



OKLAHOMA

Department of Mines

FY 2025 Budget Hearing Presentation

Submitted by: Suzen M. Rodesney, Director

Suzen M. Rodesney

Director



The **Department of Mines (ODM)** serves as the regulatory authority empowered to execute, enforce, and implement provisions of state and federally mandated programs in the areas of health, safety, mining, and land reclamation practices associated with surface and sub-surface mining.

Founded in **1907**, this agency now encompasses the following divisions:

- Administrative and Legal Services
- Minerals
- Oklahoma Miner Training Institute
- Data Processing

Agency Vision, Mission and Core Values

Vision:

Maintain the regulation of minerals mining, fly-ash reclamation sites, and non-mining blasting operations. Continue providing mine personnel training to maintain a reduced number of fatal or even serious mining accidents in the state. Through a cooperative approach to enforcement, give Oklahoma an economic advantage by encouraging new resources, exploration, and extraction and help bring Oklahoma's minerals production to record levels.

Mission:

To protect the environment of the state, the health and safety of the miners, and the life, health, and property of affected citizens through enforcement of state mining and reclamation laws.

Core Values:

- Ensure that mined land is restored to as good or better a condition than before mining by working closely with operators, landowners, and other concerned citizens.
- Conduct inspections to ensure safe working environments at mine sites. Provide mining safety training programs for all persons involved in mining.
- Utilize current available technology to increase efficiency and production. Continue efforts to employ creative alternatives for information gathering and dissemination.
- Promote a positive work environment and provide working conditions for retention, training, and recognition.
- Respond to the needs of the public within our jurisdictional boundaries.
- Continue to work towards a positive image of the agency, improving our reputation as public servants and stewards of the resources of the state.



Accomplishments

Top accomplishments for FY 2023 – FY 2024

- 1) Advanced technology footprint with an updated website, initiated social media presence, and introduced Digital Mine Inspection Reporting.
- 2) Statute Requires each active mine to be inspected four to six times annually. (Title 45, Section 907). ODM's current goal is five times per year for all active mines; which has been met. Meeting this goal is a measurement of success.
- 3) Oklahoma has had zero mine related fatalities in the last five years. The Department of Mines continues to provides annual refresher training, bi monthly site inspections, and monthly safety grams to assist in maintaining a safe work environment.
- 4) Oklahoma has seen the highest mineral production reported. (84 Million tons) Support from permitting, inspections, and overall administration has assisted with this industry success.



Challenges

Top Challenges (current & upcoming years)

- 1) With the loss of the Coal Program, 1/3 of the staff was eliminated. FY23/24 had another additional personnel shifts with the retirement of the Agency Director, vacancies of key personnel including CFO, Chief Counsel, Chief of Staff, and Minerals Division Key Positions. Continued on the job training and pursuit of excellence of job duties with new staff is an ongoing challenge.
- 2) Retaining and Hiring Staff with adequate financial resources. Salaries need to be adjusted for market equity.
- 3) Obtaining experienced technical and environmental staff to assist in completing reclamation projects.
- 4) Implementing current technology processes for inspections, permitting, and reporting.
- 5) Rising costs for large equipment purchases have almost doubled and continuing to provide necessary tools for staff to perform their jobs is a challenge.



Savings & Efficiencies (Current or Planned)

Savings or Efficiency Name	Brief description of how savings were achieved	Savings in Unit of Measurement*	FY 2023 (Actual \$ Savings)	FY 2024 (Projected \$ Savings)	FY 2025 (Projected \$ Savings)
Online Payments	<i>Planned to accept credit card payments for training, permit, and production fees which reduce courier and receipting costs</i>	<i>5 hours/week</i>	<i>0.00</i>	<i>0.00</i>	<i>\$7000.00</i>

* Hours, FTE, square feet, etc.



Agency Goals and Key Performance Metrics

Goal		Metric	FY 22 Actuals	FY 23 Actuals	FY 24 Target	FY 25 Target
1	Perform five onsite health and safety inspections for each mining operation. (Minerals Program)	Number of Inspections/ Mine	4020	4280	4300	4400
2	Focus on miner training at the Oklahoma Miner Training Institute	# of Non Fatal Accidents Reported	19	18	0	0
3						
4						
5						



Projects for FY 2024 - 2025

Projects

Technology Upgrades

- **Electronic inspection reports**
- **Digitize and scanning paper documents**
- **Processing online payments**
- **Process Permits Online**
- **Introduction of online presence via Social media**

