



Louisiana Senate Finance Committee



FY21 Proposed Budget

13 –Department of Environmental Quality

June 2020

*Senator Patrick Page Cortez, President
Senator Bodi White, Chairman*



FY21 Proposed 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.”



13-856
Office of
Environmental Quality



Secretary

Environmental
Compliance

Environmental
Services

Management and
Finance

Environmental
Assessment



Environmental Quality

FY21 Program Descriptions 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

FY21 Program Descriptions 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

FY21 Program Descriptions 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.

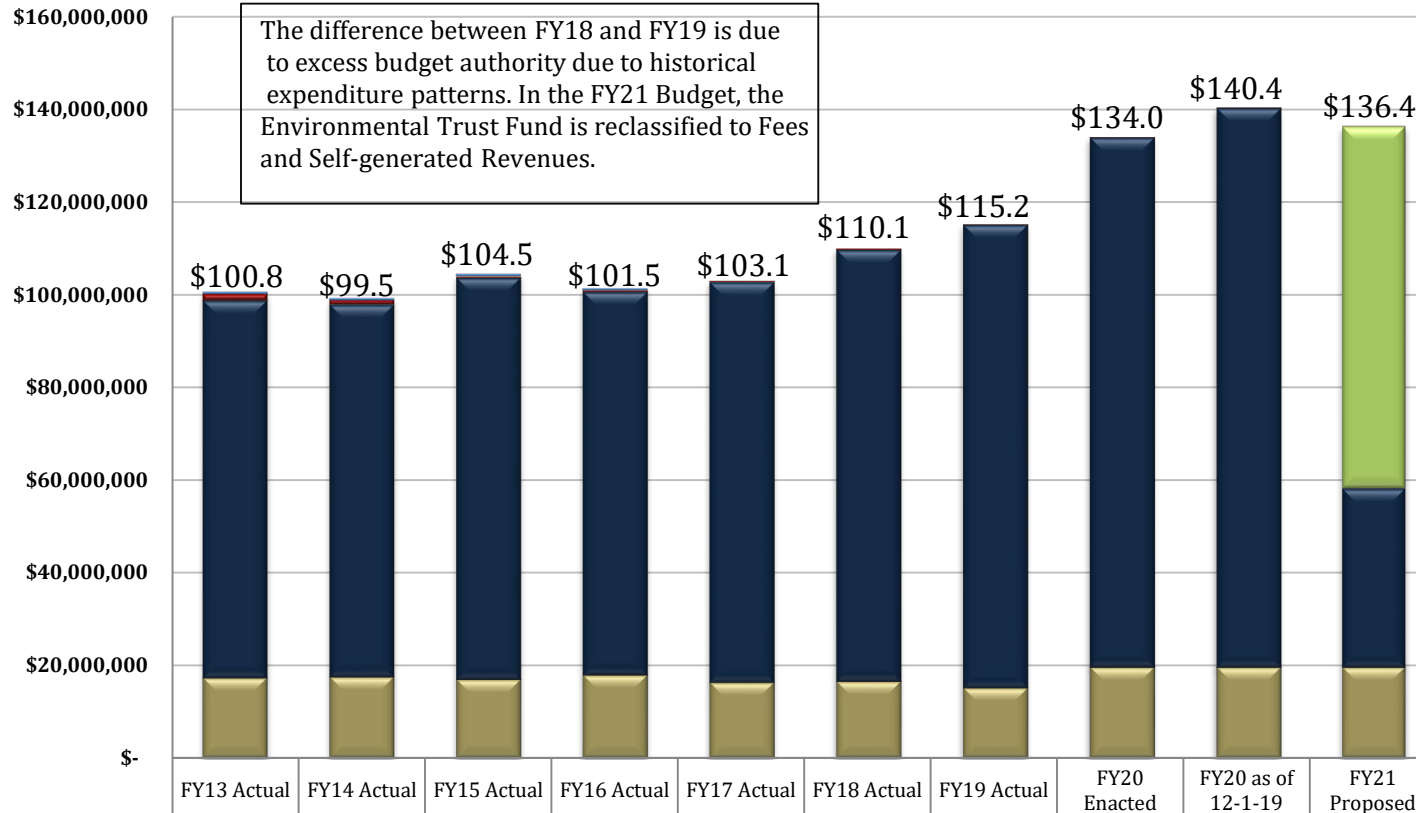


Environmental Quality

Changes in Funding since FY13

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

Change from FY13 to FY21 is +35.3%.



Interim Updates:

DEQ Carry-Forward BA-7 totaling **\$169,103** was approved at the August 2019 JLCB. The funding is out of the Hazardous Waste Site Cleanup Fund and Environmental Trust Fund. The funds were allocated for professional services, vehicle purchases, and medical monitoring.

DEQ Carry-Forward BA-7 totaling **\$6,194,519** was approved at the August 2019 JLCB. The funding is out of the Hazardous Waste Site Cleanup Fund and Environmental Trust Fund. The funds were allocated for professional services, acquisition of vehicles, mobile labs, buses, and legal fees.



