

Representative Jerome Zeringue
Chairman



Representative Francis Thompson
Vice Chairman

Fiscal Year 2023 Executive Budget Review Department of Environmental Quality

House Committee on Appropriations
House Fiscal Division

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Budget Analyst: Claire Vermaelen

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900 N. 3rd Street
 Baton Rouge, LA 70802
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All data and figures were obtained from the governor's Fiscal Year 2022-2023 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2022 Regular Session, unless otherwise noted.

<https://www.doa.la.gov/doa/opb/budget-documents/>

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BUDGET RECOMMENDATION FY 23

Total Recommended = \$144,756,085

Means of Financing

SGF \$4.6 M
3.2%

IAT \$4.5 M
3.1%

FSGR \$106.8 M
73.8%

SD \$9.6 M
6.7%

FED \$19.2 M
13.3%

Expenditure Categories

Personnel Services \$77.6 M
53.6%

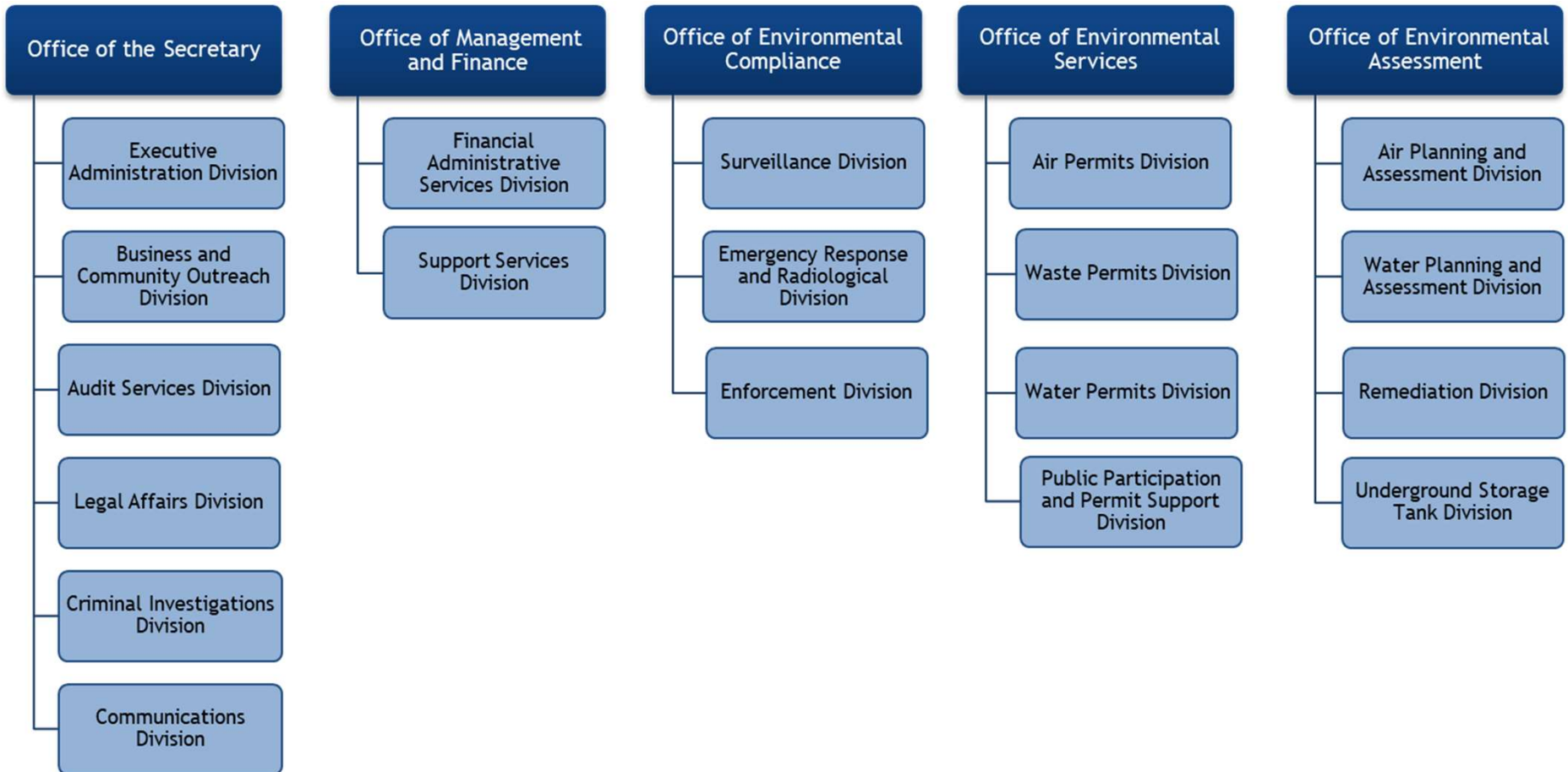
Operating Expenses \$3.7 M
2.6%

Professional Services \$8 M
5.6%

