



# Louisiana Senate Finance Committee



## FY19 Executive Budget

### 13 –Department of Environmental Quality

April 2018

*Sen. John A. Alario, President*  
*Sen. Eric LaFleur, Chairman*



# FY19 Executive Budget

## Schedule 13 — Environmental Quality Agencies

Departmental mission — “The mission of the Department of Environmental Quality is to provide service to the people of Louisiana through comprehensive environmental protection in order to promote and protect health, safety and welfare while considering sound policies regarding employment and economic development.”





# Environmental Quality

## FY19 Recommended Total Authorized Positions by Agency

### **Office of the Secretary:**

**Audit Services.** Conducts performance, operational, investigative, and financial audits of the operations of the department.

**Legal Affairs.** Provides advice, consultation, and representation to all offices of the department for every type of environmental action.

**Executive Administration.** Provides executive oversight and leadership of the five agency functions of the department.

**Business & Community Outreach.** Provides both regulatory and non-regulatory approaches to ensure protection and improvement of the environment through technical assistance, outreach and partnership building.

**Public Information.** Handles all media functions including media inquiries, press releases, the LDEQ web site, Facebook, Twitter and YouTube.

**Criminal Investigations.** Acts as the deterrent to would-be criminal violators of environmental laws by making arrests, serving search warrants, and developing and investigating environmental criminal cases for prosecution.

### **Office of Environmental Compliance:**

**Surveillance.** Inspects facilities for compliance with their permits or other authorizations (regulations or enforcement actions) by the department and to respond to complaints.

**Enforcement.** Ensures compliance with the environmental permitting laws and regulations and to deter future non-compliance by issuing the appropriate enforcement actions.

**Emergency & Rad Services.** Responds to chemical and environmental emergencies, provides a Single Point of Contact (SPOC) for reporting spills and complaints to the department, and provides administrative services for radiation sources.



# Environmental Quality

## FY19 Recommended Total Authorized Positions by Agency

### **Office of Environmental Services:**

**Air Permits.** Conducts comprehensive technical evaluations of incoming air permit applications to ensure the protection of human health and the environment.

**Water Permits.** Conducts comprehensive technical evaluations of incoming water permit applications to ensure the protection of human health and the environment.

**Waste Permits.** Conducts comprehensive reviews of permit requests and regulatory determinations for generators, processors, and disposers of solid and hazardous waste.

**Public Participation & Permits Support.** Facilitates public participations and provides administrative, database and certification notifications support to the media-based permit divisions.

**La Environmental Lab Accreditation.** Accredits and audits commercial laboratories to confirm approved methods and quality to ensure accuracy, precision, and reliability of data provided to the department.

### **Office of Management and Finance:**

**Financial Services.** Budget and expenditure reporting, accounts payable, employee travel reimbursement, billing & data management, accounts receivable, funds management, grant and contract processing, property and fleet control.

**Human Resources.** Provides Human Capital Management function to the department.

**Waste Tires (OMF-Payments).** Processes payments to the authorized waste tire processors.

**OMF Support & Department wide Costs.** Provides processing and reporting of Clean Water State Revolving Loan program which provides financial assistance to the municipalities for improvement and/or construction of wastewater treatment facilities. Also provides department wide services such as building rent, mails, trainings, telecommunications, and insurance.



# Environmental Quality

## FY19 Recommended Total Authorized Positions by Agency

### **Office of Management and Finance Continued:**

**Aircraft Services.** Provides the aircraft services.

**OTS and Records Management.** Provides IT related services to the department through DOA Office of Technology Services and Records/Data Management services.

### **Office of Environmental Assessment:**

**Air Planning and Assessment.** Evaluates the overall quality of the air resources of the state and ensures compliance with the federal air standards and regulations.

**Water Planning and Assessment.** Evaluates the overall quality of the water resources of the state, establishes and assesses water quality standards, and assists with environmental restoration and protection actions.

**Remediation.** Investigates, evaluates, monitors, and cleans up contamination at both active and/or abandoned hazardous waste, solid waste, Superfund, and Brownfields sites for restoration and preservation of the soil, groundwater, and surface water.

**Underground Storage Tanks.** Investigates, evaluates, monitors, and cleans up contamination at both active and closed Underground Storage Tank sites for restoration and preservation of the soil, groundwater, and surface water.