Environmental Quality

Statewide Adjustments Proposed for FY21

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	IEB	Federal Funds	Total	T.O.	Adjustment
\$0	\$30,000	\$24,790	\$120,671,105	\$0	\$19,634,301	\$140,360,196	706	FY20 Existing Operating Budget as of 12-1-19
\$0	\$0	\$1,669,557	\$0	\$0	\$0	\$1,669,557	0	Market Rate Salary Adjustment – Classified
\$0	\$0	\$108,463	\$0	\$0	\$0	\$108,463	0	Unclassified Pay Increase
\$0	\$0	\$173,540	\$0	\$0	\$0	\$173,540	0	Civil Service Training Series Adjustment
\$0	\$0	\$160,084	\$0	\$0	\$0	\$160,084	0	Related Benefits Base Adjustment
\$0	\$0	(\$235,650)	\$0	\$0	\$0	(\$235,650)	0	Retirement Rate Adjustment
\$0	\$0	\$137,883	\$0	\$0	\$0	\$137,883	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$106,332	\$0	\$0	\$0	\$106,332	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$294,552	\$109,540	\$0	\$0	\$404,092	0	Salary Base Adjustment
\$0	\$0	(\$1,112,491)	\$0	\$0	\$0	(\$1,112,491)	0	Attrition Adjustment
\$0	\$0	\$1,158,400	\$0	\$0	\$0	\$1,158,400	0	Acquisitions & Major Repairs
\$0	\$0	\$0	(\$1,410,347)	\$0	\$0	(\$1,410,347)	0	Non-recurring Acquisitions & Major Repairs
\$0	\$0	\$0	(\$6,351,510)	\$0	\$0	(\$6,351,510)	0	Non-Recurring Carryforwards
\$0	\$0	\$38,130	\$0	\$0	\$0	\$38,130	0	Risk Management
\$0	\$0	(\$4,041)	\$0	\$0	\$0	(\$4,041)	0	Legislative Auditor Fees
\$0	\$0	(\$14,686)	\$0	\$0	\$0	(\$14,686)	0	Rent in State-owned Buildings
\$0	\$0	(\$1,814)	\$0	\$0	\$0	(\$1,814)	0	Maintenance in State-owned Buildings
\$0	\$0	\$1,928	\$0	\$0	\$0	\$1,928	0	Capitol Park Security
\$0	\$0	(\$38)	\$0	\$0	\$0	(\$38)	0	Capitol Police
\$0	\$0	\$147	\$0	\$0	\$0	\$147	0	UPS Fees
\$0	\$0	\$20,182	\$0	\$0	\$0	\$20,182	0	Civil Service Fees
\$0	\$0	(\$1,382)	\$0	\$0	\$0	(\$1,382)	0	State Treasury Fees
\$0	\$0	\$302,528	\$0	\$0	\$0	\$302,528	0	Office of Technology Services (OTS)
\$0	\$0	\$13,435	\$0	\$0	\$0	\$13,435	0	Administrative Law Judges
\$0	\$0	(\$34,047)	\$0	\$0	\$0	(\$34,047)	0	Office of State Procurement
\$0	\$0	(\$71,671)	\$0	\$0	\$0	(\$71,671)	0	Topographic Mapping
\$0	\$0	\$2,709,341	(\$7,652,317)	\$0	\$0	(\$4,942,976)	0	Total Statewide Adjustments
\$0	\$0	\$75,290,958	(\$75,290,958)	\$0	\$0	\$0	0	Total Means of Financing Substitution Adjustments
\$0	\$0	\$0	\$0	\$0	\$0	\$0	0	Total Non-Recurring Other Adjustments
\$0	\$0	\$0	\$1,000,000	\$0	\$0	\$1,000,000	3	Total Other Adjustments
\$0	\$30,000	\$78,025,089	\$38,727,830	\$0	\$19,634,301	\$136,417,220	709	Total FY21 Proposed Budget



