

FY23 Budget Performance Review
292 Department of Environmental Quality

Lead Administrator: Scott Thompson

Lead Financial Officer: Kathy Aebischer

Agency Mission

To protect and improve public health and our environment

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Administrative Services Division (ASD) - 11

General agency policy, outreach, and administration. DEQ administrative staff, Executive Director's Office, Office of General Counsel, Office of Business and Regulatory Affairs, Office of Communications and Education, and Office of Continuous Improvement oversee implementation of agency programs and administrative functions, and interact with multiple federal and state agencies, organizations, individuals, etc., to make Oklahoma DEQ a voice and a leader within the U.S.

State Environmental Laboratory Services Division (SELSD) - 21

SELSD's organic and inorganic chemistry laboratories provide analytical support to the various programs within DEQ, to other state agencies, and to public water supply systems of the state. The Laboratory Accreditation Unit operates an accreditation program for in-state and out-of-state environmental laboratories.

Environmental Complaints and Local Services Division (ECLSD) - 30

ECLSD is responsible for receiving and resolving environmental complaints from citizens of Oklahoma. Complaints are received in the 22 field offices and by the 24/7 environmental complaints hotline. ECLSD also responds to environmental emergencies, such as spills of hazardous materials and natural disasters. Other responsibilities include response to citizen requests for private well inspections, percolation and soil profile tests, and inspections of individual sewage disposal systems; licensing and regulation of septic tank installers and septic tank cleaners; and multi-media inspections of facilities across the state, including water supplies, water pollution control facilities, solid waste landfills, industrial waste facilities, and facilities with air quality permits.

Air Quality Division (AQD) - 50

AQD implements the requirements of the state and federal Clean Air Acts. This includes compliance, enforcement, emissions inventory, quality assurance, monitoring, analysis, and permitting.

Water Quality Division (WQD) - 55

WQD operates programs for public water supplies, source water protection, sludge disposal, and municipal and industrial water pollution control. These programs include review of plans and specs, permitting, tracking, compliance, enforcement, water quality planning, training and certification, and complaint resolution activities. WQD provides licensing and regulation of municipal water and wastewater operators.

Land Protection Division (LPD) - 61

LPD implements programs for solid waste and hazardous waste planning, management, permitting, and enforcement. It coordinates the federal chemical spill and reporting program and peer reviews risk assessment decisions for the agency. LPD is also responsible for regulatory activities for the use of atomic energy and other sources of ionizing and non-ionizing radiation and for state activities associated with the federal Superfund Program.

Information Technology (IT) - 88

In FY2013, due to implementing HB 1304, agencies had to set their budget structures with separate divisions for Information Technology (IT) functions. IT consists of the agency's postal meters, telephone charges, IT agreements with OMES and anything else that reasonably falls within the guidelines set forth in HB1304.

Sec of Energy and Environment (OSEE) - 70

The Office of the Secretary of Energy and Environment (OSEE) coordinates and makes application on behalf of various state environmental agencies for U.S. EPA Clean Water Act funds, and disburses such funds to state environmental agencies based upon statutory duties and responsibilities. In FY 15, at the request of OSEE, DEQ assumed responsibility for certain administrative support functions related to these OSEE responsibilities.

FY'22 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
11	Administrative Services	-	4,263,887	6,764,272		67,765	\$11,095,924
21	State Environmental Lab Services	3,054,048	1,340,334	2,974,882		-	\$7,369,264
30	Environmental Complaints and Local Services	3,292,016	1,149,771	3,469,695		-	\$7,911,482
50	Air Quality	-	2,066,073	9,468,920		4,212,654	\$15,747,647
55	Water Quality	2,681,282	6,478,768	5,967,153		-	\$15,127,203
61	Land Protection	-	14,857,901	10,199,075		-	\$25,056,976
88	Information Technology	-	1,945,167	4,510,742		20,000	\$6,475,909
70	Sec of Energy and Environment *	-	7,503,285	-		-	\$7,503,285
Total		\$9,027,346	\$39,605,186	\$43,354,739	\$0	\$4,300,419	\$96,287,690

* OSE&E's Federal Water Quality Management Fund was moved from OWRB's budget to DEQ's budget for FY2015 and remains with DEQ.

