



# Department of Environmental Quality (DEQ)

**FY 2023 Budget Hearing Presentation**


**Submitted by: Scott Thompson, Executive Director**



# Scott Thompson

## Executive Director

*Our mission is to protect and improve public health and our environment.*



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The **Department of Environmental Quality** serves to **protect and improve Oklahoma's Air Quality; preserve and restore Oklahoma's Water; preserve and restore Oklahoma's Land** while having fair, consistent, and effective regulation and oversight; responds to natural disasters, environmental emergencies and citizen complaints; provides expertise, technical assistance and outreach; enhances economic development; all while being efficient, effective and fiscally responsible.

Founded in **1993**, this agency now encompasses the following divisions:

- **Executive Director's Office**
- **Legal**
- **Business & Regulatory Affairs**
- **Continuous Improvement**
- **Communications & Education**
- **Administrative Services Division**
- **State Environmental Laboratory Services Division**
- **Environmental Complaints & Local Services Division**
- **Air Quality Division**
- **Water Quality Division**
- **Land Protection Division**

# DEQ's Vision, Mission and Core Values

**Vision:** To lead the nation in fostering a healthy and sustainable future through effective and innovative environmental actions

**Mission:** To protect and improve public health and our environment

**Core Values:** DEQ was created with a fundamental responsibility to protect and improve our environment; however, we also believe government at all levels should be a true servant of the people. We call our set of values S-E-R-V-I-C-E to represent the seven values we will employ to serve each other and the citizens and businesses of Oklahoma. (1) Satisfying Customers, (2) Engaging Employees, (3) Reducing Costs, (4) Adding Value, (5) Improving operations & efficiencies, (6) Fostering Creativity and Innovation, and (7) Exhibiting Excellence



# Accomplishments & Challenges

## Top accomplishments for FY 2021

- 1) Initial deployment of Lean Management to streamline and improve agency processes
- 2) During the FY21 extreme weather events, worked extensively with municipalities to manage debris, and provided emergency assistance to scores of impacted water and wastewater systems
- 3) Conducted 32 water loss audits at public water supply systems and identified 2045 MG/yr. of real loss valued at almost \$5 million
- 4) Provided funding for 54 counties and 18 municipalities for their solid waste programs to accomplish cleanups, host collection events and purchase equipment to handle difficult-to-manage solid waste and recyclables
- 5) Provided information and assistance to 25 businesses considering locating in, or relocating to, Oklahoma

## Challenges (current & upcoming years)

- 1) Staffing, including recruitment, training, and retention
- 2) Decreasing revenue in some programs
- 3) Upgrades to IT to meet the needs of the agency and customers
- 4) Continual expansion of federal regulations (including ever evolving and more expansive and rigorous standards for air quality, pollution control, sampling and laboratory analysis, etc.) without adequate federal funding.
- 5) Effect of COVID-19 precautions and restrictions, especially with respect to inspections and site visits.



# Goals & Projects for FY 2023

## Goals

- 1) Foster an agency atmosphere that places SERVICE at the forefront of agency planning and execution, internal communications, and interactions with citizens, businesses, and our local, state, and federal counterparts.
- 2) Continuously evaluate agency processes, to identify and reduce or eliminate inefficiencies, bottlenecks, and other non-value-added steps, providing a more timely and cost-effective product to customers.
- 3) Maintain a responsive, equitable and timely environmental complaints process and emergency response system.
- 4) Ensure agency rules and compliance monitoring/enforcement processes are transparent, easy to understand, and fairly administered.
- 5) Use technology to improve agency transparency, customer compliance with environmental laws, and information dissemination.

