



Karl Couvillon

FY16 Executive Budget

Schedule 13 Department of Environmental Quality



Louisiana Senate
Finance Committee
May 11, 2015

FY16 Executive Budget

Schedule 13 — DEQ Agencies

- 13-850 Office of the Secretary — The Office of the Secretary provides the strategic administrative oversight necessary to advance and fulfill the role, scope, and function of DEQ.
 - 850-1000 Administrative
- 13-851 Office of Environmental Compliance — The Office of Environmental Compliance, consisting of the Inspections, Assessment, Enforcement, Underground Storage Tanks and Remediation Divisions, protects the health, safety and welfare of the people and environmental resources of Louisiana.
 - 851-1000 Environmental Compliance
- 13-852 Office of Environmental Services — The Office of Environmental Services maintains, protects and enhances the environment of Louisiana through establishing and assessing environmental standards, permitting and licensing, and by issuing multi-media accreditations, notifications and registrations.
 - 852-1000 Environmental Services
- 13-855 Office of Management and Finance — The Office of Management and Finance administers and provides effective and efficient support and resources to all DEQ offices and external customers.
 - 855-1000 Support Services

Audit Findings

Department of Environmental Quality

FEE COLLECTION IN THE WASTE TIRE MANAGEMENT PROGRAM • JULY 30, 2014

The Department of Environmental Quality (DEQ) needs to improve its management of the Waste Tire Management Program and consistently enforce the program requirements to ensure that the state receives complete, accurate, and timely waste tire fees. In addition, DEQ does not penalize generators who fail to remit complete, accurate, and timely fees and related reports to the state.

FY16 Executive Budget

Schedule 13 — Departmental Statistics

- In the existing performance standard for FY15, ninety-five percent of DEQ programs are meeting their objectives.
- One hundred percent of state's municipalities are implementing planned waste water improvements to ultimately ensure compliance with the Federal Clean Water Act using funds from the Clean Water State Revolving Fund.
- In the existing performance standard for FY15, twenty percent of tire dealers were inspected.
- In the existing performance standard for FY15, twenty percent of registered underground storage tank sites were inspected.

Environmental Quality

FY15 Existing Operating Budget vs. Proposed FY16 Budget

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	<i>Difference</i>
DEQ	\$ 132,993,823	\$ 114,721,953	\$ <i>(18,271,870)</i>
Total Positions	691	677	<i>(14)</i>
Other Charges Positions:			

FY16 Non-Discretionary Funding

Total Non-Disc.:	\$11,348,832
Percent Non-Disc:	9.9%
Total Non-Disc. SGF:	\$0
Non-Disc. T.O.:	0

FY16 Discretionary Funding

Total Discretionary:	\$103,373,121
Percent Discretionary:	90.1%
Total Discretionary SGF:	\$460,700
Discretionary T.O.:	677

Environmental Quality

Non-Discretionary/Discretionary Funding by Agency

Non-Discretionary Funding:

\$3 m. — Administrative

\$0 — Environmental Compliance

\$510,000 — Environmental Services

\$7.8 m. — Support Services

Non-Discretionary funding is used to pay rent in State-owned buildings, funding due to Federal Mandates, Group Benefits for retirees, Maintenance in State-owned buildings, and Legislative Auditor Fees.

Discretionary Funding:

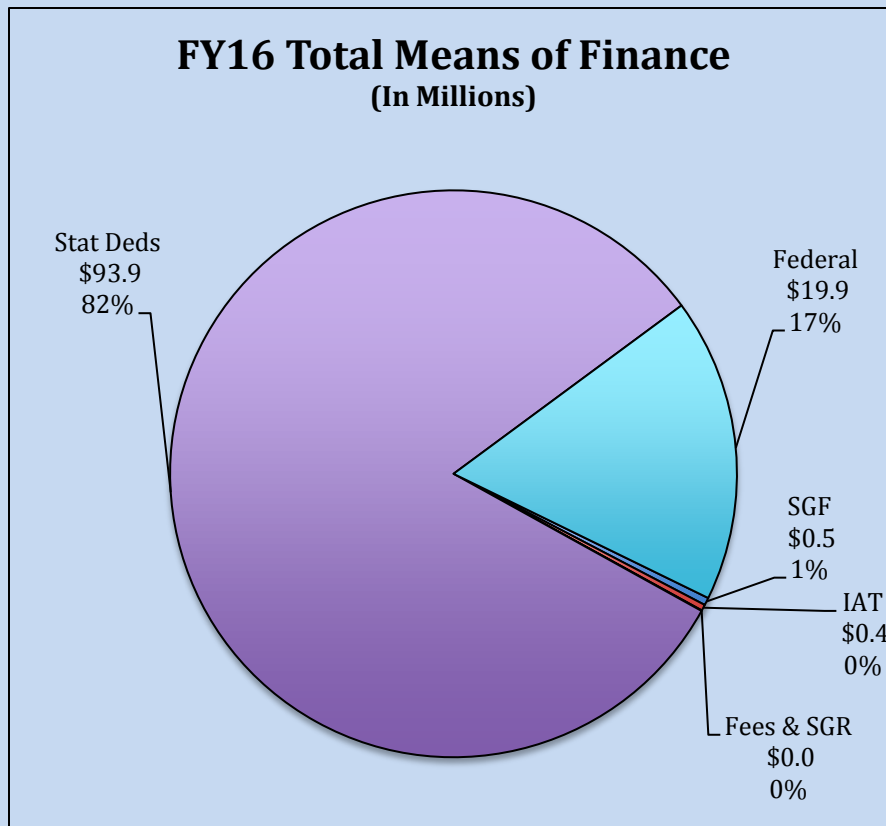
\$8 m. — Administrative

\$38.2 m. — Environmental Compliance

\$15.8 m. — Environmental Services

\$41.3 m. — Support Services

FY16 DEQ Means of Finance



Major Non-SGF Sources of Funding:

Non-State General Fund sources of funding for the Department of Environmental Quality are derived from Interagency Transfers, Fees and Self-generated Revenues, Statutory Dedications, and Federal Funds.

The Interagency Transfers are from GOHSEP for demolition and landfill oversight.

Fees and Self-generated Revenues are derived from registration fees paid by the participants in seminars conducted by the department.

Statutory Dedications, which make up eighty-two percent of DEQ's total means of finance, are derived from the Environmental Trust Fund, Motor Fuels Underground Tank Fund, Waste Tire Management Fund, Hazardous Waste Site Cleanup Fund and the Clean Water State Revolving Fund.

Federal Funds are derived from grants issued by the Environmental Protection Agency.

FY15 Existing Operating Budget vs. FY16 Recommended

Schedule 13 DEQ — Total Expenditures

Expenditure Category	FY15 Existing Operating Budget	FY16 Recommended Budget	Difference
Personal Services	\$61,138,063	\$59,668,234	(\$1,469,829)
Operating Expenses	\$5,127,803	\$4,109,872	(\$1,017,931)
Professional Services	\$4,141,191	\$3,360,700	(\$780,491)
Other Charges	\$62,023,935	\$46,984,265	(\$15,039,670)
Acquisitions & Major Repairs	\$562,831	\$598,882	\$36,051
Total Expenditures	\$132,993,823	\$114,721,953	(\$18,271,870)

FY16 DEQ

Selected Standard Statewide Adjustments

Annualization of FY15 Mid-Year Reduction Plan — (\$2.5 million) Total and (0) T.O.

