

## Oklahoma Department of Mines # 125

Lead Administrator : Mary Ann Pritchard, Director

Lead Financial Officer: Suzen M. Rodesney

FY'14 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Coal Program	5	0	15.7	0	15.7	0
Minerals Program	2	0	10.3	0	10.3	0
Administration	2	0	6	1	5	0
Okla. Miner Training Inst.	0	0	0	0	0	0
<b>Total</b>	<b>9</b>	<b>0</b>	<b>32</b>	<b>1</b>	<b>31</b>	<b>0</b>

FTE History					
	2013 Budgeted	2012	2009	2008	2003
Coal Program	16	15.35	14.75	15	19
Minerals Program	10	9.65	12.25	13	13
Administration	6	7	8	8	8
Okla. Miner Training Inst.	0	0	0	0	0
<b>Total</b>	<b>32</b>	<b>32</b>	<b>35</b>	<b>36</b>	<b>40</b>

FY'13 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Coal Program	\$151,964	\$852,383	\$377,735	\$0	\$0	\$1,382,082
Minerals Program	\$403,156	\$0	\$408,816	\$0	\$0	\$811,972
Administration	\$154,018	\$265,759	\$148,613	\$0	\$0	\$568,390
Okla. Miner Training Inst.	\$70,000	\$107,800	\$107,120	\$0	\$0	\$284,920
Data Processing	\$0	\$22,800	\$15,200	\$0	\$0	\$38,000
<b>Total</b>	<b>\$779,138</b>	<b>\$1,248,742</b>	<b>\$1,057,484</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,085,364</b>

\*Source of "Other" and % of "Other" total for each.

FY'12 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'12 Carryover	\$0	\$0	\$0	\$0	\$0	\$0

\*Source of "Other" and % of "Other" total for each.

### What Changes did the Agency Make between FY'12 and FY'13

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

Statutory reduction has changed the health and safety mine inspection frequency from 12 times a year to 4-6 times per year. The number of inspections for the unfunded blasting program have also been reduced from scheduled inspections to "as-needed" only.

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

The Department has no service based fees. All fees are set by statute by the Oklahoma Legislature. The Department is incurring higher costs to provide services. For example, the Deputy Director is conducting minerals inspections in addition to his administrative duties for the agency. There is not a mechanism in place to pass on the rising oversight costs to the mining industry.

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

Due to the budget cuts and the inability to replace retiring personnel, slower processing time for permits, revisions, and inspections occur because these duties have been pushed to the field, and these responsibilities are only being addressed at the bi-monthly inspections. Prior to these changes, inspections were monthly. Inspectors are not physically visiting the minesites as often.

FY'14 Requested Division/Program Funding By Source							
	Appropriations	Federal	Revolving	Other	Total	% Change	
Coal Program	\$151,964	\$852,383	\$377,735	\$0	\$1,382,082	0.00%	
Minerals Program	\$522,156	\$0	\$408,816	\$0	\$930,972	12.80%	
Administration	\$154,018	\$265,759	\$148,613	\$0	\$568,390	0.00%	
Okla. Miner Training Inst.	\$70,000	\$107,800	\$107,120	\$0	\$284,920	0.00%	
Data Processing	\$0	\$22,800	\$15,200	\$0	\$38,000	0.00%	
<b>Total</b>	<b>\$898,138</b>	<b>\$1,248,742</b>	<b>\$1,057,484</b>	<b>\$0</b>	<b>\$3,204,364</b>	<b>3.71%</b>	

\*Source of "Other" and % of "Other" total for each.

**FY'14 Top Five Appropriation Funding Requests**

		<b>\$ Amount</b>
Request 1	Agency General Operations for all programs	\$779,139
Request 2	Minerals Division Blasting Program	\$119,000
Request 3		\$0
Request 4		\$0
Request 5		\$0

**How would the agency handle a 3% appropriation reduction in FY'14?**

A three percent would be equal to \$23,374. Due to the previous budget cuts, the agency has part time personnel completing the duties of full time staff. These positions would be the first positions impacted in any budget cuts. We would continue to reevaluate and reassign responsibilities as a result of this cut.

**How would the agency handle a 5% appropriation reduction in FY'14?**

A five percent would be approximately \$39,000. Due to the previous budget cuts, the agency has part time personnel completing the duties of full time staff. These positions would be the first positions impacted in any budget cuts. We would continue to reevaluate and reassign responsibilities as a result of this cut. The usage of agency vehicles would be reviewed for additional cost saving measures.