² Other funding listed is the amount expected for DEQ for the Volkswagen Emissions Settlement for Oklahoma.

FY'21 Carryover by Funding Source

Class Fund #	Carryover Class Fund Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
19012	SELS Lab Equipment	\$33,130					\$33,130
19111	Rural Water Sustainable Infrastructure/TA	\$250,362					\$250,362

1. Please describe source of Local funding not included in other categories:

2. Please describe source(s) and % of total of "Other" funding if applicable:

What changes did the agency make between FY'21 and FY'22?

1.) Are there any services no longer provided because of budget cuts?

No programs or major services were entirely eliminated from FY 21 to FY 22.

2.) What services are provided at a higher cost to the user?

DEQ has been approved by Governmental Technology Applications Review Board (GTARB) to pass merchant fees onto DEQ customers paying fees to DEQ by credit cards or electronic check. DEQ is working to have online systems upgraded and implemented by FY2022.

3.) What services are still provided but with a slower response rate?

Response times for local services (e.g. complaint response) has increased over the past few years. Also, there have been at times delays in reporting test results and providing technical assistance, investigating complaints, performing inspections during the pandemic due to COVID protocols and restricted facility access. IT Resources to the agency continue to decline while costs increase or remain the same. IT related projects take longer to get IT resources assigned so IT projects linger which affect all aspects of the agency.

4.) Did the agency provide any pay raises that were not legislatively/statutorily required?

The only pay raise, other than those incidental to promotions and career progressions, was a salary increase for the Executive Director that was authorized and directed by the Environmental Quality Board.

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FY'23 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
11	Administrative Services	\$0	\$4,263,887	\$6,583,434	\$67,765	\$10,915,086	-1.63%
21	State Environmental Lab Services	\$3,342,099	\$1,340,334	\$2,995,191	\$0	\$7,677,624	4.18%
30	Environmental Complaints and Local Services	\$3,587,313	\$954,771	\$3,469,695	\$0	\$8,011,779	1.27%
50	Air Quality	\$0	\$1,774,164	\$9,583,048	\$4,212,654	\$15,569,866	-1.13%
55	Water Quality	\$2,681,282	\$6,478,768	\$5,988,173	\$0	\$15,148,223	0.14%
61	Land Protection	\$0	\$7,807,142	\$10,224,455	\$0	\$18,031,597	-28.04%
88	Information Technology	\$0	\$1,945,167	\$4,510,742	\$20,000	\$6,475,909	0.00%
70	Sec of Energy and Environment *	\$0	\$7,503,285	\$0	\$0	\$7,503,285	0.00%
Total		\$9,610,694	\$32,067,518	\$43,354,738	\$4,300,419	\$89,333,369	-7.22%

1. Please describe source(s) and % of total of "Other" funding for each department:

* OSE&E's Federal Water Quality Management Fund was moved from OWRB's budget to DEQ's budget for FY2015 and remains with DEQ.

1 Other funding listed is the amount expected for DEQ for the Volkswagen Emissions Settlement for Oklahoma.

FY'23 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Environmental Complaints & Local Services - Additional Staffing	\$295,297
Request 2:	SELS -Additional FTE within the Heavy Metals Unit of the ODEQ State Environmental Laboratory Services Division	\$96,017
Request 3:	SELS - Additional FTE within the Field Laboratory Customer Assistance Section of the ODEQ State Environmental Laboratory Services Division	\$96,017
Request 4:	SELS - Additional FTE within the Statewide Sample and Data Management Section (SSDM) of the ODEQ State Environmental Laboratory Services Division	\$96,017
Top Five Request Subtotal:		\$583,348
Total Increase above FY-22 Budget (including all requests)		\$ 583,348
Difference between Top Five requests and total operating requests:		\$0

Does the agency have any costs associated with the Pathfinder retirement system and federal employees?

