

Representative Jerome Zeringue  
Chairman



Representative Francis Thompson  
Vice Chairman

# Fiscal Year 2024 Executive Budget Review Department of Environmental Quality

House Committee on Appropriations  
House Fiscal Division

*April 3, 2023*

Budget Analyst: Zion Wilson

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All data and figures were obtained from the governor's Fiscal Year 2023-2024 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 2023 Regular Session, unless otherwise noted.

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

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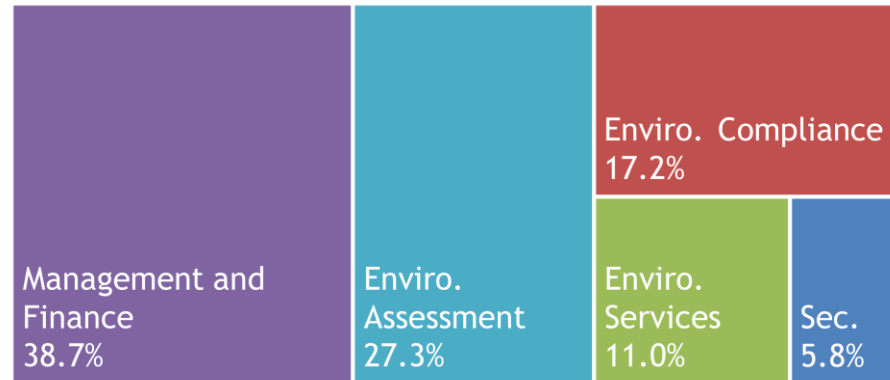
# FY 24 BUDGET RECOMMENDATION

## Total Funding = \$152,284,765

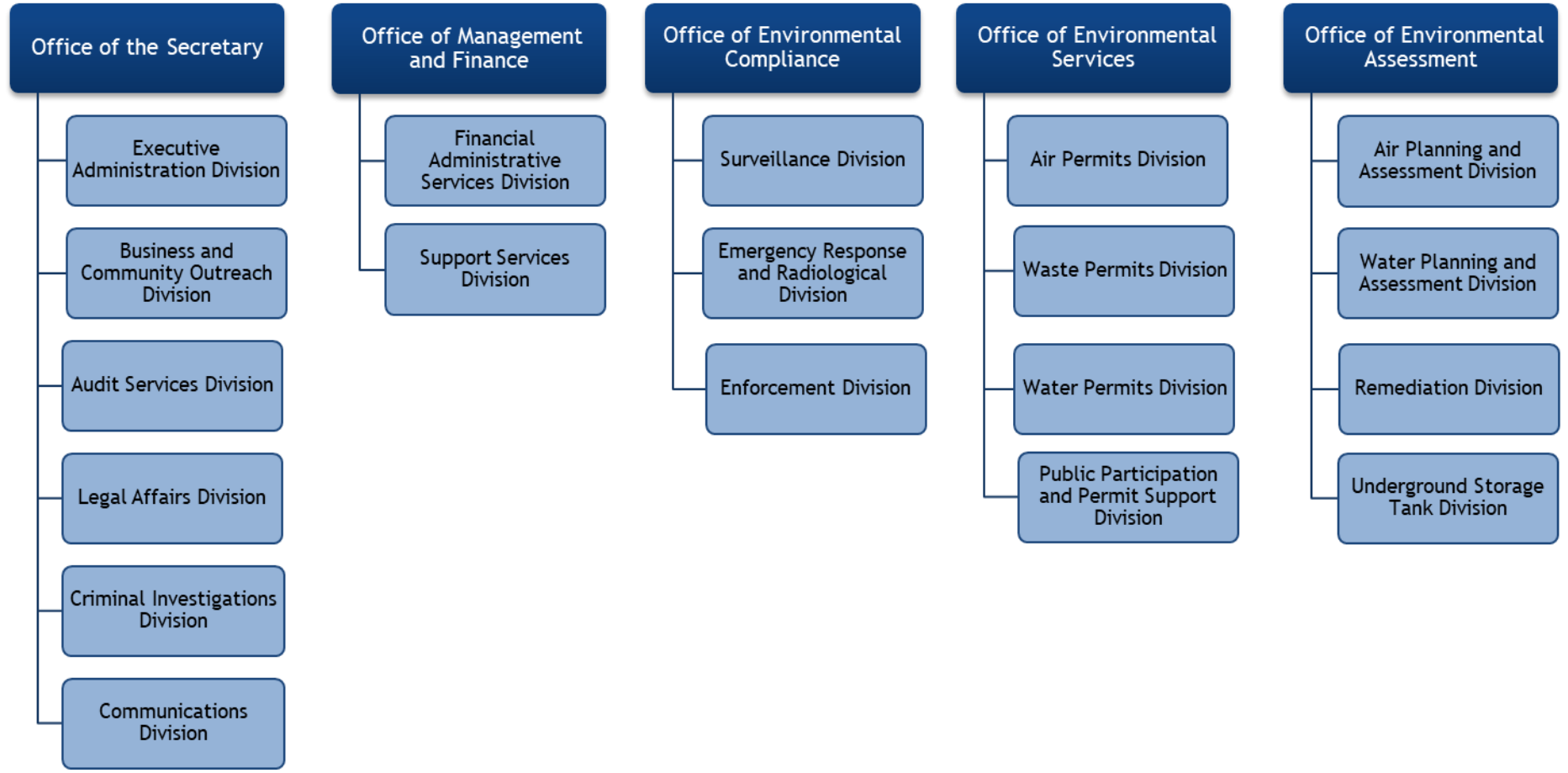
Means of Finance		
State General Fund	\$	14,079,535
Interagency Transfers		4,490,227
Fees & Self-generated		103,059,076
Statutory Dedications		10,373,471
Federal Funds		20,282,456
<b>Total</b>	<b>\$</b>	<b>152,284,765</b>