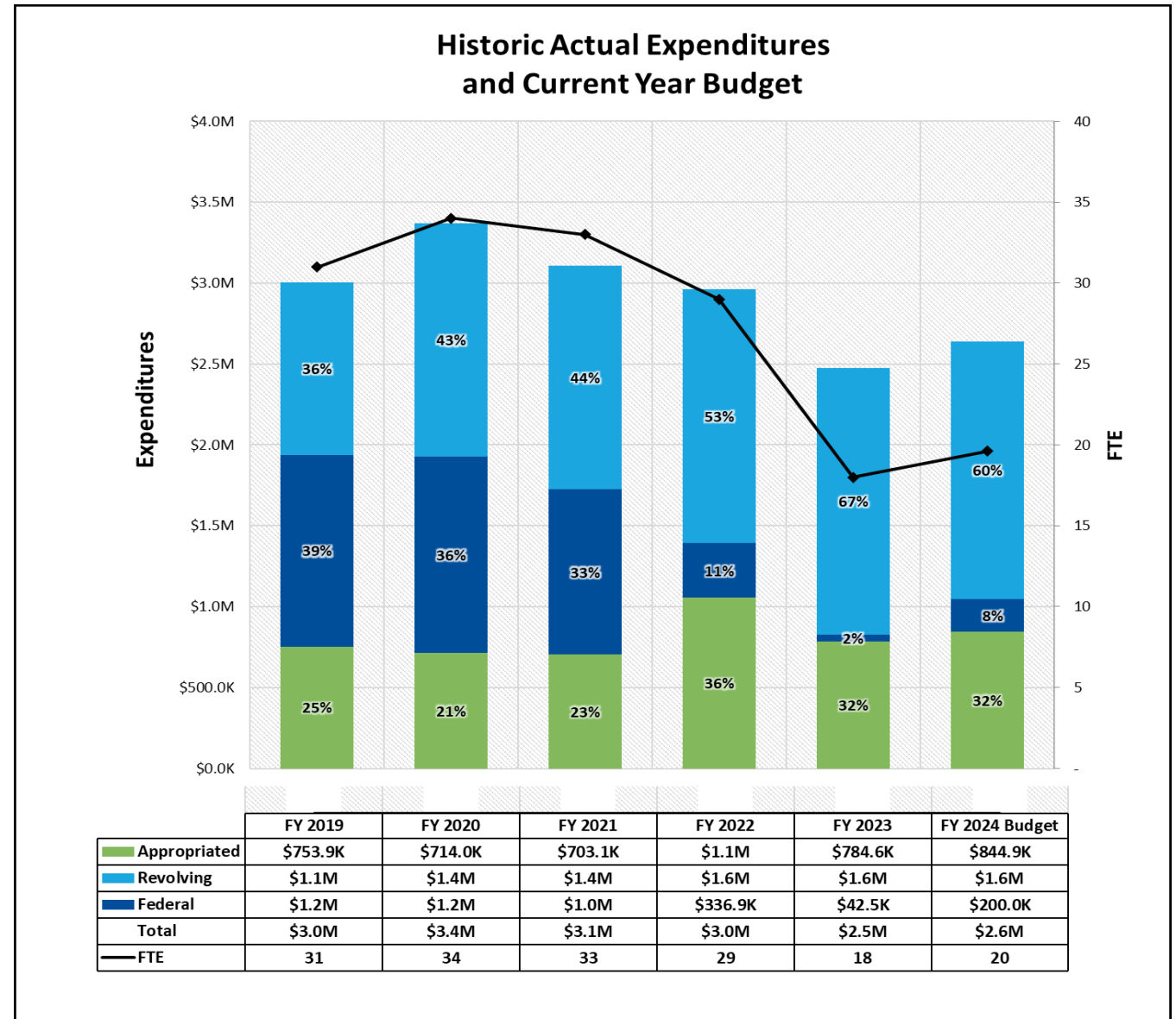


Historic Actual Expenditures (FY 2019-23) and Current Year Budget (FY 2024)

Explanation of Significant Changes and Trends

Due to the loss of the Coal Program in FY22, funding was lost and expenditures declined. One third of the staff was terminated December 31, 2021 and a RIF package was issued for these employees.

In FY23, Agency Director retired after 44 years of service which resulted in additional personnel costs for the year. This also sparked an additional organizational restructure for FY24.



