

Representative Jack McFarland
Chairman



Representative Jason Hughes
Vice Chairman

Fiscal Year 2025 Executive Budget Review **DEPARTMENT OF** **ENVIRONMENTAL QUALITY**

House Committee on Appropriations
House Fiscal Division

March 14, 2024

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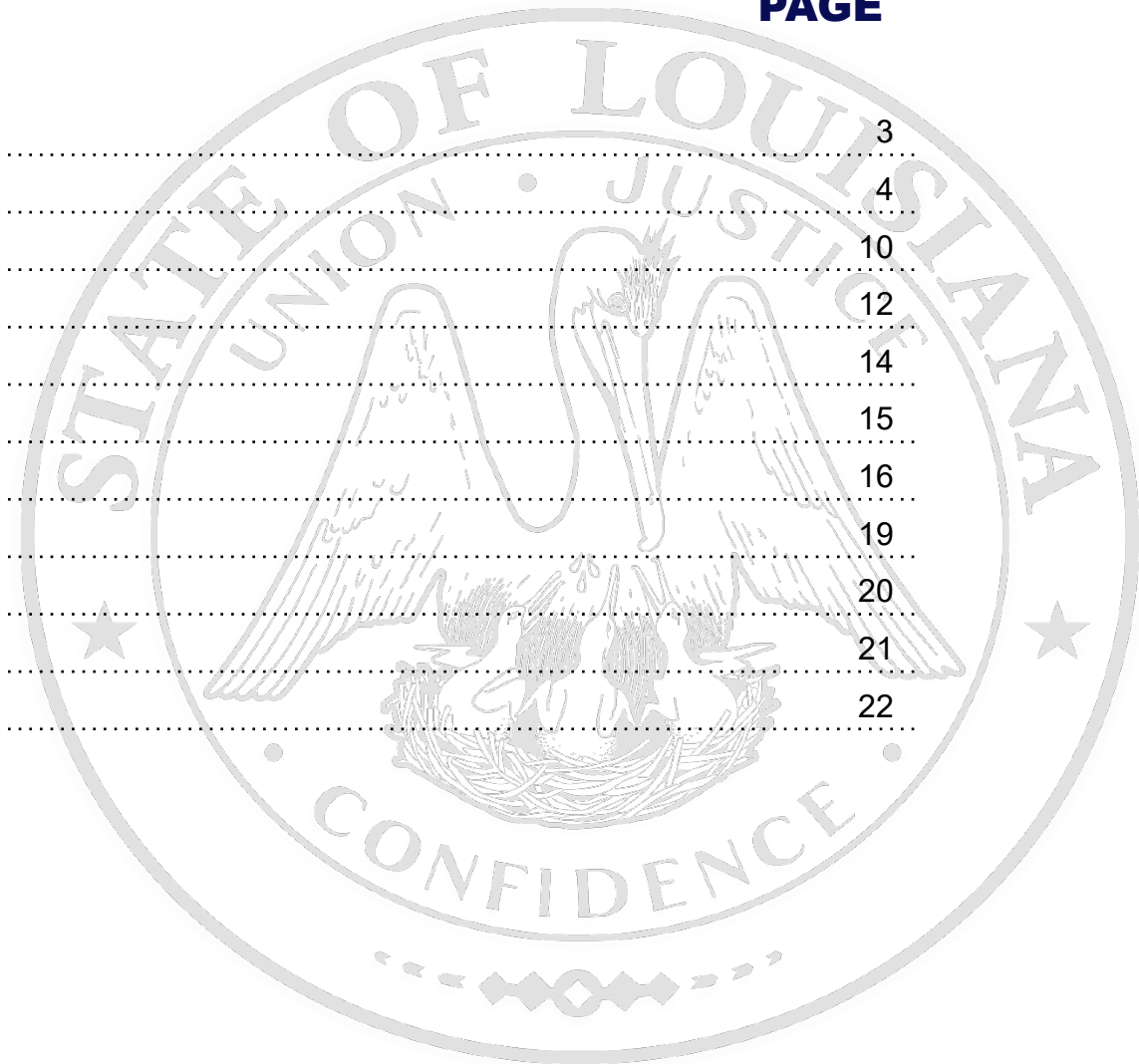
All data and figures were obtained from the governor's Fiscal Year 2024-2025 Executive Budget and Supporting Documents provided by the Office of Planning and Budget within the Division of Administration along with House Bill 1 of the 2024 Regular Session, unless otherwise noted.

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

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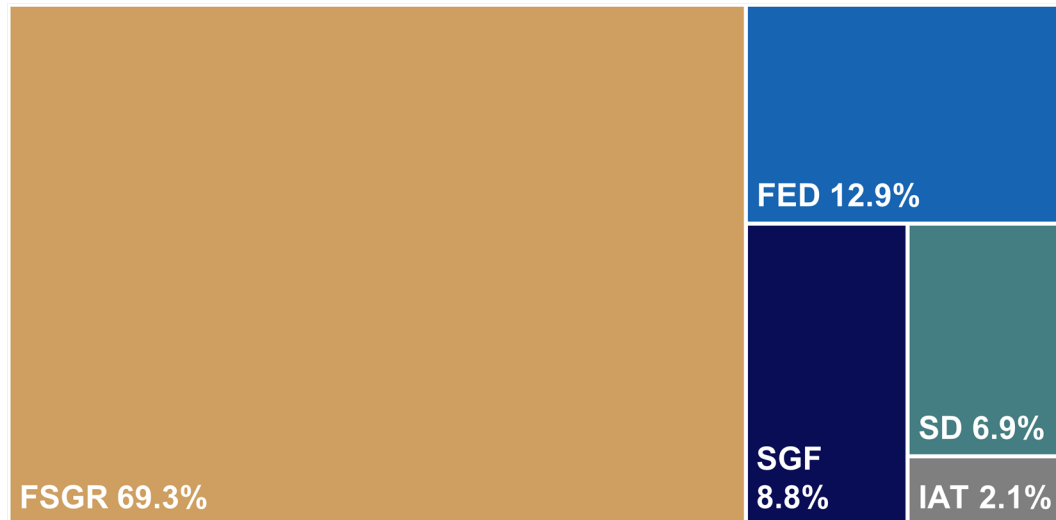
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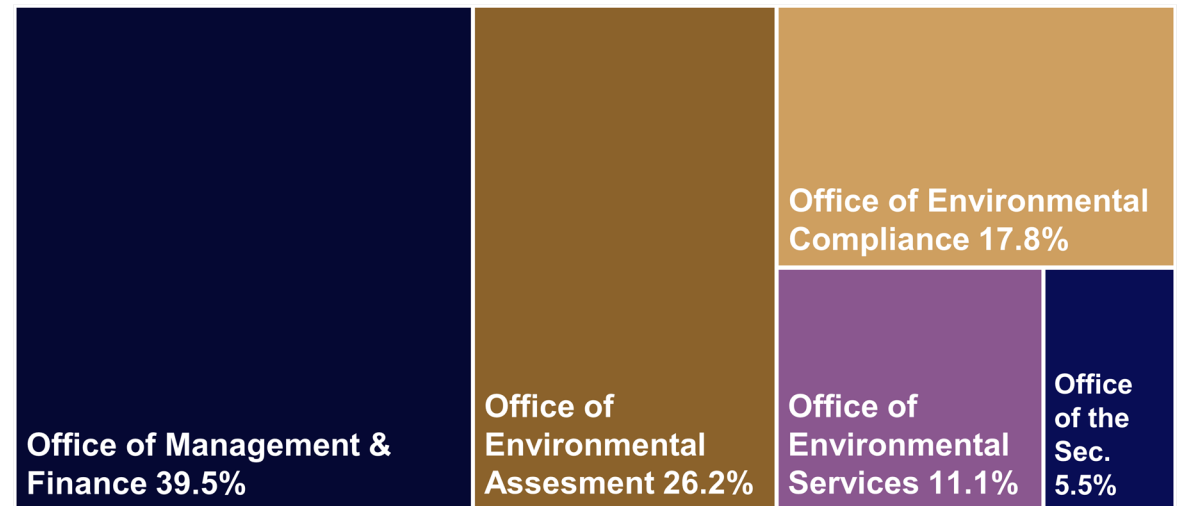
FY 25 BUDGET RECOMMENDATION

