

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 274 of 2012

The Arkansas Department of Environmental Quality ("ADEQ") is organized into six regulatory divisions that focus on specific elements of the environment. Listed below are those divisions together with their controlling laws as are codified in The Arkansas Code of 1987 Annotated.

AIR - A.C.A. §§ 8-3-101 *et seq.*, 8-4-301 *et seq.*, 8-4-401 *et seq.*

WATER - A.C.A. §§ 8-4-201 *et seq.*, 8-5-201 *et seq.*

MINING - A.C.A. §§ 15-57-101 *et seq.*, 15-58-101 *et seq.*

SOLID WASTE - A.C.A. §§ 8-6-201 *et seq.*, 8-6-601 *et seq.*, 8-6-901 *et seq.*, 8-6-1001 *et seq.*, 8-6-1201 *et seq.*, 8-6-1601 *et seq.*, 8-9-101 *et seq.*, 8-9-201 *et seq.*, 8-9-301 *et seq.*, 8-9-401 *et seq.*

HAZARDOUS WASTE - A.C.A. §§ 8-7-201 *et seq.*, 8-7-501 *et seq.*, 8-7-1101 *et seq.*

REGULATED STORAGE TANKS - A.C.A. §§ 8-7-801 *et seq.*, 8-7-901 *et seq.*

Other statutes covering the organization and administration of ADEQ include: A.C.A. §§ 8-1-101 *et seq.*, 8-1-201 *et seq.*, 8-2-201 *et seq.*, 8-6-1501 *et seq.*

History and Organization

The Arkansas Department of Environmental Quality (formerly the Department of Pollution Control and Ecology) was officially established in 1971. As part of the overall reorganization of state government, Act 38 established the Arkansas Department of Pollution Control and Ecology as a cabinet-level unit of state government, changed the name of the Commission to the Arkansas Pollution Control and Ecology Commission, and designated the Commission as the environmental policy-making body for the state.

With the passage of Acts 744 and 1230 in 1991, the Agency was officially renamed to the Department of Environmental Quality (ADEQ), the Pollution Control and Ecology Commission was restructured and the powers and duties of the Commission and the Agency were clarified. The Commission is now composed of the directors of six state agencies--Health Department, Forestry Commission, Game and Fish Commission, Geological Survey, Oil and Gas Commission, and Natural Resources Commission--as well as seven private citizens appointed by the Governor and confirmed by the Senate. Each of the four congressional districts existing at the time of the 1991 law must be represented by at least one private-sector appointee on the Commission, with no congressional district having more than two Commissioners.

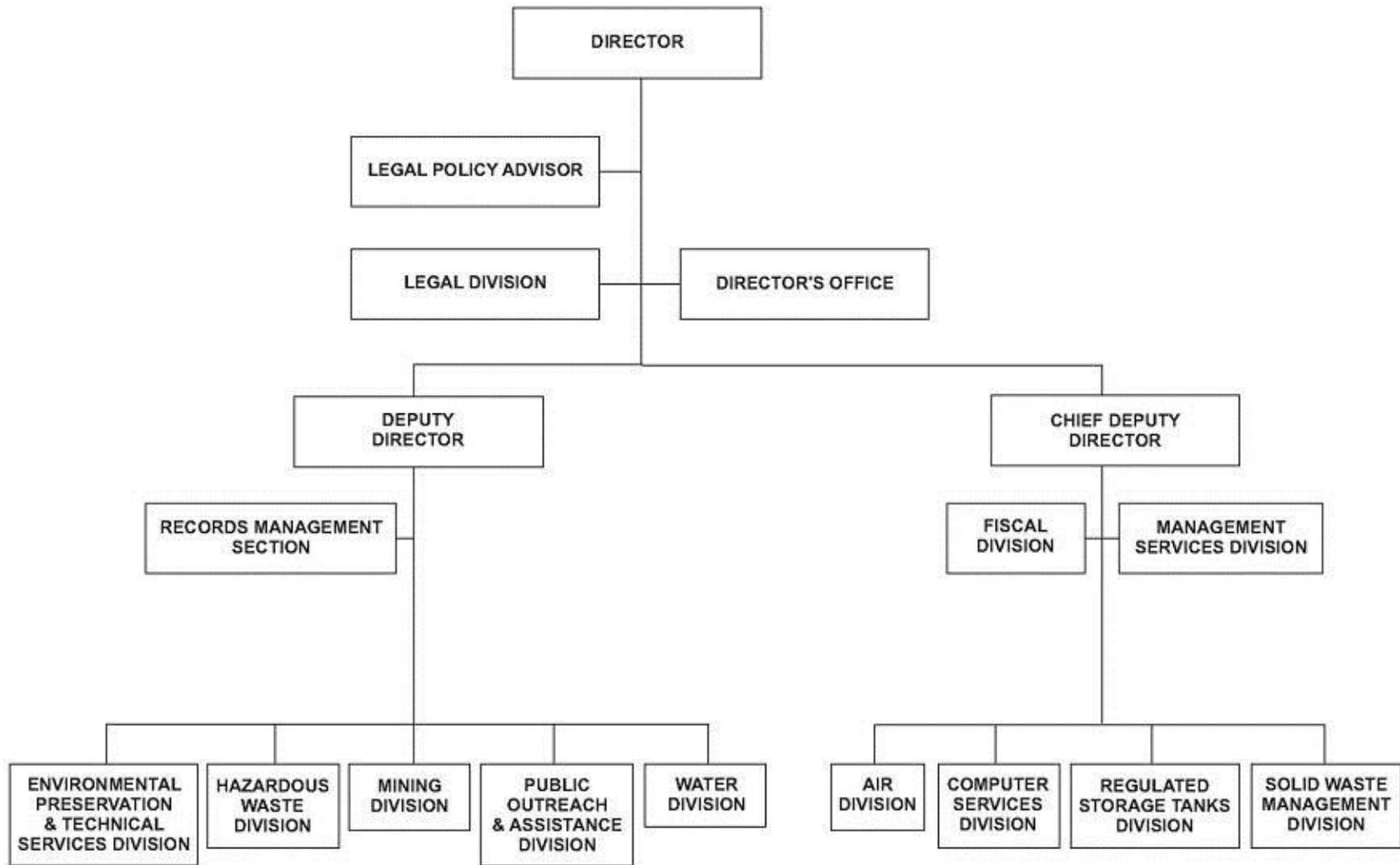
The Arkansas Department of Environmental Quality is the primary environmental regulatory agency for the State of Arkansas. The Agency is responsible for implementing the State's environmental laws and regulations as established by the Arkansas legislature and the Arkansas Pollution Control and Ecology Commission. In large part, the programs implemented by ADEQ are either authorized, or approved by delegated authority from our federal counterparts, primarily the Environmental Protection Agency and the Office of Surface Mining.