## Projects

- 1) Pursue expansion of online capabilities for greater agency efficiency and for customer convenience: inspection forms, tracking, reporting, permit applications, etc.
- 2) Conduct both internal and external surveys to gauge improvements in customer service
- 3) Continue deployment of, and support to, DEQ's Lean Management System
- 4) Update agency strategic plan, Leading the Way, including to better reflect agency emphasis on Lean Management
- 5) Transition to new Human Resources platform using Workday and BrightPath, to make information immediately accessible to all users

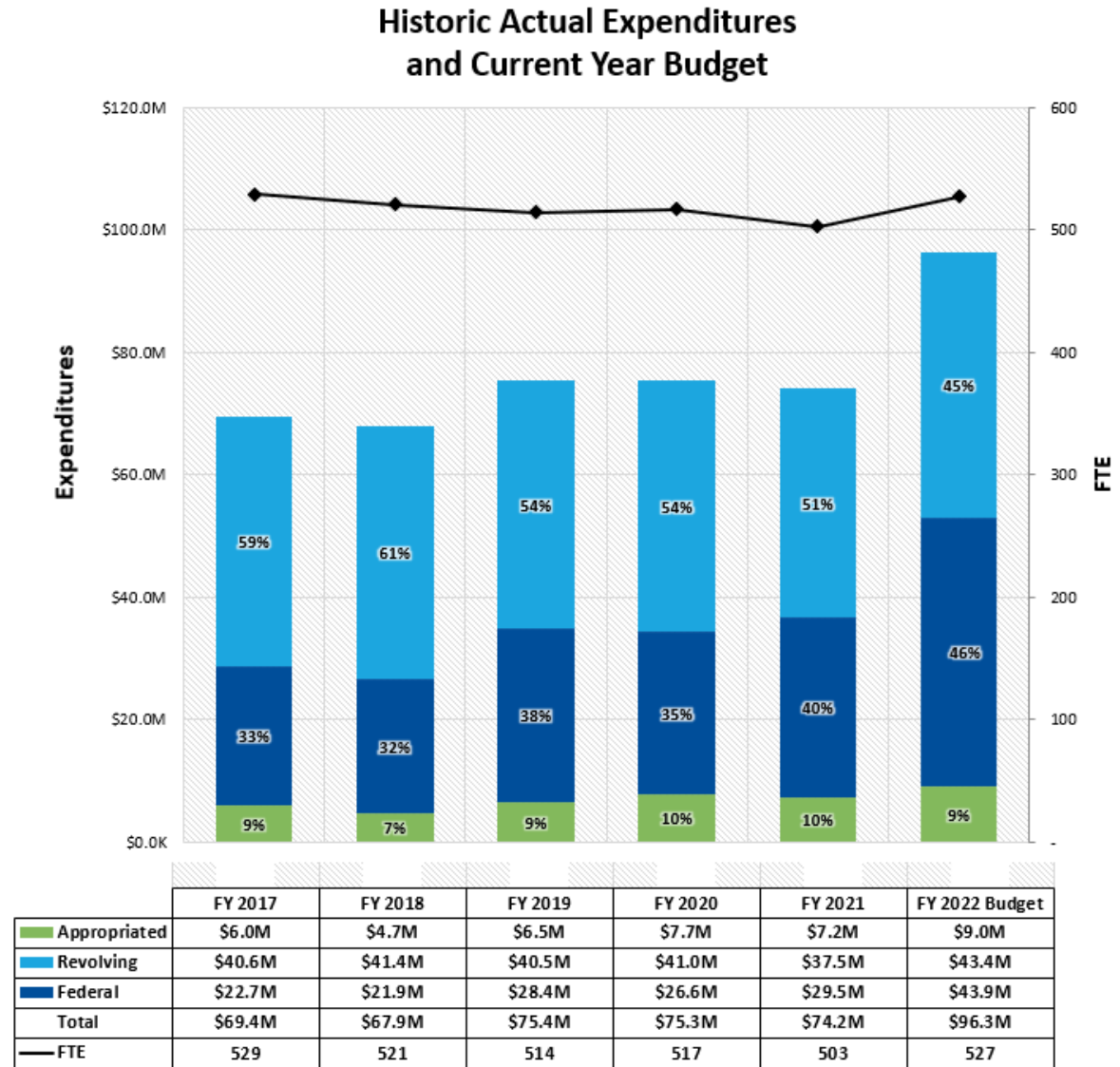


# Savings & Efficiencies

- Began deploying and implementing Lean Management principles to streamline processes
- Continued efforts to identify and implement energy efficiency measures that reduce costs and better protect staff and the environment
- Utilized telework where feasible
- Decreased costs by utilizing virtual platforms for both internal and external meetings
- Used O365 to route documents for review and approval electronically before printing the final paper copy, saving paper and reducing routing time and began accepting electronic submittals of plans, specifications, and engineering reports in some programs, saving paper and the cost of mailing approved documents



# Historic Actual Expenditures (FY 17-21) and Current Year Budget (FY 22)



FY2018, HB1020 forced \$1M from revolving to be used in place of actual general appropriations; numbers above reflected from actual fund