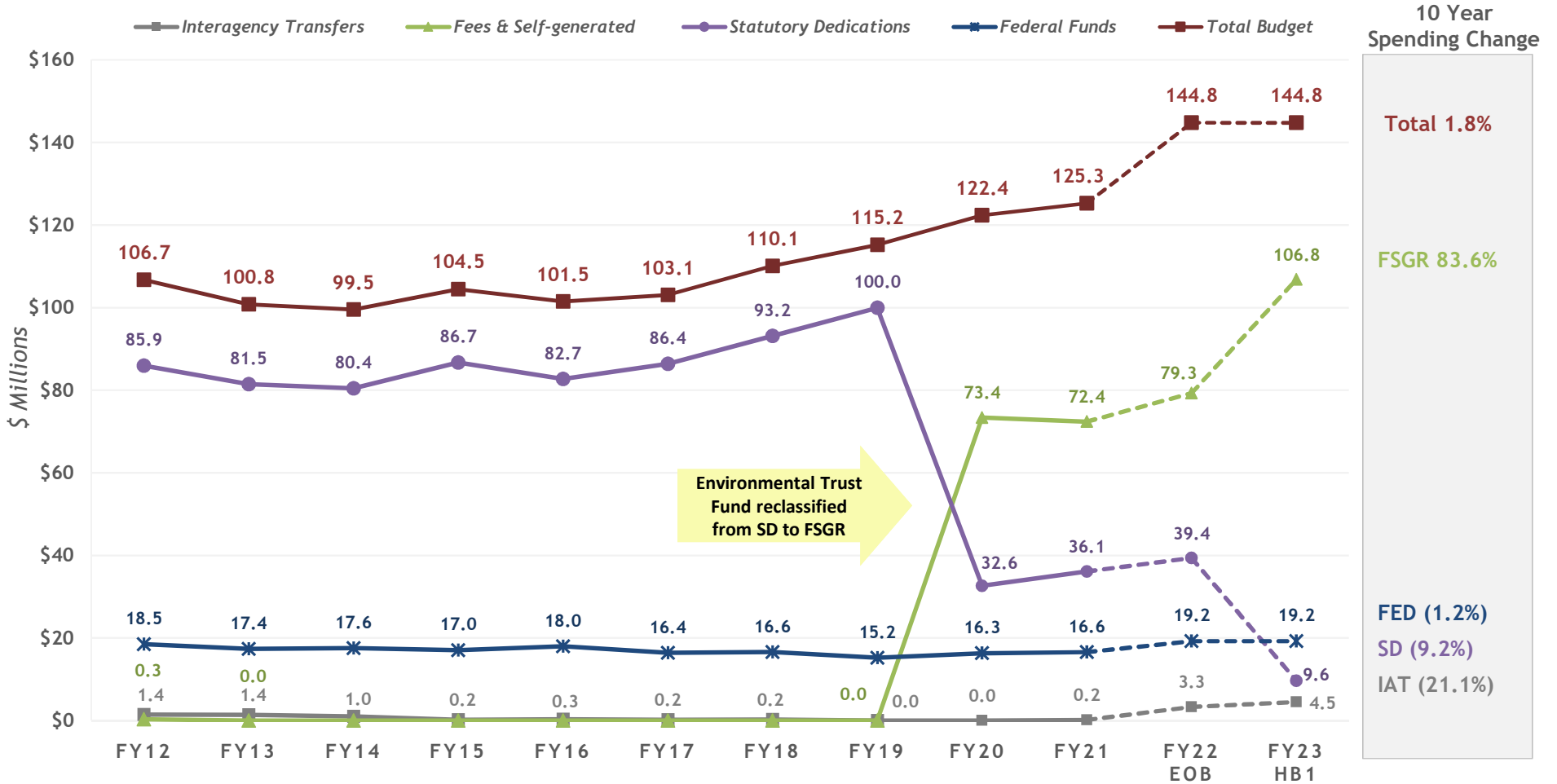
Other Charges \$54.2 M
37.5%

Acquisitions & Repairs \$1.2 M
0.8%

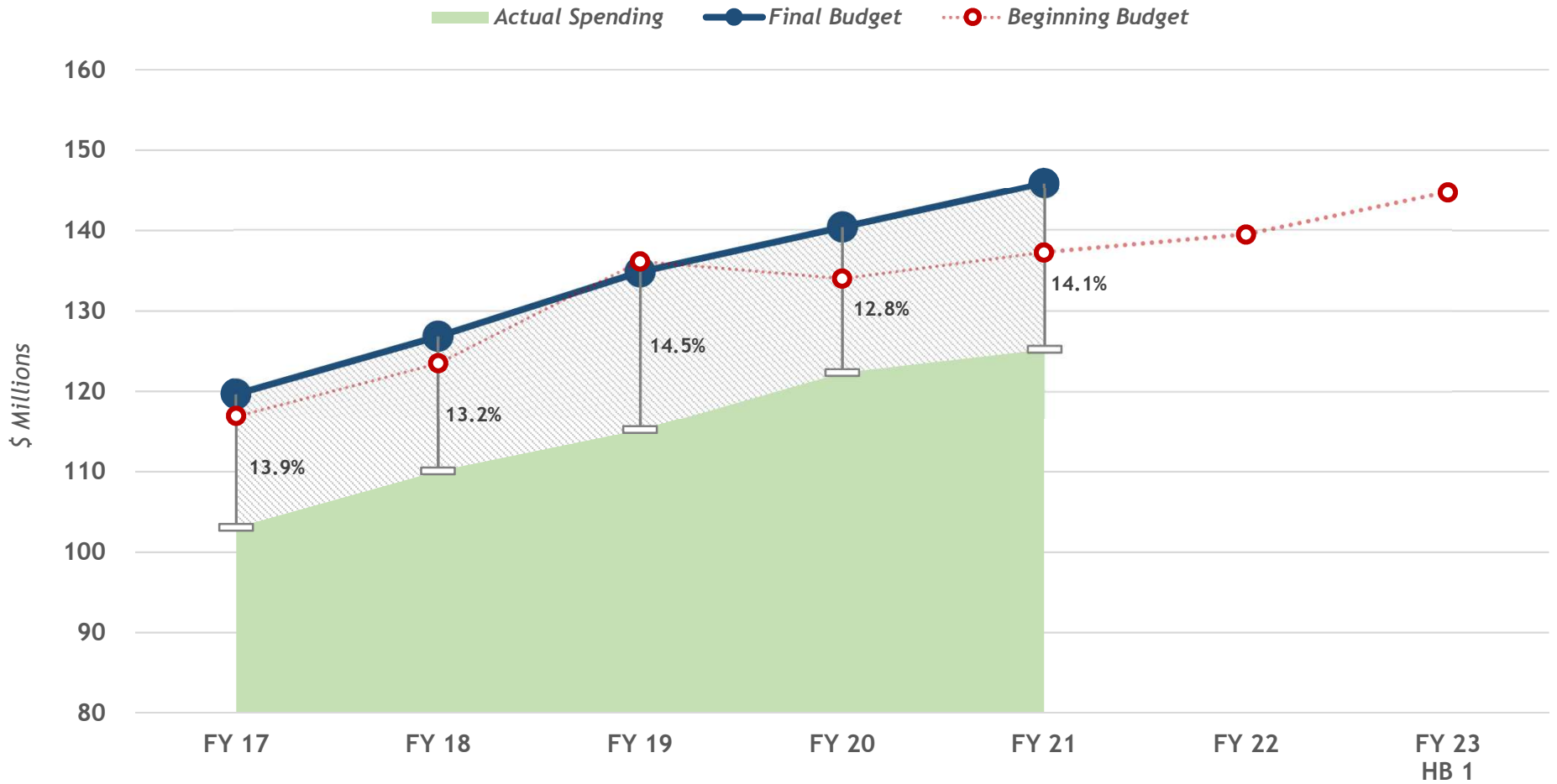
DEPARTMENT ORGANIZATION



HISTORICAL SPENDING



HISTORICAL BUDGET



PRIOR YEAR ACTUALS FY 21

Means of Finance	Final Budget <i>(w/o FY22 carryfwr)</i>	Amount Spent	Unspent Authority	Unspent Authority %	Unspent % by MOF
General Fund	\$ 0	\$ 0	\$ 0	0.0%	0.0%
Interagency Transfers	2,004,619	168,929	1,835,690	91.6%	12.0%
Self-generated	79,746,979	72,393,734	7,353,245	9.2%	48.0%
Statutory Dedications	39,186,747	36,117,844	3,068,903	7.8%	20.0%
Federal	19,634,301	16,575,815	3,058,486	15.6%	20.0%
FY21 Total	\$ 140,572,646	\$ 125,256,322	\$ 15,316,324	10.9%	100.0%

<i>Historical Total Unspent Budget Authority</i>	Final Budget	Amount Spent	Unspent Authority	Unspent %	
	FY20 Total	\$ 133,685,853	\$ 122,368,239	\$ 11,317,614	8.5%
	FY19 Total	128,478,719	115,221,736	13,256,983	10.3%
	FY18 Total	125,753,099	110,065,052	15,688,047	12.5%
	3 Year Avg.	\$ 129,305,890	\$ 115,885,009	\$ 13,420,881	10.4%

PRIOR YEAR ACTUALS FY 21

Were projected revenues collected?