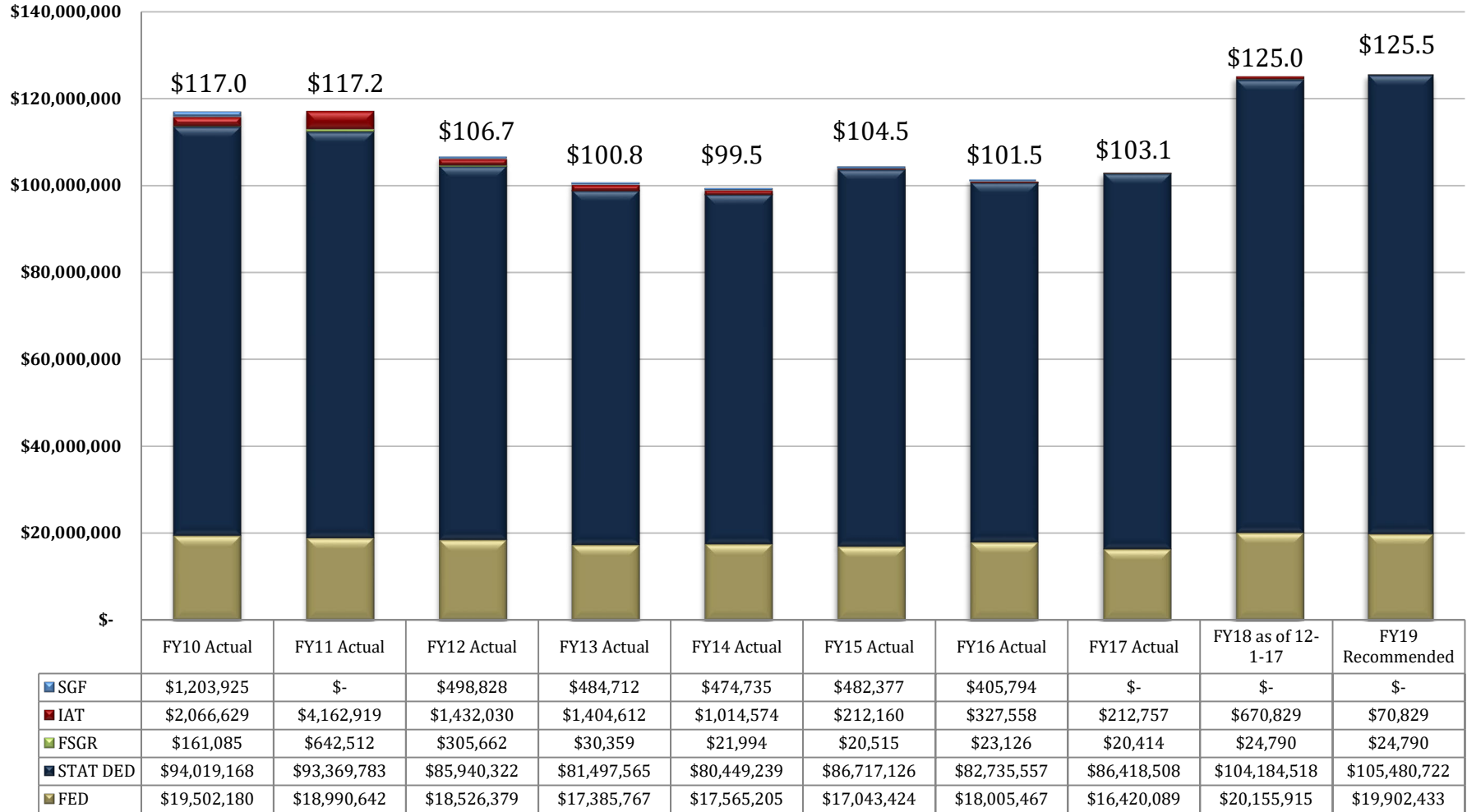


# Environmental Quality

## Changes in Funding since FY10

**Total Budget by Fiscal Year and Means of Finance  
(in \$ millions)**

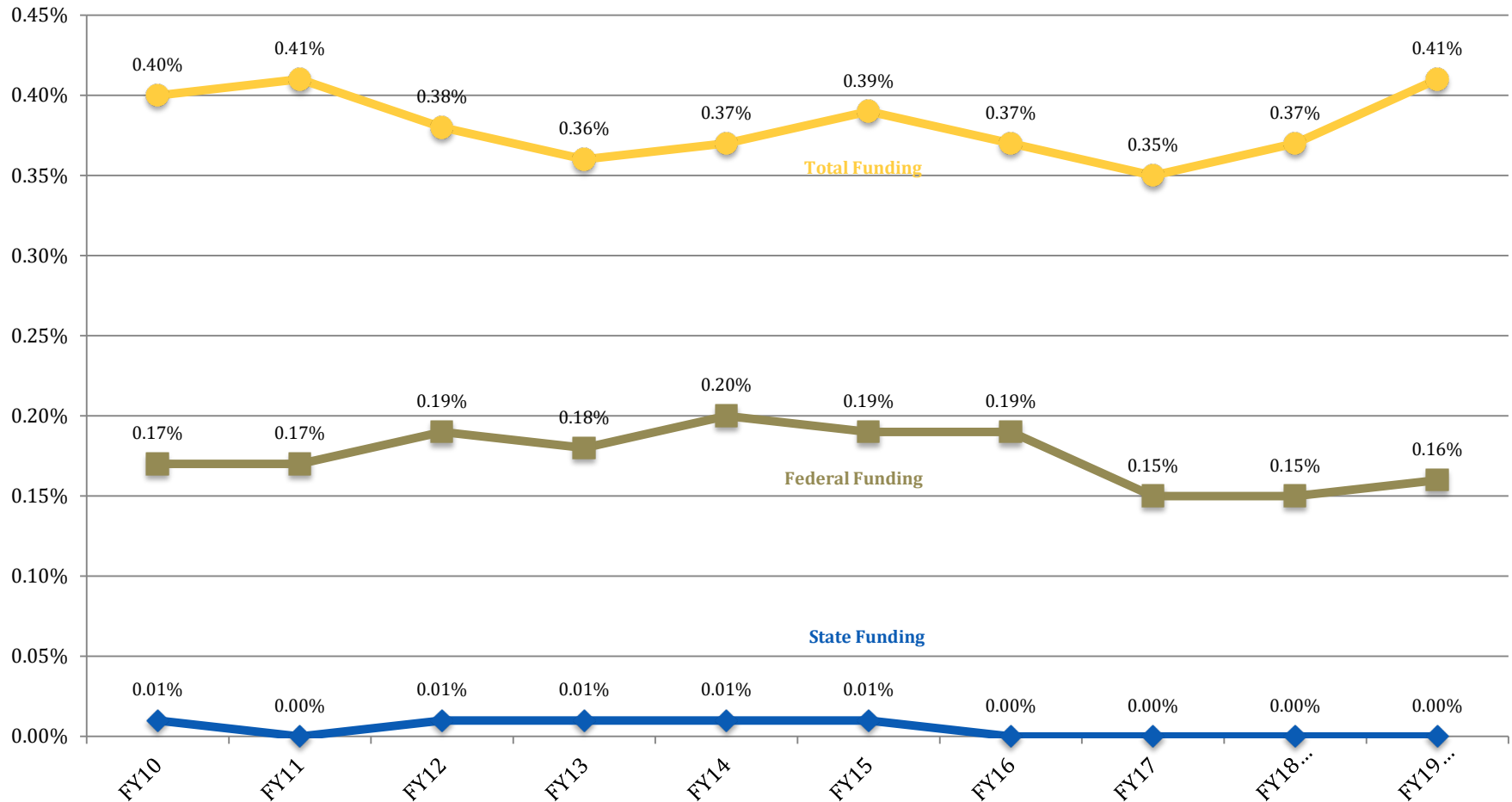
Change from FY10 to FY19 is 7.3%.