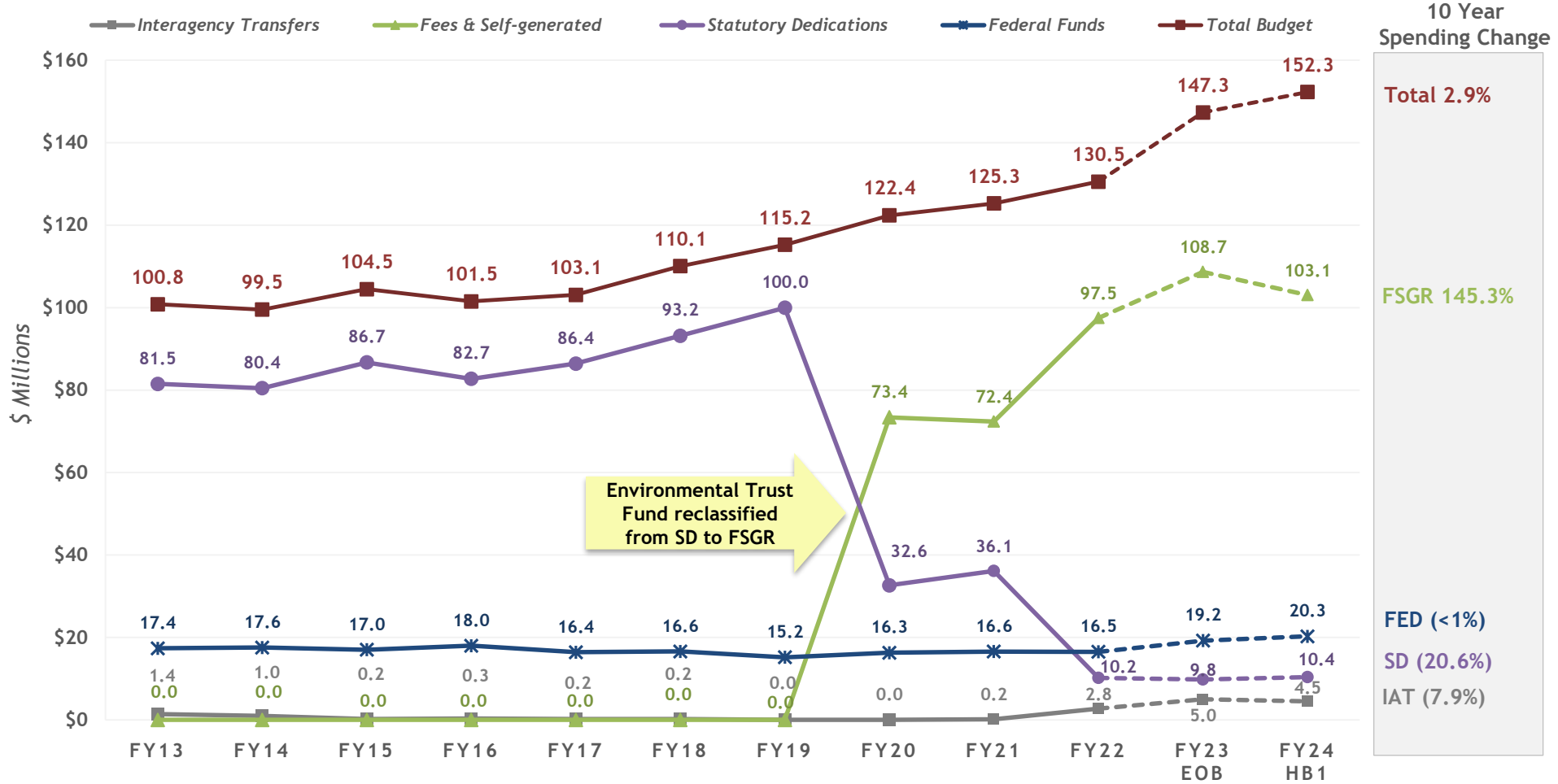
Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Secretary	\$	8,794,860	69
Environmental Compliance		26,215,339	239
Environmental Services		16,688,066	160
Management & Finance		58,965,724	55
Environmental Assessment		41,620,776	188
<b>Total</b>	<b>\$</b>	<b>152,284,765</b>	<b>711</b>



