

Department of Environmental Quality

Lead Administrator: Scott Thompson, Executive Director

Lead Financial Officer: Kathy Aebischer, CFO

FY'18 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administrative Services	\$0	\$3,150,294	\$7,626,437			\$10,776,731
State Environmental Lab Services	\$1,694,379	\$1,218,342	\$3,630,976			\$6,543,697
Environmental Complaints and Local Services	\$2,615,607	\$999,901	\$3,876,829			\$7,492,337
Air Quality	\$0	\$1,773,491	\$10,162,068			\$11,935,559
Water Quality	\$1,385,780	\$4,975,460	\$5,645,119			\$12,006,359
Land Protection	\$0	\$9,648,767	\$12,677,303			\$22,326,070
Information Technology	\$0	\$486,074	\$3,353,993			\$3,840,067
Sec of Energy and Environment **	\$0	\$8,903,284	\$0			\$8,903,284
Total	\$5,695,766	\$31,155,613	\$46,972,725	\$0	\$0	\$83,824,104

*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 and remains with DEQ.

FY'17 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'17 Carryover						\$0
FY'17 GR Refund**						\$0

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

**Indicate how the FY'17 General Revenue refund was budgeted.

What Changes did the Agency Make between FY'17 and FY'18?

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

No programs or major services were entirely eliminated from FY 17 to FY 18; however, DEQ did reduce the number of available field offices across the state. DEQ took a \$1 million cut in revolving funds as a reuse for General appropriations and a \$291,622 cut in general appropriations.

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? If so, please provide a detailed description in a separate document.

Based on action by the Environmental Quality Board, the Executive Director received a 5% increase.

FY'19 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administrative Services	\$0	\$5,081,830	\$5,635,096		\$10,716,926	-0.55%
State Environmental Lab Services	\$1,969,267	\$1,218,342	\$3,732,594		\$6,920,203	5.75%
Environmental Complaints and Local Services	\$2,817,588	\$1,249,901	\$3,626,829		\$7,694,318	2.70%
Air Quality	\$0	\$1,773,491	\$10,596,083		\$12,369,574	3.64%
Water Quality	\$1,385,780	\$5,475,460	\$5,145,119		\$12,006,359	0.00%
Land Protection	\$0	\$8,433,784	\$11,549,287		\$19,983,071	-10.49%
Information Technology	\$150,000	\$1,067,756	\$3,104,995		\$4,322,751	12.57%
Sec of Energy and Environment	\$0	\$8,903,284	\$0		\$8,903,284	0.00%
Total	\$6,322,635	\$33,203,848	\$43,390,003	\$0	\$82,916,486	-1.08%

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

FY'19 Top Five Appropriation Funding Requests

	\$ Amount
Request 1: SELS - Public Water Supply and Laboratory Customer Support	\$91,629
Request 2: SELS - Public Water Supply and Organics Analysis Group	\$183,259
Request 3: Environmental Complaints & Local Services	\$201,981
Request 4: Air Quality Division IT System Upgrade	\$150,000

Total Increase above FY-18 Request

\$626,869

How would the agency handle a 5% appropriation reduction in FY'19?

A reduction of 5% to the FY-2018 General Appropriation (GR) would equal \$284,788. 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 5% translates into a reduction of multiple 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.

How would the agency handle a 7.5% appropriation reduction in FY'19?

A reduction of 7.5% to the FY-2018 General Appropriation (GR) would equal \$427,182. In addition to the above, there may be further delays in local services provided by DEQ due to fewer personnel. This causes longer response times for citizen complaints and for requests for services such as soil profiles or septic system inspections (resulting in delays in construction). It is also important to point out that currently there is discussion at the national level of reduced federal environmental program grant funding (including for the drinking water and wastewater programs). Additionally, DEQ's revolving fund has been heavily tapped for the last three years to help counteract state revenue shortfalls. A significant federal reduction and/or another tapping of DEQ's revolving fund, especially in combination with another reduction in appropriations, would severely undermine DEQ's ability to perform its mission.

How would the agency handle a 10% appropriation reduction in FY'19?

A reduction of 10% to the FY-2018 General Appropriation (GR) would equal \$569,577. In addition to the above, this would result in an associated further reduction in service capacity, and would likely 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'19?		\$ Amount
Increase 1	No increase for existing fees. DEQ is seeking to establish a fee for new Aquifer Storage and Recovery (ASR) permits, but does not expect any permit applications in the near future.	\$0
Increase 2		\$0
Increase 3		\$0

What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?	
DEQ Parking Garage	\$9,000,000
Redbud (Emissions Inventory System)	\$150,000

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?	
With the federal budget still unsettled even for the current year, DEQ like most states, faces uncertainty with its federal budget and requirements.	
5.) Has the agency requested any additional federal earmarks or increases?	
Not at this time. As opportunities come up we do 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.	