# DEQ's Changes in Funding since FY10

DEQ's Budget as a Portion of the Total State Budget





# Environmental Quality

## FY19 Recommended Means of Finance by Agency

### 13— Environmental Quality

#### FY19 Recommended Means of Financing by Agency

Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
<b>Environmental Quality</b>	<b>\$0</b>	<b>\$70,829</b>	<b>\$24,790</b>	<b>\$105,480,722</b>	<b>\$19,902,433</b>	<b>\$125,478,774</b>
Office of the Secretary	\$0	\$0	\$0	\$6,093,008	\$1,458,661	\$7,551,669
Environmental Compliance	\$0	\$0	\$0	\$20,720,603	\$2,952,974	\$23,673,577
Environmental Services	\$0	\$0	\$19,790	\$11,622,948	\$3,423,151	\$15,065,889
Management and Finance	\$0	\$0	\$5,000	\$48,139,992	\$3,602,437	\$51,747,429
Environmental Assessment	\$0	\$70,829	\$0	\$18,904,171	\$8,465,210	\$27,440,210
<b>TOTAL Environmental Quality</b>	<b>\$0</b>	<b>\$70,829</b>	<b>\$24,790</b>	<b>\$105,480,722</b>	<b>\$19,902,433</b>	<b>\$125,478,774</b>

Agency	Program Description
Secretary	Provides strategic administrative oversight necessary to advance and fulfill the role, scope and function of DEQ.
Environmental Compliance	The goals of the OEC are to operate in an open, fair, and consistent manner; to strive for and assist in attaining environmental compliance in the regulated community; and to protect environmental resources and the health and safety of the citizens of the State of Louisiana.
Environmental Services	The mission of the Office of Environmental Services (OES) is to ensure that the citizens of Louisiana have a clean and healthy environment to live and work in for present and future generations.
Management and Finance	The goal of the Office of Management & Finance is to administer and provide effective and efficient support and resources to all DEQ offices and external customers.
Environmental Assessment	The goal of the Office of Environmental Assessment is to improve the state of environmental protection through effective planning, evaluation and monitoring of the environment.

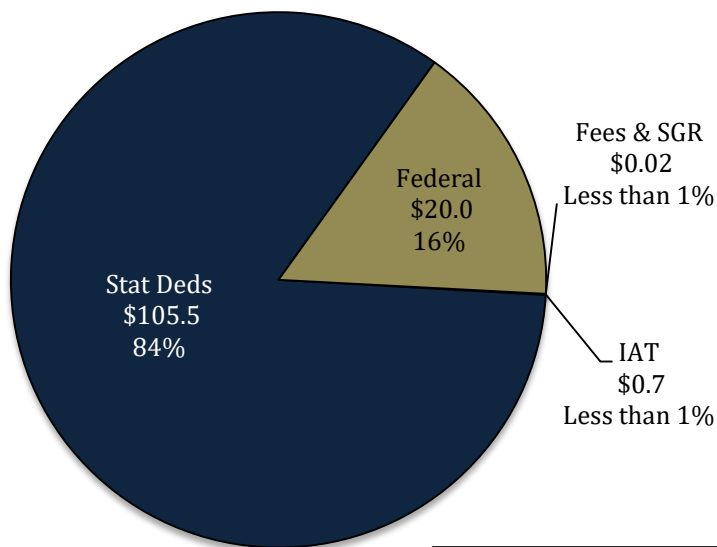




# Environmental Quality FY19 Recommended Means of Finance

Total Funding	FY17 Actual	FY18 Enacted	FY18 EOB as of 12-1-17	FY19 Recommended	<i>Difference FY19 Recommended vs. FY18 EOB as of 12-1-17</i>
Environmental Quality	\$ 103,071,768	\$ 123,508,782	\$ 125,036,052	\$ 125,478,774	\$ 442,722
<b>TOTAL</b>	<b>\$ 103,071,768</b>	<b>\$ 123,508,782</b>	<b>\$ 125,036,052</b>	<b>\$ 125,478,774</b>	<b>\$ 442,722</b>
Total Authorized FTEs	684	698	698	702	\$ 4

**FY19 Recommended  
Total Means of Finance  
(In Millions)**



Total \$125.5 m.

