

**FY22 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	
Administrative, Judicial & Legislative Services	<i>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 assist in facilitating 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.</i>
Petroleum Storage Tank	<i>The Petroleum Storage Tank Division (PSTD) is responsible for the protection of human health, safety and the environment from exposure to chemicals caused by leaking motor fuel storage tanks, as well as consumer protection at the pump. PSTD regulates the installation, operation and closure of motor fuel storage tanks: performs field inspections at regulated facilities, conducts laboratory analysis of fuels, octane checks, and calibration of motor fuel dispensers; oversees site assessment investigations and remediation of released refined product at designated sites. PSTD also oversees the reimbursement of eligible tank owners for reasonable, integral and necessary costs associated with remediation at refined product release sites.</i>
Oil and Gas	<i>The Oil and Gas Conservation Division (OGCD) enforces agency rules, regulations and orders involving oil and gas exploration and production in Oklahoma. OGCD also provides information, permitting, investigation, and compliance services to the oil and gas industry, mineral interest owners, landowners and the general public to protect correlative rights and prevent waste of the oil and gas resources of the State while protecting the environment and ensuring public safety.</i>
Public Utility	<i>The Public Utility Division administers and enforces agency rules, regulations, and orders involving electric, gas, water, cotton gin, and telecommunications service providers; promotes efficiency, innovation, and technological growth among regulated utilities and the program area companies; 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 least reasonable cost for safe and reliable service.</i>
Transportation	<i>The Transportation Division provides overall management, direction and supervision of the administration and enforcement of motor carrier, at-grade rail cross safety, and pipeline safety regulatory activities within the State of Oklahoma. Transportation operates Oklahoma's ports of entry and weigh stations.</i>
Information Technology	<i>OMES-ISD provides technology support and services for the Commission. 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 teleconferencing, maintain electronic messaging and internet capabilities through the Commission's web page and user support.</i>

**FY'21 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	2,613,747		9,313,332			\$11,927,079
15	Petroleum Storage Tank		1,204,378	3,841,187			\$5,045,565
20	Oil and Gas	5,819,422	768,651	7,506,671			\$14,094,744
40	Public Utility			5,880,295			\$5,880,295
60	Transportation	3,132,687		16,866,839			\$19,999,526
88	Information Technology	5,300,000		6,650,886			\$11,950,886
<b>Total</b>		<b>\$16,865,856</b>	<b>\$1,973,029</b>	<b>\$50,059,210</b>	<b>\$0</b>	<b>\$0</b>	<b>\$68,898,095</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'20 Carryover by Funding Source**

Carryover	Appropriations	Federal	Revolving	Local <sup>1</sup>	Other <sup>2</sup>	Total
	\$0	\$0	\$7,020,461	\$0	\$0	\$7,020,461

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'20 and FY'21?**

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

Not at this time; however, the agency is closely monitoring the Oil and Gas Conservation Division since revenue connected with oil and gas production is volatile.

**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?**

Induced Seismicity investigations are sometimes slowed because of necessary reliance on the Oklahoma Geological Survey (GS) for official magnitude determination of seismic events. Such investigations are conducted on a 24/7 basis, but OGS doesn't generally work 24/7 or on holidays.

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

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

**FY'22 Requested Funding By Department and Source**

Dept. #	Department Name	Appropriations	Federal	Revolving	Other <sup>1</sup>	Total	% Change
10	Administrative, Judicial & Legislative Services	\$2,613,747	\$0	\$9,313,332	\$0	\$11,927,079	0.00%
15	Petroleum Storage Tank	\$0	\$1,204,378	\$3,841,187	\$0	\$5,045,565	0.00%
20	Oil and Gas	\$5,819,422	\$768,651	\$7,506,671	\$0	\$14,094,744	0.00%
40	Public Utility	\$0	\$0	\$5,880,295	\$0	\$5,880,295	0.00%
60	Transportation	\$3,132,687	\$0	\$16,866,839	\$0	\$19,999,526	0.00%
88	Information Technology	\$5,300,000	\$0	\$6,650,886	\$0	\$11,950,886	0.00%
<b>Total</b>		<b>\$16,865,856</b>	<b>\$1,973,029</b>	<b>\$50,059,210</b>	<b>\$0</b>	<b>\$68,898,095</b>	<b>0.00%</b>

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

**FY'22 Top Five Operational Appropriation Funding Requests**

Request by Priority	Request Description	Appropriation Request Amount (\$)
Request 1:	Maintain FY21 general revenue appropriation level	
Request 2:		
Request 3:		
Request 4:		
Request 5:		
<b>Top Five Request Subtotal:</b>		<b>\$0</b>
<b>Total Increase above FY-21 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 '22 as was received in FY '21? (Flat/ 0% change)**

Maintaining the appropriations provided in FY21 will allow the Oil and Gas Conservation division to continue to improve energy permit processing to save stakeholders time and money, 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. Maintaining funding levels also ensures that the Transportation division continues toward the goal of fully staffing Ports of Entry and weight stations, thus improving protection of the state's road and bridge infrastructures, as well as upgrade the technology needed to actively participate in the nation-wide IFTA/IRP programs.