Total Funding = \$157,158,308

Means of Finance		
State General Fund	\$	13,853,948
Interagency Transfers		3,239,295
Fees & Self-generated		108,900,638
Statutory Dedications		10,873,471
Federal Funds		20,290,956
Total	\$	157,158,308



Program Funding & Authorized Positions			
		<i>Amount</i>	<i>Positions</i>
Office of the Secretary	\$	8,598,900	68
Office of Environmental Compliance		27,953,288	239
Office of Environmental Services		17,416,657	160
Office of Management & Finance		62,057,800	56
Office of Environmental Assesment		41,131,663	189
Total	\$	157,158,308	712



DEPARTMENT ORGANIZATION



Office of the Secretary

Executive Administration Division

- Provides oversight and leadership to the 5 agency functions of the department

Business & Community Outreach Division

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

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

Legal Affairs Division

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

Criminal Investigations Division

- Determines if a criminal violation of the Louisiana Environmental Quality Act has occurred and assists the district attorney by providing information of the alleged violation for prosecution

Communications Division

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

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 & 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



LDEQ headquarters in downtown
Baton Rouge

Office of Environmental Services



Shell Chemical Plant
Geismar, LA

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 & 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 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 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

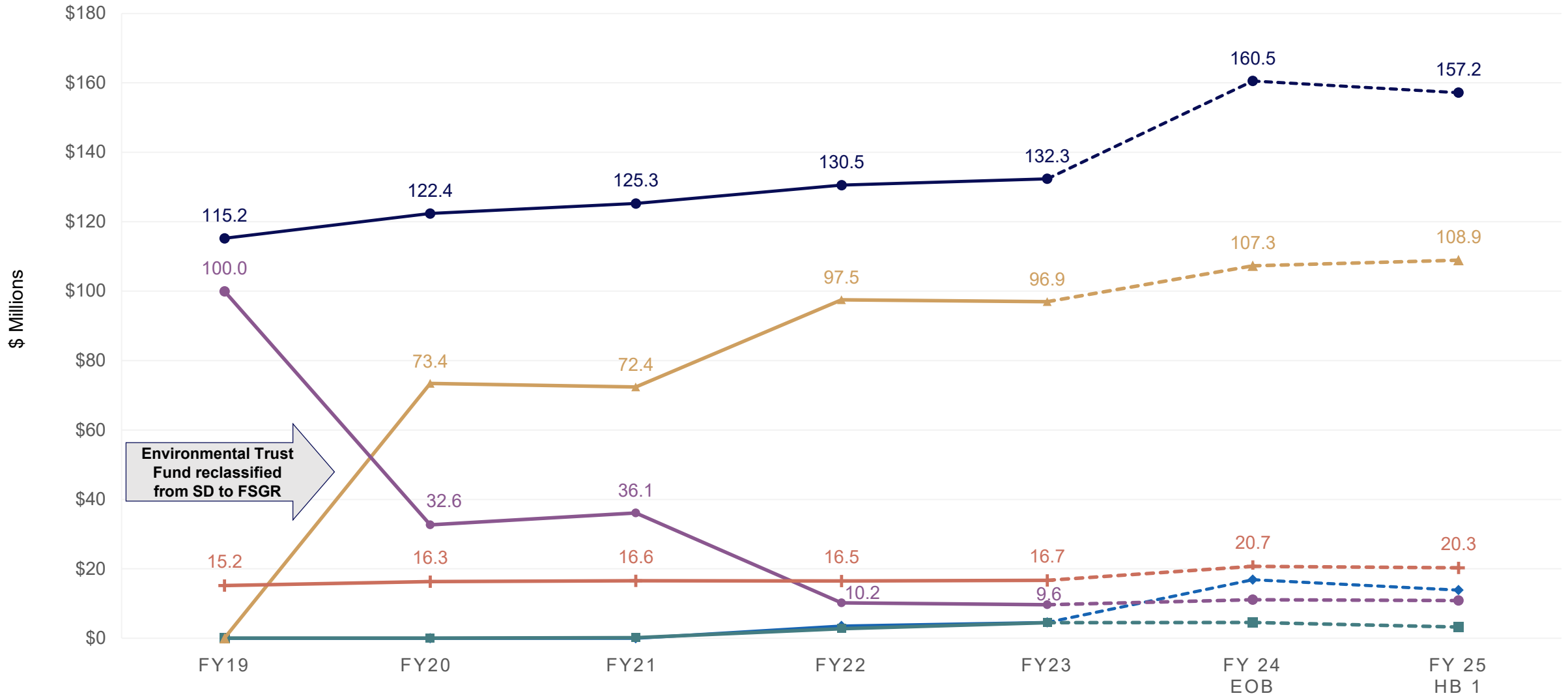


HISTORICAL SPENDING

■ Interagency Transfers
▲ Fees & Self-generated
● Statutory Dedications
⊕ Federal Funds
● Total Budget

