

**Department of Environmental Quality**

Steven A. Thompson

Amber Miller

FY'14 Budgeted FTE							
	Supervisors	Classified	Unclassified	\$0 - \$35 K *	\$35 K - \$70 K *	\$70 K - \$\$\$ *	
Administrative Services	20.00	53.00	10.85	0.00	40.00	23.85	
State Environmental Lab Svcs	9.00	59.00	1.00	0.00	21.00	39.00	
Env Complaints/Local Svcs	13.00	93.00	4.50	0.00	24.50	73.00	
Air Quality	19.00	118.00	6.00	0.00	47.00	77.00	
Water Quality	16.00	118.50	3.50	0.00	38.50	83.50	
Land Protection	20.00	82.00	5.15	0.00	23.00	64.15	
Information Technology	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>97</b>	<b>523.5</b>	<b>31</b>	<b>0</b>	<b>194</b>	<b>360.5</b>	

\*Dollar figures represent total compensation, not just salary.

FTE History						
	2013 Budgeted	2012	2009	2008	2003	
Administrative Services	63.85	81.10	67.30	64.20	43.20	
State Environmental Lab Svcs	58.00	57.40	61.30	60.50	70.60	
Env Complaints/Local Svcs	96.50	94.90	99.60	99.40	91.80	
Air Quality	124.00	111.10	114.10	111.00	120.10	
Water Quality	118.00	105.60	124.50	123.50	120.50	
Land Protection	87.15	83.70	81.90	81.30	78.70	
Information Technology	0.00	0.00	0.00	0.00	0.00	
<b>Total</b>	<b>548</b>	<b>534</b>	<b>549</b>	<b>540</b>	<b>525</b>	

FY'13 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other	Total
Administrative Services	\$0	\$2,516,372	\$5,875,555	\$0	\$0	\$8,391,927
State Environmental Lab Svcs	\$1,740,704	\$924,124	\$4,227,543	\$0	\$0	\$6,892,371
Env Complaints/Local Svcs	\$3,726,682	\$698,510	\$4,273,508	\$0	\$0	\$8,698,700
Air Quality	\$0	\$3,424,089	\$9,719,885	\$0	\$0	\$13,143,974
Water Quality	\$2,290,587	\$8,185,130	\$1,481,677	\$0	\$0	\$11,957,394
Land Protection	\$0	\$7,723,501	\$13,153,663	\$0	\$0	\$20,877,164
Information Technology	\$0	\$517,274	\$2,770,773	\$0	\$0	\$3,288,047
<b>Total</b>	<b>\$7,757,973</b>	<b>\$23,989,000</b>	<b>\$41,502,604</b>	<b>\$0</b>	<b>\$0</b>	<b>\$73,249,577</b>

FY'12 Carryover by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'12 Carryover	\$0	\$0	\$10,935,915	\$0	\$0	\$10,935,915

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

**Revolving balance of \$10,935,915 is due to fluctuations in our billing cycle and is needed to be able to continue operations in FY2013.**

What Changes did the Agency Make between FY'12 and FY'13	
1.) Are there any services no longer provided because of budget cuts?	DEQ received essentially the same state general revenue appropriation in FY 13 as FY 12. No programs or major services were eliminated from FY 12 to FY 13.
2.) What services are provided at a higher cost to the user?	The user cost for DEQ services did not rise. Existing DEQ fees were not increased for FY '13. Two new sets of fees were approved by the Environmental Quality Board, Governor and Legislature effective July 1, 2012. New fees were established to allow the state to assume primacy for the federal Lead-Based Paint Renovation, Repair and Painting requirements, but these fees simply replaced fees that were being assessed by USEPA, so the cost to the regulated community remained the same. New fees were established to implement a water reuse program sought by many Oklahoma municipalities. Cities have the option of participating but cost savings to the participating municipalities from allowed water reuse is expected to offset the fees.
3.) What services are still provided but with a slower response rate?	DEQ continues to be forced to significantly curtail technical assistance to Public Water Supply (PWS) systems due to the lack of additional federal, state or fee funding to offset increases in the cost and scope of federally mandated PWS rules, coupled with cuts to the Drinking Water State Revolving Fund set-aside money used to help implement the PWS program. DEQ is threatened with the loss of the federally delegated PWS Supervision Program unless additional funding in the amount of \$2,000,000 is provided.

