

**FY21 Budget Performance Review**

**18500- Oklahoma Corporation Commission**

Lead Administrator: Tim Rhodes, Director of Administration/Appointing Authority

Lead Financial Officer: Holly George, Director of Administrative Services

**Agency Mission**

Ensure responsible and safe development of oil and gas resources; ensure reliable utility service at fair rates; ensure safe and legal operation of motor carriers, pipelines, rail crossings, and fueling stations; and ensure prevention and remediation of energy-related pollution of the environment while balancing the rights and needs of the people with those of regulated entities through development and enforcement of regulations in an open, transparent, ethical, and just manner.

**Division and Program Descriptions**

*Note: Please define any acronyms used in program descriptions.*

Division or Program Number and Name	Description
Administrative, Judicial & Legislative Services	The Administrative, Judicial and Legislative Services Division contains the offices of the Commissioners and the Director of Administration, as well as Administrative Services and Judicial and Legislative Services. The Director of Administration is appointed by the three elected Commissioners to facilitate all necessary actions to ensure the success of the agency's mission. The Director of Administration's staff consists of the public information office and agency counsel. Administrative Services staff has the overall responsibility of providing financial, human resources, and mailing/reproduction services to the entire agency. Administrative Services also maintains mineral owner accounts for unlocated mineral owners. Judicial and Legislative Services consists of the Commission's Court Clerk, administrative law judges, attorneys, court reporters, and administrative and support personnel. Judicial and Legislative Services is responsible for maintaining all documents filed of record with the Commission and for fulfilling the Commission's constitutional and statutory court of record duties ensuring the opportunity for fair and open hearings in all legislative and judicial matters. In FY18, this program was created from the consolidation of Administration, Office of Administrative Proceedings, and Office of General Counsel divisions to promote efficiencies and obtain cost savings for the agency.
Petroleum Storage Tank	The Petroleum Storage Tank Division is responsible for the protection of human health, safety and the environment from exposure to chemicals caused by leaking motor fuel storage tanks and regulation of the installation, operation and removal of motor fuel storage tanks. The Division performs field inspections of facilities and laboratory analysis of fuels, as well as, overseeing site assessment investigations and (if necessary) remediation of released fuel product at regulated sites. The Division oversees a program that reimburses eligible tank owners for reasonable, integral and necessary costs associated with contaminated clean-ups.
Oil and Gas	The Oil and Gas Conservation Division provides information, permitting, investigation, and compliance services to the oil and gas industry, mineral interests owners, landowners and the general public to develop the oil and gas resources of the state while protecting the environment and ensuring public safety through regulation for all activities associated with the exploration and production of oil and natural gas. The Division is also responsible for mitigation and management of induced seismicity that may be connected with oil and gas activity.
Public Utilities	The Public Utility Division administers agency rules, regulations, and orders involving electric, gas, water, cotton gin, and telecommunications service providers; promotes efficiency, innovation, and technological growth among regulated utilities; balances the interest of the regulated companies with those of all other stakeholders; administers the Oklahoma Universal Fund; designates eligible telecommunications carriers; regulates providers of lifeline phone services; and supports regulatory decisions that are in the public interest and result in the lowest reasonable cost for safe and reliable service.
Transportation	The Transportation Division provides overall management, direction and supervision of the administration and enforcement of motor carrier, railroad safety, and pipeline safety regulatory activities within the State of Oklahoma. Transportation operates Oklahoma's ports of entry and weigh stations.
Information Technology	OMES-ISD's program provides technologically advanced support and services in all areas of automation for the Commission. Their responsibilities include: develop new systems and enhancements to existing database application systems, maintain disaster recovery efforts of production systems, imaging of documents and mapping capabilities corresponding to GPS and GIS, coordinate video conferencing, maintain electronic messaging and internet capabilities through the Commission's web page and user support.

**FY'20 Budgeted Department Funding By Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
10	Administrative, Judicial & Legislative Services	4,058,709		7,906,629			\$11,965,338
15	Petroleum Storage Tank		1,276,554	4,330,681			\$5,607,235
20	Oil and Gas	4,711,914	571,842	8,287,166			\$13,570,922
40	Public Utilities			5,968,755			\$5,968,755
60	Transportation	3,497,977		17,062,502			\$20,560,479
88	Information Technology	5,300,000		7,740,220			\$13,040,220
<b>Total</b>		<b>\$17,568,600</b>	<b>\$1,848,396</b>	<b>\$51,295,953</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,712,949</b>

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:

**FY'19 Carryover by Funding Source**

FY; 19 Carryover	Description	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
	No carryover is anticipated.	\$0	\$0	\$12,000,000	\$0	\$0	\$12,000,000
		\$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:

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**What changes did the agency make between FY'19 and FY'20?**

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

Not at this time.

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

None.

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

Various datasets used by the public and companies are not always readily available because of IT infrastructure issues - this is being addressed with development of the Information Management System (IMS).