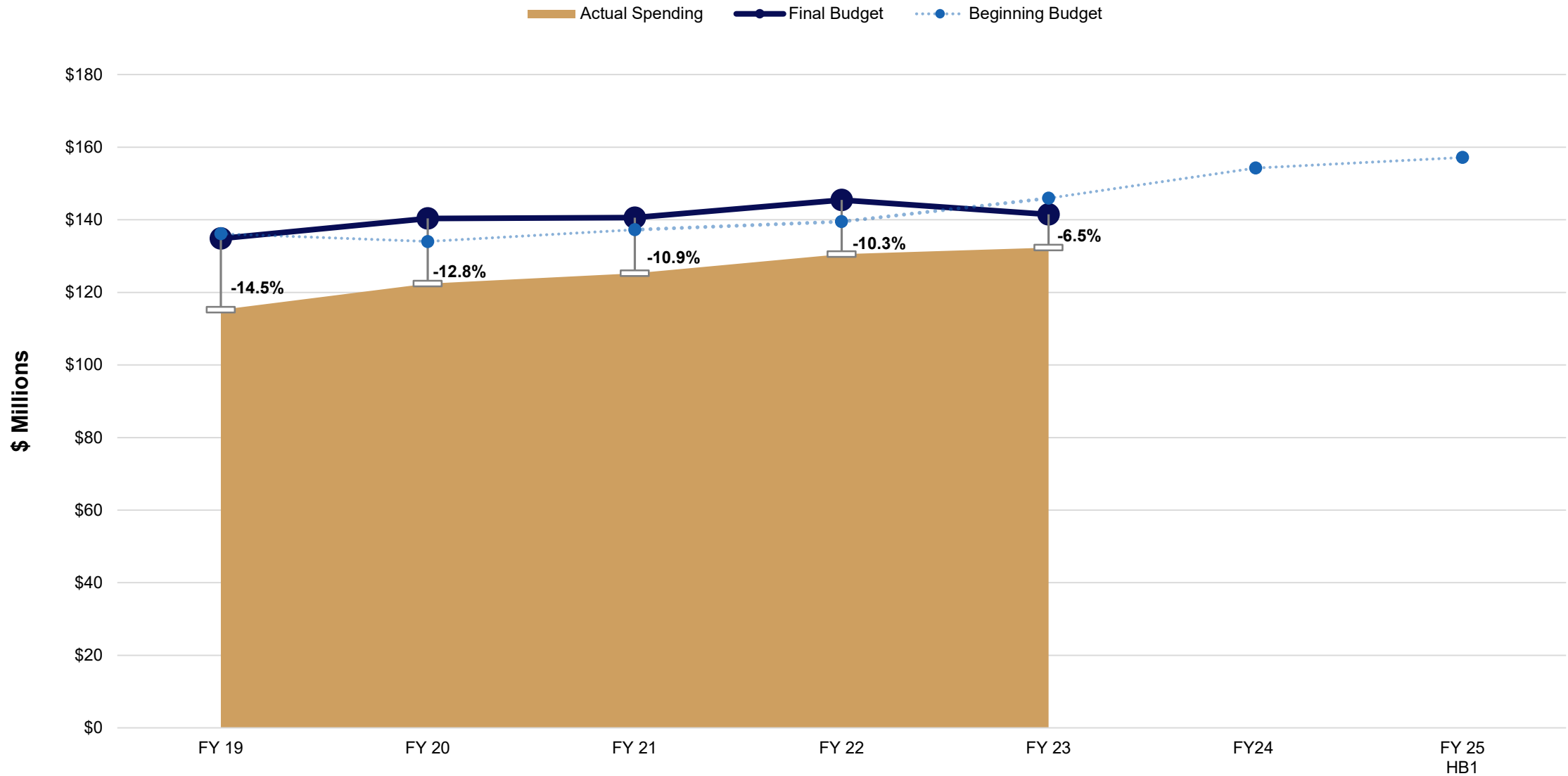
Annual Average Spending Change from FY 19 to 23:

234.5%	733.6%	(44.3%)	2.4%	3.5%
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Environmental Trust Fund reclassified from SD to FSGR

HISTORICAL BUDGET



Note: additional information can be found under the general department section

SOURCES OF FUNDING

State General Fund \$13.9 M	Interagency Transfers \$3.2 M	Self-generated Revenue \$108.9 M	Federal Funds \$20.3 M
<p>The chief operating fund of the State recognized by the Revenue Estimating Conference from various taxes, licenses, fees, and other revenue sources except for those identified as other means of financing</p>	<ul style="list-style-type: none"> • Department of Public Safety • Louisiana Technical College Baton Rouge Campus • Department of Transportation and Development • Division of Administration • Agriculture & Forestry 	<ul style="list-style-type: none"> • Environmental Trust Fund Account • Waste Tire Management Fund • Lead Hazard Reduction Fund • Registration Fees for seminars • Permit Fees • Fees from sales of manifest forms & copies • Motor Fuels Underground Tank 	<ul style="list-style-type: none"> • U.S. Environmental Protection Agency • \$6.4 M – Performance Partnership Grant • \$5.8 M – EPA Grants • \$2.1 M – Brownfields State Response Program • \$1.8 M – Non-point Source Grant Program • \$1.1 M – Solid Waste Disposal Act Grants • \$826,890 – State Clean Diesel Grant Program • \$789,475 – Gulf Hypoxia Program • \$635,784 – Clean Air Act Grants • 6 various other grants

STATUTORY DEDICATIONS

Fund Name	Source	Usage	FY 24 - EOB	FY 25 - HB1
Hazardous Waste Site Cleanup Fund	(R.S. 30:2205) – Sums recovered from settlements or judgements, and Hazardous Waste Tax collections	Investigation, testing, containment, control, and cleanup of hazardous waste sites	\$7,321,915	\$7,095,871
Clean Water State Revolving Fund	(R.S. 30:2302-2397) – 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	\$3,500,626	\$3,500,626
Oil Spill Contingency Fund	(Art. 7 Sect. 10.7; R.S. 30:2483) – Oil spill contingency fees, taxes, penalties, etc.	Immediately provide funds for response to threatened or actual discharges of oil or damage to natural resources	\$226,971	\$226,974
Brownfields Cleanup Revolving Loan Fund	(R.S. 30:2252) – 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
Total			\$11,099,515	\$10,873,471

