

FY21 Budget Performance Review

Department of Mines 125

Lead Administrator: Mary Ann Pritchard, Director

Lead Financial Officer: Suzen M. Rodesney

Agency Mission

The mission of the Oklahoma Department of Mines (ODM) is to protect the environment of the state, to protect the life, health and safety of the miners and to protect affected citizens and their property through enforcement of state mining and reclamation laws.

Division and Program Descriptions

Note: Please define any acronyms used in program descriptions.

Administration

This program includes the Director, Deputy Director and support staff, comprised of the financial staff. Their responsibility is to provide agency leadership and support services for the operation of the Department.

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. 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.

Minerals

This program includes all activities of the Minerals Division. It includes all permitting activities, reclamation inspections and all health and safety inspections on mine sites and the enforcement of non-mining blasting. There are over 700 permitted sites in all 77 counties of the state. The non-mining blasting program is responsible for the regulation of blasting, and the use, transfer, or sale of explosives for non-mining purposes. Responsibilities include 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 and the assessment of penalties for non-compliance.

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, as outlined under Title 45. The OMTI trains and certifies miners from other states and independent contractors.

Data Processing/IT

This is now a mandated separate activity of the agency. In previous fiscal years, these costs were recorded as part of the administration costs.

FY'20 Budgeted Department Funding By Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
1	Administration	290,732	284,208	211,474			\$786,415
2	Coal Division	146,110	924,629	356,985			\$1,427,724
3	Minerals Division	365,171		580,747			\$945,918
10	Okla. Miner Training Inst.	-	174,000	259,000			\$433,000
88	Data Processing		52,620	50,960			\$103,580
	Total	\$802,014	\$1,435,457	\$1,459,166	\$0	\$0	\$3,696,637

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

	Appropriations	Federal	Revolving	Local ¹	Other ²	Total
Carryover- ODM Operations	\$54,646	\$6,382	\$371,838	\$0	\$0	\$432,866
Carryover- Statutorily designated for OMTI	\$0		\$196,812			\$196,812

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:

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

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

No

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?

None

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

Yes

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FY'21 Requested Funding By Department and Source

Dept. #	Department Name	Appropriations	Federal	Revolving	Other ¹	Total	% Change
1	Administration	\$290,732	\$284,208	\$211,474	\$0	\$786,415	0.00%
2	Coal Division	\$146,110	\$924,629	\$356,985	\$0	\$1,427,724	0.00%
3	Minerals Division	\$365,171	\$0	\$580,747	\$0	\$945,918	0.00%
10	Okla. Miner Training Inst.	\$0	\$174,000	\$259,000	\$0	\$433,000	0.00%
88	Data Processing	\$0	\$52,620	\$50,960	\$0	\$103,580	0.00%
Total		\$802,014	\$1,435,457	\$1,459,166	\$0	\$3,696,637	0.00%

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:	AGENCY OPERATIONS- standstill from FY20	\$802,014
Request 2:		
Request 3:		
Request 4:		
Request 5:		
Top Five Request Subtotal:		\$802,014
Total Increase above FY-20 Budget (including all requests)		\$ -
Difference between Top Five requests and total requests:		-\$802,014

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

Currently, the agency only has nine (9) employees who are in the Pathfinder retirement system and their payroll allocations are assigned to a federal grant. At this time, it is approximately \$18,400 per year that the agency cannot allocate to the federal program. The agency must use non grant funds to cost out and pay for these contributions.

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

The agency would be able to meet the statutory requirements and continue to serve the needs of the permittees and clients who require the services of the Department of Mines.

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

A 2% appropriation cut is equivalent to \$16,040. The agency has two inspection vehicles budgeted for the grant year 2020. We would only purchase one vehicle, saving the matching requirement of approximately \$16,040.

