

## Department of Environmental Quality

Lead Administrator: Scott Thompson, Executive Director

Lead Financial Officer: Kathy Aebischer, CFO

FY'17 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administrative Services	\$0	\$3,254,749	\$6,968,159			\$10,222,908
State Environmental Lab Services	\$1,781,131	\$1,613,024	\$3,075,549			\$6,469,704
Environmental Complaints and Local Services	\$2,749,525	\$835,353	\$4,210,874			\$7,795,752
Air Quality	\$0	\$1,677,215	\$10,420,409			\$12,097,624
Water Quality	\$1,456,732	\$5,443,619	\$5,309,978			\$12,210,329
Land Protection	\$0	\$10,432,800	\$12,512,223			\$22,945,023
Information Technology	\$0	\$307,468	\$3,927,200			\$4,234,668
Sec of Energy and Environment **	\$0	\$8,903,284	\$0			\$8,903,284
<b>Total</b>	<b>\$5,987,388</b>	<b>\$32,467,512</b>	<b>\$46,424,392</b>	<b>\$0</b>	<b>\$0</b>	<b>\$84,879,292</b>

\*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'16 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover						\$0
FY'16 GR Refund**						\$0

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

\*\*Indicate how the FY'16 General Revenue refund was budgeted.

### What Changes did the Agency Make between FY'16 and FY'17?

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

No programs or major services were entirely eliminated from FY 16 to FY 17. DEQ took a \$4 million cut in revolving funds and a \$789 thousand 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.**

No pay raises have been awarded in FY2017.

FY'18 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administrative Services	\$0	\$2,970,238	\$6,928,211		\$9,898,449	-3.17%
State Environmental Lab Services	\$1,921,131	\$1,178,024	\$3,907,818		\$7,006,973	8.30%
Environmental Complaints and Local Services	\$3,066,369	\$827,579	\$4,218,648		\$8,112,596	4.06%
Air Quality	\$0	\$1,664,319	\$10,270,578		\$11,934,897	-1.35%
Water Quality	\$2,316,732	\$4,610,824	\$5,281,009		\$12,208,565	-0.01%
Land Protection	\$0	\$10,413,994	\$11,526,694		\$21,940,688	-4.38%
Information Technology	\$0	\$515,270	\$4,097,041		\$4,612,311	8.92%
Sec of Energy and Environment	\$0	\$8,903,284	\$0		\$8,903,284	0.00%
<b>Total</b>	<b>\$7,304,232</b>	<b>\$31,083,532</b>	<b>\$46,229,999</b>	<b>\$0</b>	<b>\$84,617,763</b>	<b>-0.31%</b>

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

### FY'18 Top Five Appropriation Funding Requests

	\$ Amount
Request 1: 29200_FY18_BR1_ECLS Statewide Coverage	\$316,844
Request 2: 29200_FY18_BR2.1_DWSRF Loan Maximization	\$1,000,000
Request 3: Description	
Request 4: Description	
Request 5: Description	
<b>Total Increase above FY-17 Request</b>	<b>1,316,844</b>

### How would the agency handle a 5% appropriation reduction in FY'18?

A reduction of 5% to the FY-2017 General Appropriation (GR) would equal \$299,369. 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.

### How would the agency handle a 7.5% appropriation reduction in FY'18?

A reduction of 7.5% to the FY-2017 General Appropriation (GR) would equal \$449,054. In addition to the above, this 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.

**How would the agency handle a 10% appropriation reduction in FY'18?**

A reduction of 10% to the FY-2017 General Appropriation (GR) would equal \$598,739. In addition to the above, this would result in vacated positions going unfilled, with 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'18?**

		<b>\$ Amount</b>
Increase 1	N/A	\$0
Increase 2	N/A	\$0
Increase 3	N/A	\$0

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

DEQ Parking Garage	\$9,000,000
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**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. 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.

**2.) Are any of those funds inadequate to pay for the federal mandate?**

See above.

**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?**

Currently do not anticipate major changes in its federal funding in the coming Fiscal Year; with new National leadership and new leaders at EPA, DEQ, like most states faces uncertainty with its federal budget and requirements.

**5.) Has the agency requested any additional federal earmarks or increases?**

No.