Yes, but it does not only affect federally funded employees; pathfinder has the ability to jeopardize DEQ's funding sources. DEQ receives Federal grants and has an Indirect Cost Proposal that states that DEQ will, according to federal guidelines, account for similar types of costs in a consistent manner which means that the costs are unallowable for all billable sources for DEQ and not just unallowable for federal awards. DEQ believes that all employees should be treated equally and retirement funds set aside should follow the applicable employee.

How would the agency be affected by receiving the same appropriation for FY '23 as was received in FY '22? (Flat/ 0% change)

If there are no changes to the FY-2021 General Appropriation (GR), the agency would still have to make programmatic changes to fund the increases that occur in doing business from year to year, which would include but not be limited to PathFinder contributions, legislative increase to benefit allowance, and the continued increased costs for Information Technology support in the ever growing technological environment that is needed for the agency to receive, transmit and adequately be able to report as needed. Additional changes might be an increase in response time to environmental complaints, as the agency adjusts to the increasing cost of travel. Small communities struggling to meet federal mandates could receive reduced levels of assistance from DEQ.

How would the agency handle a 2% appropriation reduction in FY '23?

A reduction of 2% to the FY-2022 General Appropriation (GR) would equal \$180,547. DEQ's state-appropriated money principally funds personnel, specifically in these areas: drinking water program, wastewater program, environmental complaints and local services program, and state environmental laboratory program. A cut in general revenue of 2% translates into a reduction of positions. A reduction in personnel means that there is a decreased capacity for responsiveness and assistance, especially to municipalities and individual citizens, who are the ones that most directly benefit from the programs and personnel that are funded with state dollars. This diminished capacity will affect assistance provided to communities with identifying the source of and potential measures to address drinking water issues, including lead in drinking water, and fewer and/or less intensive inspections of drinking water and wastewater facilities, with an associated increase in the likelihood of operational issues or problems.

Is the agency seeking any fee increases for FY '23?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?

Description of request in order of priority	Appropriated Amount (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 DEQ - Parking Garage	\$20,000,000	Yes

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Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 22 budgeted	FY 21	FY 20	FY 19	FY 18
12.113	Reimb of Tech Svcs-St Memo	11/61/88	110,419	70,917	113,028	158,256	168,200
15.616	Clean Vessel Act	11/88	312,352	221,898	281,297	-	51,023
66.034	Clean Air Act Surveys, etc	11/50/88	500,777	576,452	542,732	381,130	422,711
66.040	State Clean Diesel	11/50/88	516,695	451,438	404,781	367,644	15,053
66.204	Multipurpose Grant	11/50	91,909	104,005	1,882	-	-
66.419	Water Poll Control-St. Int Fed\$	11/30/55/88	2,533,000	2,736,346	2,438,578	1,754,564	1,501,566
66.444	Lead Testing in Schools & Child Care Facilities	11/21/30/55/88	884,253	68,101	81,579	-	-
66.468	Cap Grts, Drinking Water - Fed\$	11/21/30/55/88	5,532,286	4,460,406	4,087,752	3,838,034	4,292,019
66.605	Perform Partnership Grts-Fed \$ Supplemental funding for state delegated Lead Based	11/21/30/50/55/61/88	4,330,528	4,290,504	3,412,218	6,134,042	4,857,949
66.707	Paint programs	11/50	200,000	68,560	-	-	-
66.708	Pollution Prevention	11/61/88	-	-	-	70,000	39,759
66.802	Superfund St Site Spec - Fed \$	11/61/88	12,050,759	5,798,521	7,194,640	7,212,035	3,905,403
66.817	Brownfields-State/Tribal Resp	11/61/88	462,841	506,833	513,213	357,758	403,386
66.818	Brownfields Assess & Cleanup	11/61/88	703,923	495,386	18,103	1,168	311,003
66.608	Exchange	11/30/88	195,000	3,728	1,485	-	-
66.442	Water Infrastructure Improvements for the Nation Act Assistance for Small and Disadvantaged Communities	11/21/30/55/88	209,619	-	-	-	-
66.442	Drinking Water Grant	11/21/30/55/88	500,000	182,178	-	-	-
66.961	Superfund Consolidated	61/88	538,025	334,404	-	-	-
66.460	OSEE - Nonpoint Source Implem - Fed \$	70	3,190,000	3,436,445	2,531,909	2,838,890	2,041,275
66.461	OSEE Wetlands Grants	70	570,000	173,394	270,008	173,440	138,342
66.419	OSEE Water Poll Control-St/Int Fed\$	70	3,404,000	2,594,135	2,838,923	2,407,116	2,103,572
66.454	OSEE Water Quality Management Plan	70	239,285	90,620	123,841	89,212	113,128

Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?
Most of our federal money is tied to federally delegated programs. While federal law does not mandate that DEQ administer them, the regulated community prefers that DEQ run those programs in lieu of the federal government.
2.) Are any of those funds inadequate to pay for the federal mandate?
See above. Federal mandates primarily affect local governments and businesses that pay fees to make up the difference between federal funding and the cost to implement federal programs in lieu of the federal government. When the U.S. EPA implements programs directly there are typically problems created which unnecessarily increase costs, create confusion, and create inefficiencies.
3.) What would the consequences be of ending all of the federal funded programs for your agency?
EPA would become the environmental regulator for the State of Oklahoma, resulting in higher costs to citizens and businesses.
4.) How will your agency be affected by federal budget cuts in the coming fiscal year?
DEQ is not anticipating federal budget cuts but each federal year brings changes, especially during an election time. Federal awards for DEQ are not guaranteed but historically have continued at stabilized amounts. The reduction in federal funds is due to one-time grants for specific projects that are expected to end by FY2023.
5.) Has the agency requested any additional federal earmarks or increases?
SELSD has requested and received an additional \$225,000 to help with the purchase of instrumentation required to perform PFAS testing in drinking water. Another, \$75,000 has been requested and received to purchase the preparation equipment necessary for this type of analysis but these funds may just be one-time. As opportunities come up DEQ does apply for federal funding that may be available for projects. For example, if the federal government offers infrastructure or redevelopment funding in programs that fall under DEQ jurisdiction we will apply for such funding. In some cases we may help local governments or tribes apply for such funding directly.

FY'22 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
11	Administrative Services	24	44	25	10	32	27
21	State Environmental Lab Services	13	48	10	0	47	11
30	Environmental Complaints and Local Services	12	75	11	0	74	12
50	Air Quality	20	96	17	0	83	30
55	Water Quality	20	98	18	0	83	33
61	Land Protection	18	72	12	0	63	21
88	Information Technology	0	0	0	0	0	0
70	Sec of Energy and Environment *	0	0	1	0	1	0
Total		107	433	94	10	383	134

FTE History

Division #	Division Name	2022 Budgeted	2021	2020	2018	2013*
11	Administrative Services	69.0	72.0	74.1	71.5	67.0
21	State Environmental Lab Services	58.0	57.0	55.1	57.0	69.0
30	Environmental Complaints and Local Services	86.0	85.0	83.7	84.0	93.0
50	Air Quality	113.0	116.0	116.7	123.0	125.0
55	Water Quality	116.0	115.0	113.7	114.0	126.9
61	Land Protection	84.0	84.0	84.6	85.5	85.0
88	Information Technology	0.0	0.0	0.0	0.0	0.0
70	Sec of Energy and Environment *	1.0	1.0	1.0	1.0	0.0
Total		527.0	530.0	529.0	536.0	565.9