# DEPARTMENT ORGANIZATION

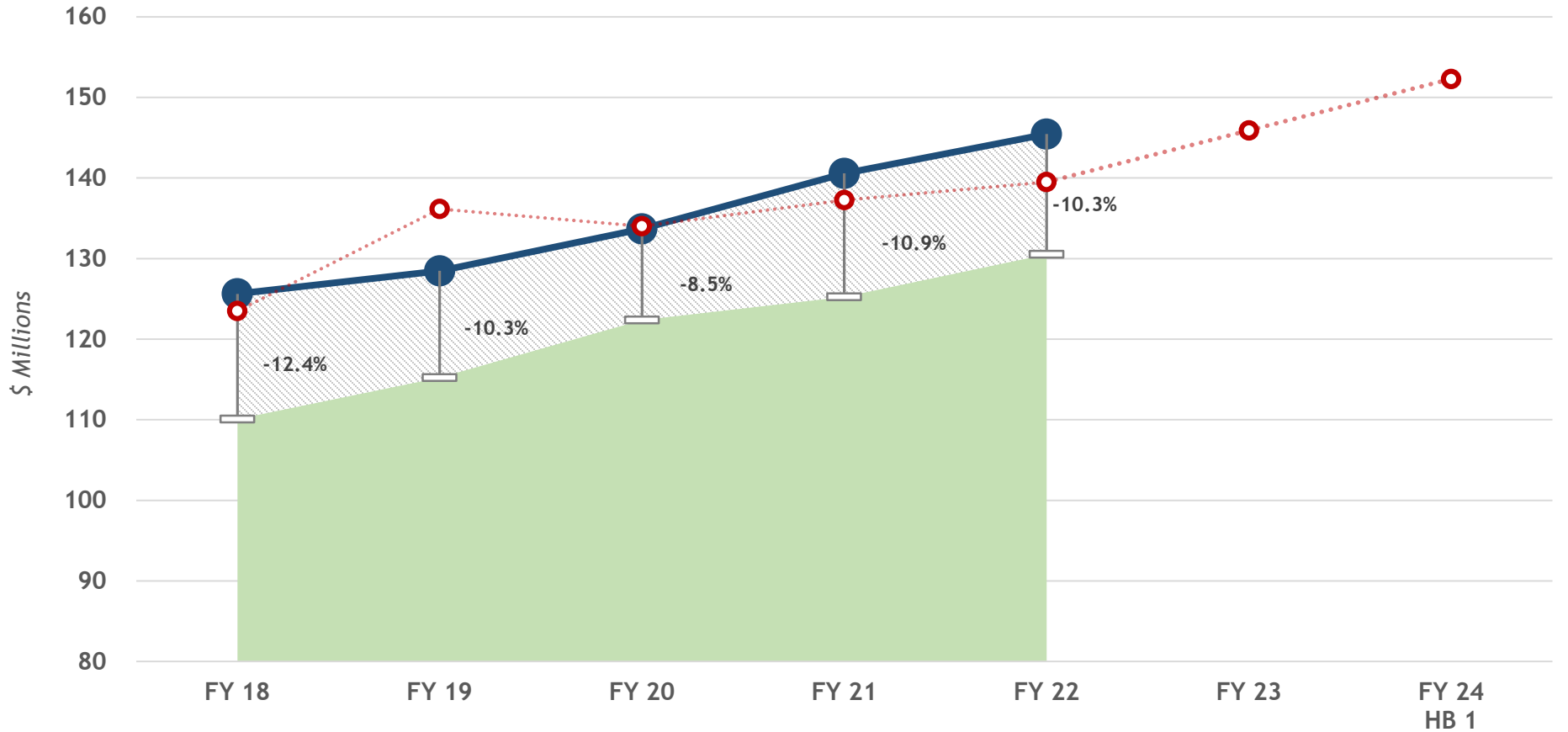


# HISTORICAL SPENDING



# HISTORICAL BUDGET

Actual Spending    Final Budget    Beginning Budget



# PRIOR YEAR ACTUALS FY 22

Means of Finance	Final Budget <i>(w/o FY23 carryfwr)</i>	Amount Spent	Unspent Authority	Unspent Authority %	Unspent % by MOF
General Fund	\$ 3,529,624	\$ 3,529,624	\$ 0	0.0%	0.0%
Interagency Transfers	\$ 2,776,611	\$ 2,776,610	1	0.0%	0.0%
Self-generated	\$ 109,480,031	\$ 97,498,464	11,981,567	10.9%	80.4%
Statutory Dedications	\$ 10,439,815	\$ 10,194,079	245,736	2.4%	1.6%
Federal	\$ 19,221,001	\$ 16,536,806	2,684,195	14.0%	18.0%
<b>FY22 Total</b>	<b>\$ 145,447,082</b>	<b>\$ 130,535,583</b>	<b>\$ 14,911,499</b>	<b>10.3%</b>	<b>100.0%</b>

<i>Historical Total Unspent Budget Authority</i>	Final Budget	Amount Spent	Unspent Authority	Unspent %	
	FY21 Total	\$ 140,572,646	\$ 125,256,322	\$ 15,316,324	10.9%
	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%
	<b>3 Year Avg.</b>	<b>\$ 134,245,739</b>	<b>\$ 120,948,766</b>	<b>\$ 13,296,974</b>	<b>9.9%</b>

# PRIOR YEAR ACTUALS FY 22

## Were projected revenues collected?

	Final Budget <i>(w/o FY23 carryfwr)</i>	Revenue Collections	Difference
SGF	\$ 3,529,624	\$ 3,529,624	\$ 0
IAT	2,776,611	2,776,611	0
FSGR	109,480,031	106,337,523	(3,142,508)
SD	10,439,815	10,799,685	359,870
FED	19,221,001	16,536,806	(2,684,195)
<b>Total</b>	<b>\$ 145,447,082</b>	<b>\$ 139,980,249</b>	<b>\$ (5,466,833)</b>

The department collected \$5.5 M less than the FY 22 budget.

Under collections in fees and self-generated revenue is derived from the Environmental Trust Dedicated Fund Account. This is mostly due to the Volkswagen Settlement collections being lower than the budgeted amount.

Under collections in federal funds is due to multiple year grants and contracts.

## Were collected revenues spent?

	Revenue Collections	Expenditures	Difference
SGF	\$ 3,529,624	\$ 3,529,624	\$ 0
IAT	2,776,611	\$2,776,610	(1)
FSGR	106,337,523	\$97,498,464	(8,839,059)
SD	10,799,685	\$10,194,079	(605,606)
FED	16,536,806	\$16,536,806	0
<b>Total</b>	<b>\$ 139,980,249</b>	<b>\$ 130,535,583</b>	<b>\$ (9,444,666)</b>

The department collected \$9.4 M more than expended in FY 22 with fees and self-generated revenues being the main driver across all means of finance.

Revenue Collections exceeded expenditures largely in the Motor Fuels Underground Storage Tank Dedicated Fund Account and to a smaller degree the Waste Tire Management Dedicated Fund Account.



# EXISTING OPERATING BUDGET FY 23

The FY 2022-23 Existing Operating Budget (EOB) was frozen on December 1, 2022. 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	\$4,568,830	\$ 0	\$ 4,568,830
Interagency Transfers	4,499,419	538,058	5,037,477
Self-generated Revenue	107,954,064	727,506	108,681,570
Statutory Dedications	9,649,471	144,281	9,793,752
Federal	19,234,301	13,300	19,247,601
<b>Total</b>	<b>\$ 145,906,085</b>	<b>\$ 1,423,145</b>	<b>\$ 147,329,230</b>

## Budget Adjustments From Appropriation to EOB

July	August	September	October	November
No Change	\$1.4 M	No Change	No Change	No Change
	Various means of finance carried over for Volkswagen Settlement expenses, Louisiana Watershed Initiative obligations, and other items that were not completed by FY 22			

# SOURCES OF FUNDING

## Self-generated Revenue

**\$103.1 M**

**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:

- **\$19.5 M** - Motor Fuels Underground Tank Dedicated Fund Account
- **\$13.3 M** - Waste Tire Management Dedicated Fund Account
- **\$150,000** - Lead Hazard Reduction Dedicated Fund Account

## Federal Funds

**\$20.3 M**

The department receives various grants from federal agencies, primarily from the U.S. Environmental Protection Agency (EPA) such as:

- Performance Partnership Grant
- Leaking Underground Storage Tank (LUST) Trust Fund
- Transuranic Waste Shipment
- Air Quality Asbestos Program
- Water Quality Management Grant
- Louisiana Clean Diesel Grant
- PM 2.5 Air Monitoring Grant
- Superfund Grant
- Brownfields State Response Program Grant
- WQMP Federal Grant
- Gulf Hypoxia
- Lead Title IV Grant
- DSMOA Grant

# STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 23 - EOB	FY 24 - HB1
<b>Hazardous Waste Site Cleanup Fund</b>	Sums recovered from settlements or judgements, and Hazardous Waste Tax collections	Investigation, testing, containment, control, and cleanup of hazardous waste sites	\$6,516,152	\$6,595,871
<b>Clean Water State Revolving Fund</b>	Federal grants and state funds when required	Administrative costs associated with issuing loans for projects for the Clean Water Revolving Loan Grant and the administrative costs for the Non Point Source and Performance Partnership Grant to comply with the Clean Water Act	\$3,005,626	\$3,505,626
<b>Oil Spill Contingency Fund</b>	Oil spill contingency fees, taxes, penalties, etc.	Immediately provide funds for response to threatened or actual discharges of oil or damage to natural resources	\$221,974	\$221,974
<b>Brownfields Cleanup Revolving Loan Fund</b>	Federal grants from the Environmental Protection Agency from the Brownfields Cleanup Revolving Grant	Administrative costs associated with issuing loans for the Brownfields Revolving Loan Grant	\$50,000	\$50,000
			<b>\$9,793,752</b>	<b>\$10,373,471</b>

# FUNDING COMPARISON

Means of Finance	FY22	FY23	FY24	Change		Change	
	Actual Expenditures	Existing Operating Budget 12/1/22	HB1 Budget	Existing Operating Budget to HB1		Actual Expenditures to HB1	
SGF	\$ 3,529,624	\$ 4,568,830	\$ 14,079,535	\$ 9,510,705	208.2%	\$ 10,549,911	100.0%
IAT	2,776,610	5,037,477	4,490,227	(547,250)	(10.9%)	1,713,617	61.7%
FSGR	97,498,464	108,681,570	103,059,076	(5,622,494)	(5.2%)	5,560,612	5.7%
Stat Ded	10,194,079	9,793,752	10,373,471	579,719	5.9%	179,392	1.8%
Federal	16,536,806	19,247,601	20,282,456	1,034,855	5.4%	3,745,650	22.7%
<b>Total</b>	<b>\$ 130,535,583</b>	<b>\$ 147,329,230</b>	<b>\$ 152,284,765</b>	<b>\$ 4,955,535</b>	<b>3.4%</b>	<b>\$ 21,749,182</b>	<b>16.7%</b>

## Significant funding changes compared to the FY 23 Existing Operating Budget

### State General Fund

\$5.1 M increase for various OTS charges

\$4.2 M increase for a MOF substitution that decreases expenditures from the Environmental Trust Fund based on the most recent REC forecast

\$225,587 increase for 4 additional T.O. positions for the voluntary self-audit of the 2021 R.S.

### Fees & Self-generated

**(\$2.0 M)** net decrease for standard statewide adjustments, primarily for the removal of funding for the 27<sup>th</sup> Pay Period that is no longer needed in FY24

**(\$4.9 M)** net decrease for means of finance substitutions, primarily associated with the Environmental Trust Dedicated Fund Account

\$1.3 M net increase primarily for expenditures with Underground Storage Tanks and its owners

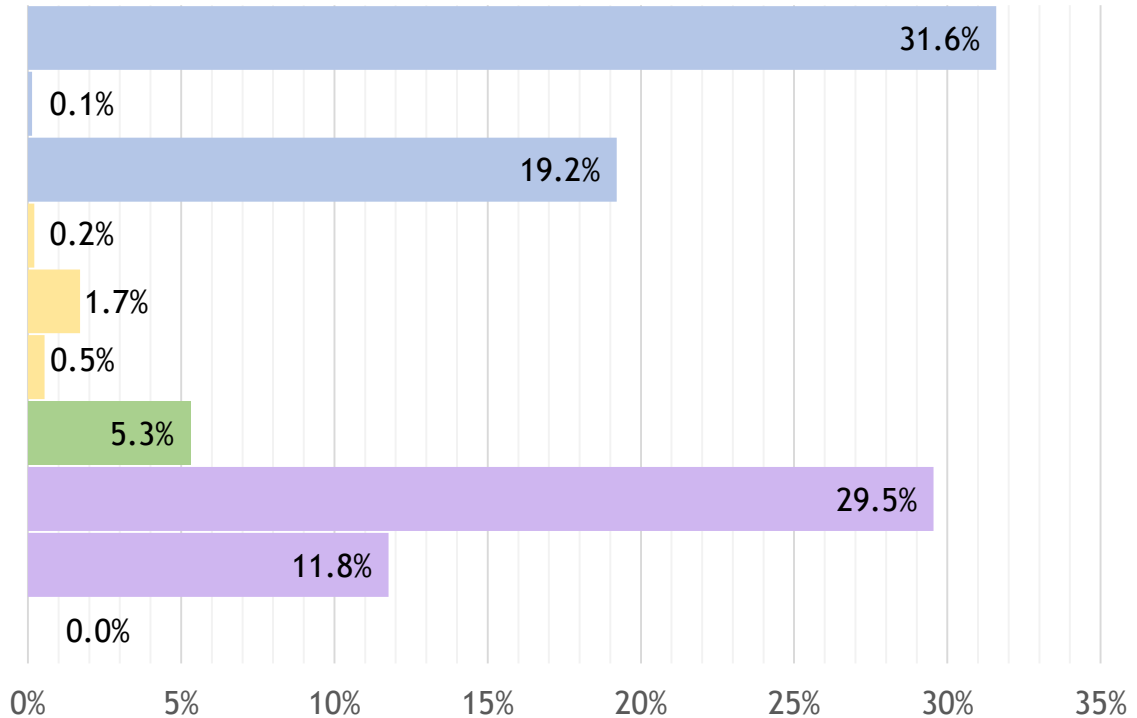
### Federal Funds

\$1.0 M net increase primarily for the department to receive 7 new grants for pollution evaluation, oxygen levels in water, cleanup plans for redevelopment, and other objectives that remain a priority