FUNDING COMPARISON

Means of Finance	FY 23 Actual Expenditures	FY 24 Existing Operating Budget 12/1/23	FY 25 HB1 Budget	Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1	
SGF	\$ 4,568,830	\$ 16,858,079	\$ 13,853,948	\$ (3,004,131)	(17.8%)	\$ 9,285,118	203.2%
IAT	4,476,431	4,528,414	3,239,295	(1,289,119)	(28.5%)	(1,237,136)	(27.6%)
FSGR	96,949,300	107,275,732	108,900,638	1,624,906	1.5%	11,951,338	12.3%
Stat Ded	9,649,921	11,099,515	10,873,471	(226,044)	(2.0%)	1,223,550	12.7%
Federal	16,696,437	20,742,743	20,290,956	(451,787)	(2.2%)	3,594,519	21.5%
Total	\$ 132,340,919	\$ 160,504,483	\$ 157,158,308	\$ (3,346,175)	(2.1%)	\$ 24,817,389	18.8%

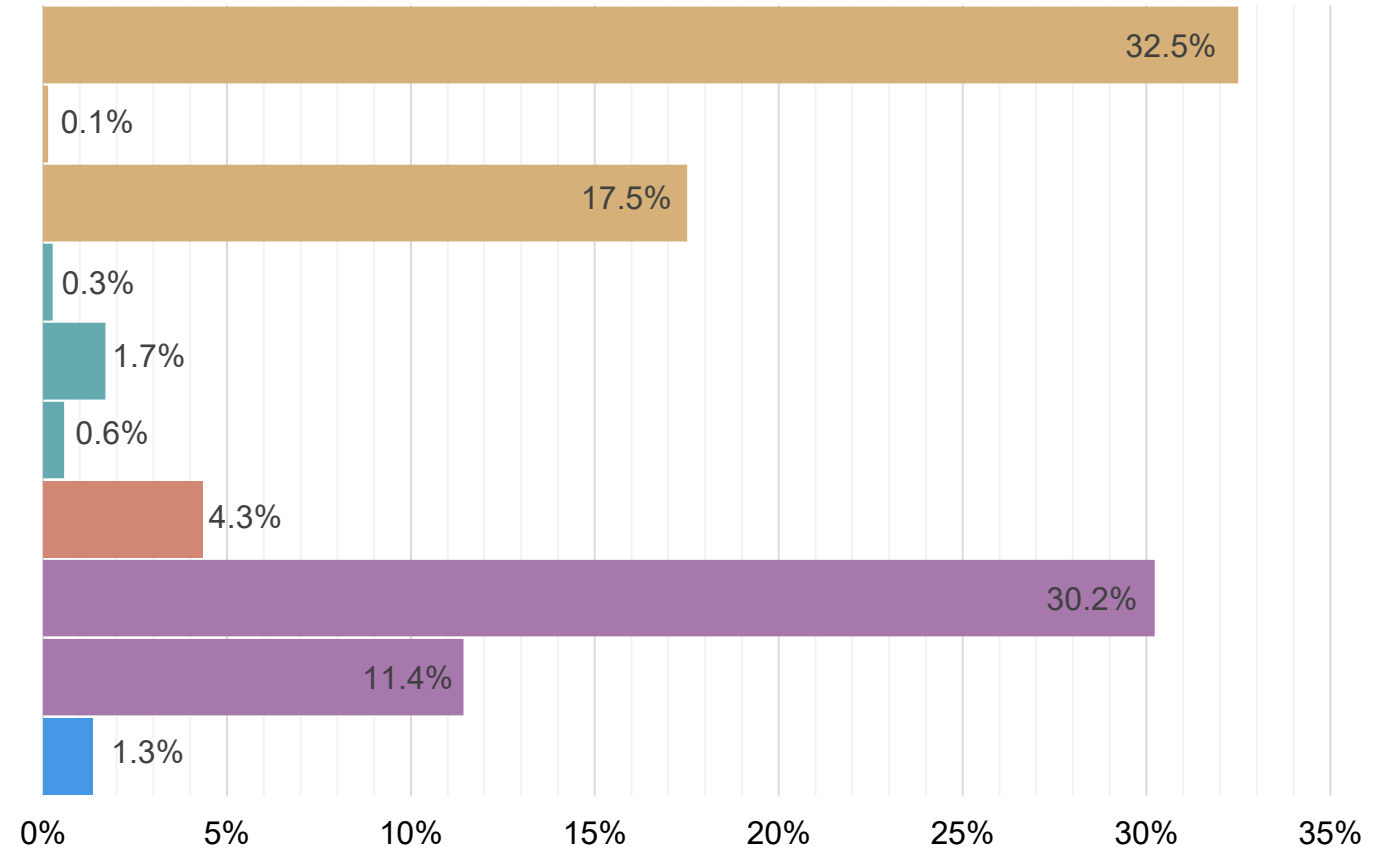
Significant funding changes compared to the FY 24 Existing Operating Budget

State General Fund	Interagency Transfers	Fees & Self-generated	Statutory Dedications	Federal Funds
<p>(\$3.0 M) decrease primarily due to:</p> <ul style="list-style-type: none"> (\$2.8 M) decrease due to removal of funds for items carried into FY 24 (\$225,587) means of finance swap to replace SGF with the Environmental Trust Dedicated Fund Account 	<p>(\$1.3 M) decrease due to:</p> <ul style="list-style-type: none"> (\$1.3 M) decrease in funding to reflect expenditure changes in program for FY 25 (\$38,187) decrease due to removal of funds for items carried into FY 24 	<p>\$1.6 M net increase due to:</p> <ul style="list-style-type: none"> \$2 M increase in the Motor Fuel underground Storage Tank Trust Dedicated Fund Account (\$592,181) decrease for various standard statewide adjustments \$225,587 means of finance swap to replace SGF with the Environmental Trust Dedicated Fund Account 	<p>(\$226,044) net decrease due to items such as:</p> <ul style="list-style-type: none"> (\$726,044) decrease for various standard statewide adjustments \$500,000 to provide funding out of the Hazardous Waste Site Cleanup Fund 	<p>(\$451,787) decrease due to items such as:</p> <ul style="list-style-type: none"> (\$460,287) to remove funds for items carried into FY 24 \$8,500 means of finance swap to replace fees and self-generated revenues with an Asbestos Hazard Emergency Response Act Grant

EXPENDITURE RECOMMENDATION FY 25

Total Budget = \$157,158,308

Expenditure Category		
Salaries	\$	51,062,280
Other Compensation		211,043
Related Benefits		27,526,083
Travel		410,443
Operating Services		2,668,419
Supplies		898,174
Professional Services		6,821,235
Other Charges		47,493,822
Interagency Transfers		17,957,809
Acquisitions/Repairs		2,109,000
Total	\$	157,158,308