The mission of the Arkansas Department of Environmental Quality is: "To protect, enhance and restore the natural environment for the well-being of all Arkansans." The Agency has a two-part vision of the future--"We envision Arkansas with clean air, water and land, where all Arkansans strive to conserve and protect these assets for the benefit and enjoyment of this and future generations" and "We envision the Arkansas Department of Environmental Quality as a respected steward of the environment, where pro-active, results-oriented staff, operating in a professional atmosphere, inspire Arkansans to conserve and protect our natural resources".

The Agency's programs are comprised of four distinct program areas: Air, Water, Land and Environmental Management. The Air Program is responsible for ensuring that the air is clean and healthy. The Water Program is responsible for ensuring that the physical, chemical and biological integrity of all Arkansas' waters are protected and enhanced. The Land Program, which consists of the regulatory divisions of Solid Waste, Mining, Hazardous Waste, and Regulated Storage Tanks, is responsible for ensuring that land-based activities achieve, maintain and enhance a healthy environment.

The ADEQ Environmental Management Program includes a number of other divisions which are involved in specific environmental activities or which provide general support for other Agency divisions. Program area divisions include the Environmental Preservation and Technical Services Division which provides assistance on environmental impact analyses and restoration activities which are not generally subject to regulation as well as Geographic Information Systems support for program activities. The Public Outreach and Assistance Division, which houses the department's public information officer, assists industries and other regulated entities in understanding and following their statutory and regulatory requirements and ADEQ's processes for obtaining permits, licenses and registrations. The Emergency Response Program serves as the Agency's coordinator for overseeing and assisting in the response to environmental emergencies, spills, releases and other conditions that pose an immediate threat to human health and the environment.

The Agency's support groups consist of the Technical Services Division, which performs environmental sample analyses; the Public Outreach and Assistance Division which maintains the Agency's official records and handles FOI requests; the Computer Services Division, which maintains the Agency's data network and information processing systems; the Legal Division, which represents the Agency regarding all legal issues and litigation involving permit appeals and enforcement actions, and assists Agency administration in legislative and regulatory matters; the Fiscal Division which is responsible for tracking state appropriations and federal grants, collection and disbursement of various permit fees, other general bookkeeping activities, and permit fee administration. The support group is rounded out by the Management Services Division, which provides support services for such areas as human resource management; telecommunications; and building and fleet operation and maintenance. The Environmental Management Program efficiently and effectively applies its resources and authorities to achieve the highest standards of agency and environmental management.



Agency Commentary

The Arkansas Department of Environmental Quality (ADEQ) works to protect and enhance the State's environment through regulatory programs, outreach and educational activities. The Agency consists of four major program areas: Air, Water, Land, and Environmental Management.

During the 2011-13 Biennium, ADEQ maintained its efforts in the program areas of air, water, land, and environmental management. The budget request found in the following pages continues current mandated programs and addresses emerging environmental issues. Special emphasis is placed on covering projected needs for the biennium through reallocation of base level funding and appropriation.