FY'14 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administrative Services	\$0	\$2,516,372	\$6,125,555	\$0	\$8,641,927	3%
State Environmental Lab Svcs	\$2,074,704	\$924,124	\$4,227,543	\$0	\$7,226,371	5%
Env Complaints/Local Svcs	\$4,165,682	\$698,510	\$4,273,508	\$0	\$9,137,700	5%

Air Quality	\$0	\$3,424,089	\$9,719,885	\$0	\$13,143,974	0%
Water Quality	\$3,017,587	\$8,185,130	\$1,981,677	\$0	\$13,184,394	10%
Land Protection	\$0	\$7,723,501	\$13,153,663	\$0	\$20,877,164	0%
Information Technology	\$0	\$517,274	\$2,520,773	\$0	\$3,038,047	-8%
<b>Total</b>	<b>\$9,257,973</b>	<b>\$23,989,000</b>	<b>\$42,002,604</b>	<b>\$0</b>	<b>\$75,249,577</b>	<b>2.73%</b>

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

#### FY'14 Top Five Appropriation Funding Requests

	\$ Amount
Support for Oklahoma Public Water Supply Supervision Program, including implementation of 3 new federal rules	\$2,000,000
<b>Total</b>	<b>\$2,000,000</b>

An agreement has been reached with the Governor's Office to seek \$1,500,000 in General Revenue and \$500,000 in PWS Supervision Fees.

#### How would the agency handle a 3% appropriation reduction in FY'14?

A reduction of 3% to the FY-2013 appropriation would equal \$226,739. In addition to any cut, the agency must deal with increased costs of insurance, travel, and other expenses. The decreased funding and increased cost will be covered through even greater prioritization of core agency responsibilities. This necessarily means curtailing of 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 reduced levels of assistance from the agency. In addition, DEQ is threatened with the loss of the federally delegated PWS Supervision Program unless additional funding in the amount of \$2,000,000 is provided.

#### How would the agency handle a 5% appropriation reduction in FY'14?

A reduction of 5% to the FY-2013 appropriation would equal \$377,899. A reduction of this amount would, in addition to the above, likely result in a hiring freeze of all but absolutely essential positions and an increase in user fees, with the greatest per capita increase being borne by populations in small communities. Reduced services and assistance provided to the regulated water systems would have to continue and further paring might be necessary.

#### Is the agency seeking any fee increases for FY'14?

	\$ Amount
Increase 1 PWS Supervision Fees	\$500,000
<b>Total</b>	<b>\$500,000</b>

#### Federal Government Impact

1.) How much federal money received by the agency is tied to a mandate by the Federal Government?  
 Approximately \$15,000,000 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. While the DEQ must use General Revenue to support its citizen complaint response effort, to the extent possible DEQ uses state appropriated dollars to minimize the impacts to this regulated community. The state appropriated dollars are 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?  
 It is DEQ's understanding that if federal "sequestration" were to occur, it would result in a roughly 8.2% reduction in federal funding to DEQ. That translates to a reduction to DEQ of approximately \$2,000,000. It is possible that a budget agreement to avoid sequestration could make the reduction even higher due to protection of other federal programs.

There is no question that cuts of the magnitude that sequestration would bring would necessitate noticeable cutbacks by DEQ. DEQ first would insist that EPA acknowledge that deliverables to EPA pursuant to its grants agreements must be substantially scaled back. DEQ would do everything reasonably within its power to avoid furloughs or layoffs, but would rely on attrition to further fill the budget holes. There would also be a substantial impact to entities that receive pass-through funding, such as municipalities and schools.