## 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 the sale of regulations, manifest forms, photocopies, registration fees paid by the participants in seminars conducted by the department.

**Statutory Dedications**, which make up eighty-four percent of DEQ's total means of finance, are derived from the Environmental Trust Fund, Oil Spill Contingency 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, U.S. Department of Energy, and the U.S. Department of Defense.



# Environmental Quality Dedicated Funds

## FY17, FY18, and FY19

Dedicated Funds	Source of Funding	FY17 Actual	FY18 EOB	FY19 Recommended
Clean Water State Revolving Fund	Federal grants	\$4,684,000	\$4,759,000	\$2,355,500
Environmental Trust Fund	Monies for the fund are to be generated from fees for monitoring, maintenance, licenses, registration, permits and variances. Funds in excess of \$6 million in the Hazardous Waste Site Cleanup Fund. Reimbursement for response activities conducted due to any pollution discharge or disposal, environmental emergency, or remedial action. Grants or allocations from federal government. Reimbursement or judgements awarding damages for restoration or damages to the state's natural resources.	\$54,467,385	\$67,588,490	\$71,207,432
Hazardous Waste Site Cleanup Fund	Judgments, settlements, assessments of civil or criminal penalties.	\$3,103,790	\$4,430,337	\$3,946,331
Lead Hazard Reduction Fund	Fund for the fees collected from Lead contractors and inspectors obtaining a license to be involved in lead hazard reduction activities.	\$87,761	\$95,000	\$95,000
Motor Fuels Underground Tank Fund	The annual underground storage tank trust fee collected from every owner of an underground storage tank, any late charge penalty and or any interest earned on the trust are transferred into this fund.	\$11,084,673	\$15,649,485	\$15,649,485
Oil Spill Contingency Fund	Settlements and judgements.	\$72,835	\$226,974	\$226,974
Waste Tire Management Fund	Fund for any fees collected on the sale of new tires, and any other appropriations, gifts, grants, or other monies received.	\$12,918,064	\$11,435,232	\$12,000,000
<b>TOTALS</b>		<b>\$86,418,508</b>	<b>\$104,184,518</b>	<b>\$105,480,722</b>

### Dedicated Fund Review Subcommittee recommendation:

*Environmental Trust Fund = Eliminate and reclassify to Fees and Self-Generated Revenues*

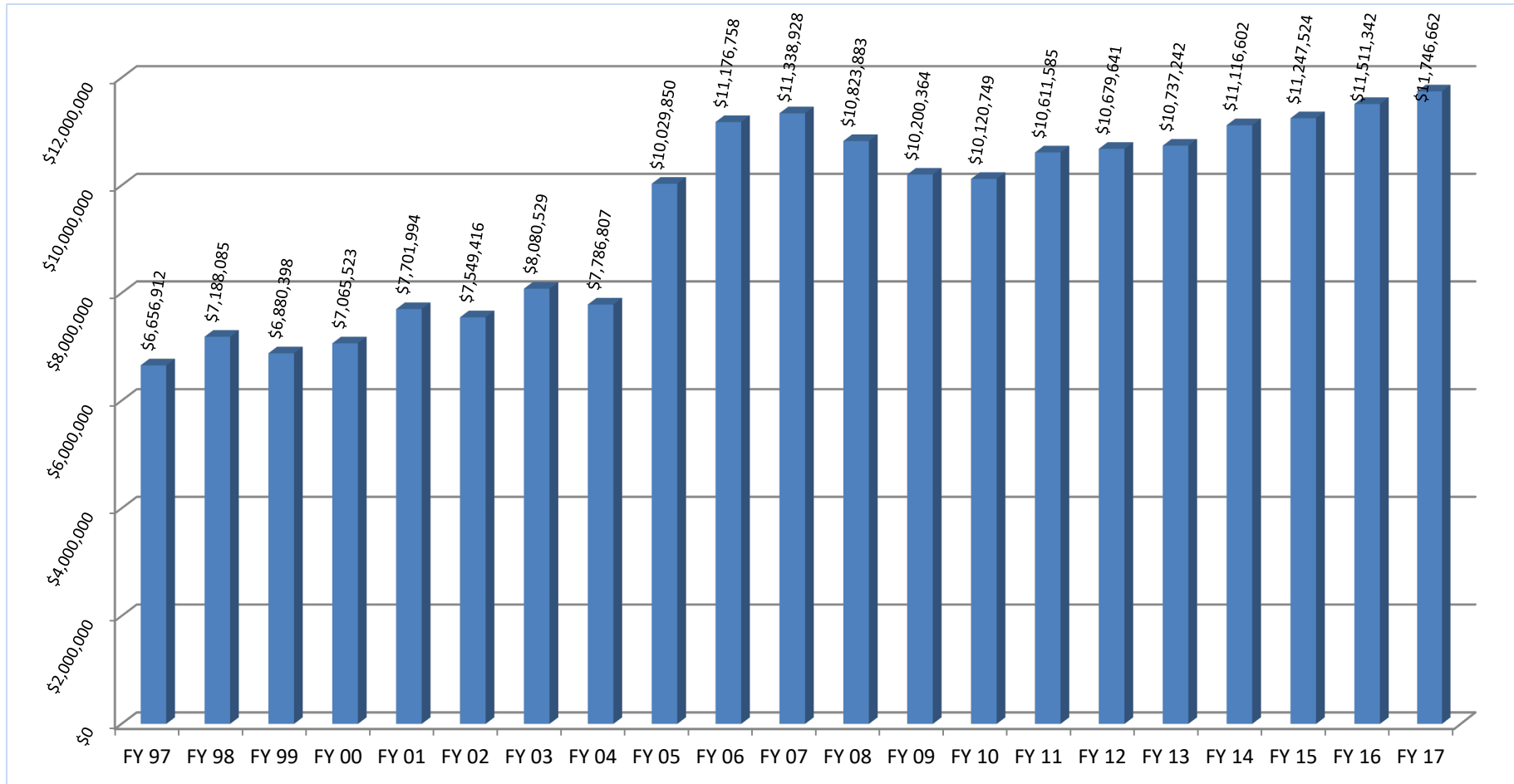
*Hazardous Waste Site Cleanup Fund = No Change*