Estimated federal monies available to the Agency for this biennium are listed below. Full utilization of these funds is contingent on actual Congressional appropriation, availability of matching funds, if required, and specific grant requirements.

PROGRAM	ANNUAL AMOUNT
105 Air Program	\$1,057,772
Ambient Air Monitoring	469,938
Abandoned Mine Program (Admin)	613,637
Abandoned Mine Reclamation	2,386,363
Permanent Mining Program	148,676
RCRA Hazardous Waste	905,000
604 (b) Water Quality Planning	100,000
Underground Injection Control	81,000
106 Water Pollution Control	2,225,952
Superfund Program	355,000
Underground Storage Tanks	1,291,500
Small, Various Grants	230,289
TOTAL	\$9,865,127

The Agency's budget includes contingency appropriations, which are considered non-operating expenses and are utilized for specific purposes, as needed and funded. These appropriations are utilized for various purposes such as cleanup, remediation and closure activities, reclamation work, and funding of grants for solid waste management activities, recycling, and waste tires collection and handling efforts. Even though some currently reflect appropriation in excess of estimated funding, we are requesting approval of the total amount shown on the Biennial Budget Request forms as monies may become available during the biennium from existing or alternate sources to fully fund any or all of these. The following chart reflects contingency appropriation and bond forfeitures:

APPROP	TOTAL REQUESTED	CONTINGENCY	PURPOSE
2UG	\$7,433,373	\$4,400,000	Landfill Post-Closure Program (Contractual Services) (TLP)
2UC	4,650,000	1,000,000	Solid Waste & Recycling Program (Recycling grants) (TWS)
2UC	2,500,000	2,000,000	Solid Waste & Recycling Program (Electronic Waste Recycling Infrastructure) (TWS)
2UA	372,655	300,000	Emergency Response (Contractual Services) (THS)

2UH	6,425,000	1,000,000	Waste Tire Recycling Program (Grants) (TTG)
2TU	5,700,000	4,000,000	State Abandoned Mine Reclamation (Contractual Services) (MAE)
2TW	1,520,000	1,520,000	Mine Reclamation-Bond Forfeitures (Contractual Services) (TMA)
2TZ	6,194,000	4,000,000	Hazardous Waste Clean Up (Contractual Services) (THS)
2TY	500,000	500,000	Landfill Closure-Bond Forfeiture (Contractual Services) (MWP)
2TS	950,000	950,000	Non-Coal Reclamation-Bond Forfeiture (Contractual Services) (TLR)
2UE	18,999,800	10,000,000	Petroleum Storage Tank Remediation (Operating Expenses) (TPT)
2UF	3,925,000	3,925,000	Regulated Storage Tank Remediation (Contractual Services) (FYP)
TOTAL	\$59,169,828	\$33,595,000	

The following paragraphs briefly describe the program's needs requested as changes over the Base Level budget, including reclassifications.

AIR DIVISION

The Air Division is responsible for enhancing and protecting human health and the environment by protecting the air we breathe. This is accomplished through the safe management of air pollutants emitted into the air.

Responsibilities of this Division involve maintenance of the National Ambient Air Quality Standards (NAAQS), provisions for air quality monitoring, modeling, and development of emission standards. The Division continues to address the 8-hour Ozone NAAQS issues related to Crittenden County, which is located in the Memphis Metropolitan Statistical Area. Re-attainment for Crittenden County for the 1997 Ozone NAAQS was accomplished and the area was officially re-designated as in attainment and is currently subject to maintenance requirements.

The Division is also planning for probable future 8-hour ozone non-attainment designations which will be based on Ozone NAAQS revisions that were finalized in August 2010. On May 21, 2012 the final rule was published to declare Crittenden County in Non-Attainment of the 2008 Ozone NAAQS, the effective date is July 20, 2012. Several other areas of the State including the Little Rock-North Little Rock Metropolitan Statistical Area, Newton, Polk and Sebastian Counties may face being designated as Non-Attainment under the 2008 Ozone NAAQS that were finalized in 2010. Revisions to existing state regulations will be required to deal with the development of new pollution control strategies for non-attainment areas and proposed changes to the NAAQS.

The Division is requesting Capital Outlay appropriation to replace one high mileage fleet vehicle each year out of (2TX) and (2TQ). The Division request these funds be reallocated from Professional fees to Capital outlay. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide. The Division is requesting fund (2TX) Capital Outlay appropriation to purchase an Infrared Camera in fiscal year 2014. The Division request these funds be reallocated from Professional fees to Capital outlay. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of the leak directly to the source. It also provides the capability to verify that leaks have been repaired.

Continuing and new programs consist of Planning Branch ICF contract funding for future ozone modeling projects and modeling for near non-attainment areas.

