

**FY 2026 Budget Performance Review
292 Department of Environmental Quality**

Version Original
Lead Administrator: Robert Singletary

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Lead Financial Officer: Kathy Aebischer

Agency Mission

Mission and True North: Protect and improve public health and the environment in a manner that supports and advances a prosperous Oklahoma for current and future generations.

Division and 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.

PREP Funds for Arkansas River -62

Upgrades to the levees along the Arkansas River and feeder waterways in Northeast Oklahoma.

Rural Water Infrastructure Grants (RIG) - 65

Rural Infrastructure Grant Program (RIG) to assist rural and small municipal water and wastewater systems to become sustainable. The program offers up to \$100,000 in funding per project funding 80-percent of the project cost. The other 20-percent must be matched by the system, either through dollars or in-kind contributions. DEQ is a member of the committee that reviews and approves applications to be awarded.

PREP Funds for Guymon - 68

Upgrades to Guymon Water District (Guymon Mesa Water Project)

Information Technology (IT) - 88

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'25 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
11	Administrative Services	\$16,000,000	\$1,280,434	\$13,772,753			\$31,053,187
21	State Environmental Lab Services	3,143,043	1,905,211	2,202,682			7,250,936
30	Environmental Complaints and Local Services	3,669,177	1,242,318	4,755,970			9,667,465
50	Air Quality		5,050,893	11,279,515			16,330,408
55	Water Quality	4,392,495	5,319,315	9,330,559			19,042,369
61	Land Protection		11,298,950	11,933,821			23,232,771
62	PREP Funds for Tulsa Levee			50,000,000			50,000,000
65	Rural Infrastructure	10,000,000					10,000,000
68	PREP Funds for Guymon			20,000,000			20,000,000
88	Information Technology		1,454,024	5,268,308			6,722,332
70	Sec of Energy and Environment *		7,503,290				7,503,290
Total		\$37,204,715	\$35,054,435	\$128,543,608	\$0	\$0	\$200,802,758

1. Please describe source of Local funding not included in other categories: none

2. Please describe source(s) and % of total of "Other" funding if applicable for each department none

Balances of Appropriated Funds from Prior Fiscal Years						
3-digit Class Fund #	Class Fund Name	GA Bill # and Section #	Fiscal Year of Original Appropriation	Original Appropriation Amount (\$)	Total Expended Amount as of 8/31/2024 (\$)	Balance as of 8/31/2024 (\$)
193	Appropriated Funds		1993	\$18,238,423	\$17,140,543	\$1,097,880
194	Appropriated Funds		1994	20,853,643	9,974,616	10,879,027
Total remaining prior year appropriation balance:						\$11,976,907

Report appropriations that have existing balances from all prior fiscal years at the 3-digit class fund number (i.e. 193, 194). Do not report carryover class funds separately. Include appropriations located in disbursing funds. Report PREP, but not ARPA/SRF, appropriations.

What changes did the agency make between FY'24 and FY'25?
<p>1.) Are there any services no longer provided because of budget cuts?</p> <p>No programs or major services were entirely eliminated from FY 23 to FY 24.</p> <p>2.) What services are provided at a higher cost to the user?</p> <p>DEQ implemented the approval by the Governmental Technology Applications Review Board (GTARB) to pass merchant fees onto DEQ customers paying fees to DEQ by credit cards or electronic check for most programs at the end of FY2022. DEQ is still working with OMES on getting the final three older inhouse online systems updated to complete this update.</p> <p>3.) What services are still provided but with a slower response rate?</p> <p>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.</p> <p>4.) Did the agency provide any pay raises that were not legislatively/statutorily required?</p> <p>DEQ's Board did approve a pay raise for their Executive Director. DEQ did use savings to implement a market adjustment for employees.</p>

Appropriation Increase Review					
Appropriation Increase Purpose	Appropriation Increases (Additional to Agency Base Appropriation)			Expenditures	
	FY 2023	FY 2024	Total Amount Received FY 2023-2024	Total Expenditure of Increase as of 6/30/2024	If funds have not been spent, please explain why.
	\$11,295,297	\$11,062,000	\$22,357,297	\$11,976,907	Appropriated-DEQ has received \$10,000,000 in each of these Fiscal years: FY2023, FY2024 and FY2025. The funds are allocation for a partnership with Oklahoma Rural Water Association to establish a Rural Water Grant Program to assist rural and small municipal water and wastewater systems to be sustainable. Initially the program was slow to start pulling funds from the appropriated balance. The first \$10M is scheduled to be completely spent by September 2024, and the program is now running well and should continue to spend in an accelerated form through FY25.
Total:	\$11,295,297	\$11,062,000	\$22,357,297	\$11,976,907	

List appropriation increases that the agency has received in the prior two years. List amounts received in each year. Include PREP, but not ARPA/SRF, appropriations.