*Motor Fuels Underground Tank Fund = No Change*



# Department of Environmental Quality

## Waste Tire Fee Collection History – FY97 to FY17



Note: Act 846 of the 2004 RLS changed the tires to which the fee was applicable and greatly increased annual tire fee revenues, as shown. See LRS 30:2418.

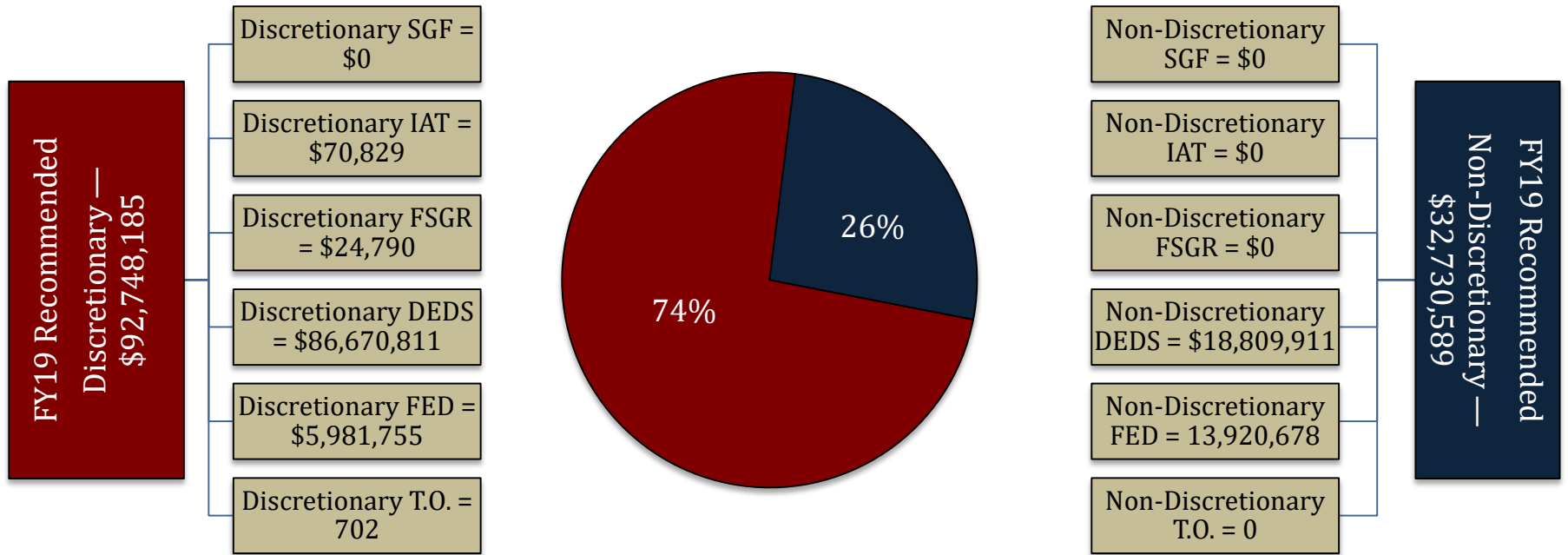
Source: Department of Environmental Quality.

Present law provides for a \$2 fee per passenger/light truck tire, \$5 per medium truck tire, and \$10 per off-road tire be collected for every tire sold. **HB 142** by **Representative Lyons**, if enacted into law, will increase the fees on passenger/light truck tires from \$2 to \$2.25.



# Environmental Quality

## FY19 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Environmental Quality	\$	92,748,185
<b>Total Discretionary</b>	<b>\$</b>	<b>92,748,185</b>

Total Non-Discretionary Funding by Type		
Needed for Debt Service	\$	3,557,537
Due to Federal Mandate	\$	25,402,979
Unavoidable Obligations	\$	3,770,073
<b>Total Non-Discretionary</b>	<b>\$</b>	<b>32,730,589</b>

*Debt Service = Rent in State-owned Buildings*

*Federal Mandate = EPA Nonpoint Source Water Grant, PPG Grant, Clean Water Act, Title V of the Clean Air Act, Clean Water Revolving Loan*

*Unavoidable Obligations = Retirees Group Insurance; Maintenance in State-owned Buildings; and Legislative Auditor Fees.*