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

Yes, but the fiscal impact was less than 1% of the agency's overall budget.

**FY'21 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
10	Administrative, Judicial & Legislative Services	\$4,058,709	\$0	\$7,906,629	\$0	\$11,965,338	0.00%
15	Petroleum Storage Tank	\$0	\$1,276,554	\$4,330,681	\$0	\$5,607,235	0.00%
20	Oil and Gas	\$4,711,914	\$571,842	\$8,287,166	\$0	\$13,570,922	0.00%
40	Public Utilities	\$0	\$0	\$5,968,755	\$0	\$5,968,755	0.00%
60	Transportation	\$3,497,977	\$0	\$17,062,502	\$0	\$20,560,479	0.00%
88	Information Technology	\$5,300,000	\$0	\$7,740,220	\$0	\$13,040,220	0.00%
<b>Total</b>		<b>\$17,568,600</b>	<b>\$1,848,396</b>	<b>\$51,295,953</b>	<b>\$0</b>	<b>\$70,712,949</b>	<b>0.00%</b>

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

**FY'21 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	No additional funding was requested for FY21.	\$0
Request 2:		
Request 3:		
Request 4:		
Request 5:		
<b>Top Five Request Subtotal:</b>		<b>\$0</b>
<b>Total Increase above FY-20 Budget (including all requests)</b>		<b>\$ -</b>
Difference between Top Five requests and total requests:		\$0

**Does the agency have any costs associated with the Pathfinder retirement system and federal employees?**

N/A

**How would the agency be affected by receiving the same appropriation for FY '21 as was received in FY '20? (Flat/ 0% change)**

In addition to providing the level of service currently afforded OCC customers and Oklahoma residents from all OCC Divisions, maintaining the appropriations provided in FY20 will allow the Oil and Gas Conservation Division to expedite its work to improve energy permit processing, including funding necessary upgrades to equipment and software for Intents to Drill and improvements needed for the Risk Based Data Base Management System (RBDMS), used daily by field inspectors. The Transportation Division could make further progress toward the goal of fully staffing Ports of Entry and Weigh Stations to protect the motoring public and Oklahoma's massive investment in its road and bridge infrastructure, as well as upgrade the technology needed to actively participate in the IFTA/IRP programs. Level funding also will ensure the critical Information Management System project stays on track.

**How would the agency handle a 2% appropriation reduction in FY '21?**

Any cut to appropriations in the form of general revenue would be apportioned 75% to the Oil and Gas Program and 25% to the Transportation Program. Whereas, if any appropriation reduction were to come in the form of agency re-allocation of revolving funds, it would become more complicated due to the agency's funding structure. The Commission is comprised of 5 programs: Oil and Gas, Transportation, Public Utilities, Petroleum Storage Tank and Administrative, Judicial and Legislative Services (the support program for other 4 core programs); each having its own critical missions relating to different industries and public protections. Each program has its own unique revolving funds, restricted by state and/or federal statutes, that can only be used for specific purposes and cannot fund other programs within the OCC. It is imperative that the agency be included in discussions involving revolving fund reductions in order to maintain critical services to Oklahoma residents. A 2% reduction in general revenue could be handled internally with the use of agency revolving funds to balance appropriations, but would delay IT development that has been deferred for many years. A 2% reduction in revolving funds might be absorbed by the agency and critical functions could continue if agency is involved in coordinating the reduction, however any reduction in revolving funds would result in delays for the projects to which the given revolving fund has been dedicated (e.g., plugging potentially dangerous abandoned wells).

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**Is the agency seeking any fee increases for FY '21?**

No fee increases are being requested at this time.	<b>Fee Increase Request (\$)</b>	<b>Statutory change required? (Yes/No)</b>

**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? (Yes/No)
Priority 1 Current technology projects are being addressed with the increased appropriation level the agency received in FY20. OCC is		
Priority 2 requesting no additional funding, just to maintain the same baseline appropriations and will use agency revolving funds for other		
Priority 3 projects. The agency will also continue to research and identify any funding available from other sources to address the agency's IT		

**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
20.700	Gas Grant Program- Hazardous Liquid Program and Underground Gas Storage Program- Transportation Division- Pipeline Safety	6000004	\$1,637,000	\$1,866,810	\$1,532,793	\$1,378,000	\$1,577,008
66.804	State Underground Storage Tanks Program (Prevention)- Petroleum Storage Tank Division	1500003	\$474,128	\$503,999	\$459,000	\$459,000	\$459,000
66.805	Leaking Underground Storage Tank Trust Fund Program (Corrective Action)- Petroleum Storage Tank	1500003, 1500005	\$802,426	\$808,000	\$808,000	\$808,000	\$809,000
66.433	Underground Injection Control- Oil and Gas Division	2100001	\$316,651	\$258,070	\$180,320	\$145,000	\$190,218
66.817	State & Tribal Response Program- Brownfields- Oil and Gas Division	2000005	\$255,191	\$404,941	\$168,199	\$159,000	\$288,166

**Federal Government Impact**

**1.) How much federal money received by the agency is tied to a mandate by the Federal Government?**  
None.

**2.) Are any of those funds inadequate to pay for the federal mandate?**  
Not applicable.

**3.) What would the consequences be of ending all of the federal funded programs for your agency?**  
This would dramatically affect our ability to properly maintain state primacy for the Underground Injection Control program, monitor and remediate leaking underground storage tanks, provide Universal Service to rural and low-income broadband customers, monitor pipeline safety, monitor Underground Gas Storage facilities and pose serious potential threats to human health and the environment.