FY'26 Requested Funding By Department and Source							
Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
11	Administrative Services		\$1,280,434	\$13,772,753	\$0	\$15,053,187	-51.52%
21	State Environmental Lab Services	\$3,143,043	1,905,211	2,202,682	0	7,250,936	0.00%
30	Environmental Complaints and Local Services	3,669,177	1,242,318	4,755,970	0	9,667,465	0.00%
50	Air Quality	0	5,050,893	11,279,515	0	16,330,408	0.00%
55	Water Quality	4,797,430	5,319,315	8,330,559	0	18,447,304	-3.12%
61	Land Protection	0	11,298,950	11,933,821	0	23,232,771	0.00%
62	PREP Funds for Arkansas River	0		50,000,000	0	50,000,000	0.00%
65	Rural Infrastructure	10,000,000	0	0	0	10,000,000	0.00%
68	PREP Funds for Guymon	0	0	20,000,000	0	20,000,000	0.00%
88	Information Technology	0	1,454,024	5,268,308	0	6,722,332	0.00%
70	Sec of Energy and Environment *	0	7,503,290	0	0	7,503,290	0.00%
Total		\$21,609,650	\$35,054,435	\$127,543,608	\$0	\$184,207,693	-8.26%

1. Please describe source(s) and % of total of "Other" funding for each department: Note: any remaining PREP funds will be rolled over to the next year.

FY'26 Top Five Operational Appropriated Funding Increase Requests			
Request by Priority	Request Description	Is this a Supplemental Request? (Yes/No)	Appropriation Request Increase Amount (\$)
Request 1:	Requests five (5) FTEs. To establish a dedicated Lead and Copper Section in the Public Water Supply program.	No	\$404,935
		Recurring	
Top Five Request Subtotal:			\$404,935
Total Increase above FY-25 Budget (including all requests)			\$404,935
Difference between Top Five requests and total requests:			\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC or OCAMP? (Yes/No)
Priority 1 Fire Suppression System Update	\$400,000	Yes
Priority 2 New Heat Exchanger	250,000	Yes
Priority 3 State Environmental Lab HVAC and Infrastructure Replacement and Repair	520,000	Yes

List any requests for new construction from the Legacy Capital Fund		
Description of requested increase in order of priority	Needed State Funding for Project (\$)	Submitted to LRCPC? (Yes/No)
Priority 1 Fire Suppression System Update	\$400,000	Yes
Priority 2 New Heat Exchanger	250,000	Yes
Priority 3 State Environmental Lab HVAC and Infrastructure Replacement and Repair	520,000	Yes

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. DEQ also believes that Pathfinder has lowered the ability to promote the agency to prospective employees. DEQ's unrecoverable costs for Pathfinder (object 513330) are as follows: Fy2021 \$173,966, Fy2022 \$223,283 and Fy2023 \$223,902, Fy2024 \$174,379.

How would the agency be affected by receiving the same appropriation for FY '26 as was received in FY '25? (Flat/ 0% change)

If there are no changes to the FY-2025 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 '26?