*IT staff were converted to OMES staff during FY2013

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Performance Measure Review

	FY 21	FY 20	FY 19	FY 18	FY 17
Administrative Services					
● Percent of Claims Paid Within 45 Working Days	100%	100%	100%	100%	100%
● Percent of Initial Response To Requests for Record Searches, Copying and Reviews Within One Day	100%	90%	90%	100%	100%
Air Quality					
● Amount Saved by OK Major Sources (\$ in millions; based on OK Title V program compared to a Fed Title V program & fees)	\$2.0	\$2.0	\$1.8	\$2.1	\$2.2
● Reductions in Tons of Emissions From Enforcement Actions	46	3,635	6,178	457	116
State Environmental Laboratory Services					
● Provide Analytical Collection Materials and Instruction for Customer Requests	100%	99%	99%	98%	95%
● Percent of laboratory samples processed within appropriate turnaround time targets	90%	94%	91%	90%	91%
Environmental Complaints & Local Services					
● Percent of Complainants Contacted Within Two Days	87%	87%	87%	89%	65%
● Number of Complaints	3,694	3,838	4,030	3,656	3,357
● Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
● Gallons of Sewage eliminated from the Environment (Millions)	9.6	13.9	12	12	10.8
Water Quality					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	\$262.7	\$171.0	\$85.6	\$95.1	\$108.4
● Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	86%	81%	80.8%	80.8%	77%
Land Protection					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	231	315	142	83	410
● Number of Abandoned Tires Remediated From Illegal Dumps	51,067	77,535	29,681	32,524	123,805

Revolving Funds (200 Series Funds)

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'19-21 Avg. Revenues	FY'19-21 Avg. Expenditures	June '21 Balance (as of 8/31/2021)	
200: DEQ Revolving Fund			@6/30	9,656,952
<i>- Operating the following programs: Air Quality Title V, Air Quality Non-Title V, Lab Certification, Laboratory Analysis, Drinking Water, Wastewater, Stormwater, Hazardous Waste, Solid Waste, Radiation, Private Water and Sewage, SARA Title III, Tire, Lead, Voluntary Clean-Up, Highway Remediation, Soil Profiler and Southeast Commerce Passive Treatment</i>	\$41,369,158	\$38,852,420	Misc Exp after 6/30	1,691,913
			Payroll after 6/30	706,282
			FY21 remaining encumb	1,782,326
			Remaining	5,476,431
210: Environmental Education Fund			@6/30	20,424
<i>- Pass-through money to schools for environmental education – Funds come to DEQ from OTC via the specialized license tags. DEQ uses those funds to grant environmental projects to schools/day cares for environmental education.</i>	\$9,792.00	\$7,382.00	Misc Exp after 6/30	-
			Payroll after 6/30	-
			FY21 remaining encumb	-
			Remaining	20,424
215: Environmental Trust Fund			@6/30	1
<i>- This fund is no longer used. The balance is less than \$1.00.</i>	\$0	\$0	Misc Exp after 6/30	-
			Payroll after 6/30	-
			FY21 remaining encumb	-
			Remaining	1
220: Hazardous Waste Penalty Fund			@6/30	69,650
<i>- Match for Superfund program and hazardous waste cleanups, and funding to assist with local hazardous waste emergency response training and equipment. DEQ may or may not have any hazardous waste penalty funds. Depends on what penalties are assessed. DEQ is not anticipating any additional funding at this time. DEQ has been working to establish funding for needs for Local Emergency Planning Committees with the funds available.</i>	\$20,628	\$22,276.00	Misc Exp after 6/30	-
			Payroll after 6/30	-
			FY21 remaining encumb	-
			Remaining	69,650
225: Certificate Fund			@6/30	401,111
<i>- The Certificate Fund is expended for training programs, including itinerant training programs, meetings, personnel, expenses, and purchase of personal property, to carry out the purposes of the Waterworks and Wastewater Works Operator Certification Act. Only revenue for this fund is OpCert fees.</i>	\$743,873	\$628,019	Misc Exp after 6/30	36,826
			Payroll after 6/30	13,188
			FY21 remaining encumb	47,961
			Remaining	303,137