Environmental Quality

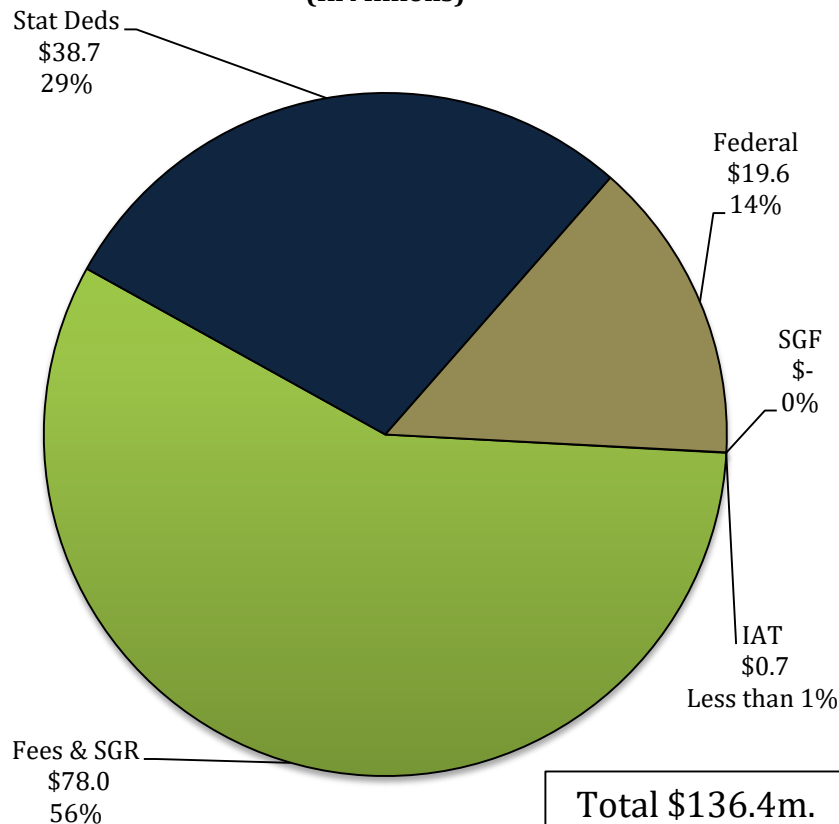
Non-Statewide Adjustments for FY21

Means of Financing Substitutions							
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$6,396,522	(\$6,396,522)	\$0	\$0	0	Office of the Secretary - Means of finance substitution removing funding from the Statutorily Dedicated Environmental Trust Fund and increasing the fund account re-classified as Fees & Self-generated Revenue in accordance with Act 404 of the 2019 Regular Legislative Session.
\$0	\$0	\$20,541,387	(\$20,541,387)	\$0	\$0	0	Environmental Compliance -Means of finance substitution removing funding from the Statutorily Dedicated Environmental Trust Fund and increasing the fund account re-classified as Fees & Self-generated Revenue in accordance with Act 404 of the 2019 Regular Legislative Session.
\$0	\$0	\$11,198,132	(\$11,198,132)	\$0	\$0	0	ENV SERVICES -Means of finance substitution removing funding from the Statutorily Dedicated Environmental Trust Fund and increasing the fund account re-classified as Fees & Self-generated Revenue in accordance with Act 404 of the 2019 Regular Legislative Session.
\$0	\$0	\$0	\$0	\$0	\$0	0	Management and Finance -Means of finance substitution for indirect cost to be applied in FY20 from the Environmental Trust Fund (\$1,255,000) to the Hazardous Waste Site Cleanup Fund - \$1,200,000 and to the Lead Hazard Reduction Fund - \$55,000 to support the administration functions of the Department.
\$0	\$0	\$18,942,975	(\$18,942,975)	\$0	\$0	0	Management and Finance -Means of finance substitution removing funding from the Statutorily Dedicated Environmental Trust Fund and increasing the fund account re-classified as Fees & Self-generated Revenue in accordance with Act 404 of the 2019 Regular Legislative Session.
\$0	\$0	\$18,211,942	(\$18,211,942)	\$0	\$0	0	Environmental Assessment -Means of finance substitution removing funding from the Statutorily Dedicated Environmental Trust Fund and increasing the fund account re-classified as Fees & Self-generated Revenue in accordance with Act 404 of the 2019 Regular Legislative Session.
\$0	\$0	\$75,290,958	(\$75,290,958)	\$0	\$0	\$0	Total MOF Substitutions
Other Adjustments							
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$0	\$0	\$0	2	Office of the Secretary -Provides for the conversion of non-TO positions to classified positions as per Civil Service rule.
\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000	0	Management and Finance -Provides for an increase in the Motor Fuels Underground Tank Trust Fund to perform abandoned Underground Storage Tank response action activities at Underground Storage Tank sites for unknown/undetermined, unresponsive, and/or financially unable Underground Storage Tank owners.
\$0	\$0	\$0	\$0	\$0	\$0	1	Management and Finance -Provides for the conversion of non-TO positions to classified positions as per Civil Service rule.
\$0	\$0	\$0	\$1,000,000	\$0	\$1,000,000	3	Total Other Adjustments



Environmental Quality FY21 Proposed Means of Finance

**FY21 Recommended
Total Means of Finance
(In Millions)**



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, and registration fees paid by the participants in seminars conducted by the department. The Statutorily Dedicated Environmental Trust Fund was re-classified as Fees and Self-generated Revenues in accordance with Act 404 of the 2019 Regular Session.