WATER DIVISION

The Water Division's mission is to restore and maintain water quality in all waters of the State consistent with the economic well-being of all its citizens. The requests above Base Level will enhance our ability to fulfill that mission as well as meet state and federal mandated performance targets.

The Division is responsible for water quality related programs such as: 106 water pollution control, saltwater disposal, water quality planning/standards, groundwater quality protection, clean lakes, concentrated animal feeding operations, and the National Pollutant Discharge Elimination System (NPDES), which includes storm water permitting.

The Division coordinates these efforts internally and with other state and federal natural resource and health agencies, as well as local citizens.

Because the Division is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6. Environmental education efforts are developed through cooperative partnerships with national partners and state schools.

Issuance of coverage of Reserve Pits under the Reserve Pit General Permit has ceased since the adoption of Arkansas Oil and Gas Commission (AOGC) Rule B-17. However, Rule B-17 requires that permittees request authorization from the ADEQ in order to reuse the existing reserve pits to store waters encountered/produced while drilling and to extend the service time of reserve pits used for storage of said waters. These waters are reused in the fracturing process or disposed of.

Under the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended A.C.A. § 8-4-203, et seq) the Agency is charged with the duty to issue permits to prevent the discharge of wastes into waters of the state. In conjunction with drilling activities, the Agency issues permits for land application activities, and storage facilities associated with salt water injection wells. We also perform site inspections and respond to citizen complaints. In order to carry out its charge in overseeing oil and gas exploration activities, it is important for the Agency to have adequate staff.

The Water Division is requesting Capital Outlay Federal Operations (2TQ) appropriation to replace equipment as it becomes inoperable, i.e., samplers, multiprobe monitoring devices, incubators, sterilizers, etc.

The Water Division is also requesting reallocation of \$50,000 in Professional Fees and Services appropriation from (2UK) to (2TR) to allow for further development of a formal training class for Class IV wastewater licensing operators.

Under Section 303(d) of the federal Clean Water Act, states are to develop lists of impaired waterbodies or stream segments. This list is developed every two years after reviewing water quality data collected from streams throughout the state and evaluating the data against assessment criteria. ADEQ has recently submitted the 2012 list of impaired stream segments to EPA for their review and approval. There are currently 324 proposed impaired stream segments in Arkansas.

In order to address the pollutant impairing a given waterbody, the Clean Water Act requires states to develop a Total Maximum Daily Load (TMDL). A TMDL is a calculation of the amount of a pollutant that an impaired waterbody can receive and still meet water quality standards. In 2000, EPA agreed to establish TMDLs for certain impaired stream segments in Arkansas covered under the terms of a Consent Decree. During the next biennium, EPA will continue to require ADEQ to develop TMDLs for impaired stream segments at a cost which could exceed \$500,000 per year.

EPA has also required the state to develop numeric nutrient criteria for a single class of waters in 3 to 5 years. Currently the Planning Section is preparing to conduct field work and determine appropriate criteria for its Extraordinary Resource Waters. Additional 106 monitoring initiative funds will be applied for to carry out this task.

LAND PROGRAM

The Land Program encompasses programs administered through the Agency's Divisions of Hazardous Waste, Surface Mining and Reclamation, Regulated Storage Tanks, and Solid Waste. Each of these divisions has specific statutory authority governing their respective programs, which enhances and protects health and the environment through rulemaking, permitting, compliance monitoring, enforcement, site remediation, while encouraging waste minimization, pollution prevention activities, and clean-up/remediation.

HAZARDOUS WASTE DIVISION

The Hazardous Waste Division regulates the management of waste that could pose a danger to people and the environment if improperly managed. The Division is comprised of three branches; Enforcement and Inspections, Programs, and Technical. The branches work together to regulate active manufacturing and waste management facilities, investigate and cleanup hazardous substance sites which are either abandoned or inactive, and compile hazardous waste related data for public review.

The Hazardous Waste Division implements the federal and state hazardous waste management program goals through a state program authorized by the U.S. Environmental Protection Agency. Specific performance measures include establishing appropriate controls (permits, enforcement orders, or remedial action plans) at targeted waste management facilities, monitoring compliance, providing increased compliance assistance and outreach to industry, small businesses, and the public, and implementing timely, fair, and effective enforcement against violators.

The Division administers hazardous substance site cleanup programs implemented under the federal CERCLA statute (known as "Superfund") and State law, specifically the 1985 Remedial Action Trust Fund Act (RATFA) and the 1997 Voluntary Cleanup Act. These programs are funded by federal grants and State trust funds. Chief among these programs is the implementation and expansion of the State's Voluntary Cleanup and Brownfields Redevelopment programs. The Division will continue to improve and enhance its use of risk management techniques, and will stress strong integration of the technical requirements of all voluntary programs.