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

Increase #	Description	Fee Increase Request (\$)	Statutory change required? (Yes/No)
Increase 1	N/A		
Increase 2	N/A		
Increase 3	N/A		

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		
Priority 2		
Priority 3		

Federal Funds

CFDA	Federal Program Name	Agency Dept. #	FY 20 budgeted	FY 19	FY 18	FY 17	FY 16
15.25	Office of Surface Mining Reclamation and Enforcement (U.S. Dept. of Interior) - Administration and Enforcement Grant		1,280,000	1,070,199	1,026,971	1,004,601.46	1,134,475.85
17.6	Mine Safety and Health Administration (U.S. Dept. of Labor) - Oklahoma Miner Training Institute Grant		174,000	139,002	145,754	103,683.99	125,016.70

Federal Government Impact

- 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. The federal funds from the US Dept. of Labor for the Oklahoma Miner Training Institute (OMTI) are not considered a federal mandate.
- Are any of those funds inadequate to pay for the federal mandate?**
No
- 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 OSMRE 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
- How will your agency be affected by federal budget cuts in the coming fiscal year?**
There are not any anticipated federal budget cuts for us at this time.
- 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 - \$\$\$
1	Administration	3		7		4	3
2	Coal Program	3		13		11	2
3	Minerals Program	1		11	2	8	1
Total		7	0	31	2	23	6

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FTE History						
Division #	Division Name	2020 Budgeted	2019	2018	2016	2011
1	Administration	7.0	6.0	6.0	6.0	6.0
2	Coal Program	13.0	13.0	13.0	15.0	16.0
3	Minerals Program	10.0	11.0	12.0	12.0	11.0
Total		30.0	30.0	31.0	33.0	33.0

Performance Measure Review					
New Measures	FY 19	FY 18	FY 17	FY 16	FY 15
Coal Inspection Frequency Perform regular inspections of coal mine sites to meet required inspection frequency (per federal grant) and to verify/enforce compliance with the approved mining permit. Determine the percentage of coal permit where inspection frequency for the fiscal year was met. The number of inspections performed in accordance with the statutory compliance schedule.	100%	100%			
Off-site impact Reduce the number of off-site impacts from mining and blasting operations by tracking the number of off-site impacts observed per permitted acre per year. Count the number of off-site impacts compared to the number of permitted acres per year. The measure is by the number of off-site impacts to the permitted acreages.	9/19,660	12/20,465			
Minerals Permit Timeframes Review and issue/deny non-coal mining and blasting permits within ODM required timeframes, decreasing process time 30% over four(4) years. The percentage of non-coal issued permits where the timeframe was met-considered an approval rate.	75%	71%			
Minerals Inspection Frequency Perform safety inspections of mine sites at the required frequency in order to verify/enforce compliance with safety regulations. The percentage of compliance is based upon the frequency (X) and the number of inspections.	87% at 5X 3500 inspections	87% at 5X 3500 inspections			
Miner Training To provide miner training and refresher training to the mining industry, resulting in a safer workforce, thus resulting in fewer accidents. Measured by the number of accidents that occur each fiscal year.	48	49			
Agency Excellence To obtain agency excellence by supporting processes that indicate where the agency is going, what it takes to get there, and how to help get there. This can be obtained by improving major work processes/projects to benefit the agency and taxpayers; measured by the number of major processes improved.	2	2			
Production Fee collection Production fees are due 30 days after the end of the calendar quarter. A late fee of 10% is assessed after 30 days. The percentage of collections that occur as set within Title 45	99.9996%	99.9992%			

Revolving Funds (200 Series Funds)			
Please provide fund number, fund name, description, and revenue source	FY'17-19 Avg. Revenues	FY'17-19 Avg. Expenditures	June '19 Balance
200: Dept. of Mines agency operations revolving fund. <i>Dept. of Mines agency operations revolving fund. Source includes minerals and coal mining production and permit fees, blasting permit and exemption fees and other miscellaneous fees such as non-revenue receipts or expended fund reimbursements.</i>	\$1,059,373	\$954,251	\$105,122
205: OMTI revolving fund. <i>OMTI revolving fund. Source includes statutorily set .001/ton of minerals production and .01/ton of coal production fee assessments; on site mine training travel reimbursements, and fee assessed to contractors who work on minesites.</i>	\$171,610	\$107,241	\$64,369