**How would the agency handle a 2% appropriation reduction in FY '22?**

A 2% reduction in appropriations in the form of a general revenue reduction would equate to a 75% reduction to the Oil and Gas Program and a 25% reduction to the Transportation Program. If the appropriation reduction comes in the form of agency re-allocation of revolving funds, it becomes 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 (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 utilized for specific purposes and cannot fund other programs within the OCC. It is important that the agency be included in discussions involving revolving fund reductions in order to maintain essential services to the Oklahomans and stakeholders. A 2% reduction in general revenue could be handled internally with the use of agency revolving funds to balance appropriations, but could delay IT development that has been deferred for many years and that offers increased service to stakeholders. A 2% reduction in revolving funds could be absorbed by the agency and critical functions continue if agency is involved in reduction discussions.

**Is the agency seeking any fee increases for FY '22?**

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

**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		

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**Federal Funds**

CFDA	Federal Program Name	Agency Dept. #	FY 21 budgeted	FY 20	FY 19	FY 18	FY 17
20.700	Gas Grant Program- Hazardous Liquid Program and Underground Gas Storage Program- Transportation Division- Pipeline Safety	6000004, 8860460	\$1,637,000	\$1,738,107	\$1,866,810	\$1,532,793	\$1,378,161
66.804	State Underground Storage Tanks Program (Prevention)- Petroleum Storage Tank Division	1500003	\$491,464	\$494,719	\$503,999	\$459,000	\$459,000
66.805	Leaking Underground Storage Tank Trust Fund Program (Corrective Action)- Petroleum Storage Tank Division	1500003, 1500005	\$712,914	\$639,315	\$808,000	\$808,000	\$808,000
66.433	Underground Injection Control- Oil and Gas Conservation Division	2100001	\$316,651	\$212,784	\$258,070	\$180,320	\$354,394
66.817	State & Tribal Response Program- Brownfields- Oil and Gas Conservation Division	2000005	\$185,841	\$185,191	\$404,941	\$168,199	\$215,511
66.204	Brown Dolomite UIC Multipurpose Grant- Oil and Gas Conservation Division	2000001	\$41,000	\$37,368	N/A	N/A	N/A
66.204	Brown Assessment Multipurpose Grant	2000001	\$30,167	N/A	N/A	N/A	N/A
66.818	Brownfields Multipurpose Assessment- Okemah	2000005	\$225,000	N/A	N/A	N/A	N/A

**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 could significantly affect the 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 and inspect pipelines, monitor and inspect 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'21 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	34	46	64	0	63	47
15	Petroleum Storage Tank	11	2	39	0	36	5
20	Oil and Gas	24	110	20	0	119	11
40	Public Utility	23	0	58	0	42	16
60	Transportation	48	211	35	0	235	11
<b>Total</b>		<b>140</b>	<b>369</b>	<b>216</b>	<b>0</b>	<b>495</b>	<b>90</b>

**FTE History**

Division #	Division Name	2021 Budgeted	2020	2019	2017	2012
10	Administrative, Judicial & Legislative Services *Includes 3 elected Commissioners	110	110	109	110	91
15	Petroleum Storage Tank	41	44	44	43	55
20	Oil and Gas	130	136	126	121	115
40	Public Utility	58	60	58	58	45
60	Transportation**	246	247	238	190	124
88	Information Technology *No longer OCC Employees- OMES Employees					25
<b>Total</b>		<b>585</b>	<b>597</b>	<b>575</b>	<b>522</b>	<b>455</b>

\*\*Program staffs newly opened weigh stations and ports of entry

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**Performance Measure Review**

	FY 20	FY 19	FY 18	FY 17	FY 16
<b>Program Name</b>					
Please reference agency program workbook for key performance measures.					

**Revolving Funds (200 Series Funds)**

<i>Please provide fund number, fund name, description, and revenue source</i>	FY'18-20 Avg. Revenues	FY'18-20 Avg. Expenditures	June '20 Balance
<b>20200- OCC Revolving Fund</b>			
General operating fund of OCC.	\$10,481,943	\$9,209,586	\$7,122,827
<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.	\$4,509,431	\$4,514,630	\$15,296
<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.	\$389,603	\$465,718	\$174,589
<b>21500- Well Plugging Fund</b>			
To fund the steps it takes to address abandoned wells in need of plugging when discovered by the Oil and Gas Program. This fund is not used for general operations.	\$1,867,162	\$1,496,726	\$4,048,162
<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.	\$7,671,046	\$7,181,577	\$1,295,490
<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.	\$302,266	\$129,039	\$2,281,950
<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.	\$6,152,845	\$5,151,323	\$5,899,440
<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.	\$14,151,220	\$12,934,949	\$8,861,447
<b>25000- 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	\$655,537	\$354,463
	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.	