The Arkansas Remedial Action Trust Fund Hazardous Substance Site Priority List identifies hazardous sites for which expenditures are authorized from the Hazardous Substance Remedial Action Trust Fund. The site priority list includes (14) National Priority List (NPL) sites and (21) State Priority List (SPL) sites. State funds supplement federal funds during the investigative and site remediation phase of NPL Sites. Upon completion of the site remediation phase, the state assumes 100% of the operations and maintenance (O&M) costs. State and Responsible Party funds finance the investigative and remediation phases of SPL Sites. The Division conducts annual reviews on land-based units and five year reviews on all NPL and SPL sites to ensure the final remedies are effective.

The Emergency Response section is also located with the Hazardous Waste Division. The Emergency Response Section assists with incidents that have the potential to cause harm to public health and the environment generally involving the uncontrolled release of a hazardous substance into the environment.

SURFACE MINING AND RECLAMATION DIVISION

The Mining Division's mission is protecting society and the environment from the adverse effects of surface mining activities by ensuring that the reclamation and restoration of affected lands results in future productive use. Performance of these measures can be gauged by determining the acres of known environmentally impacted land returned to productive use.

This Division is responsible for all permitting, inspection, and enforcement activities necessary to ensure compliance with the state law concerning various surface mining regulations. These responsibilities include a State program authorized under Public Law 95-87 to regulate all surface coal-mining operations in Arkansas. This includes the Abandoned Mine Lands Program that receives federal grant monies to reclaim dangerous, abandoned pre-law coal mines. The Non-Coal section is responsible for ensuring compliance with the Arkansas Open-Cut Land Reclamation Act, the Arkansas Quarry Operation, Reclamation and Safe Closure Act. The Open Cut Land Reclamation Act also includes responsibilities in permitting, inspection, and enforcement of mining operations within the channel of streams in Arkansas.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one vehicle. This vehicle will be used to conduct inspections of contractors who are performing reclamation under the Abandoned Mine Land Program and investigations of future reclamation projects. The current vehicle has over 100,000 miles on it.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace the RTK GPS unit. This unit is over ten years old. It's hardware and software are no longer being supported by the manufacturer. A FCC license to operate a radio link between the base station and the roving collector will be required. The unit is used to develop the construction plans for the reclamation projects under the Abandoned Mine Land Program.

REGULATED STORAGE TANK DIVISION

This Division is responsible for the implementation of state and federal laws and regulations concerning the installation, repair, upgrading, and closure of regulated underground storage tanks in Arkansas, as well as registering, collecting fees and responding to environmental concerns associated with certain aboveground petroleum storage tanks. The Division performs compliance inspections, leak and complaint investigations, emergency responses, oversees and conducts clean-up activities to correct environmental problems at leaking tank sites, conducts trust fund certification and financial assurance reviews for regulated tanks, licenses UST contractors and individuals, trains and certifies UST operators, and reimburses qualified tank owners for trust fund-eligible corrective actions and third-party claims resulting from leaking tanks.

The Division's mission is to enforce all environmental standards and ensure timely, fair, and effective enforcement for violators of these standards, to expeditiously assess and implement appropriate cleanup of leaking underground storage tanks and certain noted above ground storage tanks, to continue developing outreach materials and conduct compliance workshops to educate the regulated community, to maintain the solvency of the Petroleum Storage Tank Trust Fund, and to provide efficient and timely processing of new/amended notification forms and tank fee collections.

Federally funded (2TQ) Capital Outlay appropriation is requested to replace one fleet vehicle in FY 2015. This vehicle will be used by RST inspectors to conduct facility inspections statewide.

SOLID WASTE MANAGEMENT DIVISION

This Division is responsible for programs necessary to provide for the siting, permitting and inspections of existing and proposed solid waste management facilities in Arkansas as well as waste tires grants, recycling grants, regional solid waste planning, solid waste operator licensing, landfill post-closure activities, tax credit program, and engineering standards. The Solid Waste Division provides technical assistance to landfill owners/operators, provides a solid waste liaison service to the Regional Solid Waste Management Districts and State Marketing Board for Recyclables, conduct recycling workshops that educate and assist the public, industry, local governments and also offers compliance assistance through regular inspections and audits of permitted facilities.

The Division is requesting Capital Outlay appropriation to replace one high mileage pickup truck each year out of the solid waste recycling fund (2UC). These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.

ENVIRONMENTAL MANAGEMENT PROGRAM

The Environmental Management Program encompasses a broad array of activities administered through the Agency's Divisions of Administration, Legal, Computer Service, Public Outreach, and Environmental Preservation and Technical Services.

ADMINISTRATION

This group is composed of the Office of the Director, Fiscal Division, and the Management Services Office comprising the Human Resources Section and the Operations Section. This group performs the Agency's administrative functions.