Note: additional information can be found under the general department section

EXPENDITURE COMPARISON

Expenditure Category	FY 23 Actual Expenditures		FY 24 Existing Operating Budget 12/1/23		FY 25 HB1 Budget		Change Existing Operating Budget to HB1		Change Actual Expenditures to HB1			
Salaries	\$	47,103,282	\$	49,362,816	\$	51,062,280	\$	1,699,464	3.4%	\$	3,958,998	8.4%
Other Compensation		683,110		211,043		211,043		0	0.0%		(472,067)	(69.1%)
Related Benefits		27,315,700		29,890,490		27,526,083		(2,364,407)	(7.9%)		210,383	0.8%
Travel		283,588		315,443		410,443		95,000	30.1%		126,855	44.7%
Operating Services		2,157,324		2,595,419		2,668,419		73,000	2.8%		511,095	23.7%
Supplies		805,946		829,174		898,174		69,000	8.3%		92,228	11.4%
Professional Services		7,712,307		8,307,479		6,821,235		(1,486,244)	(17.9%)		(891,072)	(11.6%)
Other Charges		32,278,612		47,600,246		47,493,822		(106,424)	(0.2%)		15,215,210	47.1%
Interagency Transfers		13,274,100		19,340,332		17,957,809		(1,382,523)	(7.1%)		4,683,709	35.3%
Acquisitions/Repairs		726,951		2,052,041		2,109,000		56,959	2.8%		1,382,049	190.1%
Total	\$	132,340,920	\$	160,504,483	\$	157,158,308	\$	(3,346,175)	(2.1%)	\$	24,817,388	18.8%

SIGNIFICANT EXPENDITURE CHANGES

Compared to the FY 24 Existing Operating Budget

Personnel Services	Professional Services	Other Charges
<p>(\$664,943) decrease due to standard statewide adjustments.</p>	<p>(\$1.5 M) decrease due to items such as:</p> <ul style="list-style-type: none">• (\$1.3 M) decrease for expenses to the LA Watershed Initiative• (\$235,312) decrease due to removal of funds for items carried into FY 24 no longer needed in FY 25	<p>(\$1.5 M) net decrease due to items such as:</p> <ul style="list-style-type: none">• (\$4 M) decrease due to removal of funds for items carried into FY 24 no longer needed in FY 25• \$2 M increase to Motor Fuel Underground Storage Tank Grants• \$500,000 increase to the Hazardous Waste Site Cleanup Fund to preform services on approximately fifty five abandoned sites

OTHER CHARGES / INTERAGENCY TRANSFERS

Interagency Transfers

Amount	Description
\$ 11,288,186	Office of Technology Services
2,068,834	Department of Transportation and Development
1,933,674	Office and room rental and maintenance fees
820,661	Office of Risk Management
434,026	Office of Contractual Review
372,082	Civil Service, Uniform Payroll, and training fees
243,500	Department of Public Safety
217,111	Capitol Police
169,234	Louisiana Technical College Baton Rouge Campus
116,311	Auditing and treasury fees
98,335	Division of Administrative Law
67,622	Office of State Procurement
60,238	Telephone, postage, printing, subscription, and publication fees
57,400	Louisiana Property Assistance Agency
6,250	LSU - Calibration of Survey Meters
4,345	Secretary of State
\$ 17,957,809	Total Interagency Transfers

Other Charges

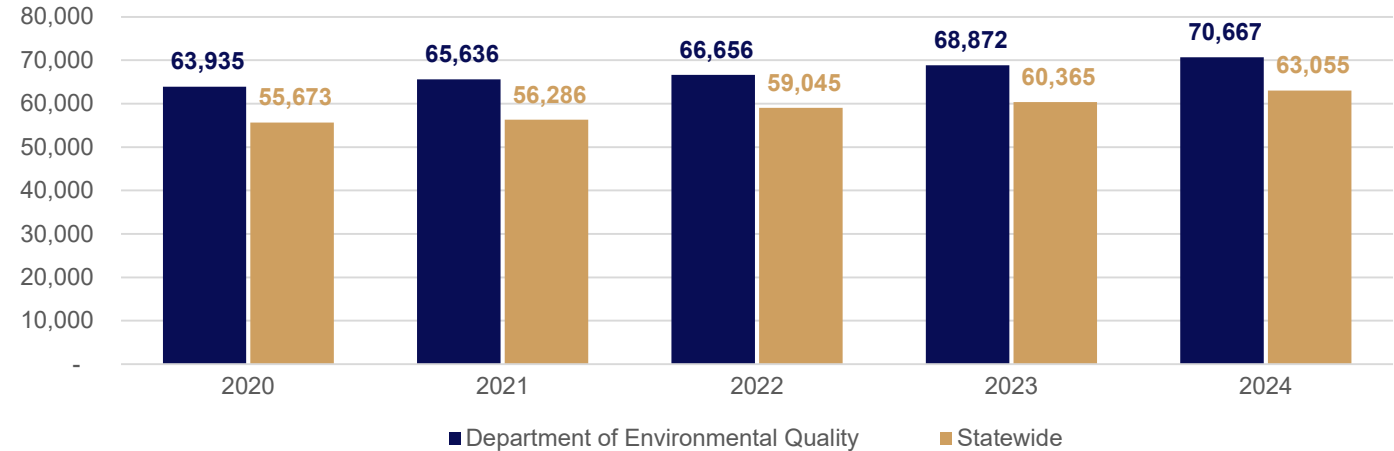
Amount	Description
\$ 22,644,485	LUST Trust Fund
12,581,064	Waste Tire Program
4,310,845	Volkswagen Settlement Disbursement to School Boards
3,552,882	Hazardous Waste Site Cleanup
900,000	EPA Grants Nonpoint Source
826,890	La Clean Diesel Grant
783,350	Gulf Hypoxia Grant BIL funds
625,000	Brownfields Clean Up Funds
372,118	Compliance Evaluation Inspections
320,400	Water Pollution Grants
186,788	UST Operator Training Program
112,000	Nonpoint Source Contract Match - Federal Funding
100,000	Exchange Network Grant
73,000	American Rescue Plan funded Cooperative Agreement
53,000	Transuranic Waste Shipment Training
40,000	Multi Purpose Grant for inspection activities
12,000	Risk Assessment Superfund
\$ 47,493,822	Total Other Charges