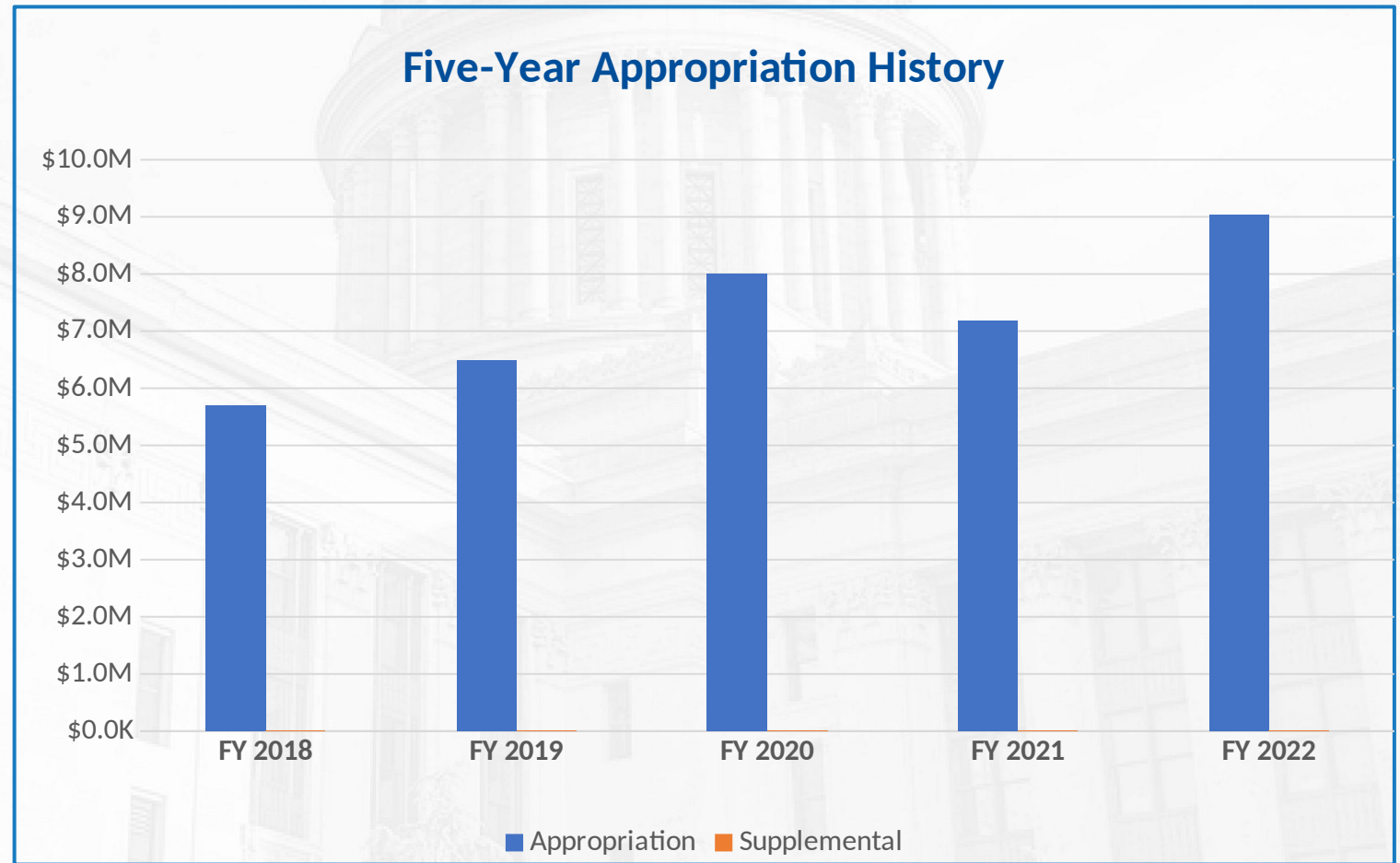


**FY 2022  
Budgeted  
Full Time Equivalents  
(FTE)**

	<b>FY 2022 Budgeted FTE</b>
<b>Total FTE</b>	527
<b>Supervisor FTE</b>	107
<b>Supervisors to Total FTE Ratio (%)</b>	20%

# Appropriation History

Fiscal Year	Appropriation (\$) (include supplemental if applicable)
FY 2018	\$5,695,766
FY 2019	\$6,493,879
FY 2020	\$8,009,249
FY 2021	\$7,188,879
FY 2022	\$9,027,346



FY2018, HB1020 appropriated \$1M from DEQ's revolving to be used in place of actual general appropriations; numbers above reflect that \$1M as appropriated



# Appropriated Carryover History and Justification

	FY 2017 (Actuals)	FY 2018 (Actuals)	FY 2019 (Actuals)	FY 2020 (Actuals)	FY 2021 (Actuals)	FY 2022 (Planned)
Total appropriated carryover amount expended (\$)	\$0	\$0	\$0	\$0	\$252,396	\$283,492

Fiscal Year of the original appropriation	Projected amount carried over to FY 2023 (\$)	Describe how projected carryover will be used in FY 2023
FY 2022	\$0	DEQ does not anticipate carryover funds. Most DEQ projects funded by general appropriations are for programs that cannot generate funding and are utilized to the max to project public health and carryout DEQ's mission. (Carryover in FY2021 was due to laboratory equipment delays from what turned into a one-time appropriation. Carryover in FY2022 was for funds given to Rural Water Infrastructure/Capital Development outlined in appropriation negotiations.)
FY 2021	\$0	
Total projected FY 23 Carryover (\$)	\$0	