SHARED RESOURCES

This area reflects the Agency's overhead costs, such as utilities, phone services, vehicle maintenance, field office leases and other costs that are necessary for all the programs to operate. These costs are shared by funding sources allocated through General Revenue distribution, trust funds, federal programs and special revenue generating programs. General Revenues, special revenues, and federal funding have historically supported department overhead costs.

LEGAL SERVICES DIVISION

This Division is responsible for all legal aspects of the Agency. The Legal Division represents the Agency in all administrative enforcement actions, including the negotiation and review of all final agreements. The Division also represents the Agency in all permit appeals initiated by regulated entities and/or citizens in communities in which regulated facilities are located. Additionally, the Division advises the Agency on personnel issues and other internal matters, represents ADEQ in fee collection, cost recovery actions and bankruptcy matters, maintains original signed orders, and represents the Agency in civil litigation that seeks enforcement of the State's environmental laws and regulations. Finally, the Division drafts regulations and legislation and works to enable each and every Division of the Agency to meet their specific goals.

PUBLIC OUTREACH AND ASSISTANCE DIVISION

The Public Outreach and Assistance Division houses the Agency's Public Information Officer and provides non-regulatory environmental assistance and education to communities, businesses, and individuals. The Public Outreach and Assistance Division provides small-businesses technical and regulatory assistance, manages public input regarding ADEQ's permitting and regulatory decisions, and develops informational materials for ADEQ's environmental programs. The Division will continue to utilize revolving loan fund (2UN) appropriation for the Small Business Compliance Assistance and Pollution Prevention Loan Program, providing low interest loans to small businesses, assisting small businesses to comply with environmental requirements, or institute pollution prevention measures in their business. Additionally, the Division is responsible for the Watershed Planning and Environmental Education programs aimed at protecting water quality.

COMPUTER SERVICES DIVISION

This Division is responsible for designing, developing, and maintaining ADEQ's information technology infrastructure. The Division encompasses a wide array of duties ranging from designing and maintaining the Agency's computer network, to developing mission critical software, and providing desktop user assistance to the Agency's approximately four hundred staff members.

The Division will continue utilizing the Performance Partnership Trust fund (2UQ) balance to complete the .NET application upgrade and development of the integrated information system (PDS), which plays an integral part in consolidating data from multiple environmental areas by facility or incident.

The Environmental Protection Agency (EPA) designed the National Environmental Information Exchange Network to facilitate the electronic transmission of environmental data between entities. The Agency is working with EPA and other states to develop and implement data exchange templates across all of our delegated programs to eliminate duplicate data entry into both state and federal systems as well as improve data quality. The EPA is providing grant funds to ADEQ to accomplish some of this work.

The division is also requesting capital outlay appropriation from (2TZ) trust funds. The equipment purchased will allow for replacement of aging servers and the backup and archival system.

ENVIRONMENTAL PRESERVATION AND TECHNICAL SERVICES DIVISION

The Environmental Preservation and Technical Services Division is responsible for testing Arkansas' environment and providing input in environmental projects. This includes air, water, soil, hazardous waste, solid waste, and biological samples. The Division also certifies environmental labs, collects fish and other biological samples, and provides assistance for stream restoration and wastewater plant operation.

The Division provides scientific advice to the Director's office concerning a myriad of projects related to federal environmental protection laws that could potentially affect the environment and offers technical services to citizens to effectively manage non-point source pollution. Because the Division is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6.

With the EPA action tightening National Ambient Air Quality Standards, the Department's air monitoring system, operated by EPTS, will need to continue to generate high quality air monitoring for ozone, particulate matter, sulfur dioxide, nitrogen oxides, and carbon monoxide. The division is requesting capital outlay appropriation to purchase the replacement monitoring equipment specified in the federal (2TQ) grant funds.

The division is also requesting capital outlay appropriation from (2TZ) trust funds. The equipment purchased will allow replacement of aging instruments used for the in-lab testing of environmental samples. The funds will allow an update of technology in the lab to cover pesticide testing by new EPA approved methods.

POLLUTION CONTROL AND ECOLOGY COMMISSION HEARING OFFICER

This office was created by Act 921 of 1993, which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer. The Hearing Officer conducts adjudicatory proceedings initiated by an applicant, violator, or third party on permitting, enforcement, and other decisions rendered by the Arkansas Department of Environmental Quality. The Hearing Officer manages the Commission's office and its staff, and serves as legal counsel (along with the Attorney General's office) to the Commission. The Act also transferred the Commission Secretary from the Agency to this office. Act 1077 of 1993 provided that appropriations for this office are payable from the ADEQ Trust Fee Fund (344), and designates the Agency as disbursing officer for funds appropriated by this Act.