**Division and Program Descriptions**

**Administrative Services**

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)

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, media relations, social media functions, and general educational outreach

**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'18 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administrative Services	22.5	52.0	18.5	0	28	42.5
State Environmental Lab Services	12	56.0	2.0	0	9	49
Environmental Complaints and Local Services	14	83.0	3.0	0	32	54
Air Quality	20	118.0	5.0	0	44	79
Water Quality	20	108.5	7.0	0	37	79
Land Protection	19.5	81.5	4.5	0	23	62.5
Information Technology	<b>IT is contracted through the Office of Management and Enterprise Services; no IT staff employed directly by DEQ.</b>					
Sec of Energy and Environment	0	0.0	1.0	0	0	1
<b>Total</b>	<b>108</b>	<b>499</b>	<b>41</b>	<b>0</b>	<b>173</b>	<b>367</b>

FTE History					
	2017 Budgeted	2016 Actual	2013 Actual	2010 Actual	2006 Actual
Administrative Services	70	67	67	77	71
State Environmental Lab Services	58	52	54	66	68
Environmental Complaints and Local Services	86	82	88	95	95
Air Quality	123	115	116	113	119
Water Quality	116	106	103	130	120
Land Protection	86	72	87	89	81
Information Technology	0	0	0	0	0
Sec of Energy and Environment	1	1	0	0	0
<b>Total</b>	<b>540</b>	<b>495</b>	<b>515</b>	<b>571</b>	<b>553</b>

Performance Measure Review					
	FY'16	FY'15	FY'14	FY'13	FY'12
<b>Administrative Services</b>					
● 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%	99%
<b>Air Quality</b>					
● Amount Saved by OK Major Sources (\$ in millions; based on OK Title V program compared	\$1.9	\$1.9	\$2.0	\$1.9	\$2.7
● Reductions in Tons of Emissions From Enforcement Actions	896	755	3,058	4,000	246
<b>State Environmental Laboratory Services</b>					
● Provide Analytical Collection Materials and Instruction for Customer Requests	95%	95%	95%	95%	95%
● Percent of laboratory samples processed within appropriate turnaround time targets	90%	90%	96%	92%	96%
<b>Environmental Complaints &amp; Local Services</b>					
● Percent of Complainants Contacted Within Two Days	78%	75%	79%	76%	67%
● Number of Complaints	3,920	2,663	3,046	3,044	3,371
● 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	14	15
<b>Water Quality</b>					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions)	\$122.3	\$45.8	\$20.0	\$45.5	\$59.5
● Percent of Public Water Supply Facilities In Compliance With Drinking Water Requirements	76%	76%	81%	85%	86%
<b>Land Protection</b>					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	260	259	162	183	894
● Number of Abandoned Tires Remediated From Illegal Dumps	120,494	46,783	82,699	86,476	104,121

Revolving Funds (200 Series Funds)				
	FY'14-16 Avg. Revenues	FY'14-16 Avg. Expenditures		June '16 Balance
<b>Revolving Fund 200</b> - 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	\$ 45,231,612	\$ 41,150,226	@6/30	\$ 11,066,343
			Misc Exp after 6/30	\$ (2,303,451)
			Payroll after 6/30	\$ (113,990)
			HB withdrawal	\$ (4,000,000)
			Remaining	\$ 4,648,903
<b>Environmental Education Fund 210</b> - 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.	\$ 8,968	\$ 8,163	@6/30	\$ 9,230
			Misc Exp after 6/30	\$ -
			Payroll after 6/30	\$ -
			Remaining	\$ 9,230
<b>Environmental Trust Fund 215</b> - 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
<b>Hazardous Waste Penalty Fund 220</b> - 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.	\$ 92,863	\$ 48,493	@6/30	\$ 227,558
			Misc Exp after 6/30	\$ (67,775)
			Payroll after 6/30	\$ (102)
			Remaining	\$ 159,681
<b>Certificate Fund 225</b> - 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.	\$ 801,993	\$ 838,924	@6/30	\$ 494,763
			Misc Exp after 6/30	\$ (119,855)
			Payroll after 6/30	\$ (21,256)
			Remaining	\$ 353,653