# Available Cash Description and Justification

Class Fund #	Available Cash amount (\$)
<b>Total Available Cash:</b>	

*Available cash is unbudgeted cash that is not restricted by federal partners, statute, or contractual obligations.*

Fiscal Year	Agency's plan to deploy available cash (include amounts):
FY 2023	
FY 2024	
FY 2025	



# Key Performance Metrics

Metric		Goal	FY 20 Actuals	FY 21 Actuals	FY 22 Target	FY 23 Target
1	Amount Saved by OK Major Sources (\$ in millions; based on OK Title V program compared to a Fed Title V program & fees)	<b>Statewide goal:</b> AIR (B0200) <b>DEQ Goal #4, AQ-PM2</b> <b>DEQ Program: Title V - dept AQD (50)</b>	\$2M	\$2M	\$2M	\$2M
2	Gallons of Sewage eliminated from the Environment (Millions)	<b>Statewide goal:</b> Land (B0202; but affect B0201 & A0102 also) <b>DEQ Goal #3, EC-PM11</b> <b>DEQ Program: Private Sewage - dept ECLS (30)</b>	13.9M	9.6M	11.5M	11.5M
3	Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	<b>Statewide goal:</b> Food & Water Safety (A0102) <b>DEQ Goal #1, WQ-PM12</b> <b>DEQ Program: DWSRF - dept WQD (55)</b>	\$171M	\$262.7M	\$30M	\$30M
4	Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	<b>Statewide goal:</b> Food & Water Safety (A0102) <b>DEQ Goal #4, AQ-PM18</b> <b>DEQ Program: Public Water Supply - dept WQD (55)</b>	81%	86%	90%	90%
5	Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	<b>Statewide goal:</b> Land (B0202) <b>DEQ Goal #1, LP-PM16</b> <b>DEQ Program: Remedial Programs - LPD (61)</b>	315	231	100	100