A reduction of 2% to the FY-2025 General Appropriation (GR) would equal \$424,094. 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 '26?		
Description of requested increase in order of priority	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1 Annual CPI increase are built in to many of our rates.		no
Increase 2		
Increase 3		

Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 25 budget (\$)	FY 24 actuals (\$)	FY 23 actuals (\$)	FY 22 actuals (\$)	FY 24 budgeted FTE (#)
	Clean Air Act Surveys, etc	292	\$733,036	\$564,609	\$299,392	\$389,437	
66.040	State Clean Diesel	292	566,830	445,422	305,218	336,255	0.18
66.204	Multipurpose Grant	292		58,867	0		
66.419	Water Poll Control-St/Int Fed\$	292	2,958,512	646,301	39,553		9.26
66.442	Water Infrastructure Improvements for the N	292		(26,972)			0.00
66.442	Assistance for Small and Disadvantaged Comr	292					0.00
66.444	Lead Testing in Schools & Child Care Facilities	292	22,802	39,183	42,638	138,985	0.07
66.468	Cap Grts, Drinking Water-Fed\$	292	5,582,614	3,778,591	2,441,371	4,586,636	15.08
66.605	Perform Partnership Grts-Fed \$	292	5,355,023	3,910,659	2,860,360	5,267,907	27.52
66.608	Environmental Information ExchangeNetwork	292		5,851			
66.707	Supplemental funding for state delegated Le	292					0.00
66.708	Pollution Prevention	292	100,000	34,848	9,330		0.04
66.802	Superfund St Site Spec - Fed \$	292	8,082,035	5,670,602	11,573,061	13,144,315	1.50
66.817	Brownfields-State/Tribal Resp	292	243,876	705,155	215,232	485,381	1.38
66.818	Brownfields Assess & Cleanup	292	464,524	234,550	181,554	509,226	0.19
66.961	Superfund Consolidated	292	454,185	418,615	253,301	3,356,821	2.62
66.419	OSEE - Water Poll Control-St/Int Fed\$	292	3,404,000		39,553	3,121,354	9.26
66.454	OSEE - Water Quality Management Plan	292	570,000		0		0.00
66.46	OSEE - Nonpoint Source Implem- Fed \$	292	3,290,000		45,936	2,639,393	0.10
66.461	OSEE - Wetlands Grants	292	239,285		0		0.00
66.468	Cap. Grts, Drinking Water BIL\$	292	1,429,477		0		
66.468	Cap. Grts, Drinking Water BIL\$	292	10,449,920		2,441,371		
66.468	Cap. Grts, Drinking Water BIL\$	292	933,624				

Federal Government Impact	
1.) How much federal money received by the agency is tied to a mandate by the Federal Government?	Majority of DEQ's federal funds are 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,
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.
5.) Has the agency requested any additional federal earmarks or increases?	SELS has requested additional funds to purchase instrumentation required to perform new tests 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 2025 Budgeted FTE							
Division #	Division Name	Supervisors	Non-Supervisors	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$100K	\$100K+
11	Administrative Services	25	48	3	41	24	5
21	State Environmental Lab Services	11	46	0	39	12	6
30	Environmental Complaints and Local Services	13	77	0	72	11	7
50	Air Quality	20	97	2	79	26	10
55	Water Quality	17	110	1	78	38	10
61	Land Protection	18	67	2	56	24	3
65	Rural Infrastructure	0	0	0	0	0	0
88	Information Technology	0	0	0	0	0	0
70	Sec of Energy and Environment *	0	1	0	0	1	0
Total		104	446	8	365	136	41

FTE History by Fiscal Year							
Division #	Division Name	FY 2025 Budgeted	FY 2025 YTD	FY 2024	FY 2023	FY 2022	FY 2016
11	Administrative Services	73	73	70	68	69	65
21	State Environmental Lab Services	57	57	58	52	58	60
30	Environmental Complaints and Local Services	90	90	89	88	86	92
50	Air Quality	117	117	111	107	113	125
55	Water Quality	127	127	125	114	116	120
61	Land Protection	85	85	84	82	84	88
65	Rural Infrastructure	0	0	0	0	0	0
88	Information Technology	0	0	0	0	0	0
70	Sec of Energy and Environment *	1	1	1	1	1	1
Total		550	550	538	512	527	551

