

FY22 Budget Performance Review
Department of Environmental Quality - 29200

Lead Administrator: Scott Thompson

Lead Financial Officer: Kathy Aebischer

Agency Mission

The mission of the Oklahoma Department of Environmental Quality is to protect people through the air we breathe, the water we drink, and the land on which we thrive, helping to make Oklahoma an even better place to live.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Administrative Services Division (ASD) - 11

Overall agency policy and administration. DEQ Administrative Staff, Executive Director's Office and Office of External Affairs interact with multiple federal agencies to make Oklahoma DEQ a voice and a leader within the US.

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'21 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
11	Administrative Services	-	4,661,087	7,731,532		100,000	\$12,492,619
21	State Environmental Lab Services	2,585,523	1,413,851	3,354,597		-	\$7,353,971
30	Environmental Complaints and Local Services	3,207,074	1,009,967	3,734,277		-	\$7,951,318
50	Air Quality	-	2,901,380	9,287,145		5,618,028	\$17,806,553
55	Water Quality	1,396,282	6,440,449	6,327,294		-	\$14,164,025
61	Land Protection	-	19,187,342	11,410,075		-	\$30,597,417
88	Information Technology	-	1,539,059	3,649,650		85	\$5,188,794
70	Sec of Energy and Environment *	-	7,903,285	-		-	\$7,903,285
Total		\$7,188,879	\$45,056,420	\$45,494,570	\$0	\$5,718,113	\$103,457,982

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 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.

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

FY'20 Carryover by Funding Source

	Appropriations	Federal	Revolving*	Local ¹	Other ²	Total
Carryover	\$0	\$0	\$4,520,024	\$0	\$0	\$4,520,024
	\$0					\$0

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:

* DEQ's budget is primarily revolving funds that need to be allowed to carry from FY to FY; DEQ's revenue is primarily fee based and timing of receipts is not guaranteed, especially during uncertain economic times. DEQ is having to closely watch its receipts and timing for project implementation. Due to economic factors, many projects for DEQ do not follow strict FY basis but continue through FY to FY so funding needs to revolve as well.

FY22 Budget Performance Review

Department of Environmental Quality - 29200

Lead Administrator: Scott Thompson

Lead Financial Officer: Kathy Aebischer

What changes did the agency make between FY'20 and FY'21?

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

No programs or major services were entirely eliminated from FY 20 to FY 21. DEQ was cut the \$500,000 much needed appropriation for SELS equipment.

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

N/A

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.

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

No.

FY'22 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
11	Administrative Services	\$0	\$3,911,087	\$6,578,032	\$100,000	\$10,589,119	-15.24%
21	State Environmental Lab Services	\$3,054,048	\$1,413,851	\$3,354,597	\$0	\$7,822,496	6.37%
30	Environmental Complaints and Local Services	\$3,292,016	\$1,009,967	\$3,734,277	\$0	\$8,036,260	1.07%
50	Air Quality	\$0	\$2,901,380	\$9,287,145	\$5,618,028	\$17,806,553	0.00%
55	Water Quality	\$1,681,282	\$6,440,449	\$6,327,294	\$0	\$14,449,025	2.01%
61	Land Protection	\$0	\$19,187,342	\$11,410,075	\$0	\$30,597,417	0.00%
88	Information Technology	\$0	\$1,181,373	\$3,649,650	\$85	\$4,831,108	-6.89%
70	Sec of Energy and Environment *	\$0	\$7,903,285	\$0	\$0	\$7,903,285	0.00%
Total		\$8,027,346	\$43,948,734	\$44,341,070	\$5,718,113	\$102,035,263	-1.38%

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

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

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

FY'22 Top Five Operational Appropriation Funding Requests

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	SELS - Analysis and Quality Assurance	\$187,409
Request 2:	SELS - Customer Assistance	\$281,116
Request 3:	ECLS - Field Position	\$84,942
Request 4:	WQD - Public Water Supply Compliance	\$190,000
Request 5:	WQD - Public Water Supply Capacity Development	\$95,000
Top Five Request Subtotal:		\$838,467
Total Increase above FY-21 Budget (including all requests)		\$ 838,467
Difference between Top Five requests and total 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 '22 as was received in FY '21? (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 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 '22?

A reduction of 2% to the FY-2021 General Appropriation (GR) would equal \$143,778. 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 '22?

	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1		
Increase 2		
Increase 3		

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?
Priority 1		
Priority 2		
Priority 3		