# Environmental Quality Expenditures

## FY17, FY18, and FY19

Expenditure Category	FY17 Actual	FY18 EOB	FY19 Recommended	Percent Change FY18 EOB vs. FY19 Recommended
<b>Personal Services:</b>	<b>\$59,071,425</b>	<b>\$63,090,877</b>	<b>\$66,545,212</b>	<b>5.5</b>
Salaries	\$38,084,049	\$40,066,451	\$42,632,272	6.4
Other Compensation	\$472,205	\$211,043	\$211,043	-
Related Benefits	\$20,515,171	\$22,813,383	\$23,701,897	3.9
<b>Operating Expenses:</b>	<b>\$2,739,920</b>	<b>\$4,311,396</b>	<b>\$4,349,957</b>	<b>0.9</b>
Travel	\$186,825	\$328,443	\$328,443	-
Operating Services	\$1,892,418	\$3,025,911	\$3,043,472	0.6
Supplies	\$660,677	\$957,042	\$978,042	2.2
<b>Professional Services</b>	<b>\$2,807,036</b>	<b>\$4,020,740</b>	<b>\$3,725,700</b>	<b>(7.3)</b>
<b>Other Charges:</b>	<b>\$37,838,258</b>	<b>\$49,345,342</b>	<b>\$48,769,197</b>	<b>(1.2)</b>
Other Charges	\$27,447,615	\$35,676,420	\$34,868,857	(2.3)
Debt Service	\$0	\$0	\$0	-
Interagency Transfers	\$10,390,643	\$13,668,922	\$13,900,340	1.7
<b>Acquisitions &amp; Major Repairs:</b>	<b>\$615,129</b>	<b>\$4,267,697</b>	<b>\$2,088,708</b>	<b>(51.1)</b>
Acquisitions	\$615,129	\$4,267,697	\$2,088,708	(51.1)
Major Repairs	\$0	\$0	\$0	-
<b>Total Expenditures</b>	<b>\$103,071,768</b>	<b>\$125,036,052</b>	<b>\$125,478,774</b>	<b>0.4</b>



# Environmental Quality

## Total Statewide Adjustments for FY19

13\_ENVQ

Department of Environmental Quality  
ADJUSTMENTS TO EXISTING OPERATING BUDGET  
Recommended

GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
\$0	\$670,829	\$24,790	\$104,184,518	\$0	\$20,155,915	\$125,036,052	698	Existing Oper Budget as of 12/01/17
<b>A. STATEWIDE STANDARDS</b>								
\$0	\$0	\$0	\$525,914	\$0	\$0	\$525,914	0	2% General Increase Annualization Classified
\$0	\$0	\$0	\$910	\$0	\$0	\$910	0	2% General Increase Annualization Unclassified
\$0	\$0	\$0	\$598,136	\$0	\$0	\$598,136	0	Structural Annualization Classified
\$0	\$0	\$0	\$1,483,588	\$0	\$0	\$1,483,588	0	Market Rate Classified
\$0	\$0	\$0	\$122,491	\$0	\$0	\$122,491	0	Civil Service Training Series
\$0	\$0	\$0	\$453,731	\$0	\$0	\$453,731	0	Related Benefits Base Adjustment
\$0	\$0	\$0	\$737	\$0	\$0	\$737	0	Retirement Rate Adjustment
\$0	\$0	\$0	\$1,236,225	\$0	\$0	\$1,236,225	0	Salary Base Adjustment
\$0	\$0	\$0	(\$1,266,917)	\$0	\$0	(\$1,266,917)	0	Attrition Adjustment
\$0	\$0	\$0	\$2,028,708	\$0	\$0	\$2,028,708	0	Acquisitions & Major Repairs
\$0	\$0	\$0	(\$4,111,715)	\$0	\$0	(\$4,111,715)	0	Non-Recurring Acquisitions & Major Repairs
\$0	\$0	\$0	(\$1,290,871)	\$0	(\$113,482)	(\$1,404,353)	0	Non-recurring Carryforwards
\$0	\$0	\$0	(\$76,159)	\$0	\$0	(\$76,159)	0	Risk Management
\$0	\$0	\$0	\$29,690	\$0	\$0	\$29,690	0	Legislative Auditor Fees
\$0	\$0	\$0	\$20,218	\$0	\$0	\$20,218	0	Rent in State-Owned Buildings
\$0	\$0	\$0	(\$44,742)	\$0	\$0	(\$44,742)	0	Maintenance in State-Owned Buildings
\$0	\$0	\$0	\$5,259	\$0	\$0	\$5,259	0	Capitol Park Security
\$0	\$0	\$0	(\$2,765)	\$0	\$0	(\$2,765)	0	Capitol Police
\$0	\$0	\$0	(\$1,542)	\$0	\$0	(\$1,542)	0	UPS Fees
\$0	\$0	\$0	(\$7,639)	\$0	\$0	(\$7,639)	0	Civil Service Fees



# Environmental Quality

## Total Statewide Adjustments for FY19

13\_ENVQ

Department of Environmental Quality  
ADJUSTMENTS TO EXISTING OPERATING BUDGET  
Recommended