Statutory Dedications, which make up twenty-nine 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

FY19, FY20, and FY21

Dedicated Funds	Source of Funding	FY19 Actual	FY20 EOB	FY21 Proposed
Clean Water State Revolving Fund	Federal grants	\$2,060,620	\$2,855,500	\$2,855,500
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.	\$67,488,027	\$83,964,006	\$0
Hazardous Waste Site Cleanup Fund	Judgments, settlements, assessments of civil or criminal penalties.	\$4,552,325	\$4,880,140	\$5,845,871
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.	\$95,000	\$95,000	\$150,000
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.	\$14,141,868	\$15,649,485	\$16,649,485
Oil Spill Contingency Fund	Settlements and judgements.	\$127,574	\$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.	\$11,487,700	\$13,000,000	\$13,000,000
TOTALS		\$99,953,114	\$120,671,105	\$38,727,830

Dedicated Fund Review Subcommittee recommendation:

Environmental Trust Fund = Eliminate and reclassify to Fees and Self-Generated Revenues (2018)

Hazardous Waste Site Cleanup Fund = No Change (2018)

Motor Fuels Underground Tank Fund = No Change (2018)

Oil Spill Contingency Fund = No Change (2019)



Environmental Quality

FY20 Enacted vs. FY21 Proposed Means of Finance by Agency

FY20 Enacted Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$0	\$0	\$0	\$6,729,522	\$1,458,661	\$8,188,183
Environmental Compliance	\$0	\$0	\$0	\$21,294,963	\$2,952,974	\$24,247,937
Environmental Services	\$0	\$0	\$19,790	\$12,077,124	\$3,423,151	\$15,520,065
Management and Finance	\$0	\$0	\$5,000	\$48,640,468	\$3,176,058	\$51,821,526
Environmental Assessment	\$0	\$30,000	\$0	\$25,577,518	\$8,623,457	\$34,230,975
TOTALS	\$0	\$30,000	\$24,790	\$114,319,595	\$19,634,301	\$134,008,686

FY21 Proposed Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Office of the Secretary	\$0	\$0	\$6,742,840	\$250,000	\$1,458,661	\$8,451,501
Environmental Compliance	\$0	\$0	\$21,003,651	\$281,229	\$2,952,974	\$24,237,854
Environmental Services	\$0	\$0	\$11,398,654	\$878,992	\$3,423,151	\$15,700,797
Management and Finance	\$0	\$0	\$19,489,222	\$30,612,493	\$3,176,058	\$53,277,773
Environmental Assessment	\$0	\$30,000	\$19,390,722	\$6,705,116	\$8,623,457	\$34,749,295
TOTALS	\$0	\$30,000	\$78,025,089	\$38,727,830	\$19,634,301	\$136,417,220
<i>Difference FY20 Enacted to FY21 Proposed</i>	<i>\$0</i>	<i>\$0</i>	<i>\$78,000,299</i>	<i>(\$75,591,765)</i>	<i>\$0</i>	<i>\$2,408,534</i>

The FY21 Proposed Budget for DEQ is an increase of \$2.4 million over FY20 Enacted. This equates to a percentage increase of 1.8.

The Office of Management and Finance showed the largest increase at \$1.5 million, followed by the Office of Environmental Assessment at \$518,320, the Office of the Secretary at \$263,318, and the Office of Environmental Services at \$180,732.

There was a minor decrease in the Office of Environmental Compliance at (\$10,083).

Fees and Self-generated Revenues was the means of finance with the greatest increase at \$78 million due to the reclassification of the Environmental Trust Fund from Statutory Dedications to Fees and Self-generated Revenues.



DEQ Categorical Expenditures

FY19, FY20, and FY21

Expenditure Category	FY19 Actual	FY20 EOB (as of 12-01-19)	FY21		Difference FY20 to FY21
			Proposed Budget	Category as Percent of Total	
Personal Services:	\$65,961,916	\$70,004,360	\$71,416,170	52%	\$1,411,810
Salaries	\$42,003,791	\$43,999,621	\$45,059,544	33%	\$1,059,923
Other Compensation	\$789,364	\$211,043	\$211,043	0%	\$0
Related Benefits	\$23,168,761	\$25,793,696	\$26,145,583	19%	\$351,887
Operating Expenses:	\$2,968,874	\$3,894,957	\$3,894,957	3%	\$0
Travel	\$328,021	\$373,443	\$373,443	0%	\$0
Operating Services	\$1,830,894	\$2,628,472	\$2,628,472	2%	\$0
Supplies	\$809,959	\$893,042	\$893,042	1%	\$0
Professional Services	\$3,099,246	\$3,393,163	\$3,597,110	3%	\$203,947
Other Charges:	\$41,496,899	\$58,937,047	\$56,350,583	41%	(\$2,586,464)
Other Charges	\$29,653,552	\$42,164,837	\$41,579,702	30%	(\$585,135)
Debt Service	\$0	\$0	\$0	0%	\$0
Interagency Transfers	\$11,843,347	\$16,772,210	\$14,770,881	11%	(\$2,001,329)
Acquisitions & Major Repairs:	\$1,694,801	\$4,130,669	\$1,158,400	1%	(\$2,972,269)
Acquisitions	\$1,694,801	\$4,130,669	\$1,158,400	1%	(\$2,972,269)
Major Repairs	\$0	\$0	\$0	0%	\$0
Total Expenditures	\$115,221,736	\$140,360,196	\$136,417,220	100%	(\$3,942,976)

Note: Other Charges include funding for Motor Fuels Underground Storage Tank to reimburse Response Action Contractors of eligible tanks for cleanup of leaking underground storage tanks; Legal services provided by the Department of Justice; Waste Tire program for payments to permitted processors for proper disposal of collected waste tires to authorized end use markets; To provide services for investigation, testing, containment, control and cleanup of hazardous waste sites; Louisiana Volkswagen Settlement funds to be used to purchase buses for various school boards across the state.