# Budget & Supplemental Request Summary

Request Name		FY 23 Appropriated Request Amount (\$)	Type of Request: Operating, One-time, or Supplemental
1	Environmental Complaints & Local Services - Additional Staffing	\$295,297	Operating
2	SELS -Additional FTE within the Heavy Metals Unit of the ODEQ State Environmental Laboratory Services Division	\$96,017	Operating
3	SELS - Additional FTE within the Field Laboratory Customer Assistance Section of the ODEQ State Environmental Laboratory Services Division	\$96,017	Operating
4	SELS - Additional FTE within the Statewide Sample and Data Management Section (SSDM) of the ODEQ State Environmental Laboratory Services Division	\$96,017	Operating
5	DEQ - Parking Garage	\$20,000,000	One-time



# (1) Budget Request

## Environmental Complaints & Local Services - Additional Staffing

Type: Operating

\$ 295,297

This request will allow ECLS to fund three Field Environmental Specialist positions that have been eliminated since FY2017. Due to the loss of positions, ECLS has reduced the number of ECLS local offices and was forced to reduce the number of facility inspections from quarterly to annual. These inspections include Public Water Supplies, Wastewater Treatment Plants, and Solid Waste Facilities. ECLS has also reduced oversight of the Onsite Septic System Program. Even with the aforementioned reductions in workload, the staffing model indicates that ECLS is still down by three full-time employees. Funding these positions would allow ECLS to improve customer service and technical assistance, including response to citizens, communities, industry, and emergencies. It would also enhance support for the Water Quality Division with technical assistance and long-range sustainability planning with the Oklahoma Strategic Water Alliance.



# (2) Budget Request

SELS -Additional FTE within the Heavy Metals Unit of the ODEQ State Environmental Laboratory Services Division

Type: Operating

\$ 96,017

This request allows the State Environmental Laboratory Services Division (SELSD) to fund one (1) FTE in the Heavy Metals Section of the laboratory. This position is needed to support the Safe Drinking Water Act's (SWDA) Lead Testing in Schools & Childcare Drinking Water Program (Lead in Schools) and the Revised Lead and Copper Rule (LCRR). These programs specifically protect small, underserved, and disadvantaged communities and will result in a >3-4x increase in sample workload and in reporting turnaround times previously only seen in acute health risk testing. The Principal State Laboratory does not currently have the analytical staff needed to meet these increased demands.



# (3) Budget Request

## **SELS - Additional FTE within the Field Laboratory Customer Assistance Section of the ODEQ State Environmental Laboratory Services Division**

Type: Operating

\$ 96,017

This request allows the State Environmental Laboratory Services Division (SELSD) to fund one (1) FTE in the Field Laboratory Customer Assistance Section. This position is needed for continuity of services and expansion of the Small System Assistance (SSA) Drinking Water program. The SSA program has proven valuable in assisting small Public Water Supply Systems (systems with a population <10,000) who are in persistent noncompliance with SDWA regulations, often due to a lack of funding, expertise, and knowledge. The program uses a focused, hands-on approach to train and build competency in sampling and rule requirements. In the last year, the program resulted in 294 analytical tests and 212 technical assistance events. Due to having only one FTE available to support the program, the SSA program is limited to 11 counties in the State. An additional FTE along with the recently purchased mobile lab will allow the program to expand statewide, resulting in enhanced targeted outreach and even higher compliance rates and further protection of public health. This FTE would also allow SELS and the ODEQ to expand the scope and effectiveness of its emergency response activities.