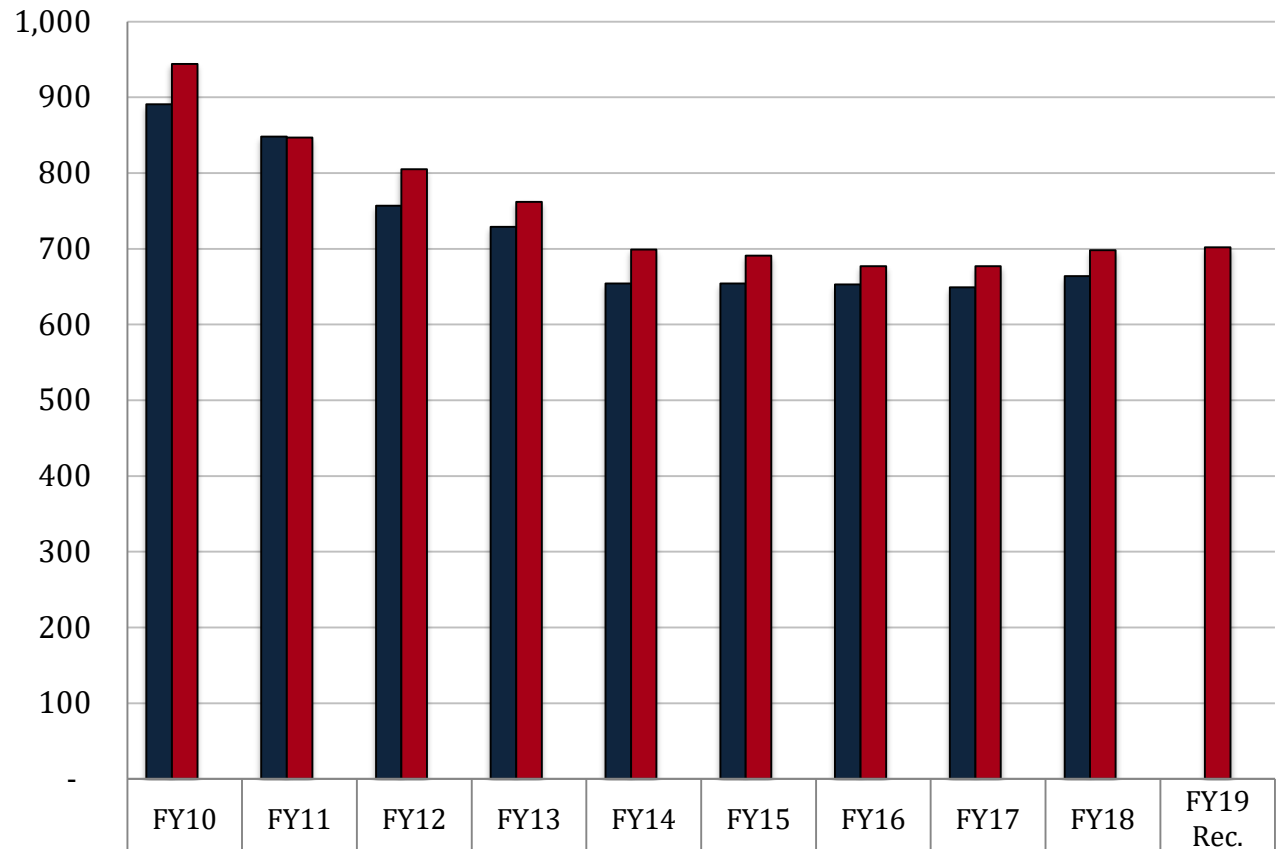
GEN. FUND	I.A.T.	SELF-GEN.	STAT. DED.	I.E.B.	FEDERAL	TOTAL	T.O.	DESCRIPTION
<b>A. STATEWIDE STANDARDS</b>								
\$0	\$0	\$0	(\$1,629)	\$0	\$0	(\$1,629)	0	State Treasury Fees
\$0	\$0	\$0	\$329,931	\$0	\$0	\$329,931	0	Office of Technology Services (OTS)
\$0	\$0	\$0	(\$25,806)	\$0	\$0	(\$25,806)	0	Administrative Law Judges
\$0	\$0	\$0	\$30,829	\$0	\$0	\$30,829	0	Office of State Procurement
\$0	\$0	\$0	\$296,773	\$0	\$0	\$296,773	0	Topographic Mapping
\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	TOTAL MEANS OF FINANCING SUB ADJUSTMENT
\$0	(\$600,000)	\$0	\$0	\$0	(\$140,000)	(\$740,000)	0	TOTAL NON-RECURRING OTHER ADJUSTMENT
\$0	\$0	\$0	\$962,849	\$0	\$0	\$962,849	4	TOTAL OTHER ADJUSTMENTS ADJUSTMENT
\$0	\$70,829	\$24,790	\$105,480,722	\$0	\$19,902,433	\$125,478,774	702	Total Budget
\$0	(\$600,000)	\$0	\$1,296,204	\$0	(\$253,482)	\$442,722	4	Total Adjustments



# Environmental Quality

## FTEs, Authorized Positions, and Other Charges Positions

Total FY19  
Recommended  
Authorized Positions  
of 702 are 2.1%  
of Total State FY19  
Recommended  
Authorized Positions  
of 33,301



■ Total FTEs (as of July 1 of each fiscal year)	891	848	757	729	654	654	653	649	664	-
■ Total Authorized Positions (Enacted)	944	847	805	762	699	691	677	677	698	702
■ Authorized Other Charges Positions	-	-	-	-	-	-	-	-	-	-

### Notes:

Data for Total FTEs uses the first weekly employment report published by State Civil Service in July at the start of the named fiscal year.

Data for Total Authorized Positions uses fiscal year enacted levels, except for FY18 Recommended.