The division is requesting an increase in appropriation of \$29,716 to provide for a re-class of the current authorized position from a grade level C127 to a grade level N907. The current authorized position and salary level will not attract the level of legal experience and legal skills necessary to be successful. The Hearing Officer must have a comprehensive understanding of the Commission's many regulations, plus a sound understanding of the many federal and state environmental laws. The Hearing Officer must be able to review the record made during the appeal process, and be able to write concise, defensible, recommended decisions that Commissioners with varying levels of expertise can follow and understand. This change level will allow for a more competitive salary to be offered to attract the level of talent required for this position.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
The Agency did not restrictively endorse checks or prepare and reconcile a listing of checks received in the mail.	Review its receipting process and implement proper controls over checks received in the mail.
The Agency had not updated signature cards for a safety deposit box containing \$3.9 million in certificates of deposit held for surety.	Implement procedures to ensure timely update of signature cards for Agency accounts.
Review of accounts receivable revealed the following: <ul style="list-style-type: none">• Receivables were overstated by \$179,038 for fiscal year 2010 because of a default judgment issued in October 2009. Through the judgment, the Agency settled a \$203,928 receivable for \$24,890 but failed to remove the remaining balance of the receivable from Agency records.• Agency policy requires accounts receivable be paid within 60 days. However,	Review and strengthen procedures to ensure accounts receivables are properly recorded and document efforts to diligently and actively collect customer receivables and to comply with authorized abatement procedures.

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2010

Findings	Recommendations
<p>for fiscal year 2010, customer receivables of \$481,086 were over one year past due. The Agency failed to document collection efforts relating to past due customer receivables.</p> <ul style="list-style-type: none">• The Agency abated a receivable totaling \$11,250 without proper authorization from the Department of Finance and Administration.	
<p>The Agency has agreements with on-call contractors to provide cleanup services at petroleum spill sites where a responsible party is not identified. The Agency did not record liabilities for estimated claims payable to these contractors totaling \$222,101 and \$151,308 for fiscal years 2010 and 2009, respectively.</p>	<p>Develop procedures to ensure accounts payable are properly recorded.</p>
<p>Solid Waste Recycling Program regulations require the Agency to obtain expense itemizations for all recycling grants distributed to landfill and solid waste facilities. According to policy, no future grant funding is to be disbursed to these facilities until this requirement is met. In fiscal year 2009, the Agency did not obtain expense itemizations for \$1.4 million of the 2008 grants distributed, and subsequent grant payments were not restricted as required.</p>	<p>Develop procedures to ensure compliance with all program regulations.</p>
<p>In fiscal years 2010 and 2009, the Agency incorrectly recorded expenditures totaling \$8.4 million on the Schedule of Expenditures of Federal Awards (SEFA) by including both the federal and state portions of expenditures.</p>	<p>Strengthen internal controls by providing additional training to staff concerning federal reporting requirements and proper procedures for reporting expenditures on the SEFA.</p>

State Contracts Over \$25,000 Awarded To Minority Owned Businesses Fiscal Year 2012

None

Employment Summary

	Male	Female	Total	%
White Employees	178	156	334	89 %
Black Employees	8	28	36	10 %
Other Racial Minorities	2	3	5	1 %
Total Minorities			41	11 %
Total Employees			375	100 %

Publications

A.C.A. 25-1-204

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution
		Governor	General Assembly		
None	N/A	N	N	0	N/A