**4.) How will your agency be affected by federal budget cuts in the coming fiscal year?**  
The agency does not know the extent of future cuts at this time.

**5.) Has the agency requested any additional federal earmarks or increases?**  
No.

**FY'20 Budgeted FTE**

Division #	Division Name	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
10	Administrative, Judicial & Legislative Services *Includes 3 elected Commissioners	26	51	59	7	55	48
15	Petroleum Storage Tank	10	2	42	0	39	5
20	Oil and Gas	25	118	18	0	131	5
40	Public Utilities	18	0	60	0	54	6
60	Transportation	26	212	35	0	237	10
<b>Total</b>		<b>105</b>	<b>383</b>	<b>214</b>	<b>7</b>	<b>516</b>	<b>74</b>

**FTE History**

Division #	Division Name	2020 Budgeted	2019	2018	2016	2011
10	Administrative, Judicial & Legislative Services *Includes 3 elected Commissioners	110	109	109	104	85
15	Petroleum Storage Tank	44	44	44	44	54
20	Oil and Gas	136	126	123	123	112
40	Public Utilities	60	58	58	55	52
60	Transportation**	247	238	208	160	121
88	Information Technology *No longer OCC Employees- OMES Employees					25
**Program staffs newly opened weigh stations and ports of entry						
<b>Total</b>		<b>597</b>	<b>575</b>	<b>542</b>	<b>486</b>	<b>449</b>

**Performance Measure Review**

Program Name	FY 19	FY 18	FY 17	FY 16	FY 15
Please reference agency program workbook for key performance measures.					

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Revolving Funds (200 Series Funds)			
<i>Please provide fund number, fund name, description, and revenue source</i>	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
<b>20200- OCC Revolving Fund</b>			
General operating fund of OCC.	\$10,362,989	\$10,362,850	\$5,257,325
<b>20500- Indemnity Fund</b>			
To fund the administrative and remediation cost of the Indemnity Fund Program. To fund the payroll cost of the PST regulatory fuel inspection function.	\$4,389,227	\$4,419,984	\$46,034
<b>21000- U.S.T. Revolving Fund</b>			
May be budgeted and expended for the provisions of the Oklahoma Storage Tank Regulation Act, including direct and indirect costs.	\$386,163	\$424,435	\$448,824
<b>21500- Well Plugging Fund</b>			
To fund the steps it takes to address wells in need of plugging when discovered by the Oil and Gas Program. This fund is not used for general operations.	\$1,756,196	\$1,948,493	\$3,700,579
<b>22000- Public Utility Assessment</b>			
To provide adequate funding for the regulation of public utilities. The agency uses these funds for both the direct and indirect costs related to the Public Utility Program.	\$7,983,126	\$7,513,978	\$1,946,369
<b>22500- L.U.S.T. Trust Revolving Fund</b>			
To provide support to the leaking underground storage tank effort by the Petroleum Storage Tank Program.	\$472,223	\$118,716	\$2,071,636
<b>23000- Oil and Gas Revolving Fund</b>			
To provide a fund for deposit of monies collected relating to oil and gas industry activities in Oklahoma, which support the expenses related to the regulation of that industry. The fund is allowed to pay both direct and indirect expenses relating to the Oil and Gas Program.	\$5,438,735	\$4,357,569	\$5,233,598
<b>24500- Trucking One Stop Shop Revolving Fund</b>			
To provide a fund for deposit of monies collected pursuant to the Trucking One Stop Shop Act. These funds aid in the costs related to registration and enforcement of the commercial trucking industry in Oklahoma. The funds can only be used to cover expenditures related to the Trucking One Stop Shop Act.	\$11,756,226	\$9,868,677	\$8,709,668
<b>250- Pipeline Enforcement Fund</b>			
To provide a fund for deposit of monies collected relating to pipeline activities in Oklahoma. These funds are collected based on the penalties assessed for willfully and knowingly injuring or destroying pipeline transportation system. The fund was activated in FY17.	\$1,010,000- FY17	\$387,527	\$622,473
	One-time fine received in FY17, therefore a 3 year average wasn't used. Agency doesn't anticipate receiving any other fines in the near future.	One-time fine received in FY17, therefore a 3 year average wasn't used. Agency doesn't anticipate receiving any other fines in the near future.	