FY22 Budget Performance Review
Department of Environmental Quality - 29200

Lead Administrator: Scott Thompson

Lead Financial Officer: Kathy Aebischer

Federal Funds							
CFDA	Federal Program Name	Agency Dept. #	FY 21 budgeted	FY 20	FY 19	FY 18	FY 17
12.113	Reimb of Tech Svcs-St Memo	11/61/88	337,412	113,028	158,256	168,200	105,514
15.616	Clean Vessel Act	11/88	239,085	281,297	-	51,023	271,783
66.034	Clean Air Act Surveys, etc	11/50/88	607,948	542,732	381,130	422,711	407,584
66.040	State Clean Diesel	11/50/88	793,210	404,781	367,644	15,053	-
66.204	Multipurpose Grant	11/50	123,243	1,882	-	-	-
66.419	Water Poll Control-St. Int Fed\$	11/30/55/88	2,250,898	2,438,578	1,754,564	1,501,566	2,817,947
66.444	Lead Testing in Schools & Child Care Facilities	11/21/30/55/88	669,000	81,579	-	-	-
66.468	Cap Grts, Drinking Water - Fed\$	11/21/30/55/88	5,017,473	4,087,752	3,838,034	4,292,019	4,395,670
66.605	Perform Partnership Grts-Fed \$	11/21/30/50/55/61/88	4,901,535	3,412,218	6,134,042	4,857,949	4,106,734
66.707	Supplemental funding for state delegated Lead Based Paint programs	11/50	159,546	0	-	-	-
66.708	Pollution Prevention	11/61/88	-	-	70,000	39,759	10,241
66.802	Superfund St Site Spec - Fed \$	11/61/88	16,853,603	7,194,640	7,212,035	3,905,403	5,418,333
66.817	Brownfields-State/Tribal Resp	11/61/88	548,032	513,213	357,758	403,386	427,936
66.818	Brownfields Assess & Cleanup	11/61/88	1,015,124	18,103	1,168	311,003	57,383
66.608	Exchange	11/30/88	198,140	1,485	-	-	-
66.468	Water Infrastructure Improvements for the Nation Act Assistance for Small and Disadvantaged Communities	11/21/30/55/88	669,000	0	-	-	-
66.468	Drinking Water Grant	11/21/30/55/88	743,852	0	-	-	-
66.460	OSEE - Nonpoint Source Implem - Fed \$	70	3,190,000	2,531,909	2,838,890	2,041,275	2,651,817
66.461	OSEE Wetlands Grants	70	570,000	270,008	173,440	138,342	259,617
66.419	OSEE Water Poll Control-St/Int Fed\$	70	3,904,000	2,838,923	2,407,116	2,103,572	3,239,422
66.454	OSEE Water Quality Management Plan	70	239,285	123,841	89,212	113,128	138,945

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.
- 5.) Has the agency requested any additional federal earmarks or increases?**
 Not at this 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'21 Budgeted FTE

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
11	Administrative Services	24	47	25	10	34	28
21	State Environmental Lab Services	13	52	5	1	43	13
30	Environmental Complaints and Local Services	12	81	4	2	70	13
50	Air Quality	20	106	10	2	88	26
55	Water Quality	20	103	12	2	79	34
61	Land Protection	18	79	5	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	468	62	17	378	135

FTE History

Division #	Division Name	2021 Budgeted	2020	2019	2017	2012
11	Administrative Services	72.0	74.1	77.6	78.9	81.1
21	State Environmental Lab Services	57.0	55.1	54.2	55.8	57.4
30	Environmental Complaints and Local Services	85.0	83.7	81.5	83.0	94.9
50	Air Quality	116.0	116.7	117.8	120.1	111.1
55	Water Quality	115.0	113.7	112.3	116.9	105.6
61	Land Protection	84.0	84.6	83.2	83.5	83.7
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		530.0	529.0	527.6	539.1	533.8

FY22 Budget Performance Review
Department of Environmental Quality - 29200

Lead Administrator: Scott Thompson

Lead Financial Officer: Kathy Aebischer

Performance Measure Review					
	FY 20	FY 19	FY 18	FY 17	FY 16
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	90%	90%	100%	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	\$1.8	\$2.1	\$2.2	\$2.2
● Reductions in Tons of Emissions From Enforcement Actions	3,635	6,178	457	116	896
State Environmental Laboratory Services					
● Provide Analytical Collection Materials and Instruction for Customer Requests	99%	99%	98%	95%	95%
● Percent of laboratory samples processed within appropriate turnaround time targets	94%	91%	90%	91%	90%
Environmental Complaints & Local Services					
● Percent of Complainants Contacted Within Two Days	87%	87%	89%	65%	78%
● Number of Complaints	3,838	4,030	3,656	3,357	3,610
● Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
● Gallons of Sewage eliminated from the Environment (Millions)	13.9	12	12	10.8	10.5
Water Quality					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	\$171.0	\$85.6	\$95.1	\$108.4	\$122.3
● Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	81%	80.8%	80.8%	77%	76%
Land Protection					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	315	142	83	410	260
● Number of Abandoned Tires Remediated From Illegal Dumps	77,535	29,681	32,524	123,805	120,494
Revolving Funds (200 Series Funds)					
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'18-20 Avg. Revenues		FY'18-20 Avg. Expenditures		June '20 Balance (as of 8/30/2020)
200: DEQ Revolving Fund	\$41,347,604		\$40,418,368		7,617,199
- 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	With \$6 million legislatively swept during this time frame plus \$1 million legislatively directed to general appropriation purposes		@6/30		(1,239,509)
			Misc Exp after 6/30		(720,958)
			Payroll after 6/30		(1,447,052)
			FY20 remaining encumb		
			Remaining	4,209,680	
210: Environmental Education Fund	\$9,400		\$7,793		17,866
- 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.			@6/30		(3,000)
			Misc Exp after 6/30		-
			Payroll after 6/30		14,866
			Remaining		
215: Environmental Trust Fund	\$0		\$0		0.53
- This fund is no longer used. The balance is less than \$1.00.			@6/30		-
			Misc Exp after 6/30		-
			Payroll after 6/30		0.53
			Remaining		
220: Hazardous Waste Penalty Fund	\$37,605		\$39,657		75,794
- 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.			@6/30		(1,181)
			Misc Exp after 6/30		-
			Payroll after 6/30		74,613
			Remaining		
225: Certificate Fund	\$675,994		\$681,093		307,761
- 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.			@6/30		(7,853)
			Misc Exp after 6/30		(10,734)
			Payroll after 6/30		201,359
			Remaining		