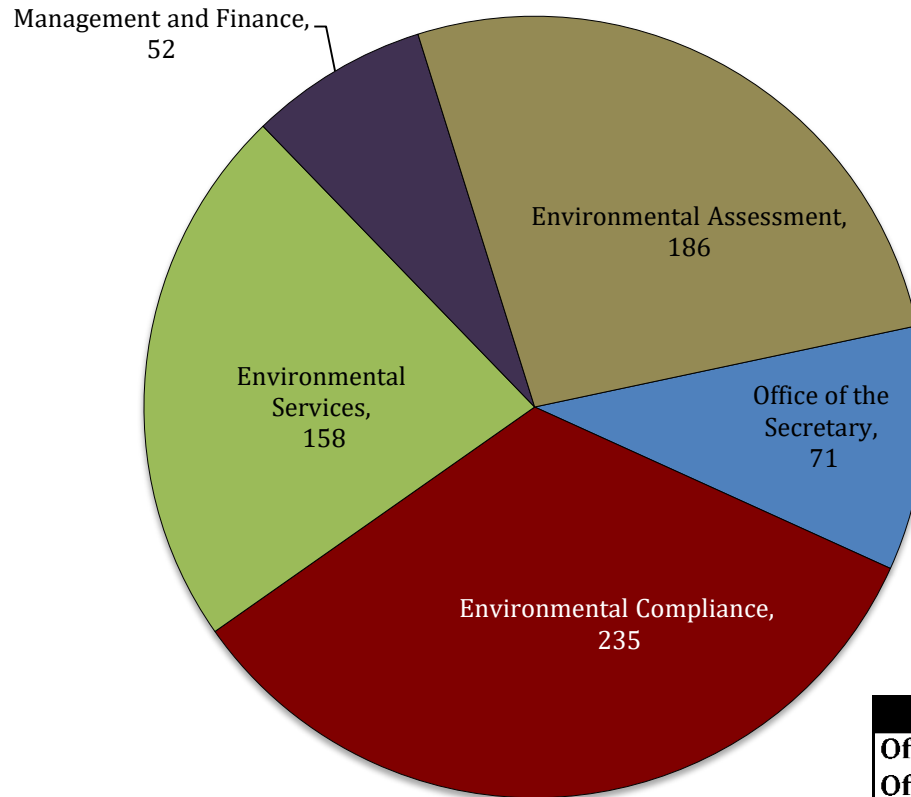
Data for Other Charges Positions are reflected in the Executive Budget per Act 377 of the 2013 Regular Legislative Session (beginning in FY15).





# Environmental Quality

## FY19 Recommended Total Authorized Positions by Agency



Office of Environmental Quality	
Office of the Secretary	71
Office of Environmental Compliance	235
Office of Environmental Services	158
Office of Management and Finance	52
Office of Environmental Assessment	186
<b>Total</b>	<b>702</b>



# Environmental Quality Significant Increases for FY19

Increase	Source	T.O.	Agency	Description
\$564,768	Statutory Dedications	0	Management and Finance	Increase in the Waste Tire Management Fund based on the latest projection of revenue collection and expenditures.
\$398,081	Statutory Dedications	4	Environmental Assessment	Increase in 4 T.O. positions to operate the Mobile Air Monitoring Laboratory and associated costs.
\$124,222	Statutory Dedications	2	Environmental Assessment	Technical adjustment transferring two Environmental Scientist positions and related funding from the Office of Environmental Services to the Office of Environmental Assessment.

## Significant Decreases for FY19

Decrease	Source	T.O.	Agency	Description
(\$350,000)	IAT	0	Environmental Compliance	Non-recurs Interagency Transfers funding from GOHSEP for DEQ's oversight of a Hurricane Katrina demolition contract.
(\$250,000)	IAT	0	Environmental Services	Non-recurs Interagency Transfers funding from LDH for the Zika Virus prevention program.
(\$140,000)	Federal	0	Environmental Assessment	Non-recurs Federal Funding for the Performance Partnership Multi Purpose Grant between DEQ and EPA.

## Significant Means of Financing Substitutions for FY19

MOF Swap	Source	T.O.	Agency	Description
\$2,403,500	Statutory Dedications	0	Environmental Quality	Means of Financing Substitution increases the Environmental Trust Fund and decreases the Clean Water State Revolving Fund Statutory Dedications to properly align the means of financing within each program and associated expenses.



# Environmental Quality

## Changes from FY19 Recommended to FY19 Re-engrossed

Changes from FY19 Recommended to FY19 Re- engrossed	Source	T.O.	Agency	Description
\$8,621,691	Statutory Dedications	0	Environmental Quality	Provides funding out of the Environmental Trust Fund for the Volkswagen Corporation Consent Decree related to violations of the Clean Air Act. There is a companion amendment that transfers a portion of these funds to DOTD.
\$1,500,000	Statutory Dedications	0	Environmental Quality	Provides funding out of the Environmental Trust Fund for a new Mobile Air Monitoring Laboratory.

Total Funding	FY18 EOB as of 12-1-17	FY19 Recommended	Difference FY19 Recommended vs. FY18 EOB as of 12-1-17	FY19 Re-engrossed	Difference FY19 Re- engrossed vs. FY18 EOB as of 12-1-17	Difference FY19 Re- engrossed vs. FY19 Recommended
Environmental Quality	\$ 125,036,052	\$ 125,478,774	\$ 442,722	\$ 135,600,465	\$ 10,564,413	\$ 10,121,691
<b>TOTAL</b>	<b>\$ 125,036,052</b>	<b>\$ 125,478,774</b>	<b>\$ 442,722</b>	<b>\$ 135,600,465</b>	<b>\$ 10,564,413</b>	<b>\$ 10,121,691</b>
Total Authorized FTEs	698	702	4	702	4	-