Performance Measure Review					
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
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	95%	95%	100%	90%	90%
Air Quality					
Amount Saved by OK Major Sources (\$ in millions; based on OK Title V program compared to a Fed Title V program & Fees)	\$1,559,256	\$866,674	\$1.4	\$2.0	\$2.0
Reductions in Tons of Emissions From Enforcement Actions	2,912	2,201	925	46	3,635
State Environmental Laboratory Services					
Provide Analytical Collection Materials and Instruction for Customer Requests	100%	100%	100%	99%	99%
Percent of laboratory samples processed within appropriate turnaround time targets	90%	90%	90%	94%	91%
Environmental Complaints & Local Services					
Percent of Complainants Contacted Within Two Days	85%	87%	87%	87%	87%
Number of Complaints	3,857	4,062	3,694	3,838	4,030
Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
Gallons of Sewage eliminated from the Environment (Millions)	8.8	11.5	9.6	13.9	12.0
Water Quality					
Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	\$262.60	\$82.3	\$269.9	\$262.7	\$171.0
Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	79%	81%	86%	81%	81%
Land Protection					
Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	184	167	237	231	315
Number of Abandoned Tires Remediated From Illegal Dumps	78,563	23,504	50,260	51,067	77,535

Revolving Funds (200 Series Funds)			
	FY'22-24 Avg. Revenues	FY'22-24 Avg. Expenditures	June '24 Balance
200: DEQ Revolving Fund			
- 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 Describe fund purpose and revenue source	\$43,117,157	\$39,200,532	Beginning Balance 15,208,030 Allocated to fund FY25 balance 13,004,826 Remaining \$2,203,204
210: Environmental Education Fund			
- 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.	\$11,496	\$8,619	Allocated to Fund FY2024 \$20,000 Balance 9052.19
215: Environmental Trust Fund			
- This fund is no longer used. The balance is less than \$1.00.	\$0	\$0	Balance 0.50
220: Hazardous Waste Penalty Fund			
- 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.	\$243,289	\$0	Allocated to fund FY2024 388,927 Balance \$410,592
225: Certificate Fund			
- 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. – 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.	\$775,152	\$612,862	Allocated to FY2025 Budget \$484,476

FY 2025 Current Employee Telework Summary

List each agency physical location (not division), then report the number of employees associated with that location in the teleworking categories indicated. Use "No specified location" to account for remote employees not associated with a site. Use actual current employees (headcount), not budgeted or actual FTE. A168

Agency Location / Address	City	County	Full-time and Part-time Employees (#)			
			Onsite (5 days onsite, rarely remote)	Hybrid (2-4 days onsite weekly)	Remote (1 day or less weekly onsite)	Total Employees
Headquarters / 707 N Robinson	Oklahoma City	Oklahoma	71	414	7	492
Ada / 2401 EGYPT ROAD	Ada	Pontotoc	1	0	0	1
Ardmore / 18407 SCENIC STATE HWY 77	Ardmore	Carter	2	0	0	2
Bartlesville / 4100 SE ADAMS RD.	Bartlesville	Washington	2	0	0	2
Duncan / 1313 ASH, SUITE 104	Duncan	Stephens	2	0	0	2
Durant/ 1408 N 5TH AVE	Durant	Bryan	2	0	0	2
Enid / 115 W BROADWAY	Enid	Garfield	2	0	0	2
Goodwell / 316 W SEWELL ST, RM 217	Goodwell	Texas	1	0	0	1
Grove / 2096 S. MAIN	Grove	Delaware	2	0	0	2
Henryetta / 124 SOUTH 4TH STREET	Henryetta	Okmulgee	2	0	0	2
Hulbert / 19271 PARK 10	Hulbert	Cherokee	3	0	0	3
Idabel / 201 N CENTRAL AVE, STE 116B	Idabel	McCurtain	2	0	0	2
Lawton / 601 C AVENUE, ST #204	Lawton	Comanche	2	0	0	2
McAlester / 321 S. THIRD, SUITE 5	McAlester	Pittsburg	3	0	0	3
Purcell / 302 W MAIN, SUITE 105	Purcell	McClain	4	0	0	4
Sallisaw / 2608 S. KERR BLVD	Sallisaw	Sequoyah	3	0	0	3
Stillwater / 2600 S MAIN STREET	Stillwater	Payne	4	0	0	4
Tecumseh / 19905 GORDON COOPER DR	Tecumseh	Pottawatomie	3	0	0	3
Tulsa Office / 9933 E. 16TH	Tulsa Office	Tulsa	6	6	0	12
Weatherford / 1501 LERA DRIVE	Weatherford	Custer	4	0	0	4
Woodward / 2411 WILLIAMS AVE	Woodward	Woodward	2	0	0	2
Total Agency Empl			123	420	7	550