$43,592	1.3%
Other Charges	\$40,334,292	\$46,456,650	\$47,167,120	\$710,470	1.5%
Acq/Major Repairs	\$772,059	\$459,669	\$2,372,040	\$1,912,371	416.0%
Unallotted	\$0	\$0	\$0	\$0	0.0%
Total Expenditures	\$104,475,602	\$113,321,097	\$116,504,115	\$3,183,018	2.8%
Authorized Positions	681	677	677	0	0.0%

EXPENDITURE HISTORY (IN MILLIONS)

FY 10-11 FY 11-12 FY 12-13 FY 13-14 FY 14-15 FY 15-16 EOB*



*Other Charges largely includes Motor Fuels Underground Storage Tank expenses for cleanup of released fuels, Waste Tire Program expenses for disposal of tires, network connectivity and telecommunication services, Galvez building rental, Hazardous Waste Site Cleanup expenses for site cleanup, EPA Grant Nonpoint Source Program for pollution control, legal expenses, and Underground State Tank cleanup.

*Existing Operating Budget as of 12/1/15

Source: Executive Budget Supporting Documents

PERSONNEL INFORMATION

10-Year Full Time Equivalent Positions vs. Average Salary

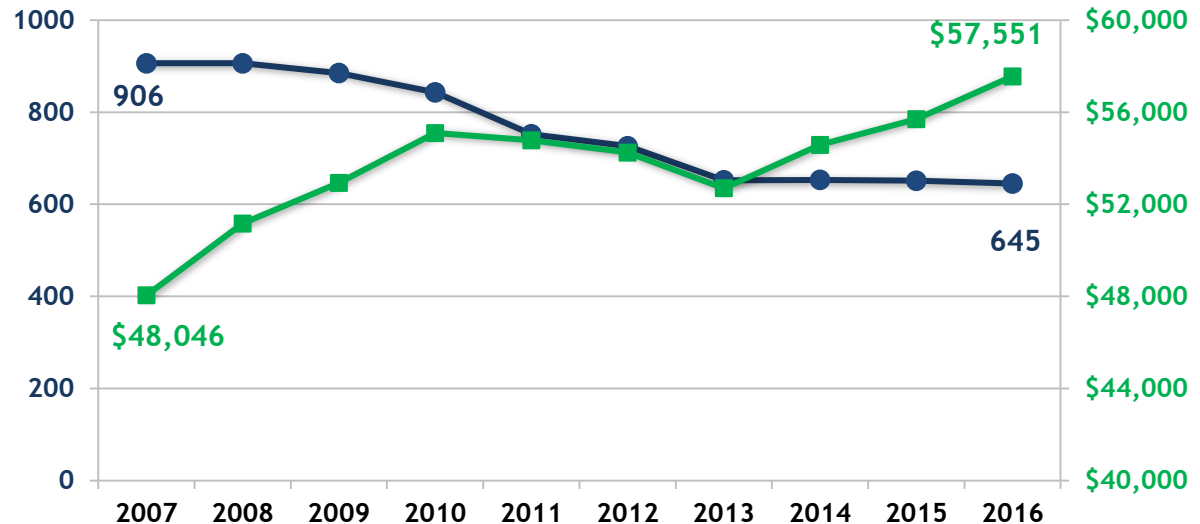
\$37.7 million Salaries and Other Compensation
\$21.8 million Related Benefits
\$59.5 million Total Personnel Services

- 86% of the Department's Total Executive Budget Recommendation (excluding Other Charges)

Authorized Positions

- 677 (669 classified and 8 unclassified)
- 0 full-time non-T.O. positions
- 0 Other Charges positions

*As of 1/29/2016, Environmental Quality had 31 vacancies; no vacancies were eliminated in the Executive Budget.



Source: Prepared by House Fiscal Division staff using information from the Department of Civil Service.

DEPARTMENT CONTACTS



Department of Environmental Quality		
Dr. Chuck Brown	Secretary	(225) 219-3953
Karyn Andrews	Undersecretary	(225) 219-3863