PERSONNEL INFORMATION

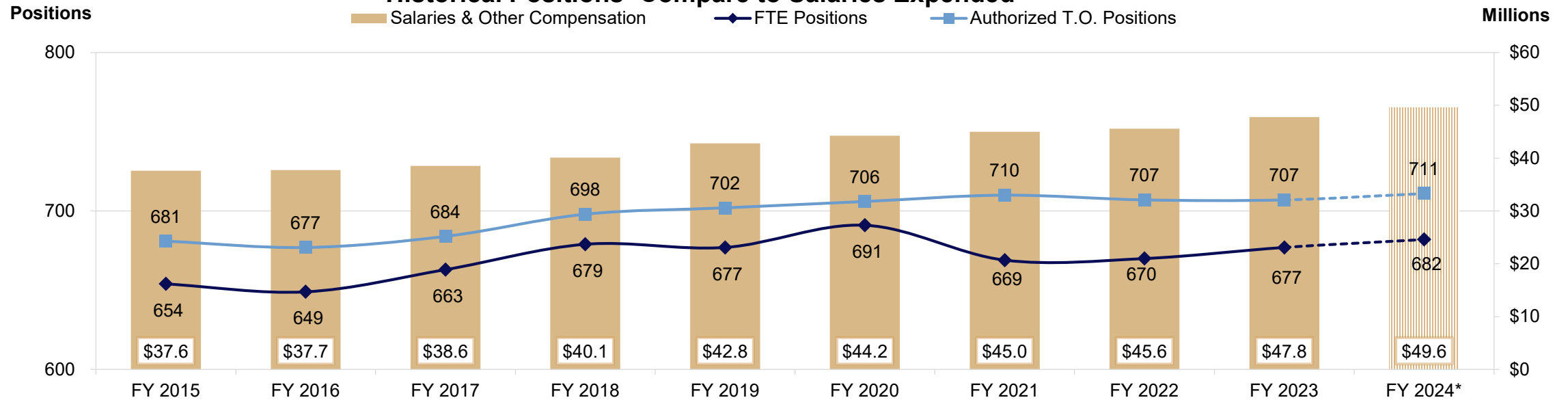
FY 2025 Recommended Positions

712	Total Authorized T.O. Positions (703 Classified, 9 Unclassified)
0	Authorized Other Charges Positions
0	Non-T.O. FTE Positions
34	Vacant Positions (January 29, 2024)

Historical Average Salary



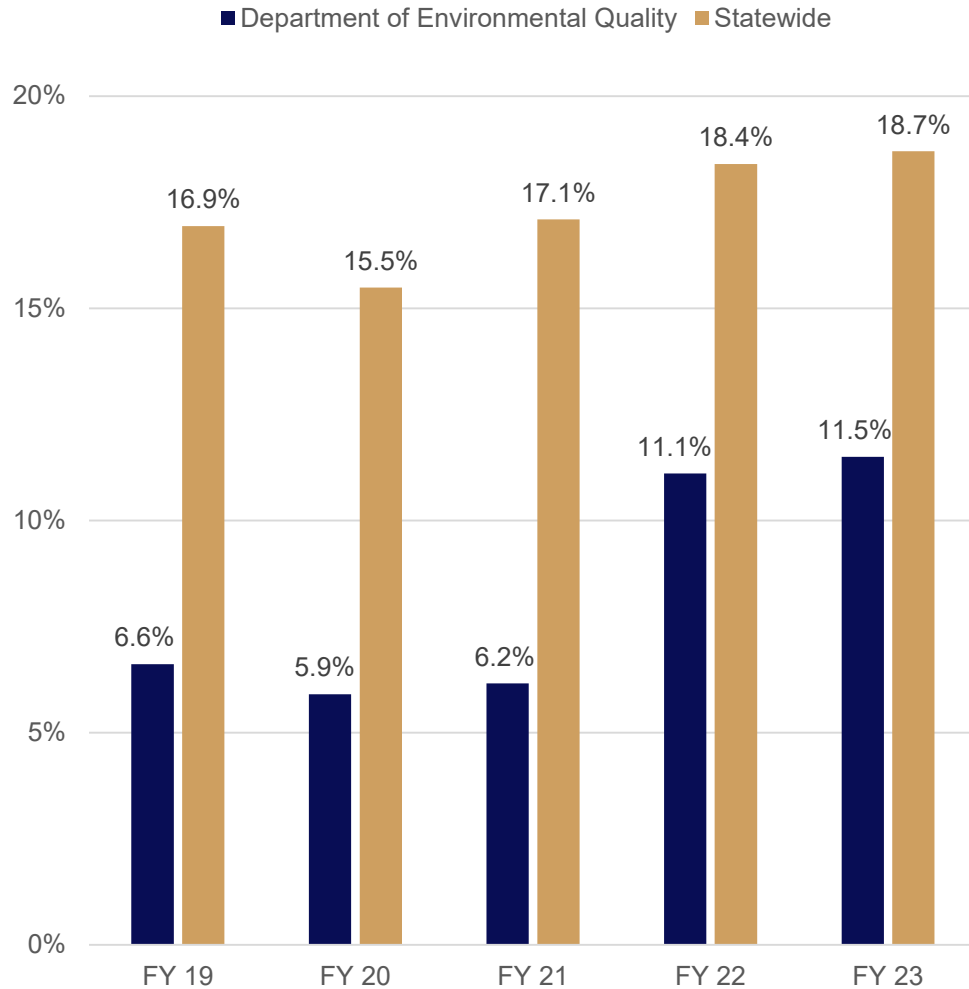
Historical Positions¹ Compare to Salaries Expended



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

* Existing Operating Budget on 12/1/23

TURNOVER HISTORY



Top Positions Vacated FY 2023

Position	Number of Employees	Separations	Turnover Rate
Environmental Scientist 3	142	24	16.9%
Environmental Scientist 4	41	9	22.0%
Environmental Scientist 1	48	7	14.6%