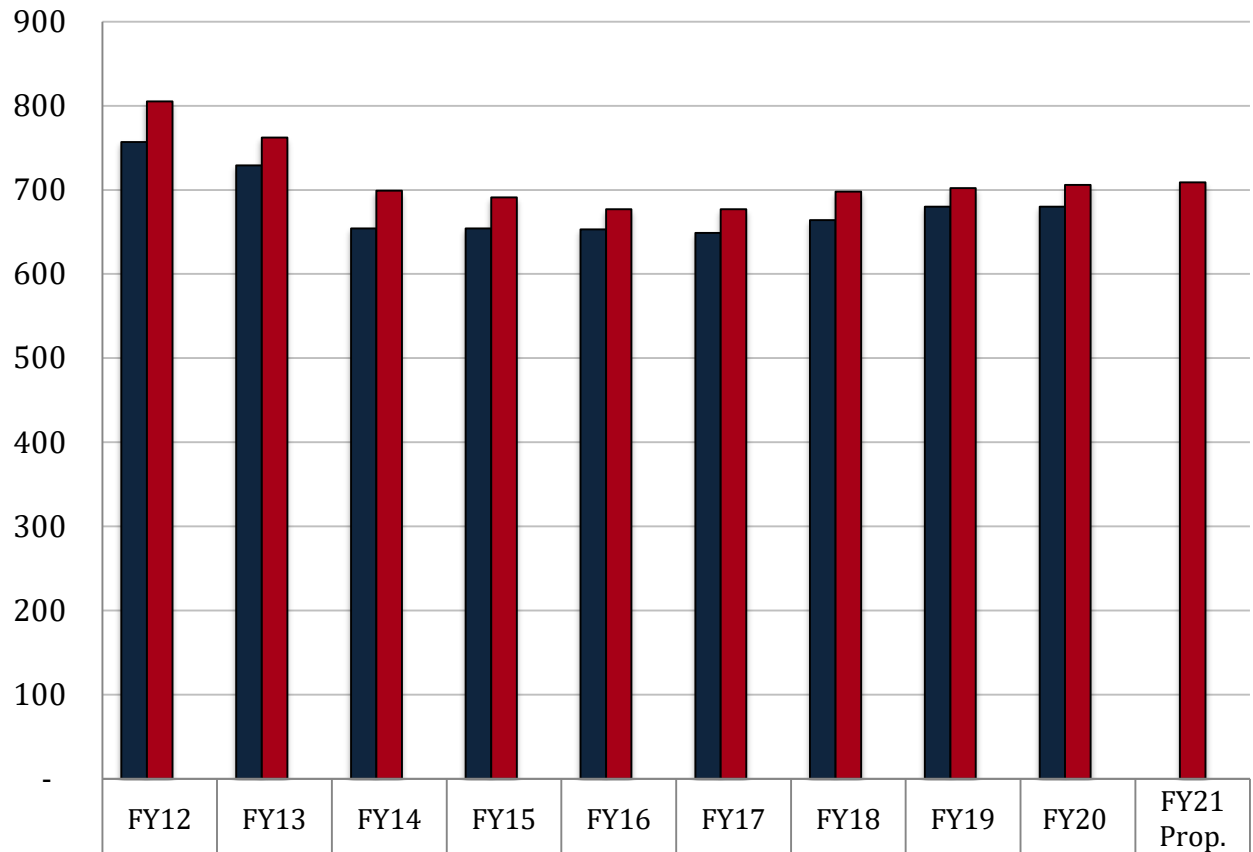


Environmental Quality

FTEs, Authorized Positions, and Other Charges Positions

FY21 Proposed Budget includes funding for related benefits of all positions in the amount of \$26.1m.

Out of the \$26.1m, \$14.8m are for UAL payments, \$3.7m are for retirees' health benefits, the remaining amount of \$7.7m are the employer contributions to the benefits of active employees, of which 0% is SGF.



	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21 Prop.
■ Total FTEs (as of July 1 of each fiscal year)	757	729	654	654	653	649	664	680	680	-
■ Total Authorized Positions (Enacted)	805	762	699	691	677	677	698	702	706	709
■ 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 FY20 Proposed.