# EXPENDITURE RECOMMENDATION FY 24

## Total Budget = \$152,284,765

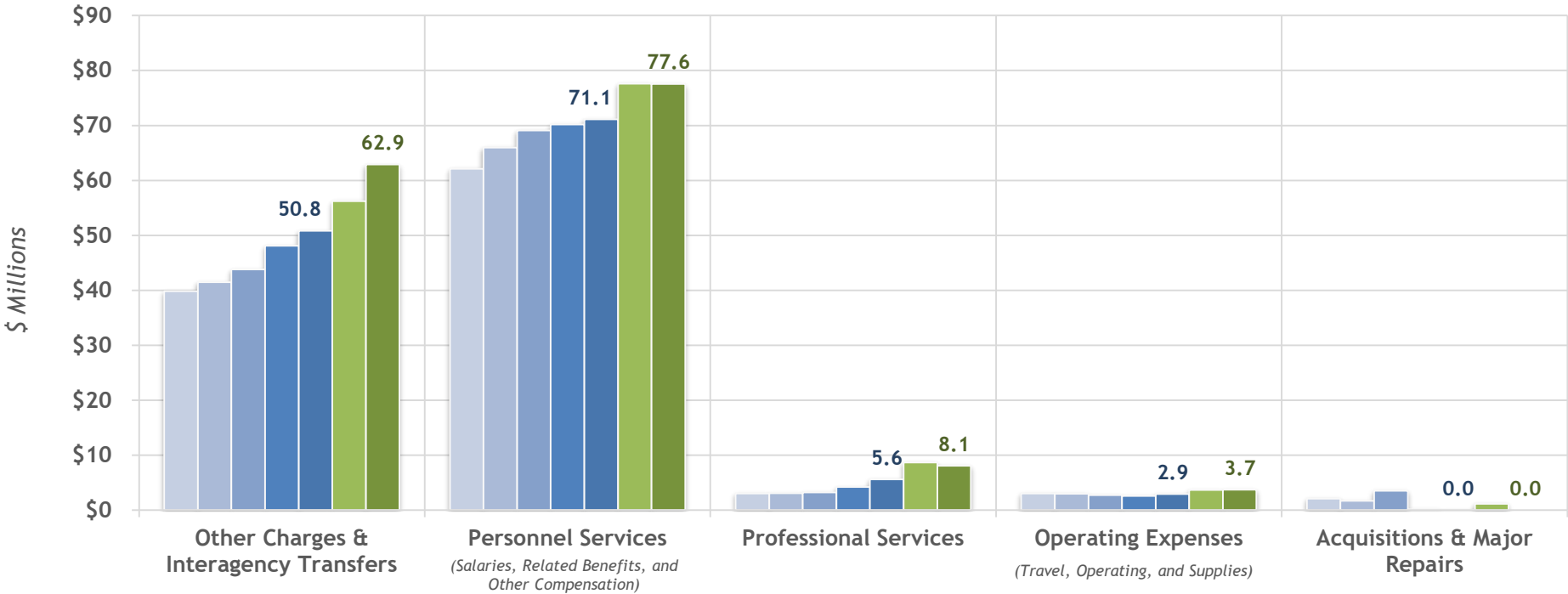
Expenditure Category	
Salaries	\$48,108,870
Other Compensation	\$211,043
Related Benefits	\$29,247,357
Travel	\$315,443
Operating Services	\$2,595,419
Supplies	\$829,174
Professional Services	\$8,072,167
Other Charges	\$44,993,822
Interagency Transfers	\$17,911,470
Acquisitions/Repairs	-
<b>Total</b>	<b>\$ 152,284,765</b>



# EXPENDITURE HISTORY

Fiscal Year: Actual Expenditures Budgeted Amount

2018 2019 2020 2021 2022 2023 EOB 2024 HB1



## 5 Year Average Spending per Expenditure Category

\$44.8 M : 37.1%	\$67.7 M : 56.1%	\$3.8 M : 3.2%	\$2.8 M : 2.4%	\$1.5 M : 1.2%
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# EXPENDITURE COMPARISON

Expenditure Category	FY22 Actual Expenditures	FY23 Existing Operating Budget 12/1/22	FY24 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
Salaries	\$ 45,084,697	\$ 49,219,493	\$ 48,108,870	\$ (1,110,623)	(2.3%)	\$ 3,024,173	6.7%
Other Compensation	473,006	211,043	211,043	0	0.0%	(261,963)	(55.4%)
Related Benefits	25,563,228	28,178,128	29,247,357	1,069,229	3.8%	3,684,129	14.4%
Travel	171,570	293,443	315,443	22,000	7.5%	143,873	83.9%
Operating Services	1,960,492	2,550,096	2,595,419	45,323	1.8%	634,927	32.4%
Supplies	797,849	825,924	829,174	3,250	0.4%	31,325	3.9%
Professional Services	5,626,398	8,696,587	8,072,167	(624,420)	(7.2%)	2,445,769	43.5%
Other Charges	36,613,157	43,490,240	44,993,822	1,503,582	3.5%	8,380,665	22.9%
Interagency Transfers	14,208,312	12,710,366	17,911,470	5,201,104	40.9%	3,703,158	26.1%
Acquisitions/Repairs	36,876	1,153,910	0	(1,153,910)	(100.0%)	(36,876)	(100.0%)
<b>Total</b>	<b>\$ 130,535,585</b>	<b>\$ 147,329,230</b>	<b>\$ 152,284,765</b>	<b>\$ 4,955,535</b>	<b>3.4%</b>	<b>\$ 21,749,180</b>	<b>16.7%</b>