	Final Budget <i>(w/o FY22 carryfwd)</i>	Revenue Collections	Difference
SGF	\$ 0	\$ 0	\$ 0
IAT	2,004,619	168,928	(1,835,691)
FSGR	79,746,979	67,985,991	(11,760,988)
SD	39,186,747	43,393,530	4,206,783
FED	19,634,301	16,575,816	(3,058,485)
Total	\$ 140,572,646	\$ 128,124,265	\$ (12,448,381)

The department collected \$12.4 million less than the FY 21 budget.

The shortfall in interagency transfers from OCD is due to an invoice from the U.S. Geological Service not being approved before the end of the fiscal year.

The shortfall in fees and self-generated revenue is due, in part, to closures and permit cancellations due to COVID, and not receiving invoices and funds from the Volkswagen trustee.

The shortfall in federal funds is due to multiple year grants and contracts.

Were collected revenues spent?

	Revenue Collections	Expenditures	Difference
SGF	\$ 0	\$ 0	\$ 0
IAT	168,928	168,928	0
FSGR	67,985,991	72,393,734	4,407,743
SD	43,393,530	36,117,844	(7,275,686)
FED	16,575,816	16,575,816	0
Total	\$ 128,124,265	\$ 125,256,322	\$ (2,867,943)

Fees and Self-generated revenues, which are predominately the Environmental Trust Dedicated Fund Account, DEQ did not collect as much as was expended. This shortage was funded by carryforward cash from FY20 (approximately \$8 million).

Revenue collections exceeded expenditures for the statutory dedicated funds. The majority of these collections were in the Motor Fuels Trust Funds and Waste Tire Management Fund. Expenditures are limited by the appropriated budget and any remaining funds at the end of fiscal year 2021 were carried into fiscal year 2022 for future use.

EXISTING OPERATING BUDGET FY 22

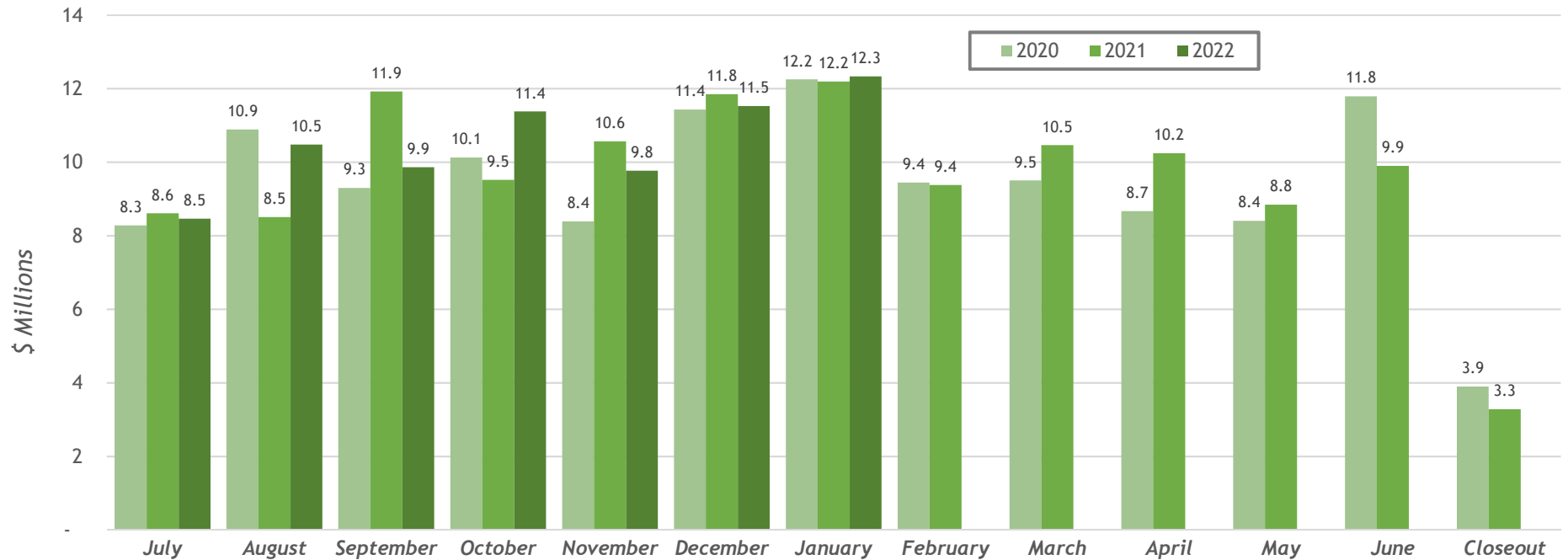
The FY 2021-22 Existing Operating Budget (EOB) was frozen on December 1, 2021. This point-in-time reference is used in both the Executive Budget and the General Appropriations Bill.

Means of Finance	Appropriation	Mid-Year Adjustments	Existing Operating Budget
General Fund	\$ 3,529,624	\$ 0	\$ 3,529,624
Interagency Transfers	3,233,983	80,686	3,314,669
Self-generated Revenue	75,072,092	4,236,760	79,308,852
Statutory Dedications	38,422,956	959,825	39,382,781
Federal	19,234,301	0	19,234,301
Total	\$ 139,492,956	\$ 5,277,271	\$ 144,770,227

Budget Adjustments From Appropriation to EOB

July	August	September	October	November
No Change	\$5,277,271	No Change	No Change	No Change
	Moves funding from FY 21 into FY 22 for purchases started but not complete by the end of the fiscal year			

MONTHLY SPENDING TREND



FYTD 2020	8,277,855	19,166,920	28,465,637	38,588,413	46,977,616	58,408,728	70,658,168	80,104,910	89,608,610	98,271,756	106,678,127	118,470,074	122,368,240
FYTD 2021	8,608,508	17,115,101	29,036,151	38,556,476	49,124,220	60,971,213	73,159,548	82,537,138	92,997,885	103,237,408	112,082,339	121,979,677	125,256,319
\$ Change PY	330,653	(2,051,818)	570,514	(31,937)	2,146,604	2,562,486	2,501,381	2,432,229	3,389,275	4,965,651	5,404,212	3,509,603	2,888,079
% Change PY	4.0%	(10.7%)	2.0%	(0.1%)	4.6%	4.4%	3.5%	3.0%	3.8%	5.1%	5.1%	3.0%	2.4%
FYTD 2022	8,464,287	18,942,506	28,803,427	40,181,840	49,945,670	61,467,046	73,800,773						
\$ Change PY	(144,221)	1,827,404	(232,724)	1,625,364	821,450	495,833	641,225						
% Change PY	(1.7%)	10.7%	(0.8%)	4.2%	1.7%	0.8%	0.9%						