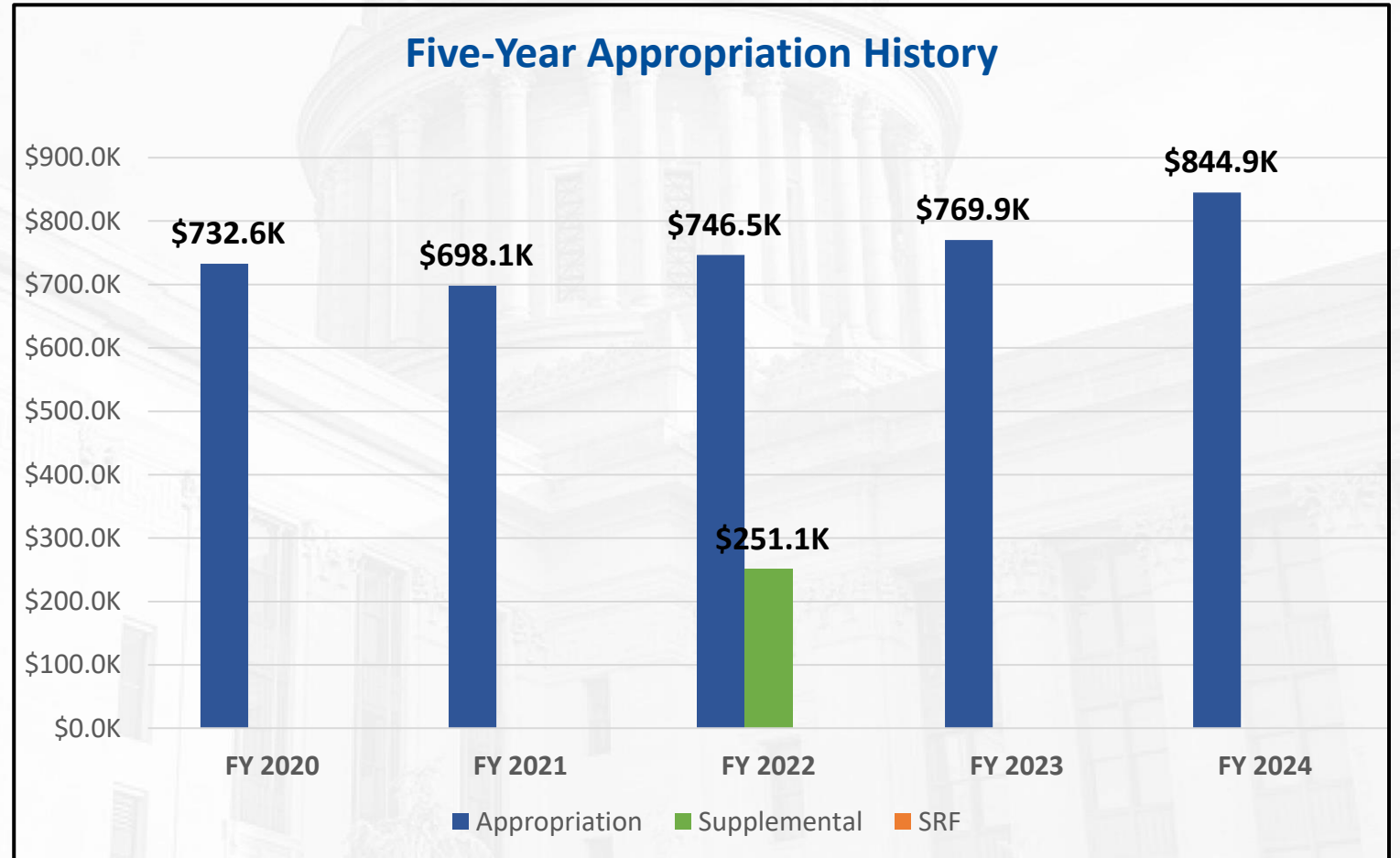


FY 2024 Budgeted Full Time Equivalents (FTE)

	FY 2024 Budgeted FTE
Total FTE	19
Supervisor FTE	6
Supervisors to Total FTE Ratio (%)	32%

Appropriation History

Fiscal Year	Legislated Appropriation (\$) (Includes supplemental and SRF/ARPA.)
FY 2020	732,603
FY 2021	698,078
FY 2022	997,535
FY 2023	769,933
FY 2024	844,933



*Includes Supplemental and Statewide Recovery Fund (ARPA) appropriations.



Financial Resource Analysis

Carryover	FY 2020	FY 2021	FY 2022	FY 2023
Total appropriated carryover amount expended (\$)	\$7,153	\$19,771	\$96,989	\$23,466

Historical Cash Balances	FY 2020	FY 2021	FY 2022	FY 2023
Year End Revolving Fund Cash Balances <i>(All Revolving Funds)</i>	\$233,327	\$214,635	\$150,565	\$278,447

Class Fund # <i>(Unrestricted only)</i>	Class Fund Name <i>(Unrestricted only)</i>	Current cash balance (\$)
#20000	Department of Mines Revolving	213,976
#20500	Oklahoma Miner Training Institute Revolving	28,540
#		\$
#		\$
#		\$
#		\$
Total Current Unrestricted Fund Cash balance:		\$

Fiscal Year	Agency's plan to deploy unrestricted cash (including amounts):
FY 2024	Agency Operations
FY 2025	Agency Operations
FY 2026	Agency Operations



Unrestricted funds are those that are not limited by state or federal law, rule, regulation, other legally binding method, or donor restriction.