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



FY21 Proposed Budget

Environmental Quality— Staff Demographic Data

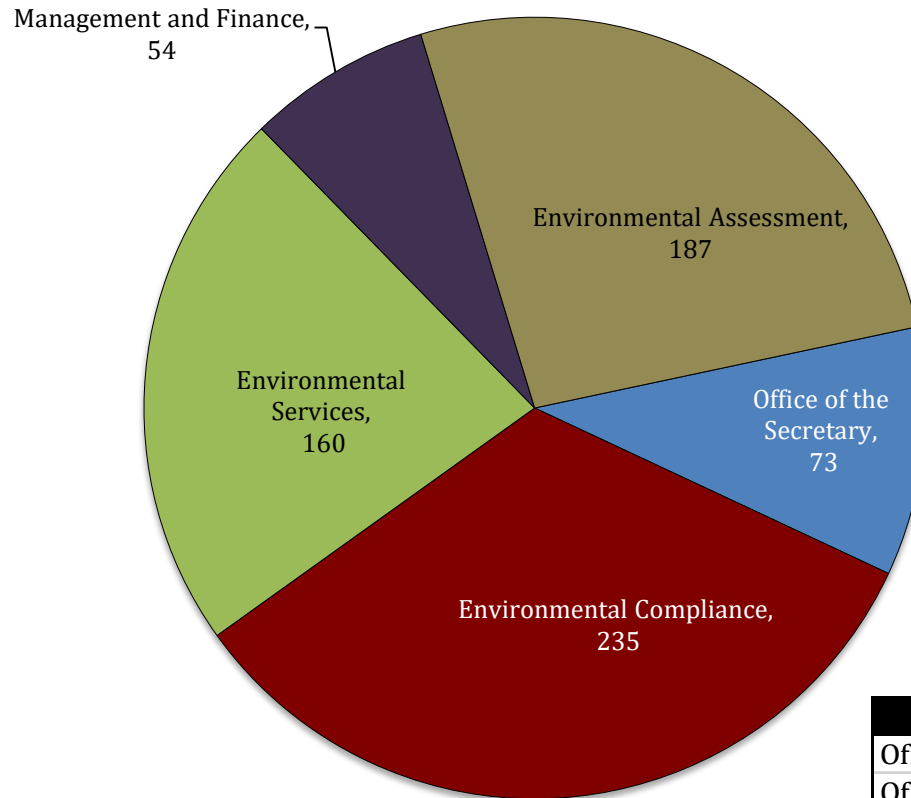
The following table shows a breakdown of departmental staff by demographic data.

Gender	
Female	386
Male	304
Race	
Black	118
White	524
Other	48
Retirement Eligible Within 1 Year	
	153



Environmental Quality

FY21 Recommended Total Authorized Positions by Agency



Office of Environmental Quality	
Office of the Secretary	73
Office of Environmental Compliance	235
Office of Environmental Services	160
Office of Management and Finance	54
Office of Environmental Assessment	187
Total Positions	709



Environmental Quality FY21 Proposed Means of Finance by Agency

Total MOF by Agency	SGF	IAT	FSGR	Stat Deds	Federal	Total
Environmental Quality	\$0	\$30,000	\$78,025,089	\$38,727,830	\$19,634,301	\$83,139,447
Office of the Secretary	\$0	\$0	\$6,742,840	\$250,000	\$1,458,661	\$8,451,501
Environmental Compliance	\$0	\$0	\$21,003,651	\$281,229	\$2,952,974	\$24,237,854
Environmental Services	\$0	\$0	\$11,398,654	\$878,992	\$3,423,151	\$15,700,797
Management and Finance	\$0	\$0	\$19,489,222	\$30,612,493	\$3,176,058	\$53,277,773
Environmental Assessment	\$0	\$30,000	\$19,390,722	\$6,705,116	\$8,623,457	\$34,749,295
Environmental Quality	\$0	\$30,000	\$78,025,089	\$38,727,830	\$19,634,301	\$136,417,220