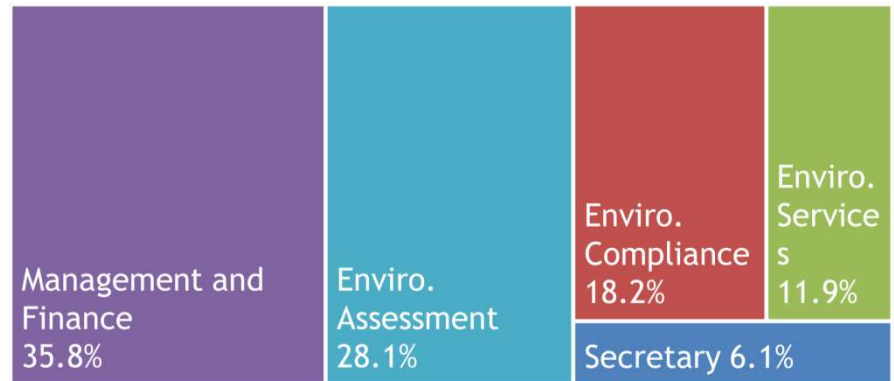
FUNDING RECOMMENDATION FY 23

Total Funding = \$144,756,085

Means of Finance		
State General Fund	\$	4,568,830
Interagency Transfers		4,499,419
Fees & Self-generated		106,804,064
Statutory Dedications		9,649,471
Federal Funds		19,234,301
Total	\$	144,756,085



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Secretary	\$	8,824,816	69
Environmental Compliance		26,314,630	235
Environmental Services		17,214,751	160
Management & Finance		51,771,207	55
Environmental Assessment		40,630,681	188
Total	\$	144,756,085	707



SOURCES OF FUNDING

Self-generated Revenue \$106.8 M	Federal Funds \$19.2 M
<ul style="list-style-type: none"> • Environmental Trust Dedicated Fund Account consists of fees pursuant to the authority granted in R.S. 30:2015, and any other provisions of law authorizing the department to assess fees. • Revenues are also generated from registration fees for seminars, the sale of regulations, manifest forms, photocopies, etc. • Previous statutory dedications reclassified as Fees & Self-generated revenues: <ul style="list-style-type: none"> ❖ \$17.6 M- Motor Fuels Underground Tank Dedicated Fund Account ❖ \$13 M- Waste Tire Management Dedicated Fund Account ❖ \$150,000- Lead Hazard Reduction Dedicated Fund Account 	<p>These funds come from the Environmental Protection Agency (EPA) for various grants and programs, including:</p> <ul style="list-style-type: none"> – Performance Partnership Grants – Leaking Underground Storage Tank Grant – Transuranic Waste Shipment – Air Quality Asbestos Program – Water Quality Management Grant – Louisiana Clean Diesel Grant

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 22 - EOB	FY 23 - HB1
Hazardous Waste Site Cleanup Fund	Sums recovered from settlements or judgements, and Hazardous Waste Tax collections	Investigation, testing, containment, control, and cleanup of hazardous waste sites	\$7,305,696	\$6,371,871
Clean Water State Revolving Fund	Federal grants and state funds when required	Provide loans for projects to comply with the Clean Water Act	\$3,000,626	\$3,000,626
Oil Spill Contingency Fund	Oil spill contingency fees, taxes, penalties, etc.	Immediately provide funds for response to threatened or actual discharges of oil or damage to natural resources	\$226,974	\$226,974
Brownfields Cleanup Revolving Loan Fund	Federal grants from the EPA from the Brownfields Cleanup Revolving Grant	Provide loans for the cleanup, redevelopment, and reuse of brownfields sites to reduce public and environmental health risks	\$50,000	\$50,000
			\$10,583,296	\$9,649,471

FUNDING COMPARISON

Means of Finance	FY21 Actual Expenditures	FY22 Existing Operating Budget 12/1/21	FY23 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 0	\$ 3,529,624	\$ 4,568,830	\$ 1,039,206	29.4%	\$ 4,568,830	100.0%
IAT	168,929	3,314,669	4,499,419	1,184,750	35.7%	4,330,490	2,563.5%
FSGR	72,393,734	79,308,852	106,804,064	27,495,212	34.7%	34,410,330	47.5%
Stat Ded	36,117,844	39,382,781	9,649,471	(29,733,310)	(75.5%)	(26,468,373)	(73.3%)
Federal	16,575,815	19,234,301	19,234,301	0	0.0%	2,658,486	16.0%
Total	\$ 125,256,322	\$ 144,770,227	\$ 144,756,085	\$ (14,142)	(0.0%)	\$ 19,499,763	15.6%

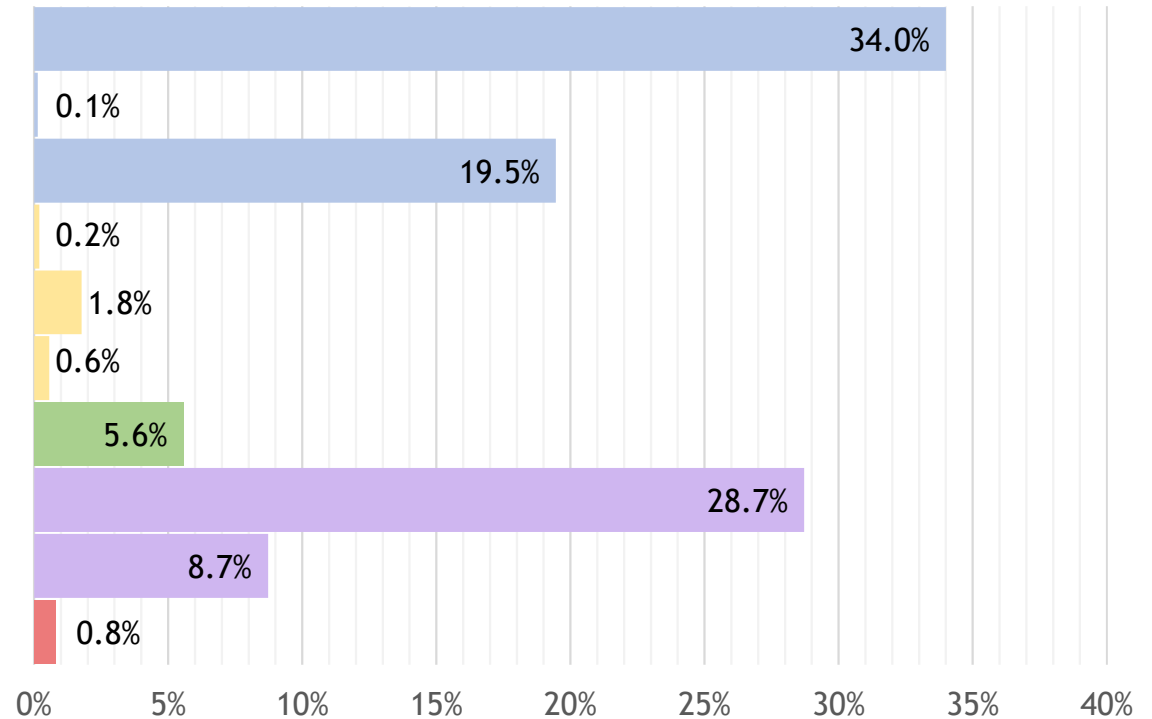
Significant funding changes compared to the FY 22 Existing Operating Budget