**Is the agency seeking any fee increases for FY'14?**

		<b>\$ Amount</b>
Increase 1	Minerals Division Blasting Program	\$119,000
Increase 2		\$0
Increase 3		\$0

**Federal Government Impact**

- 1.) How much federal money received by the agency is tied to a mandate by the Federal Government?  
100% of the federal funds received from the Office of Surface Mining Reclamation and Enforcement (OSMRE) are tied to mandates. The State of Oklahoma has primacy for the administration and enforcement of the coal mining program in Oklahoma. 100% of the federal funds received from the Mine Safety and Health Administration (MSHA) are utilized solely for the operation of the Oklahoma Miner Training Institute. This program is also mandated by state statute, found in Title 45.
- 2.) Are any of those funds inadequate to pay for the federal mandate?  
The OSMRE federal funds required approximately a 50% match requirement. Due to the limited ability of our agency to match federal funding, there have been many missed opportunities to utilize available federal funds. Consequently, things such as technology upgrades, vehicle replacement and field equipment purchases have been tabled until those needs become critical. The Oklahoma Miner Training Institute does not receive an amount close to the funding required for a minimum program implementation. Only 1/3 of the funds expended are received from federal funding. The remaining expenditures are covered with a portion of the production fees, certification fees and appropriations received by the agency.
- 3.) What would the consequences be of ending all of the federal funded programs for your agency?  
The State of Oklahoma would need to replace the federal funding with state resources, or the state's failure to fund this program would result in the Federal Government taking over the regulation, permit issuance and enforcement of coal mining in Oklahoma. The Oklahoma Miner Training Institute is mandated by state law, and would still need to have funding for the program. The only solution would be a funding stream supplied via appropriations or significant fee changes for the mining industry to obtain their training and certification.
- 4.) How will your agency be affected by federal budget cuts in the coming fiscal year?  
Currently, the Department of Mines has not received any notification regarding funding cuts. In the past, the federal funds have been available with the match that the agency can provide for the minimum services required.
- 5.) Has the agency requested any additional federal earmarks or increases?  
No.

**Division and Program Descriptions**

Minerals Division                      This program includes all activities of the minerals division, comprised of all health and safety inspections on the minesites and the non-mining blasting enforcement. There are over 700 permitted sites in all 77 counties of the state

Blasting	The non-mining blasting program is responsible for the regulation of blasting, and the use, transfer, or sale of explosives for non-mining purposes. Additional responsibilities include the promulgation and implementation of rules and regulations; the issuance of blasting permits, the issuance of blasting exemptions, the inspection of blasting sites and the seller's records, the investigation of blasting complaints, the issuance of violations; the assessment of penalties for non-compliance, and most importantly the education of the impacted parties concerning the applicable laws and regulations.
Administration	This program includes the Director and support staff, comprised of the financial staff. The subactivity for data processing services as previously in this activity. It now has it's own activity designation.
Coal Division	The coal program includes the administration and enforcement of the coal regulatory program for the State of Oklahoma. It includes all permitting activities, inspection, CCB, reclamation and legal actions associated with the program enforcement.
CCB (FlyAsh)	Coal Combustion Byproduct (CCB) placement is an environmental necessity. The placement assists in the reclamation of old abandoned mine sites left by previous operations. All fly ash, bottom ash, or any other material produced by coal combustion, power generating facilities and kiln dust generated by cement producing entities shall be exempt from all solid waste permitting requirements pursuant to Title 27A of the Oklahoma Statutes, provided such ash or dust is constructively reutilized, or disposed of in any active or inactive coal or noncoal mining operations subject to the provisions contained in Title 45 of the Oklahoma Statutes.
Oklahoma Miner Training Institute	The Oklahoma Miner Training Institute (OMTI) is responsible for the statutorily mandated training of all miners on the mine sites in the state. The OMTI trains and certifies miners from other states, independent contractors.
Data Processing/IT	This is now a mandated separate activity of the agency. Previous fiscal years, these costs were recorded as part of the administration costs.

Performance Measure Review					
	FY12	FY'11	FY'10	FY'09	FY'08
<b>Blasting Program</b>					
Percent of Sellers Checked For Compliance	40%	75%	35%	35%	35%
<b>Coal Program</b>					
Permit/Revision Reviews Within 19 Days of Submission	81%	56%	89%	90%	82%
Acres Permitted	22,280	22,000	23,000	22,000	21,000
Acres Phase III Released	1,300	1,300	311	1,050	700
Citizen Complaints	13	11	16	17	192
<b>Non-Coal Ash &amp; Dust Disposal</b>					
Citizen Complaints Investigated Within 7 Days	100%	100%	100%	100%	100%
Number of Abandoned Mine Acres Reclaimed	131	21	47	20	125
<b>Non-Coal Program</b>					
Number of Health and Safety Inspections	3,836	5,469	7,548	7,640	7,397
Percent of Blasting Permits in Compliance Upon Inspection	40%	75%	30%	80%	81%
<b>Oklahoma Miner Training Institute</b>					
Participants in Qualification Training and Testing	5,220	4,407	4,377	4,094	5,263
Participants in New Miner Training	485	450	450	453	453