

Department of Environmental Quality

Lead Administrator: Scott Thompson

Lead Financial Officer: Amber Miller

FY'15 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administrative Services	\$0	\$2,968,504	\$6,380,948			\$9,349,452
State Environmental Lab Services	\$2,129,247	\$110,500	\$4,337,593			\$6,577,340
Environmental Complaints and Local Services	\$3,268,728	\$964,361	\$3,664,140			\$7,897,229
Air Quality	\$0	\$1,694,934	\$10,162,366			\$11,857,300
Water Quality	\$1,735,600	\$4,979,118	\$4,496,229			\$11,210,947
Land Protection	\$0	\$9,221,783	\$13,116,336			\$22,338,119
Information Technology	\$0	\$208,815	\$3,753,310			\$3,962,125
Sec of Energy and Environment **	\$0	\$8,431,267	\$0			\$8,431,267
Total	\$7,133,575	\$28,579,282	\$45,910,922	\$0	\$0	\$81,623,779

*Source of "Other" and % of "Other" total for each.
 **OSE&E's Federal Water Quality Management Fund was moved from OWRB's budget to DEQ's budget for FY2015.

FY'14 Carryover by Funding Source						
	Appropriations	Federal	Revolving**	Local	Other*	Total
FY'14 Carryover	\$0	\$0	\$11,079,756	\$0	\$0	\$11,079,756

*Source of "Other" and % of "Other" total for each.
 ** Southeast Passive Funds of \$1,990,000
 ** Voluntary CleanUp Prepaid Projects of \$500,000
 ** Armory Cleanup Projects of \$2,900,000
 ** No Guarantee of Timing of Receipts - 1st two-biweekly payroll is equivalent to approximately \$2,800,000

What Changes did the Agency Make between FY'14 and FY'15	
1.) Are there any services no longer provided because of budget cuts?	No programs or major services were entirely eliminated from FY 14 to FY 15. DEQ took a \$12 million cut in revolving funds and a \$1.9 million cut in general appropriations. DEQ did not budget vacant positions in programs primarily funded by general appropriations and had to reduce encumbrances to accommodate the revolving fund reductions.
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?	Remediation work has been pushed back and local services may be slowed.
4.) Did the agency provide any pay raises that were not legislatively/statutorily required?	In December 2014, DEQ employees (other than senior management) with a performance rating of meets standards or above received a 7% market adjustment. Other than those due to promotions, this was the first increase since 2008. The legally mandated costs to the employee, primarily from insurance, have increased, while salaries have not. HB3053 was signed into law in 2012, which froze the Benefit Allowance at the Plan Year 2012 rate for state agencies.

FY'16 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving**	Other	Total	% Change
Administrative Services	\$0	\$2,968,504	\$6,380,948		\$9,349,452	0.00%
State Environmental Lab Services	\$3,354,747	\$0	\$4,337,593		\$7,692,340	14.49%
Environmental Complaints and Local Services	\$3,888,687	\$574,402	\$3,664,140		\$8,127,229	2.83%
Air Quality	\$0	\$1,694,934	\$10,162,366		\$11,857,300	0.00%
Water Quality	\$3,495,141	\$4,079,577	\$4,496,229		\$12,070,947	7.12%
Land Protection	\$3,031,170	\$9,221,783	\$13,116,336		\$25,369,289	11.95%
Information Technology	\$0	\$208,815	\$3,753,310		\$3,962,125	0.00%
Sec of Energy and Environment **	\$0	\$8,431,267	\$0		\$8,431,267	0.00%
Total	\$13,769,745	\$27,179,282	\$45,910,922	\$0	\$86,859,949	6.03%

*Source of "Other" and % of "Other" total for each.
 **Revenue is projected to be around \$37,549,100; thus \$8,361,822 will be needed in carryover for FY2016's budget.

FY'16 Top Five Appropriation Funding Requests			\$ Amount
DWSRF Loan Maximization	1,400,000.00		\$1,400,000
ECLS - Statewide Coverage	230,000.00		\$230,000
SELS - Lab Capacity	615,000.00		\$615,000
WQD-Wastewater, Drought and Reuse	860,000.00		\$860,000
SELS - Analytical Equipment Replacement*	500,000.00		\$500,000
LPD - Site Remediations*	3,031,170.00		\$3,031,170
Total Increase above FY-15 Request			\$ 6,636,170

* One-time funding requests.