State General Fund	Interagency Transfers	Fees & Self-generated	Statutory Dedications
<p>\$1.04 M</p> <p>Replaces funding from the Environmental Trust Dedicated Fund account with state general fund to align the budget with the most recent Revenue Estimating Conference forecast</p>	<p>\$1.2 M</p> <p>Increases funding from the Office of Community Development's mitigation funds for the Louisiana Watershed Initiative Program</p>	<p>\$28.8 M - Reclassifies various statutory dedications as fees and self-generated dedicated fund accounts in accordance with Act 114 of the 2021 R.S.</p> <p>\$1 M - Increase in the Motor Fuels Underground Storage Tank Trust Dedicated Fund Account</p> <p>(\$3.2 M) - Reduces the Environmental Trust Dedicated Fund Account to remove excess budget authority</p>	<p>(\$29.7 M) - Decrease from various statutory dedications from reclassifying the funds as fees and self-generated dedicated fund accounts in accordance with Act 114 of the 2021 R.S.</p> <p>(\$959,825) - Removes funding for purchases made in FY 21, but not complete until FY 22</p>

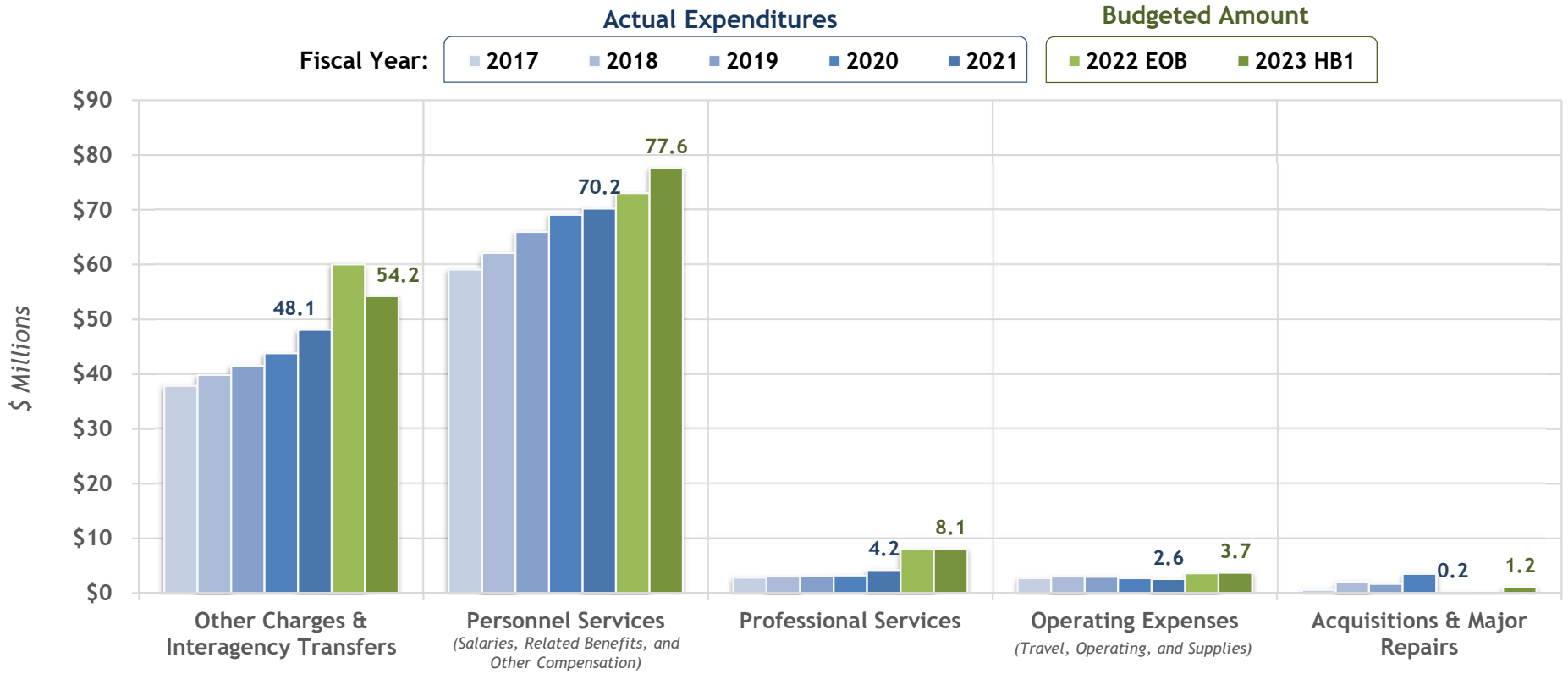
EXPENDITURE RECOMMENDATION FY 23

Total Budget = \$144,756,085

Expenditure Category		
Salaries	\$	49,219,493
Other Compensation		211,043
Related Benefits		28,178,128
Travel		293,443
Operating Services		2,578,096
Supplies		825,924
Professional Services		8,072,167
Other Charges		41,579,702
Interagency Transfers		12,644,179
Acquisitions/Repairs		1,153,910
Total	\$	144,756,085



EXPENDITURE HISTORY



5 Year Average Spending per Expenditure Category				
\$42.2 M : 36.6%	\$65.3 M : 56.7%	\$3.3 M : 2.8%	\$2.8 M : 2.4%	\$1.6 M : 1.4%

EXPENDITURE COMPARISON

Expenditure Category	FY21 Actual Expenditures	FY22 Existing Operating Budget 12/1/21	FY23 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 44,603,059	\$ 46,379,998	\$ 49,219,493	\$ 2,839,495	6.1%	\$ 4,616,434	10.4%
Other Compensation	382,517	211,043	211,043	0	0.0%	(171,474)	(44.8%)
Related Benefits	25,214,258	26,417,377	28,178,128	1,760,751	6.7%	2,963,870	11.8%
Travel	70,986	293,443	293,443	0	0.0%	222,457	313.4%
Operating Services	1,870,998	2,518,517	2,578,096	59,579	2.4%	707,098	37.8%
Supplies	623,151	794,924	825,924	31,000	3.9%	202,773	32.5%
Professional Services	4,206,253	8,078,539	8,072,167	(6,372)	(0.1%)	3,865,914	91.9%
Other Charges	34,366,288	44,422,776	41,579,702	(2,843,074)	(6.4%)	7,213,414	21.0%
Interagency Transfers	13,746,056	15,616,734	12,644,179	(2,972,555)	(19.0%)	(1,101,877)	(8.0%)
Acquisitions/Repairs	172,756	36,876	1,153,910	1,117,034	3,029.2%	981,154	567.9%
Total	\$ 125,256,322	\$ 144,770,227	\$ 144,756,085	\$ (14,142)	(0.0%)	\$ 19,499,763	15.6%