Source: Department of Civil Service Turnover Statistics

DEPARTMENT CONTACTS



Aurelia Giacometto
Secretary

aurelia.giacometto@la.gov



Theresa Delafosse
*Financial Services
Administrator*

theresa.delafosse@la.gov



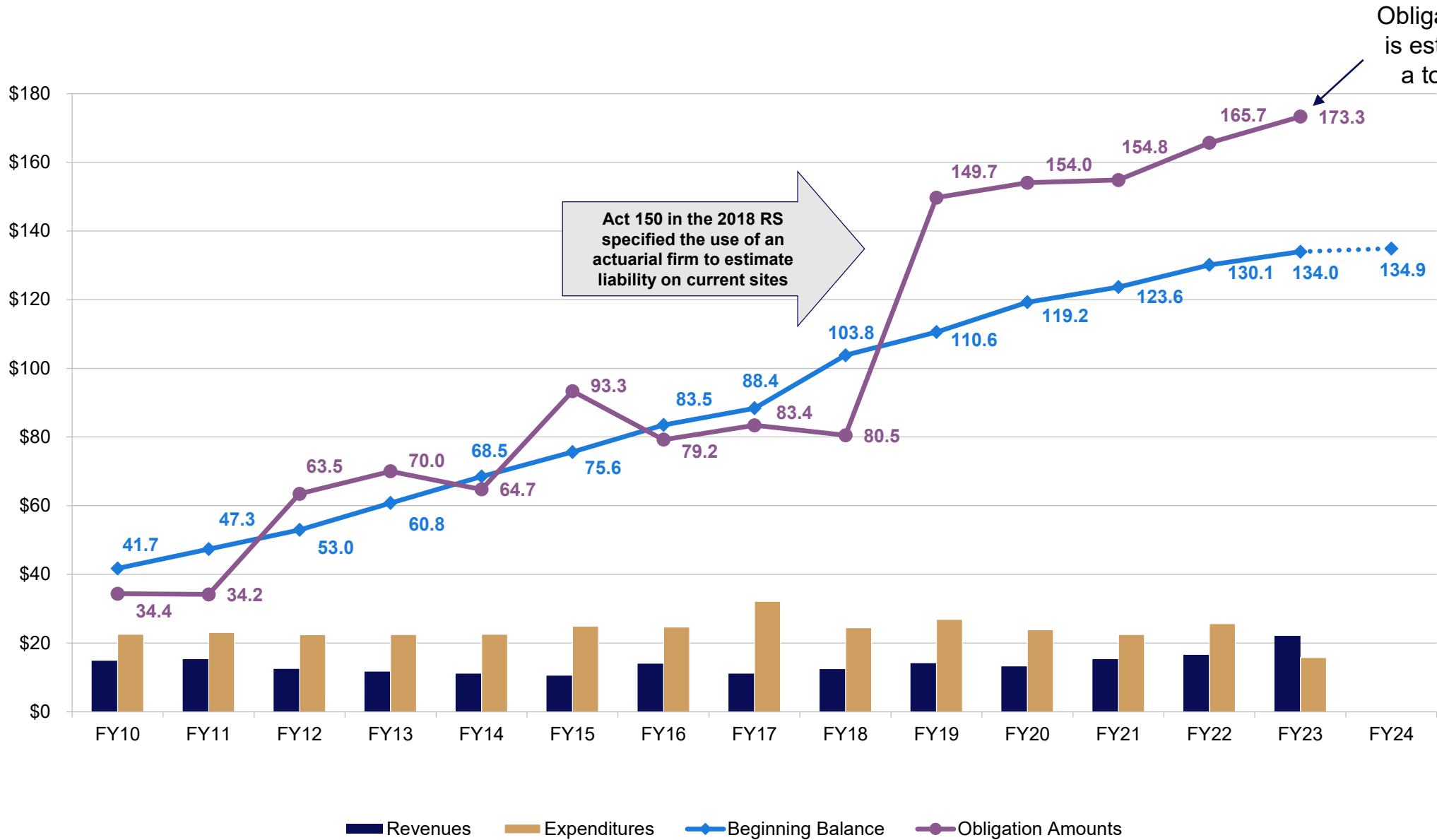
Myles Brumfield
Legislative Liaison

Myles.Brumfield3@la.gov

General Department Information



MOTOR FUELS UNDERGROUND STORAGE TANK TRUST FUND



Obligation amounts for FY 23 is estimated at \$173.3 M for a total of all underground storage tank sites.

Act 150 in the 2018 RS specified the use of an actuarial firm to estimate liability on current sites

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

PRIOR YEAR ACTUALS FY 23

Were projected revenues collected?

	Final Budget <i>(w/o FY24 carryfwd)</i>	Revenue Collections	Difference
SGF	\$ 4,568,830	\$ 4,568,830	\$ 0
IAT	4,999,290	4,476,431	(522,859)
FSGR	103,061,993	96,931,412	(6,130,581)
SD	10,067,708	17,080,788	7,013,080
FED	18,787,314	16,696,437	(2,090,877)
Total	\$ 141,485,135	\$ 139,753,898	\$ (1,731,237)

Were collected revenues spent?

	Revenue Collections	Expenditures	Difference
SGF	\$ 4,568,830	\$ 4,568,830	\$ 0
IAT	4,476,431	4,476,431	0
FSGR	96,931,412	96,949,300	17,889
SD	17,080,788	9,649,921	(7,430,867)
FED	16,696,437	16,696,437	0
Total	\$ 139,753,898	\$ 132,340,920	\$ (7,412,978)

The department collected \$1.7 M less than the FY 23 budget. These under collections are mainly from fees & self generated revenues and federal funds, while statutory dedications collected more than was budgeted

The under collections in fees & self generate revenues are due to the Volkswagen Mitigation Settlement funding not having as many requests in FY 23 and the federal funds under collections were due to infrastructure loans not received until FY 24.

The department collected \$7.4 M less than was spent in total. This is nearly all attributed to statutory dedications.

The Hazardous Waste Site Clean Up Fund saw an over collection of \$7.5 M. This is due to several large enforcement penalties.