Performance/Salary Adjustments:

\$521,384 SD — Annualize Classified State Employees Performance Adjustment

\$1.3 million SD — Salary Base Adjustment

(\$1.8 million) SD — Attrition Adjustment

Retirement Adjustments:

\$94,304 SD — La. State Employees' Retirement System Rate

(\$542,963) SD — La. State Employees' Retirement System Base

Group Insurance Adjustments (tied to OGB rate increase):

\$423,788 SD — Group Insurance Rate Adjustment for Active Employees

\$328,373 SD — Group Insurance Rate Adjustment for Retirees

Other:

\$598,882 SD — Acquisitions and Major Repairs

(\$45,279) SD — Risk Management

\$84,958 SD — Office of Technology Services

(\$1.9 million) Total — GEMS Savings (procurement)

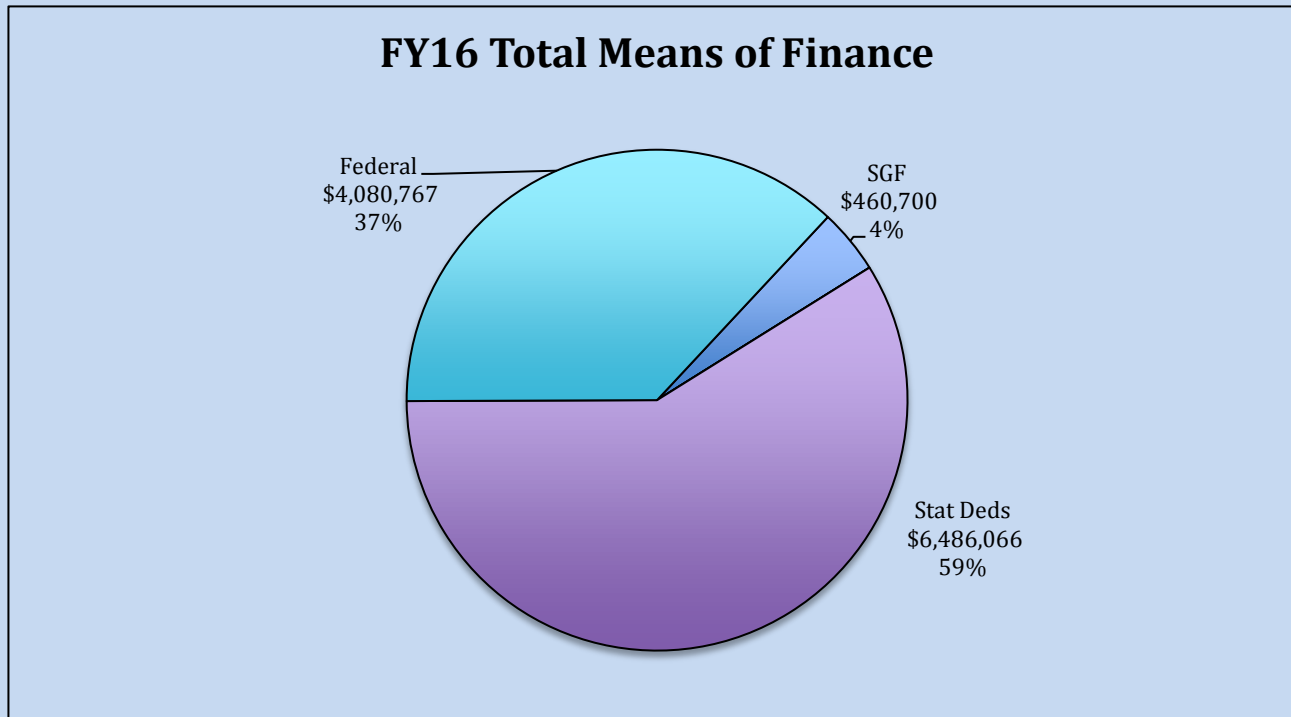
(\$0) SGF and (0) T.O. — Office of State Human Capital

DEQ

13-850 Office of the Secretary

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
DEQ - Secretary	\$ 12,584,316	\$ 11,027,533	\$ (1,556,783)

Total Positions	90	87	(3)
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FY16 Non-Discretionary	FY16 Discretionary
\$3,000,000	\$8,027,533

DEQ

13-850 Office of the Secretary

Significant FY16 Budget Issues in DEQ – Office of the Secretary:

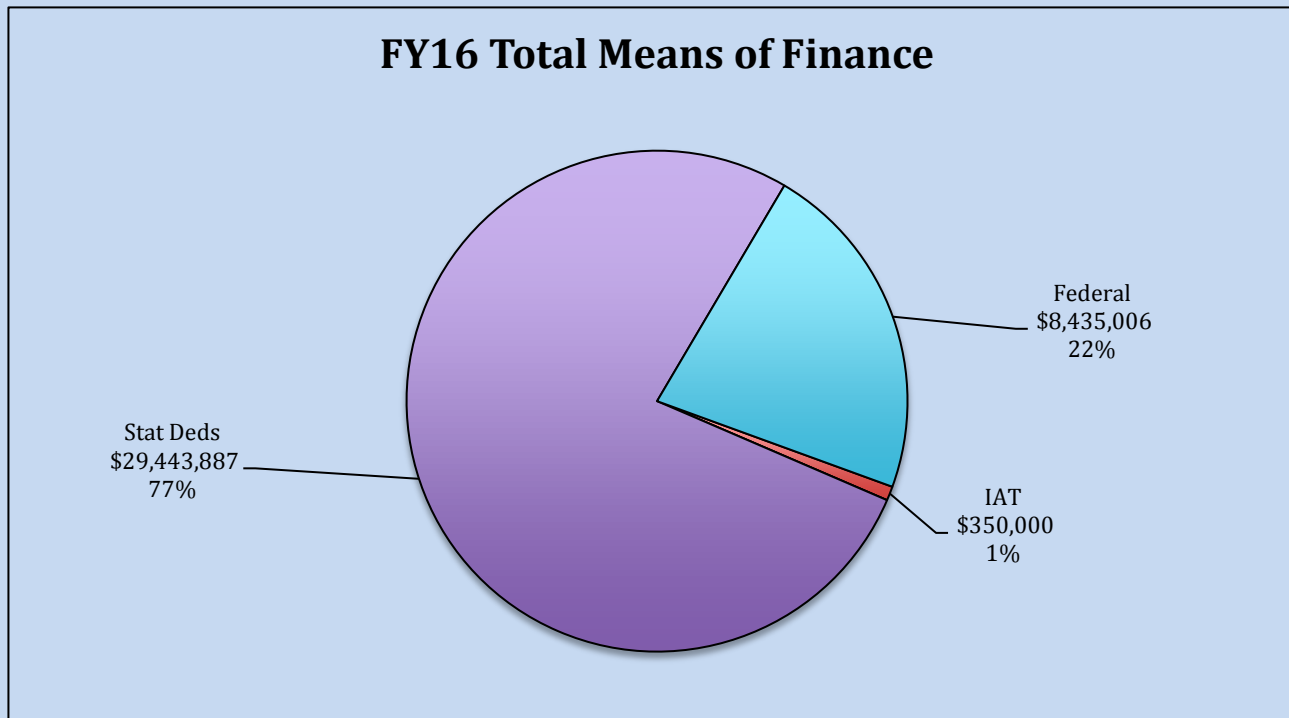
- Reduction of **(\$1.2 million)** to properly align expenditures closer to a three-year average pattern of actual expenditures. (\$47,500 - SGR); (\$493,000 - SD); (\$657,000 - FED).

DEQ

13-851 Office of Environmental Compliance

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Env. Compliance	\$ 45,970,320	\$ 38,228,893	\$ (7,741,427)

Total Positions	367	359	(8)
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FY16 Non-Discretionary	FY16 Discretionary
\$0	\$38,228,893

DEQ

13-851 Office of Environmental Compliance

Significant FY16 Budget Issues in DEQ – Office of Environmental Compliance:

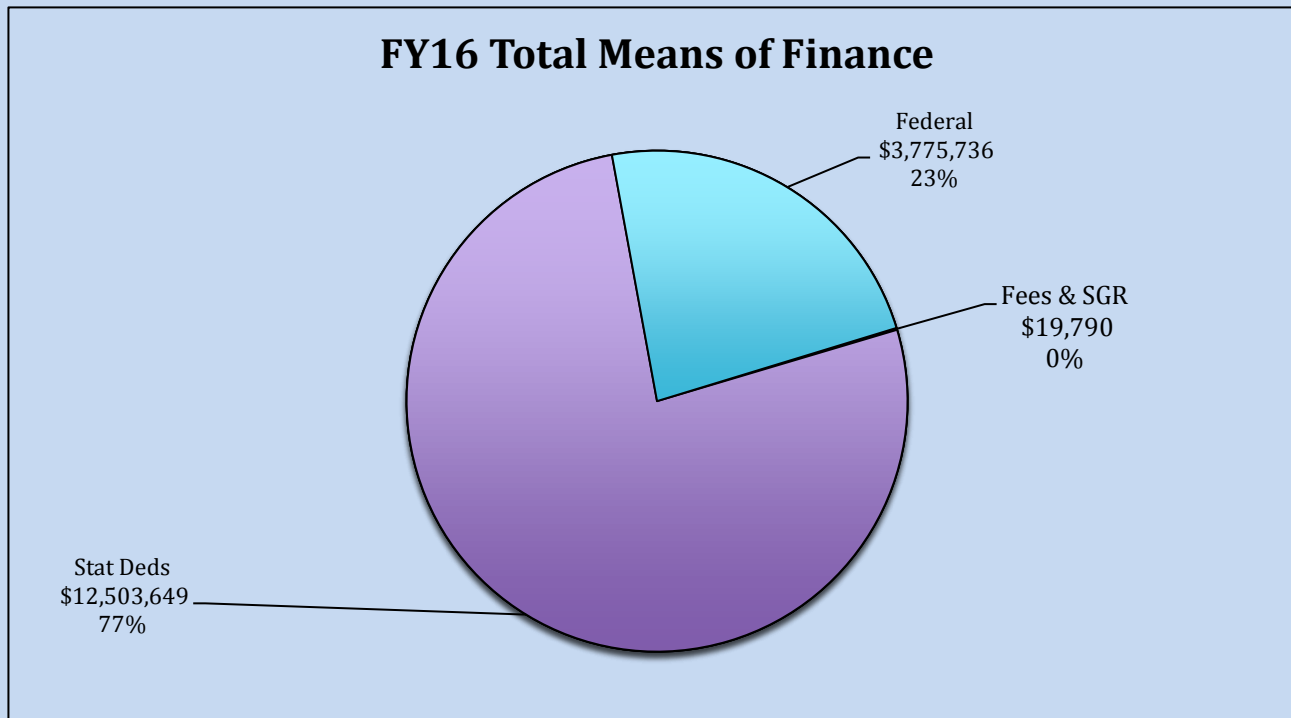
- Reduction of **(\$3.5 million)** in Statutory Dedications non-recurs funding from the Hazardous Waste Site Cleanup Fund for expenses associated with the subterranean fire at Harrelson landfill.
- Reduction of **(\$647,373)** in Interagency Transfers non-recurs Deepwater Horizon expenditures.
- Reduction of **(\$915,000)** to properly align expenditures closer to a three-year average pattern of actual expenditures. (\$125,000 - IAT); (\$790,000 - FED).

DEQ

13-852 Office of Environmental Services

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
Env. Services	\$ 16,553,425	\$ 16,299,175	\$ (254,250)

Total Positions	182	179	(3)
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FY16 Non-Discretionary	FY16 Discretionary
\$510,000	\$15,789,175

DEQ

13-852 Office of Environmental Services

Significant FY16 Budget Issues in DEQ – Office of Environmental Services:

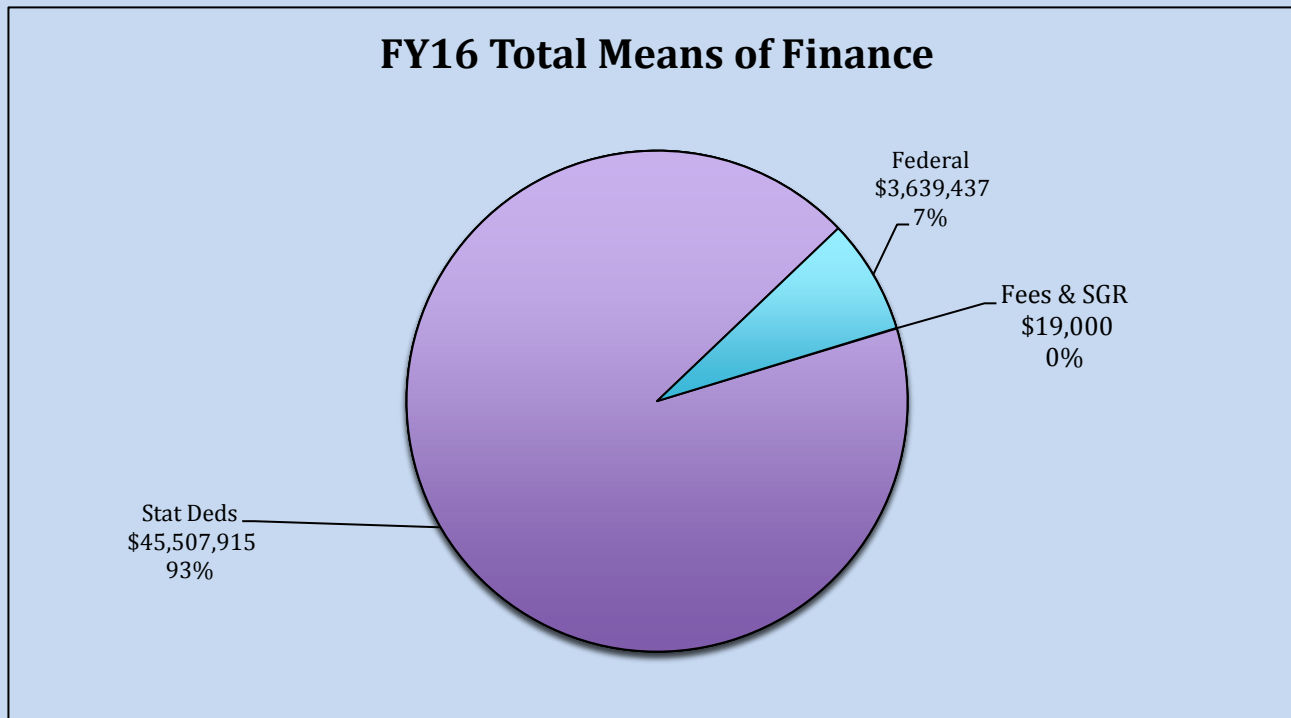
- Reduction of **(\$34,867)** in Interagency Transfers non-recurs Deepwater Horizon expenditures.
- Reduction of **(\$300,000)** in Federal Funds will properly align expenditures closer to a three-year average pattern of actual expenditures.

DEQ

13-855 Office of Management and Finance

Total Funding	FY15 EOB as of 12-1-14	FY16 Recommended	Difference
MGMT & Finance	\$ 57,885,762	\$ 49,166,352	\$ (8,719,410)

Total Positions	52	52	-
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FY16 Non-Discretionary	FY16 Discretionary
\$7,838,832	\$41,327,520

DEQ

13-855 Office of Management and Finance

Significant FY16 Budget Issues in DEQ – Office of Management and Finance :

- Reduction of **(\$17,860)** in Interagency Transfers non-recurs Deepwater Horizon expenditures.
- Reduction of **(\$5.8 million)** in Statutory Dedications will properly align expenditures closer to a three-year average pattern of actual expenditures.
- Reduction of **(\$447,798)** in federal grant funding for the National Environmental Exchange Network Grant.