SIGNIFICANT EXPENDITURE CHANGES FY 23

Compared to the FY 22 Existing Operating Budget

Personnel Services	Operating Services	Other Charges/IAT	Acquisitions/Repairs
<p>\$4.6 M net increase from the following changes:</p> <ul style="list-style-type: none"> • \$2.0 M - standard statewide adjustments such as the market rate increase along with related benefits and group insurance increases • \$2.6 M - increase needed to meet expenses for the 27th pay period 	<p>\$100,000 added for rent at the Southwest Regional Office in Lake Charles, LA</p>	<p>\$143,538 increase for standard statewide adjustments such as risk management, rent in state owned buildings, and administrative law judges</p>	<p>\$1.1 M increase for acquisitions for:</p> <ul style="list-style-type: none"> • Replacement of 17 vehicles • AreaRAE Plus Rapid Deployment Lite • Air Samplers • Two boats • Aqua TROLLS • Ice machine • Water quality monitor • Air and hydrogen generators • Lab equipment

OTHER CHARGES/INTERAGENCY TRANSFERS

Other Charges

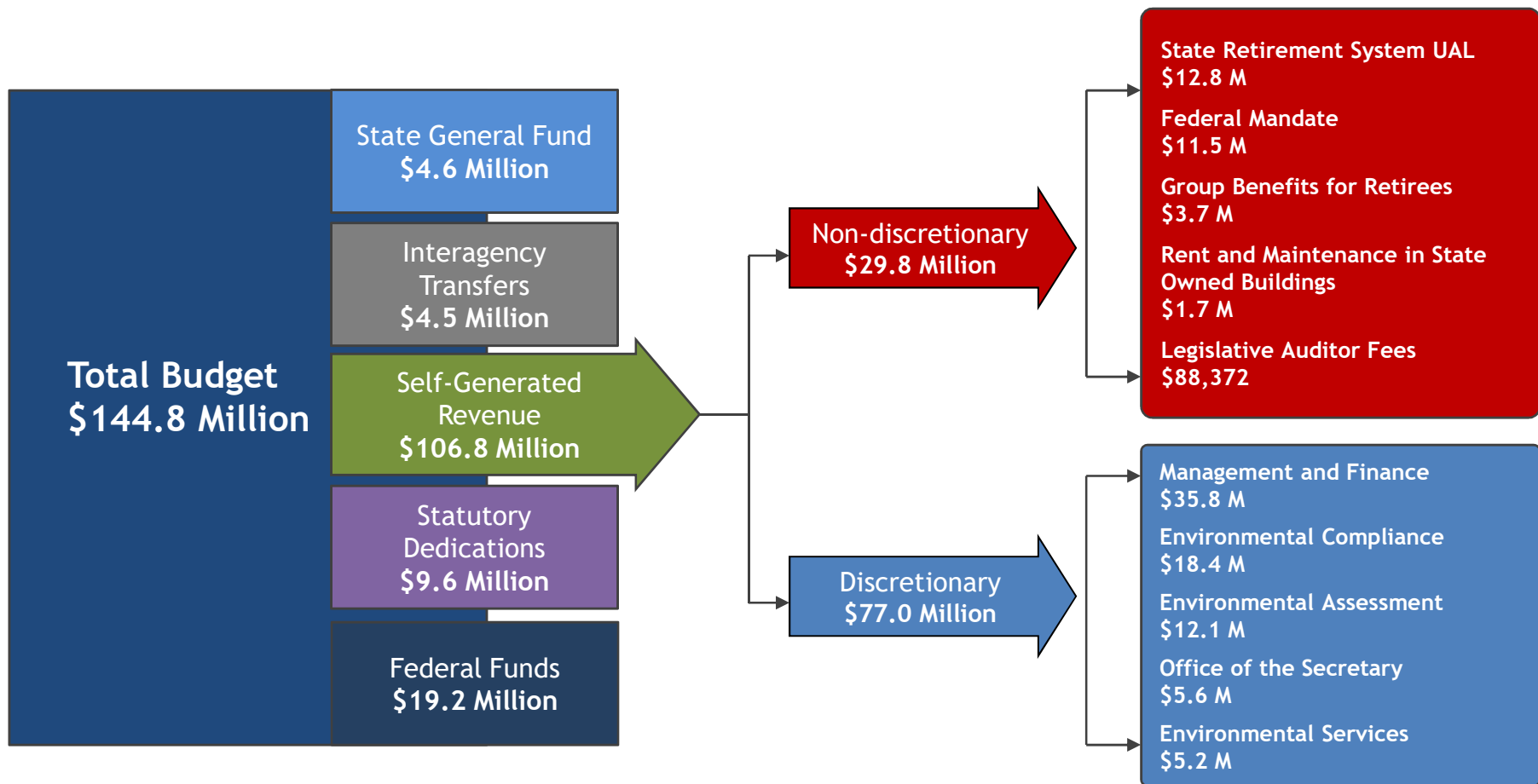
Amount	Description
\$ 17,649,485	Motor Fuels Underground Storage Tank reimbursements for the cleanup of leaking underground storage tanks that pay into the Underground Storage Tank Trust Fund.
12,031,064	Waste Tire Program payments to permitted processors for proper disposal of collected waste tires to authorized end-use markets.
4,310,845	DEQ is the designated beneficiary of the funds for Louisiana for the Volkswagen Settlement. The money will be deposited in DEQ's primary escrow account. DEQ and DNR will provide match to various school boards in the state for the purchase of buses. The total allocation to the state is \$19,948,805 but the money is disbursed based on projects not to exceed 1/3 in any year beginning October 2, 2017.
3,052,882	Hazardous Waste Site Cleanup expenditures for investigation, testing, containment, control and cleanup.
2,743,637	Miscellaneous items such as payments for the Brownfields State Response Program, Gulf of Mexico Hurricanes Supplemental funding for the Leaking Underground Storage Tank Program, the LUST Trust Fund, EPA grants 106 monitoring initiatives, the Louisiana Clean Diesel Grant Program, enhancements of state permit and enforcing programs, UST Operator Training Program and transuranic waste shipment.
1,311,671	Nonpoint Source Grant (EPA) - nonpoint program implemented to control particularly difficult or serious nonpoint source pollution problems.
372,118	Compliance Evaluation Inspections
73,000	American Rescue Plan Funded Cooperative Agreement
35,000	WQMP TMDL Grant - DEQ will utilize this grant to support restoration and protection activities
\$ 41,579,702	Total Other Charges

OTHER CHARGES/INTERAGENCY TRANSFERS

Interagency Transfers

Amount	Description
\$ 3,602,595	Office of Technology Services
2,685,230	Building rent, maintenance and insurance
2,326,107	Supply, printing and mailing costs
2,105,422	DOTD - Volkswagen Contract
796,212	Other state department transfers (DOTD, DOA, etc.)
435,310	Auditing, banking, and civil service fees
364,456	Capital Park Security
287,900	Vehicle applications, inspection, maintenance and GPS
40,947	Uniform Payroll System Billing
\$12,644,179	Total Interagency Transfers