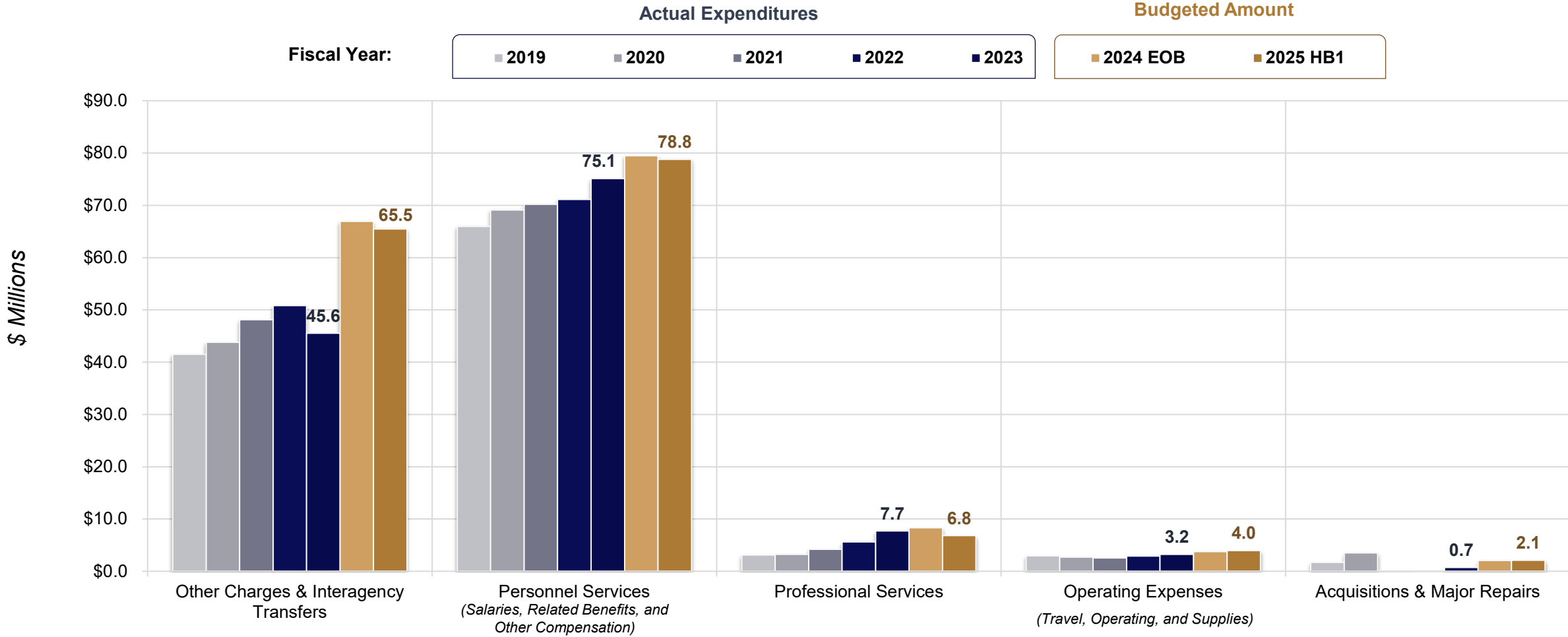
EXISTING OPERATING BUDGET FY 24

The FY 2023-24 Existing Operating Budget (EOB) was frozen on December 1, 2023. 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	\$ 14,079,535	\$ 2,778,544	\$ 16,858,079
Interagency Transfers	4,490,227	38,187	4,528,414
Self-generated Revenue	104,956,155	2,319,577	107,275,732
Statutory Dedications	10,373,471	726,044	11,099,515
Federal	20,282,456	460,287	20,742,743
Total	\$ 154,181,844	\$ 6,322,639	\$ 160,504,483

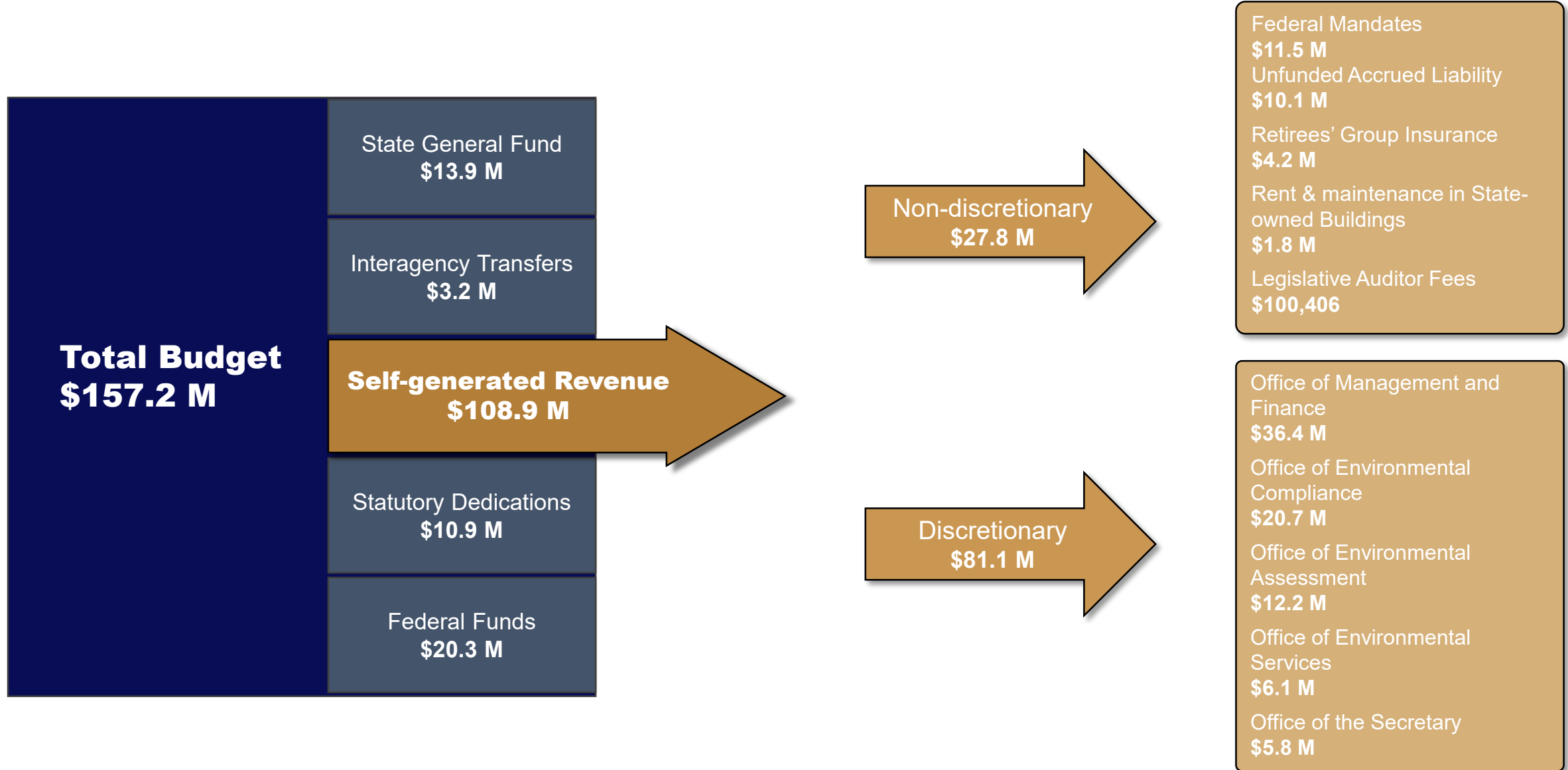
Mid-year Adjustments Summary				
July	August	September	October	November
No change	\$6.3 M Various means of finance carried into FY 24 from the prior fiscal year for acquisitions, professional contracts, other charges, and IAT expenditures	No change	No change	No change

EXPENDITURE HISTORY



5 Year Average Spending per Expenditure Category				
\$46 M : 36.7%	\$70.3 M : 56.2%	\$4.8 M : 3.8%	\$2.9 M : 2.3%	\$1.2 M : 1%

DISCRETIONARY EXPENSES FY 25



* Figures may not add precisely due to rounding *