Division and Program Descriptions	
Administrative Services	<p>ASD manages the support functions of the agency, including the fiscal, human resources, training, building management, and central records programs. ASD also includes the Office of the Executive Director (OED).</p> <p>OED encompasses not only the Office of the Executive Director per se, but also the Office of General Counsel (OGC) and the Office of External Affairs (OEA). OED proper is responsible for management decisions affecting the Department as a whole, final Departmental policy, final issuance of major permits and enforcement orders, and governmental relations. OGC counsels DEQ employees on legal matters related to operation of the agency, including laws, regulations, court opinions, and enforcement actions. OEA manages a customer assistance program, a business assistance program, media relations, social media functions, and general educational outreach.</p>
State Environmental Lab Services	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	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	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	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	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	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 **	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'19 Budgeted FTE							
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$	
Administrative Services	21	50	20.5	13	35		23.5
State Environmental Lab Services	12	59	2	4	48		9
Environmental Complaints and Local Services	15	84	2	9	63		14
Air Quality	21	116	6	1	94		27
Water Quality	21	106	8	4	77		33
Land Protection	21	81	4.5	1	63		21.5
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	0	1	0	0		1
Total	111	496	44	32	380		129

FTE History					
	2018 Budgeted	2017	2014	2011	2007
Administrative Services	71.5	70	64	68	61
State Environmental Lab Services	57.0	58	58	66	73
Environmental Complaints and Local Services	84.0	86	97	96	98
Air Quality	123.0	123	125	127	127
Water Quality	114.0	116	122	128	125
Land Protection	85.5	86	87	85	82
Information Technology	0.0	0	0	0	0
Sec of Energy and Environment	1.0	1	0	0	0
Total	536.0	540	552	570	565

Performance Measure Review					
	FY'17	FY'16	FY'15	FY'14	FY'13
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%	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)	\$2.2	\$2.2	\$1.9	\$2.0	\$1.9
● Reductions in Tons of Emissions From Enforcement Actions	116	896	755	3,058	4,000
State Environmental Laboratory Services					
● Provide Analytical Collection Materials and Instruction for Customer Requests	95%	95%	95%	95%	95%
● Percent of laboratory samples processed within appropriate turnaround time targets	91%	90%	90%	96%	92%
Environmental Complaints & Local Services					
● Percent of Complainants Contacted Within Two Days	65%	78%	75%	79%	76%
● Number of Complaints	3,357	3,920	2,663	3,046	3,044
● Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
● Gallons of Sewage eliminated from the Environment (Millions)	10.8	10.5	11	11	14
Water Quality					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	\$108.4	\$122.3	\$45.8	\$20.0	\$45.5
● Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	77%	76%	76%	81%	85%
Land Protection					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	410	260	259	162	183
● Number of Abandoned Tires Remediated From Illegal Dumps	123,805	120,494	46,783	82,699	86,476

Revolving Funds (200 Series Funds)				
	FY'15-17 Avg. Revenues	FY'15-17 Avg. Expenditures	June '17 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	\$ 42,023,504	\$ 41,915,099	@6/30	\$ 7,269,425
			Misc Exp after 6/30	\$ (1,085,960)
			Payroll after 6/30	\$ (149,769)
			SB identifying to be used as GR	\$ (1,000,000)
			Remaining	\$ 5,033,696
Environmental Education Fund 210 - 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.	\$ 8,656	\$ 9,881	@6/30	\$ 10,044
			Misc Exp after 6/30	\$ -
			Payroll after 6/30	\$ -
			Remaining	\$ 10,044
Environmental Trust Fund 215 - This fund is no longer used. The balance is less than \$1.00.	\$ -	\$ -	@6/30	\$ 1
			Misc Exp after 6/30	\$ -
			Payroll after 6/30	\$ -
			Remaining	\$ 1
Hazardous Waste Penalty Fund 220 - 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.	\$ 45,032	\$ 114,382	@6/30	\$ 80,770
			Misc Exp after 6/30	\$ -
			Payroll after 6/30	\$ -
			Remaining	\$ 80,770
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. Only revenue for this fund is OpCert fees.	\$ 770,170	\$ 837,635	@6/30	\$ 363,521
			Misc Exp after 6/30	\$ (35,821)
			Payroll after 6/30	\$ (23,080)
			Remaining	\$ 304,620