DISCRETIONARY EXPENSES FY 23

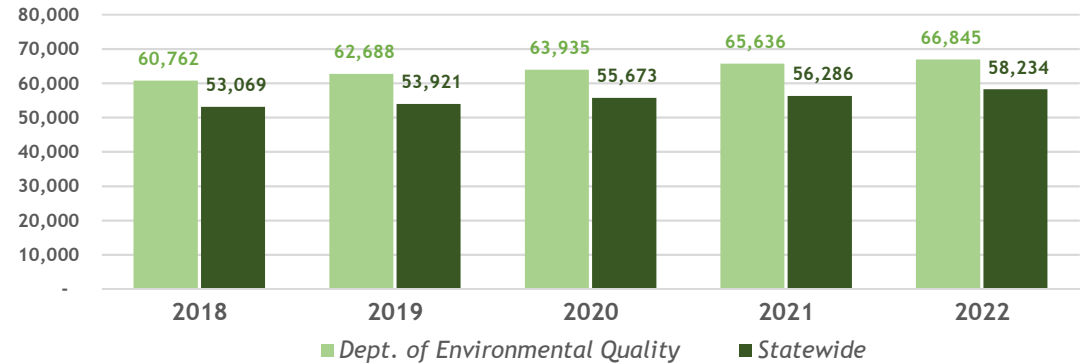


PERSONNEL INFORMATION

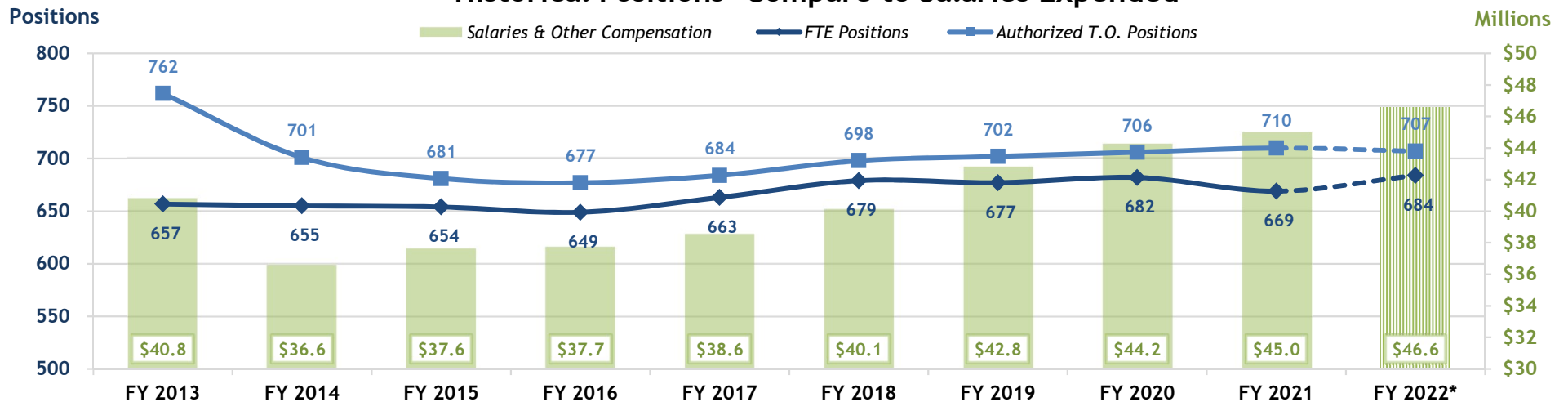
FY 2023 Recommended Positions

707	Total Authorized T.O. Positions (698 Classified, 9 Unclassified)
0	Authorized Other Charges Positions
0	Non-T.O. FTE Positions
22	Vacant Positions (January 3, 2022)

Historical Average Salary



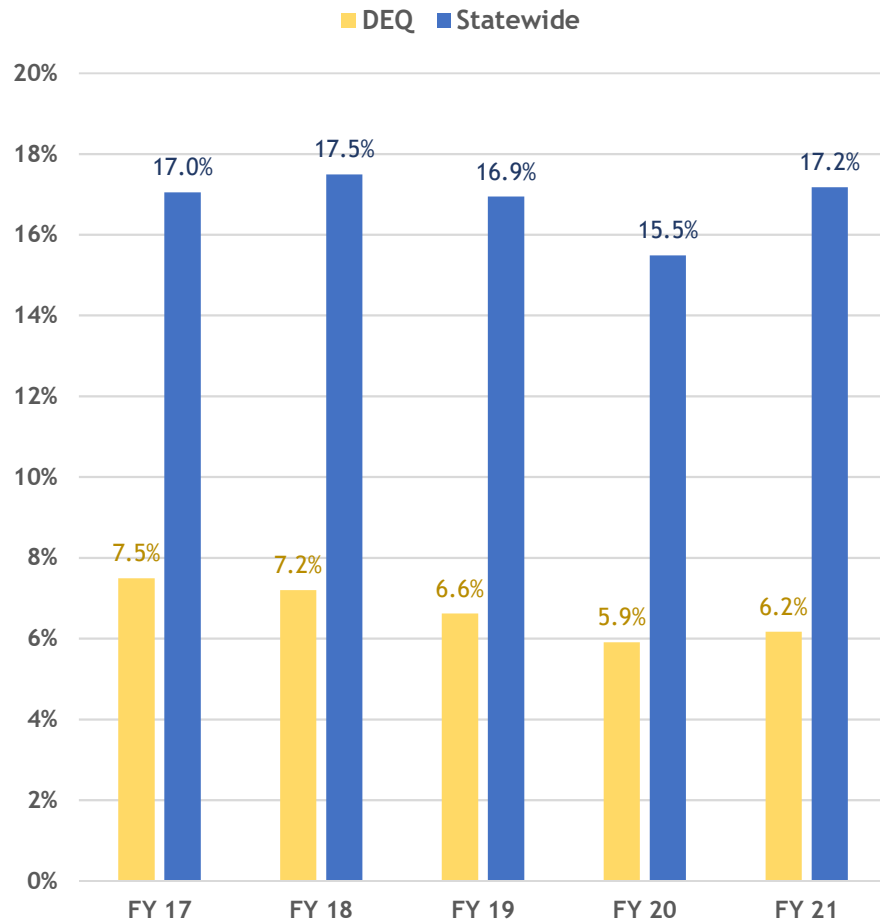
Historical Positions¹ Compare to Salaries Expended