# SIGNIFICANT EXPENDITURE CHANGES FY 24

*Compared to the FY 23 Existing Operating Budget*

Personal Services	Other Charges/IAT \$6.7 M	Acquisitions/Repairs
<p><b>(\$2.6 M)</b> decrease for the removal of funding for the 27<sup>th</sup> Pay Period that is no longer needed in FY24</p> <p><b>(\$1.4 M)</b> decrease to factor projected savings from vacant positions in FY 24</p> <p><b>(\$215,965)</b> decrease to remove a double incumbency position &amp; remove a position funded in error</p> <p>\$445,925 increase for 4 additional positions for the Voluntary Self-Audit Program for initiatives per Act 481 of the 2021 R.S.</p> <p>\$3.7 M net increase for standard statewide adjustments</p>	<p>\$5.1 M increase for various OTS invoices and other related expenses</p> <p>\$1.3 M increase to receive 7 new grants for pollution evaluation, oxygen levels in water, cleanup plans for redevelopment, and other objectives that remain a priority</p> <p>\$1 M increase for Motor Fuel Underground Storage tank owners to upgrade or improve single-walled storage tanks</p> <p>\$49,234 increase for cost increase for the Challenge Station contract</p> <p><b>(\$787,323)</b> decrease for carried over funds that are no longer needed for FY 24</p> <p>\$121,695 net increase for standard statewide adjustments</p>	<p><b>(\$1.2 M)</b> decrease for the following one-time purchases that were completed in FY 23:</p> <ul style="list-style-type: none"> <li>• 17 replacement vehicles, AreaRAE Plus Rapid Deployment Lite, air samplers, Aqua TROLLS, ice machine, 2 boats, water quality monitors, air and hydrogen monitors, canister samplers, ozone analyzers, a dry scroll vacuum pump, a data logger, continuous PM mass monitor, Calibrators, and methane/non-methane analyzer</li> </ul>



# OTHER CHARGES/INTERAGENCY TRANSFERS

## Other Charges

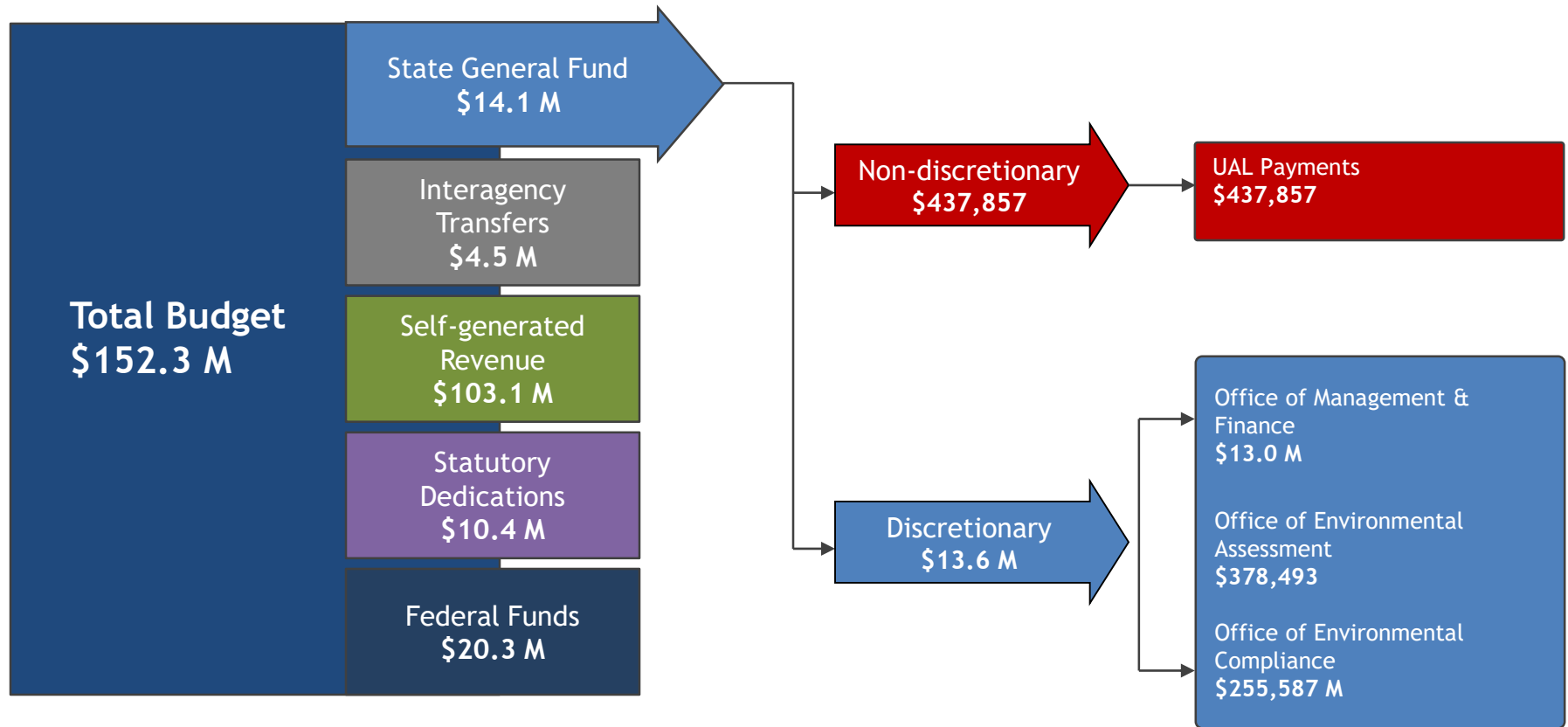
Amount	Description
\$ 19,249,485	Motor Fuels Underground Storage Tank reimbursements for the cleanup of leaking underground storage tanks that pay into the Underground Storage Tank Trust Fund.
12,581,064	Waste Tire Program payments to permitted processors for proper disposal of collected waste tires to authorized end-use markets.
4,594,028	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, NPS contract match, enhancements of state permit and enforcing programs, UST Operator Training Program and transuranic waste shipment.
3,052,882	Hazardous Waste Site Cleanup expenditures for investigation, testing, containment, control and cleanup.
700,000	Nonpoint Source Grant (EPA) - nonpoint program implemented to control particularly difficult or serious nonpoint source pollution problems.
412,118	Compliance Evaluation Inspections
73,000	American Rescue Plan Funded Cooperative Agreement
20,400	WQMP TMDL Grant - DEQ will utilize this grant to support restoration and protection activities
<b>\$ 40,682,977</b>	<b>Total Other Charges</b>