How would the agency handle a 3% appropriation reduction in FY'16?
 A reduction of 3% to the FY-2015 General Appropriation (GR) would equal \$214,007 on top of a \$1.9 million cut in FY15. GR funding supports water and wastewater programs and environmental complaint programs. The decreased funding necessarily means limiting services to regulated water systems and the citizens using these services. Additional consequences might include slower response time to environmental complaints. Small communities struggling to meet federal mandates would receive further reduced levels of assistance from the agency.

A reduction of 5% to the FY-2014 appropriation would equal \$356,679. A reduction of this amount, in addition to the above, would likely result in vacated positions going unfilled, with an associated further reduction in service capacity, and could result in seeking an increase in user fees, with the greatest per capita increase being borne by populations in small communities.

Is the agency seeking any fee increases for FY'16?	
	\$ Amount
Increase 1	\$0
Increase 2	\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?
SELS - Analytical Equipment Replacement LPD - Site Remediations

Federal Government Impact
<p>1.) How much federal money received by the agency is tied to a mandate by the Federal Government? Approximately \$27,000,000 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. The DEQ must use General Revenue to support its citizen complaint response effort. The state appropriated dollars are also used to support water and wastewater activities for municipalities and rural water systems.</p> <p>2.) Are any of those funds inadequate to pay for the federal mandate? See above.</p> <p>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.</p> <p>4.) How will your agency be affected by federal budget cuts in the coming fiscal year? The so-called "CRomnibus" bill recently passed by Congress presumably will allow federal funding to DEQ programs to continue at comparable levels through FFY 15, so we currently do not expect any major impacts. Should EPA's budget be substantially cut in upcoming spending bills, that could change, however. In that case, we currently have no way of predicting the magnitude of the cut or the impact on DEQ.</p> <p>5.) Has the agency requested any additional federal earmarks or increases? No.</p>

Division and Program Descriptions
<p>Administrative Services The Administrative Services Division of the Department of Environmental Quality (DEQ), which includes the Office of the Executive Director and Legal Services, operates the fiscal, human resources, training, building management, and central records programs of the Department.</p> <p>The Office of the Executive Director (OED) includes the Office of the Executive Director, Office of General Counsel (OGC), Office of External Affairs (OEA), Office of Communications and Education (OCE), and Legislative Liaison. OED is responsible for management decisions affecting the Department as a whole, final Departmental policy, and final issuance of major permits and enforcement orders. OGC counsels DEQ employees on legal matters related to operation of the agency, including laws, regulations, court opinions, enforcement actions, and other legal matters. OEA manages a customer assistance program. OCE manages media relations, social media functions, and general educational outreach. The Legislative Liaison consults and works with legislators and stakeholders on legislation requested by or affecting DEQ and serves as an initial point of contact for the Governor's Office, state and federal legislators, state and federal agency administrators, etc.</p>
<p>State Environmental Lab Services State Environmental Laboratory Services (SELS) is responsible for providing services both inside and outside the agency. The organic and inorganic chemistry laboratories provide analytical support to the various programs within DEQ, to other state agencies, and to the public water supply systems of the state. The Laboratory Accreditation Unit operates an accreditation program for in-state and out-of-state environmental laboratories.</p>
<p>Environmental Complaints and Local Services Environmental Complaints and Local Services (ECLS) is responsible for receiving and resolving environmental complaints from citizens of Oklahoma. Complaints are received in the 24 field offices and by the 24/7 environmental complaints hotline. ECLS 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.</p>
<p>Air Quality Air Quality Division (AQD) implements the requirements of the state and federal Clean Air Acts. This includes compliance, enforcement, emissions inventory, quality assurance, monitoring, analysis, and permitting.</p>
<p>Water Quality Water Quality Division (WQD) operates programs for public water supplies, source water protection, sludge disposal, and municipal and industrial water pollution control. These programs include rulemaking, 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.</p>
<p>Land Protection Land Protection Division (LPD) provides 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.</p>
<p>Information Technology 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.</p>
<p>Sec of Energy and Environment ** 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.</p>

FY'16 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K*	\$35 K - \$70 K*	\$70 K - \$\$\$*
Administrative Services	19	54	11		31	34
State Environmental Lab Services	13	59	1		20	40
Environmental Complaints and Local Services	14	89	3		29	63
Air Quality	19	119	6		41	84
Water Quality	17	113	7		31	89
Land Protection	18	83	5		18	70
Information Technology	IT is contracted through the Office of Management and Enterprise Services; no IT staff employed directly by DEQ.					
Sec of Energy and Environment **	0	1	0			1
Total	100	518	33	0	170	381

*Dollar figures represent total compensation, not just salary.