# (4) Budget Request

## SELS - Additional FTE within the Statewide Sample and Data Management Section (SSDM) of the ODEQ State Environmental Laboratory Services Division

Type: Operating

\$ 96,017

This request would support the enhancement of the SELSD data management program, which serves a vital role in the accuracy and effectiveness of the work product and operations of the SELSD, which houses the Principal State Laboratory (PSL) for the State of Oklahoma. The data management program directly affects workflows and data associated with all functions of SELSD operations. Enhancement of this program will result in an improved Quality Management System, more timely service to customers, more robust inventory management, and the ability to incorporate new and emerging contaminants and technologies into SELSD. Enhancement will also allow for development of a new laboratory accreditation database to be used by the SELSD Laboratory Accreditation Program (LAP), which will replace a legacy database that cannot meet the current workload and is no longer supported. This program directly influences PSL activities that are part of the requirements for state Primacy, including management of compliance schedules and data exports for 1,700 Public Water Supply Systems (PWSs) as required under the SDWA and the certification records of 180 labs who participate in the LAP. In addition, the program manages custom deliverables, LIMs administration, process automation, IT device management, infrastructure support and financial and performance data management.



# (5) Budget Request

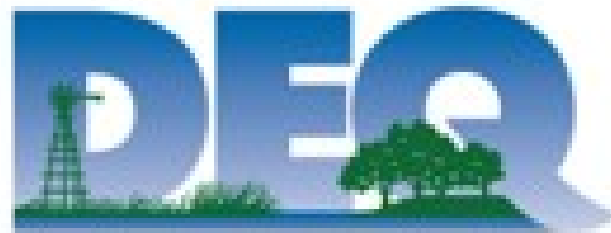
## DEQ - Parking Garage

Type: One-Time

\$ 20,000,000

DEQ is responsible for the maintenance of agency owned facilities, which includes a parking garage and surface lot for customer and employee parking. Due to legislative sweeps totaling \$33 million, we no longer have the funds to complete the replacement of the rapidly deteriorating parking garage. The garage has reached a critical point where we have had to close the top floor due to a punch-through. Additionally, the parking garage has a total of 324 spaces; we have had to close 139 or 43% of the parking spaces throughout the garage due to concerns of falling concrete and potentially additional punch-through holes. This request is urgent and cannot be further delayed. The agency has had to locate additional parking to relocate displaced employees. The area has very few options for parking and DEQ is unable to locate enough parking to accommodate our entire staff.





O K L A H O M A  
DEPARTMENT OF ENVIRONMENTAL QUALITY

# Appendix

# Water Loss Economic Impact

Since 2015, the Water Quality Division of the Oklahoma Department of Environmental Quality (DEQ):

- ✓ Performed 211 water loss audits for 165 unique water systems across the state
- ✓ Identified 9.9 billion gallons of water loss in total from the water loss audits.
- ✓ The combined water loss could supply a population of over 286,000 people per year – a population equivalent to the size of Cleveland County.

## WATER IS A BUSINESS COST

**165** WATER DISTRICTS There are 18,443 business establishments in these districts employing 249,692 people with annual payroll totaling \$12.929 billion.

Business Establishments, Jobs and Payroll by Region

Region	Water Systems	Number of Employers	Number of Jobs	Payroll (in billions \$)
Eastern Oklahoma	82	4,438	61,968	\$2.241
Central/OKC Region	14	5,434	64,338	\$2.912
Tulsa Region	26	5,254	60,439	\$2.666
Western Oklahoma	43	3,317	62,947	\$5.109
<b>Grand Total</b>	<b>165</b>	<b>18,443</b>	<b>249,692</b>	<b>\$12.929</b>