# OTHER CHARGES/INTERAGENCY TRANSFERS

## Interagency Transfers

<b>Amount</b>	<b>Description</b>
\$ 10,413,089	Office of Technology Services
2,788,223	Building rent, maintenance and insurance
2,105,422	DOTD - Volkswagen Contract
1,038,478	Other state department transfers (DOTD, DOA, etc.)
573,900	Supplies, printing and mailing costs
421,555	Auditing, banking, and civil service fees
328,850	Vehicle applications, inspection, maintenance and GPS
198,905	Capital Park Security
43,048	Uniform Payroll System Billing
<b>\$17,911,470</b>	<b>Total Interagency Transfers</b>

# DISCRETIONARY EXPENSES FY 24



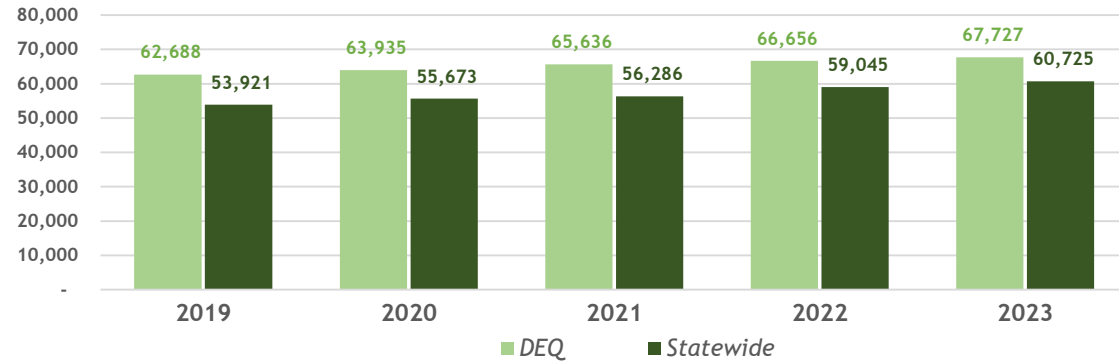
*\*Figures may not add precisely due to rounding\**

# PERSONNEL INFORMATION

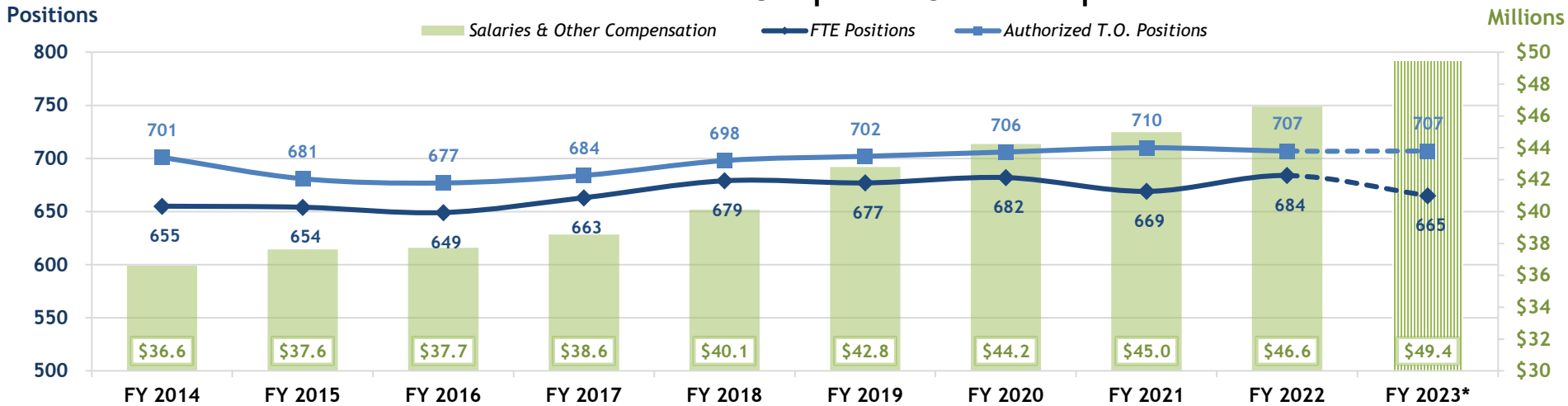
## FY 2024 Recommended Positions

711	Total Authorized T.O. Positions (702 Classified, 9 Unclassified)
0	Authorized Other Charges Positions
0	Non-T.O. FTE Positions
44	Vacant Positions (January 30, 2023)

## Historical Average Salary



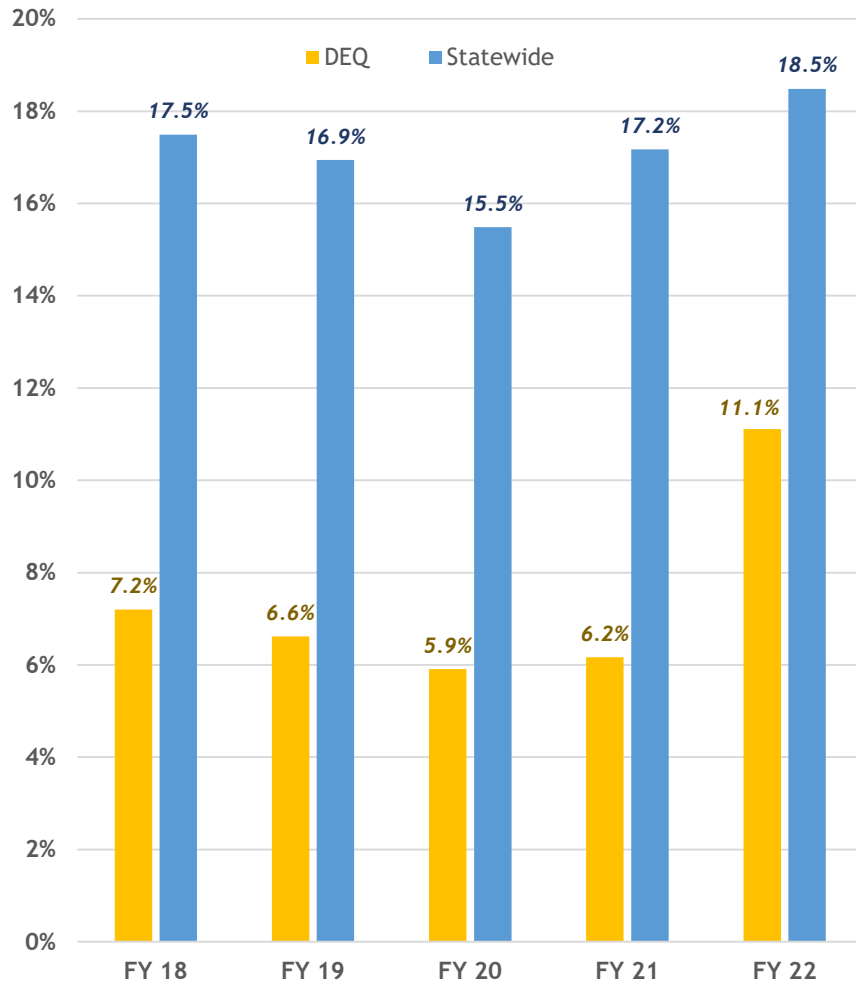
## Historical Positions<sup>1</sup> Compare to Salaries Expended