¹ FTE Source: Dept. of Civil Service Weekly Report on State Employment

* Existing Operating Budget on 12/1/21

TURNOVER HISTORY



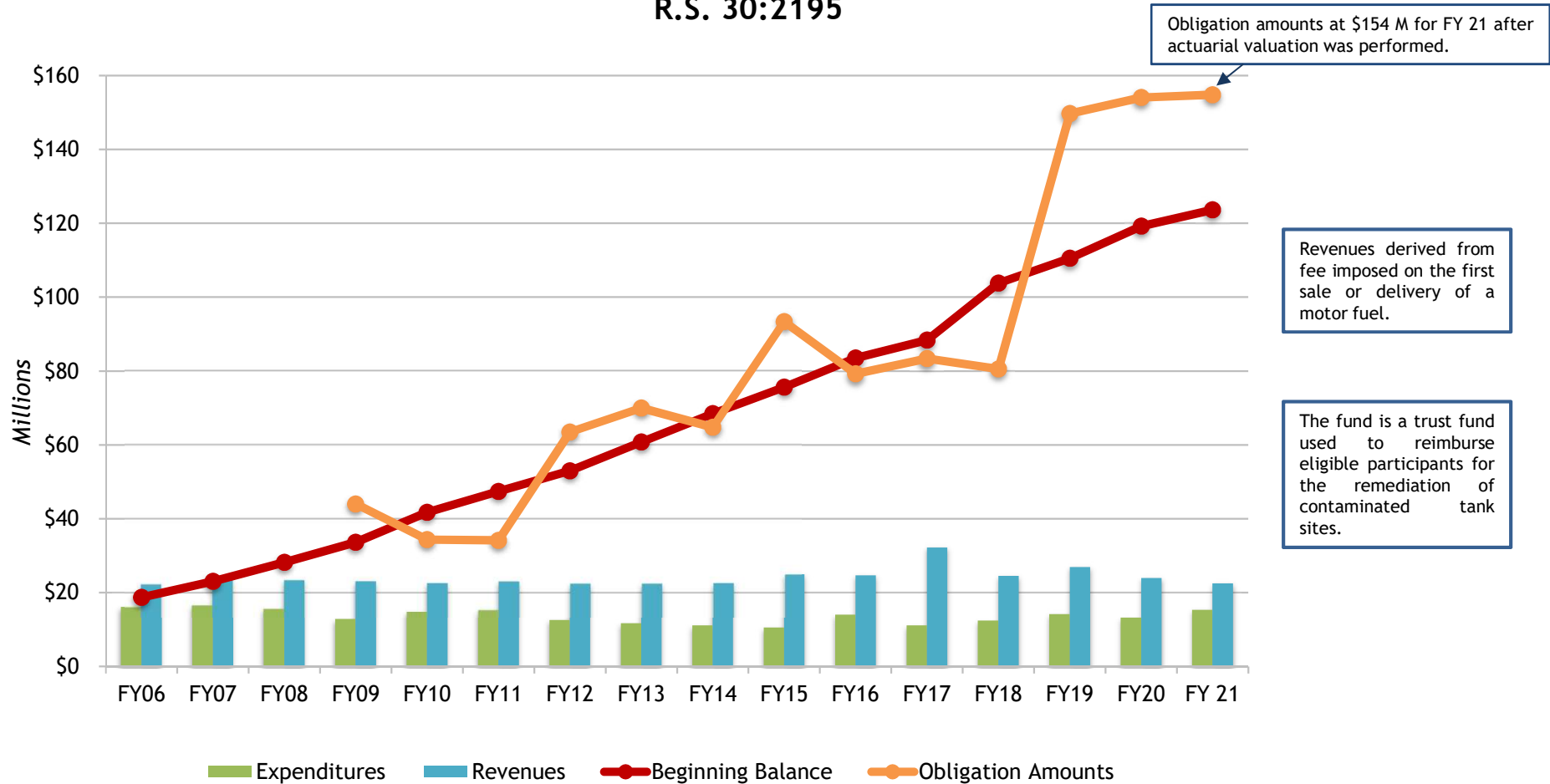
Top Positions Vacated FY 2021

Position	Number of Employees	Separations	Turnover Rate
Environmental Scientist 3	180	17	9.44%
Environmental Scientist 1	7	3	42.86%
Environmental Scientist 2	27	3	11.11%
Environmental Chemical Specialist 3	21	3	14.29%
Environmental Scientist Supervisor	47	3	6.38%

Source: Department of Civil Service Voluntary Turnover Statistics

MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND

R.S. 30:2195



Obligation amounts at \$154 M for FY 21 after actuarial valuation was performed.

Revenues derived from fee imposed on the first sale or delivery of a motor fuel.

The fund is a trust fund used to reimburse eligible participants for the remediation of contaminated tank sites.

DEPARTMENT CONTACTS



Dr. Chuck Brown
Secretary
225.219.3950
chuck.brown@la.gov



Karyn Andrews
Undersecretary
225.219.3845
karyn.andrews@la.gov



Theresa Delafosse
Financial Services Administrator
225.219.3322
theresa.delafosse@la.gov

DEPARTMENT OVERVIEW



The mission of the Department of Environmental Quality is to provide services to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety, and welfare while considering sound policies that are consistent with statutory mandates.

Public Safety

Protects public safety, health and welfare by protecting and improving the environment.

Environmental Compliance

Increases compliance with federal and state environmental laws through the use of surveillance and enforcement measures in coordination with the federal Environmental Protection Agency.

Policy

Provides comprehensive environmental protection while considering sound economic development and employment policies.

Emergency Response

Provides leadership and training to local and state first responders with regards to hazardous materials situations.

OFFICE OF THE SECRETARY

*Galvez Building
Baton Rouge, LA*



Business and Community Outreach Division

Provides regulatory and non-regulatory approaches to protect and improve the environment through technical assistance or outreach programs.

Legal Affairs Division

Provides legal advice, consultation, representation to all of the offices of the department and drafts and reviews contracts, agreements, and settlements

Audit Services Division

Performs audits on the department, as well as private entities that do not appear to be paying fees to the department on a self-reporting basis.

Communications Division

Handles all media functions, including media inquiries, press releases, managing the website, and managing social media.

OFFICE OF MANAGEMENT AND FINANCE



Financial Administrative Services Division

- Performs accounting, financial and various other activities that help support the department.
- Responsible for the Motor Fuel Underground Storage Tank Trust Fund reimbursement processing.



Support Services Division

- Provides support to the department in the following areas: human resources, safety trainings, information technology assistance, and records management.
- Responsible for the Revolving Loan Financial processing and reporting.

OFFICE OF ENVIRONMENTAL COMPLIANCE



Surveillance Division

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

Emergency Response and Radiological Division

- Responds to chemical and environmental emergencies.
- Serves as the single point of contact for reporting spills the department.
- Provides administrative services for radiation sources, such as administering the testing of radiographers and managing the licenses for radioactive sources in the state.

Enforcement Division

Enforces penalties for violations of state and federal laws.

OFFICE OF ENVIRONMENTAL SERVICES



Air Permits Division

Authorizes air quality permits.

Waste Permits Division

- Authorizes Solid Waste and Hazardous Waste Regulations permits.
- Provides engineering and geological services throughout the state.
- Responsible for the Waste Tire Program.

Water Permits Division

Authorizes permits administered under Louisiana Water Quality Regulations.

Public Participation and Permit Support Division

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

OFFICE OF ENVIRONMENTAL ASSESSMENT



Air Planning and Assessment Division

- Evaluates the overall quality of the state's air resources.
- Develops & maintains the state's implementation plan, describing control strategies to address federally mandated ambient air quality standards.

Water Planning and Assessment Division

Evaluates the overall quality of the state's water resources.

Remediation Division

- Functions to protect the state's soil, groundwater, and surface water resources from unauthorized historical and future releases to the environment.
- Investigates, evaluates, and cleans up contamination at both active facilities and abandoned sites.

Underground Storage Tank Division

Investigates, evaluates, monitors and cleans up contamination at active and closed Underground Storage Tank sites.