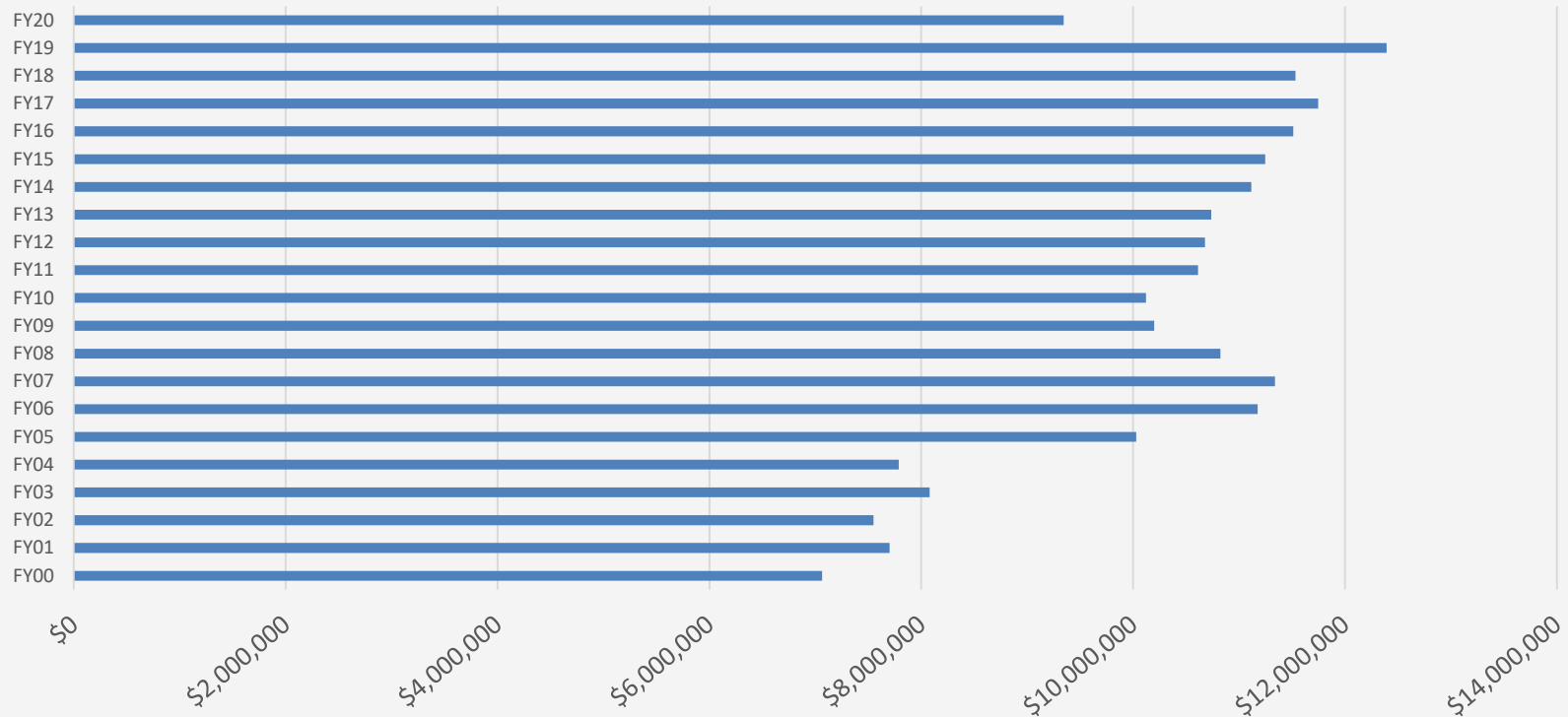
FY21 Total Means of Finance

Total Funding	FY19 Actual	FY20 Enacted	FY20 EOB as of 12-1-19	FY21 Proposed	Difference FY21 Proposed vs. FY20 EOB as of 12-1- 19
Environmental Quality	\$ 115,221,736	\$ 134,008,686	\$ 140,360,196	\$ 136,417,220	\$ (3,942,976)
TOTAL	\$ 115,221,736	\$ 134,008,686	\$ 140,360,196	\$ 136,417,220	\$ (3,942,976)
Total Positions	702	706	706	709	3



Department of Environmental Quality

Waste Tire Fee Collection History – FY00 to FY20



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.

Note: As of 3/31/19 FY19 collections total \$8.7 million.

Source: Department of Environmental Quality.

Present law provides for a \$5 fee per medium truck tire, and \$10 per off-road tire be collected for every tire sold. **Act No. 541** of the 2018 Regular Session by **Representative Lyons**, increased the fees on passenger/light truck tires from \$2 to \$2.25.



Environmental Quality Audit Findings

Progress Report: Fee Collection in the Waste Tire Management Program – Louisiana Department of Environmental Quality

July 10, 2019 - A follow-up to a report issued by the Legislative Auditor in 2014 found that LDEQ made progress in addressing the eight recommendations in the previous report. However, the report also identified areas where LDEQ could further improve its oversight of the Waste Tire Management Program. For example, the Department was using a new module of LaGov that identifies waste tire generators that do not submit their fees and reports each month, but it could not ensure that it identified all non-compliant generators and collected all waste tire fees because it did not have an accurate list of active generators. In addition, limitations with LaGov resulted in LDEQ not assessing generators all late fees, and LDEQ did not yet have a process in place to use LaGov to pursue tire fees and associated late fees from generators that do not pay their waste tire fees on time. In addition, between fiscal years 2014 and 2018, the amount of fees the Department collected did not cover the costs associated with the Waste Tire Management Program.

Financial Assurance Process for Solid and Hazardous Waste Facilities – Louisiana Department of Environmental Quality

November 6, 2019 - The Louisiana Department of Environmental Quality did not ensure that 13.7% of permitted solid and hazardous waste facilities it had jurisdiction over submitted updated cost estimates and financial assurance mechanisms to demonstrate they had the financial capacity to cover the costs of closure and post-closure activities. LDEQ also could not ensure that local governments that own 10.1% of permitted solid waste facilities had the financial capacity needed to cover costs of closure and post-closure activities. In addition, as of June 30, 2018, LDEQ had not received financial assurance that 75% of the solid waste facilities in corrective action could cover an estimated \$5 million in expenses associated with their corrective action activities.