FTE History					
	2015 Budgeted	2014	2010	2009	2004
Administrative Services	64	64	77	67	54
State Environmental Lab Services	58	58	66	61	69
Environmental Complaints and Local Services	89	97	95	100	93
Air Quality	125	124	113	114	119
Water Quality	113	118	130	125	123
Land Protection	88	87	89	82	78
Information Technology	0	0	0	0	0
Sec of Energy and Environment **	1	0	0	0	0
Total	538	548	571	549	535

Performance Measure Review					
	FY'14	FY'13	FY'12	FY'11	FY'10
Administrative Services					
● Percent of Claims Paid Within 45 Working Days	100%	100%	100%	100%	100%
● Permit Assistance Info Provided to New and Expanding Businesses	100%	100%	100%	100%	100%
● Percent of Initial Response To Requests for Record Searches, Copying and Reviews Within One Day	100%	100%	99%	99%	100%
Air Quality					
● Amount Saved by OK Major Sources (in millions of \$; based on OK Title V program as compared to a Fed Title V program and fees)	\$2.0	\$1.9	\$2.7	\$1.9	\$2.0
● Reductions in Tons of Emissions From Enforcement Actions	3,058	4,000	246	171	6,743
State Environmental Laboratory Services					
● Provide Analytical Collection Materials and Instruction for Customer Requests	95%	95%	95%	N/A	N/A
● Percent of laboratory samples processed within appropriate turnaround time targets	96%	92%	96%	95%	99%
Environmental Complaints & Local Services					
● Percent of Complainants Contacted Within Two Days	79%	76%	67%	86%	80%
● Number of Complaints	3,046	3,044	3,371	3,609	4,083
● Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
● Gallons of Sewage eliminated from the Environment (Millions)	11	14	15	22	26
Water Quality					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions) - Increases in FY10 due to ARRA Funding	\$20.0	\$45.5	\$59.5	\$70.6	\$174.9
● Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	81%	85%	86%	85%	86%
Land Protection					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	162	183	894	595	103
● Number of Abandoned Tires Remediated From Illegal Dumps	82,699	86,476	104,121	5,625	63,133

Revolving Funds (200 Series Funds)				
	FY'12-14 Avg. Revenues	FY'12-14 Avg. Expenditures	June '14 Balance	
Revolving Fund 200 - 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	\$ 38,223,520	\$ 36,602,428	@/6/30 SB 2127 Exp after 6/30 Pay after 6/30 Remaining	\$25,072,911 (\$12,000,000) (\$1,885,680) (\$620,304) \$10,566,927
Environmental Education Fund 210 - Pass-through money to schools for environmental education	\$ 9,824	\$ 7,010	@/6/30 SB 2127 Exp after 6/30 Pay after 6/30 Remaining	\$9,357 \$0 \$0 \$0 \$9,357
Environmental Trust Fund 215 - This fund is no longer used. The balance is less than \$1.00.	\$ -	\$ -	@/6/30 SB 2127 Exp after 6/30 Pay after 6/30 Remaining	\$1 \$0 \$0 \$0 \$1
Hazardous Waste Penalty Fund 220 - Match for Superfund program and hazardous waste cleanups.	\$ 61,777	\$ 40,784	@/6/30 SB 2127 Exp after 6/30 Pay after 6/30 Remaining	\$181,393 \$0 \$0 (\$391) \$181,002
Certificate Fund 225 - 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	\$ 782,379	\$ 703,002	@/6/30 SB 2127 Exp after 6/30 Pay after 6/30 Remaining	\$391,580 \$0 (\$15,426) (\$53,685) \$322,469