FY 2022 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2022				
Reimburse for employee RIF Payouts due to loss of Coal Program (Federal Funding)	\$251,068	No		One time funding for payout
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$251,068			



**Do not include SRF / ARPA appropriation increases.*

FY 2023 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Included in FY24 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2023				
N/A	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$			



**Do not include SRF / ARPA appropriation increases.*

FY 2024 Incremental Appropriation Review

<i>Purpose of appropriation increase / decrease</i>	<i>Amount of increase or decrease (\$)</i>	<i>Does this need to be included in your FY 2025 appropriation? (Yes/No)</i>	<i>If yes, included in appropriation for same purpose? (Yes/No)</i>	<i>If not included for same purpose, please explain.</i>
FY 2024				
Digitize Paper Records	\$75,000	Y	Y	
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
	\$			
Total adjustment	\$75,000			



**Do not include SRF / ARPA appropriation increases.*

Budget & Supplemental Request Summary

Request Name		FY 2025 Appropriated Request Amount (\$) {or FY 2024 for Supplemental}	Type of Request: Operating, One-time, or Supplemental
1	Administrative Enhancement	\$108,750	Supplemental
2	Reclamation Team	\$300,000	Operating
3	Salary Market Adjustment	\$120,000	Operating
4			
5			



(1) Budget Request

Name of Request : Administrative Enhancement	
Type: (Operating, One-Time, Supplemental) Supplemental	\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$108,750
<p>Describe why these funds are needed.</p> <p>The new agency Director has determined that having a second in command, or Chief of Staff is an excellent method for the support of agency operations. Not only for the day to day operations, but assistance when unexpected statewide issues arise that need the support of administrative staff. The agency previously employed a Deputy Director, who had decades of experience with the agency and basically performed two roles – As Deputy Director and Administrator of the Minerals Division. Most recently, the Chief Financial Officer assumed the role of two positions, as the Chief Financial Officer and the Chief of Staff. Again, this individual had decades of experience with the agency, so it was a successful work model. With the attrition of an agency Director who had 25 years as the Director, and the Deputy Director position retirement with 35 years of experience, there is a definite hole that needs to be filled. The current promotion of the Chief of Staff into the Director position, means that again there are empty roles to be filled that will advance the agency into proactive roles of management. The funds will be needed as soon as possible in FY24.</p>	



(2) Budget Request

Name of Request: Reclamation Team

Type: (Operating, One-Time, Supplemental)
Operating

\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental)
\$300,000

Describe why these funds are needed.

This operating funding request will focus on the reclamation contracts to be issued by the Department of Mines. The agency has had difficulty getting these contracts issued in part due to the increasing costs to perform the reclamation. In order for the agency to properly evaluate the construction process, implementation and completion of these projects, a team needs to be implemented for this process. With the more lucrative industries such as oil and gas searching for some of the same job sets, the state/our agency must be more on track with the industry standards for compensation. The personnel include a Construction Manager (est. salary with fringes \$123,000) and a Hydrologist (est. salary with fringes \$102,000). The agency currently has a mining engineer on staff. A four wheel drive pickup truck will be needed to assist with the initiation and monitoring of the contracts in progress. (\$42,000). A full computer set up is estimated at \$10,000 for the qualified equipment needed. This should include specific surveying equipment that can be synced with a tablet or laptop on-site. One of the more expensive purchases in the needed software: AutoCAD (approx. \$3,600/year per user), on-line construction software (\$3,600 per year) and the on-line mapping software (approx.\$6,000 per year). Recurring costs would be approx. \$1,280 for phones, and fuel of approx. \$6,000/ year. Growing seasons are a critical element of successful reclamation and having staff to monitor the contract completion, and preparation for bidding is the most important duty. The agency has experienced a significant citizen interest in the water rights, and water monitoring of mining and the resulting reclamation. This is why a hydrologist is crucial to the team. In addition, the hydrologist will be of value for the agency's permitting and litigation that has been encroaching on the permitting process.



(3) Budget Request

Name of Request: Salary Market Adjustment	
Type: (Operating, One-Time, Supplemental) Operating	\$ Amount Requested for FY 2025 (Or FY 2024, if supplemental) \$120,000
Describe why these funds are needed. This would be to fund the recurring market adjustment for salaries of staff. It would be \$80,00 for the inspection staff; \$10,000 for the permitting employees, and \$30,000 for the Minerals Chief positions. This would bring the employees with years of state service up to a salary more commensurate to the years of service and knowledge base acquired in their employment. The Chiefs increases would be to raise the jobs up to a level of upper administrative duties.	