Impact from COVID-19

The Department of Environmental Quality has reviewed its financial position for FY21 and has projected a 2% or \$1.2 million reduction in Environmental Trust Fund Account fees collected (in FY21). The department reviewed past disasters and recessions and took the most conservative approach in calculating this number. In each of the past disasters and recessions, DEQ fees reduced by less than 1.5%. DEQ is working with OPB to make reductions in REC and to the FY21 budget request to account for an estimated reduction in expenditures in the FY21 request.

DEQ is assigned ESF-10 by GOSHEP and participate in daily UCG briefings. In addition DEQ preformed the following duties:

- DEQ assisted with the production of hand sanitizer at Hunt Correctional on 3/24. Some materials were donated, however some items were procured by LDEQ for this production.
- Participated in the Battelle Decon System assembly at the Morial Convention Center in New Orleans and periodically monitored the system to ensure it meets all environmental requirements.
- Anticipated costs are estimated to be less than \$75,000 through June 30, 2020. To date DEQ has expended \$37,325 for COVID-19 related activities – this includes all personnel costs and needed supplies for the production of hand sanitizer.

To date there is no provision for DEQ to receive funds in any of the federal COVID-19 legislation.



Environmental Quality

Enacted Appropriation vs. Actual Expenditure Analysis — FY17 to FY19

The following charts show Enacted vs. Actual budget comparisons for the specified fiscal years. Rarely are these totals exactly the same. The differences can be attributed to a number of reasons: revenue that was not collected, and therefore, expenditures that could not be made; unanticipated revenue shortfalls that may require a supplemental appropriation; expenditure authority that was anticipated to be needed but the expense never materialized; etc.

Environmental Quality	FY17 Enacted	FY17 Actual	FY17 Difference
State General Fund	\$0	\$0	\$0
Interagency Transfers	\$441,000	\$212,757	(\$228,243)
Fees and Self-generated Revenues	\$24,790	\$20,414	(\$4,376)
Statutory Dedications	\$96,336,307	\$86,418,508	(\$9,917,799)
Federal	\$20,148,647	\$16,420,089	(\$3,728,558)
TOTAL	\$116,950,744	\$103,071,768	(\$13,878,976)

Note 1 – Negative *Difference* numbers show excess budget authority or less revenue than anticipated.

Note 2 — Cells highlighted in yellow mean more funding was needed or that a funding source was underbudgeted.

Environmental Quality	FY18 Enacted	FY18 Actual	FY18 Difference
State General Fund	\$0	\$0	\$0
Interagency Transfers	\$670,829	\$240,882	(\$429,947)
Fees and Self-generated Revenues	\$24,790	\$19,242	(\$5,548)
Statutory Dedications	\$102,770,730	\$93,177,114	(\$9,593,616)
Federal	\$20,042,433	\$16,627,814	(\$3,414,619)
TOTAL	\$123,508,782	\$110,065,052	(\$13,443,730)

In any given year, DEQ tends to be overbudgeted in all means of financing, but particularly Statutory Dedications and Fees and Federal Funds. DEQ receives no State General Fund dollars.

Environmental Quality	FY19 Enacted	FY19 Actual	FY19 Difference
State General Fund	\$ -	\$ -	\$0
Interagency Transfers	\$ 70,829	\$ 35,773	(\$35,056)
Fees and Self-generated Revenues	\$ 24,790	\$ 20,080	(\$4,710)
Statutory Dedications	\$ 116,152,413	\$ 99,953,114	(\$16,199,299)
Federal	\$ 19,902,433	\$ 15,212,769	(\$4,689,664)
TOTAL	\$ 136,150,465	\$ 115,221,736	(\$20,928,729)



Environmental Quality

House Amendments to HB 105

House Amendments to HB105						
HB 105	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
Original	\$0	\$30,000	\$78,025,089	\$38,727,830	\$19,634,301	\$136,417,220
Appropriations Amendments:	State General Fund	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal	TOTAL
Office of Environmental Quality - Transfers funding between programs within the Office of Environmental Quality for salaries.	\$0	\$0	\$0	\$0	\$0	\$0
Office of Environmental Quality - Increases funding for overtime and on-call pay for employees that respond to large-scale emergencies.	\$0	\$0	\$703,049	\$0	\$0	\$703,049
Office of Environmental Quality - Provides Funding for one (1) additional authorized position and related expenses in the Office of Environmental Assessment Program to monitor the existing statewide gauge network.	\$0	\$144,361	\$0	\$0	\$0	\$144,361
Engrossed	\$0	\$174,361	\$78,728,138	\$38,727,830	\$19,634,301	\$137,264,630
<i>Difference HB105 Original to HB105 Engrossed</i>	<i>\$0</i>	<i>\$144,361</i>	<i>\$703,049</i>	<i>\$0</i>	<i>\$0</i>	<i>\$847,410</i>

HB 1 Original is the same total as HB 105 Re-engrossed at \$137,264,630.