<sup>1</sup> FTE Source: Dept. of Civil Service Weekly Report on State Employment

\* Existing Operating Budget on 12/1/22

# TURNOVER HISTORY



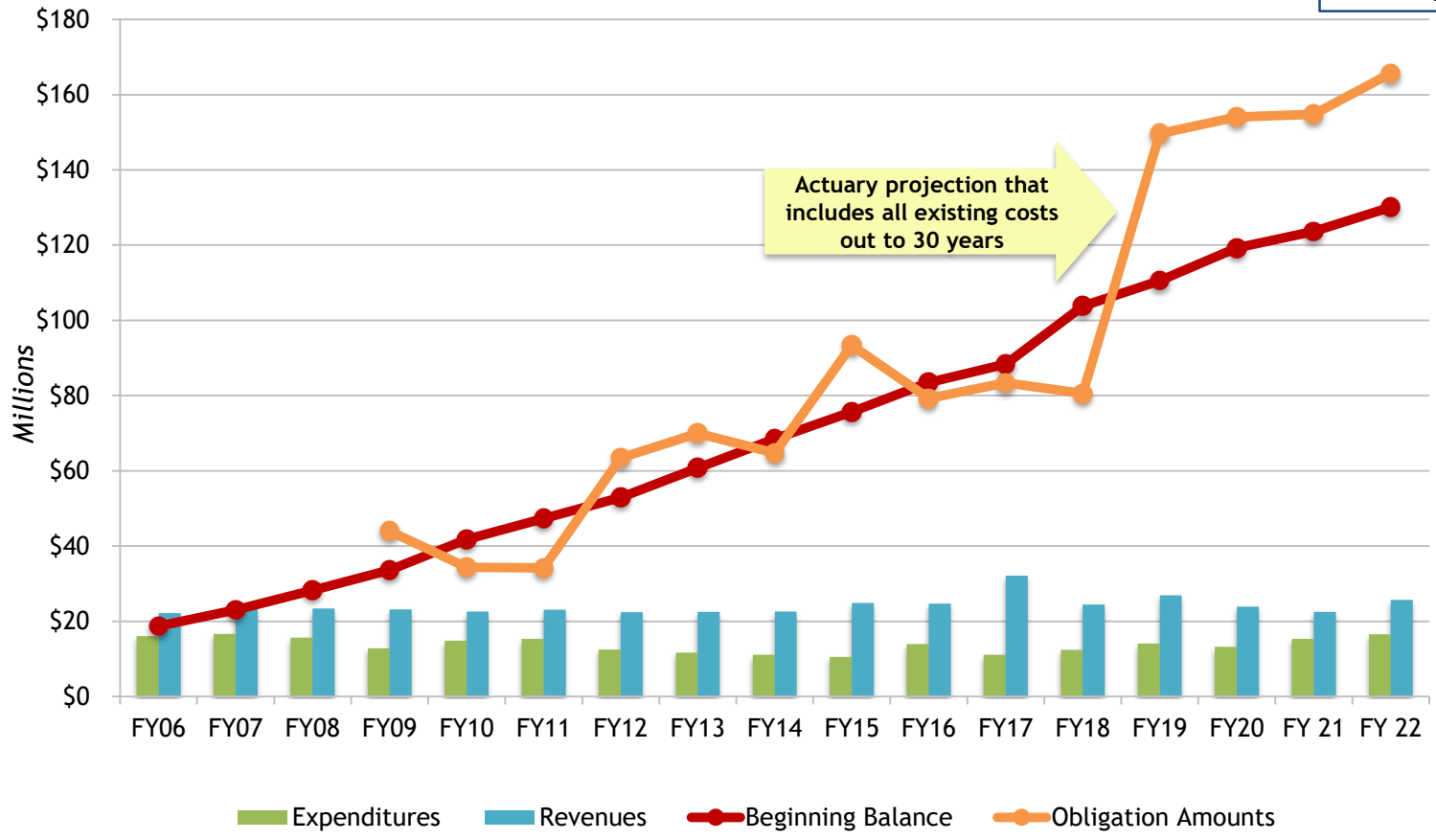
## Top Positions Vacated FY 2022

Position	Number of Employees	Separations	Turnover Rate
Environmental Scientist 3	177	17	9.6%
Environmental Scientist 1	27	7	25.9%
Administrative Assistant 5	11	5	45.5%
Environmental Scientist 4	42	5	11.9%
Environmental Scientist Manager	28	5	17.9%

Source: Department of Civil Service Voluntary Turnover Statistics

# MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND

R.S. 30:2195



Obligation amounts for FY 22 is estimated at \$165.7 M for a total of all underground storage tank sites.

Actuary projection that includes all existing costs out to 30 years

Revenues of \$0.008/gallon are derived from the first sale or delivery of a motor fuel to registered tank owners.

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

Source: Department of Treasury fund reports & Department of Environmental Quality

# DEPARTMENT CONTACTS



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**Theresa Delafosse**  
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# 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.



*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.



## 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.



## 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 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.



## 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.