However, it should also be noted that there has long been and remains a strong desire among the regulated community in Oklahoma for DEQ rather than EPA to administer the delegable federal programs in the state. The regulated community generally has been supportive of fee increases necessary to adequately support those programs so as to maintain delegation, in lieu of implementation by EPA. To the extent that additional funding is needed to maintain the programs at a level that allows for retention of state implementation responsibility, DEQ expects to present fee proposals before its advisory councils and the Environmental Quality Board.

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

### Administrative Services

The Administrative Services Division of the Department of Environmental Quality (DEQ) operates the fiscal, human resources, training, building management, and central records programs of the Department. It also includes the Office of the Executive Director and Office of General Counsel. The Office of Business and Community Relations within the Office of Executive Director manages a Customer Assistance Program, and handles business assistance, legislative and gubernatorial inquiries and planning and oversight of the operational needs of the DEQ Board and Councils.

### Air Quality

The Air Quality Division implements the requirements of the state and federal Clean Air Acts. This includes compliance, enforcement, emission inventory, quality assurance, monitoring, analysis, permitting and local programs.

### State Environmental Laboratory Services

The State Environmental Laboratory Services Division is responsible for providing services both inside and outside the agency. The organic and inorganic chemistry laboratories provide analytical support to the various programs within DEQ, to other state agencies, and to the public water supply systems of the state.

### Environmental Complaints & Local Services

The Environmental Complaints and Local Services Division provides local implementation of complaints program and delivers requested services, mandatory inspections and certain air, water and waste program elements.

### Land Protection

The Land Protection Division (LPD) provides solid waste and hazardous waste planning, management, investigation, cleanup, enforcement, facility design, and groundwater protection services, including underground injection control. LPD is also responsible for regulatory activities for the use of sources of ionizing and non-ionizing radiation.

### Water Quality

The Water Quality Division provides state implementation of the Clean Water Act and the Safe Drinking Water Act as delegated from the federal government for the protection of public health and the environment.

### Performance Measure Review

	FY12	FY'11	FY'10	FY'09	FY'08
<b>Administrative Services</b>					
● Percent of Claims Paid Within 5 Working Days	90%	95%	98%	100%	96%
● Permit Assistance Info Provided to New and Expanding Businesses	100%	100%	100%		
● Percent of Initial Response To Requests for Record Searches, Copying and Reviews Within One Day	99%	99%	100%	98%	95%
<b>Air Quality</b>					
● Amount Saved by Ok Major Sources (in millions of \$; based on OK Title V program as compared to a Fed Title V program and fees)	\$2.7	\$1.9	\$2.0	\$2.4	\$4.6
● Reductions in Tons of Emissions From Enforcement Actions	246	171	6,743	617	1,625
<b>State Environmental Laboratory Services</b>					
● Provide Analytical Collection Materials and Instruction for Customer Requests	95%	N/A	N/A	N/A	N/A
● Percent of laboratory samples processed within appropriate turnaround time targets	96%	95%	99%	N/A	N/A
<b>Environmental Complaints &amp; Local Services</b>					
● Percent of Complainants Contacted Within Two Days	85%	86%	80%	85%	90%
● Number of Complaints	3,371	3,609	4,083	5,000	4,822
● Percent of Complaints Resolved Within 90 Days or approved extension	100%	100%	100%	100%	100%
● Gallons of Sewage eliminated from the Environment (Millions)	14	22	26	20	26
<b>Land Protection</b>					
● Number of Acres for Which Remediation Was Completed at Highly Contaminated Sites	894	595	103	360	275
● Number of Abandoned Tires Remediated From Illegal Dumps	104,121	5,625	63,133	44,002	91,106
<b>Water Quality</b>					
● Amount of Low Interest Loans Provided to Public Water Supply Systems to Help Compliance With Safe Water Drinking Act (Millions) - Increases in FY10 due to ARRA Funding	\$59.5	\$70.6	\$174.9	\$83.1	\$35.8
●	86%	85%	86%	85%	83%

Percent of Public Water Supply Facilities In  
Compliance With Drinking Water Requirements

--	--	--	--	--