



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HCR 4** HLS 21RS 323  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> May 4, 2021 11:05 AM	<b>Author:</b> LANDRY
<b>Dept./Agy.:</b> Environmental Quality	
<b>Subject:</b> Increase in Source Facilities Requiring Public Notices	<b>Analyst:</b> Kimberly Fruge

ENVIRONMENT/AIR OR INCREASE GF EX See Note Page 1 of 2  
 Provides relative to public notices for minor source facilities

Present Law requires the Louisiana Department of Environmental Quality to provide public notices for any permit or permit modification for Part 70 source facilities.

Proposed law changes present law to include all source facilities not otherwise exempt by present law.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

Proposed law will result in an expenditure increase of up to \$426,653 in FY 22 for the Louisiana Department of Environmental Quality (LDEQ) as a result in the increase of source facilities for which LDEQ is required to provide public notices. LDEQ notes that while this is an expansion of current duties, there are not sufficient funds in the Environmental Trust Dedicated Fund Account to support this expansion. Therefore, LDEQ indicates it would need additional state general funds to carry out the tasks proposed in this measure.

LDEQ estimates proposed law would require an additional 300 public notices annually, based on a three-year average of qualifying permit actions that would fall under this measure. To handle the public notices, LDEQ currently has four full-time staff members who on average release 482 notices annually (FY 18 - 505, FY 19 - 446, FY 20 - 413). Thus, each staff member can handle approximately 120 public notices per year. For the additional 300 public notices, LDEQ estimates it would need three additional Environmental Project Specialists which would require \$53,903 per person plus related benefits in FY 22, assuming midpoint salaries. This equates to a total of \$245,070 (\$53,903 for salary \* 3 + \$27,787 for related benefits \* 3) in FY 22. Accounting for a 2% annual increase in salary, this increases expenditures to \$249,971 in FY 23, \$254,971 in FY 24, \$260,070 in FY 25, and \$265,272 in FY 26.

LDEQ further reports assumed total operating expenditures in line with the 66.13% EPA approved overhead rate to provide sufficient operating and support resources needed by the additional personnel, such as office rent, new office equipment, human resources, financial services, technology costs, legal services, etc. DEQ estimates, the operating expenditures to support the three new positions would be an additional \$162,065 in FY 22, \$165,306 in FY 23, \$168,612 in FY 24, \$171,984 in FY 25, and \$175,424 in FY 26. *The Legislative Fiscal Office (LFO) cannot corroborate the overhead rate or needs detailed by LDEQ. To the degree that the need for additional positions or the overhead need is less than the estimates above, costs would decrease proportionally.*

**SEE CONTINUED EXPENDITURE EXPLANATION ON PAGE TWO**

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Alan M. Boxberger*  
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 Staff Director



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**CONTINUED EXPLANATION from page one:**

Page 2 of 2

**EXPENDITURE EXPLANATION CONTINUED:**

Individuals who choose to receive public notices can opt into an electronic listserv or hard copy mailing list. As of April 2021, LDEQ reports 2,288 (57%) individuals subscribe to the listserv, and 1,755 (43%) individuals want a hard copy. To mail the hard copy, LDEQ estimates a cost of \$65 per notice for postage and supply costs, based on a three-year average (\$60 in FY 18, \$72 in FY 19, and \$64 in FY 20). Thus, for the additional 300 notices, LDEQ estimates a cost of \$19,518. The table below illustrates the total impact of this measure to the department.

Personnel	\$ 245,070	\$ 249,971	\$ 254,971	\$ 260,070	\$ 265,272
Overhead	\$ 162,065	\$ 165,306	\$ 168,612	\$ 171,984	\$ 175,424
Mailing Cost	\$ 19,518	\$ 19,518	\$ 19,518	\$ 19,518	\$ 19,518
<b>Total</b>	<b>\$ 426,653</b>	<b>\$ 434,795</b>	<b>\$ 443,101</b>	<b>\$ 451,572</b>	<b>\$ 460,214</b>

Senate      Dual Referral Rules  
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