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

Appropriation	2011-2012		2012-2013		2012-2013		2013-2014					2014-2015						
	Actual	Pos	Budget	Pos	Authorized	Pos	Base Level	Pos	Agency	Pos	Executive	Pos	Base Level	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	4,829,699	70	5,071,334	74	5,168,686	74	5,112,378	74	5,112,378	74	5,112,378	74	5,115,301	74	5,115,301	74	5,115,301	74
2TQ ADEQ - Federal Operations	9,067,498	95	9,721,234	93	17,072,283	95	9,259,096	93	9,494,096	93	9,494,096	93	9,261,661	93	9,546,661	93	9,546,661	93
2TR Waste Water Licensing	147,583	3	166,014	3	166,923	3	166,443	3	216,443	3	216,443	3	166,443	3	216,443	3	216,443	3
2TS Land Reclamation	0	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
2TT Hazardous Waste Permit Program	1,362,619	20	1,616,554	21	1,614,012	21	1,623,297	21	1,623,297	21	1,623,297	21	1,623,634	21	1,623,634	21	1,623,634	21
2TU Reclamation of Abandoned Mines - State	1,381,667	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0	5,700,000	0
2TV Surface Coal Mining	0	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0	15,000	0
2TW Mining Reclamation	86,227	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0	1,520,000	0
2TX Fee Administration	11,723,975	172	14,725,128	176	14,572,483	178	14,781,051	176	14,781,051	176	14,781,051	176	14,786,793	176	14,786,793	176	14,786,793	176
2TY Solid Waste Performance Bonds	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2TZ Hazardous Waste Cleanup	967,529	3	7,770,043	3	7,772,829	3	7,508,802	3	7,894,802	3	7,894,802	3	7,508,802	3	7,958,802	3	7,958,802	3
2UA Emergency Response Program	186,231	2	496,962	2	498,073	2	497,469	2	497,469	2	497,469	2	497,469	2	497,469	2	497,469	2
2UB Asbestos Control Program	255,549	4	257,270	4	254,930	4	258,280	4	258,280	4	258,280	4	258,280	4	258,280	4	258,280	4
2UC Solid Waste Mgmt/Recycling Prog	7,834,062	20	8,463,489	20	8,445,951	20	8,469,238	20	8,489,238	20	8,489,238	20	8,471,070	20	8,491,070	20	8,491,070	20
2UD Reg. Substance Storage Tank	851,328	15	910,352	16	1,022,253	16	914,379	16	914,379	16	914,379	16	916,090	16	916,090	16	916,090	16
2UE Petroleum Storage Tank Trust	5,273,038	4	21,780,606	4	21,780,932	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4	21,781,629	4
2UF Regulated Storage Tank Program	203,680	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0	3,925,000	0
2UG Landfill Post Closure Program	424,362	5	7,828,599	5	7,872,009	6	7,830,248	5	7,830,248	5	7,830,248	5	7,830,370	5	7,830,370	5	7,830,370	5
2UH Waste Tire Recycling Program	4,845,779	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0	6,425,000	0
2UJ St Mktg Brd for Recyclables Prog	11,650	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0	28,876	0
2UK Environmental Education Program	138,984	1	320,515	1	320,598	1	320,770	1	270,770	1	270,770	1	320,770	1	270,770	1	270,770	1
2UN Small Business Loans	6,500	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0	550,000	0
2UP Sm Bus Revolving Loan Prog Exp	5,283	0	19,660	0	57,272	1	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0	19,660	0
2UQ Performance Partnership Syst Exp	85,519	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0	600,000	0
2UR Environmental Settlement Trust	22,112	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
2US Computer/Electronic Recycling	0	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0	250,000	0
344 PCE Comm Admn Hearing Officer	102,045	1	220,557	2	261,687	2	221,063	2	257,358	2	257,358	2	221,063	2	257,358	2	257,358	2
36A Fee Administration Non-Haz Clean Up	0	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0	750,000	0
467 PCE Commission Expenses	3,651	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0
Total	49,816,570	415	101,336,170	423	108,848,774	430	100,731,656	423	101,408,951	423	101,408,951	423	100,746,888	423	101,538,183	423	101,538,183	423

Funding Sources		%		%		%		%		%		%		%		%		%	
Fund Balance	4000005	92,260,008	63.7	95,033,958	59.1			59,463,154	47.2	59,463,154	47.1	59,463,154	47.1	40,402,364	37.6	40,402,364	37.5	40,402,364	37.5

Funding Sources		%		%		%		%		%		%		%		%	
General Revenue	4000010	4,276,716	3.0	4,214,640	2.6	4,349,498	3.5	4,349,498	3.4	4,349,498	3.4	4,351,983	4.1	4,351,983	4.0	4,351,983	4.0
Federal Revenue	4000020	9,900,007	6.8	19,346,234	12.0	18,884,096	15.0	19,119,096	15.1	19,119,096	15.1	18,886,661	17.6	19,171,661	17.8	19,171,661	17.8
Special Revenue	4000030	27,750,208	19.2	27,993,657	17.4	28,861,063	22.9	28,897,358	22.9	28,897,358	22.9	29,381,063	27.4	29,417,358	27.3	29,417,358	27.3
Non-Revenue Receipts	4000040	209,260	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1
Trust Fund	4000050	1,489,827	1.0	2,900,000	1.8	2,897,469	2.3	2,897,469	2.3	2,897,469	2.3	2,897,469	2.7	2,897,469	2.7	2,897,469	2.7
Merit Adjustment Fund	4000055	0	0.0	101,775	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Forfeitures	4000120	86,227	0.1	2,970,000	1.8	2,970,000	2.4	2,970,000	2.4	2,970,000	2.4	2,970,000	2.8	2,970,000	2.8	2,970,000	2.8
Federal Funds-ARRA	4000244	752,838	0.5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	66,232	0.0	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1	81,660	0.1
Intra-agency Fund Transfer	4000317	(150,000)	(0.1)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Loan Repayment	4000330	6,500	0.0	550,000	0.3	550,000	0.4	550,000	0.4	550,000	0.4	550,000	0.5	550,000	0.5	550,000	0.5
Miscellaneous Transfers	4000355	150,000	0.1	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Other	4000370	7,602,705	5.2	7,457,400	4.6	7,401,000	5.9	7,401,000	5.9	7,401,000	5.9	7,401,000	6.9	7,401,000	6.9	7,401,000	6.9
Transfer to ADEQ	4000604	450,000	0.3	0	0.0	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3	350,000	0.3
Total Funds		144,850,528	100.0	160,799,324	100.0	125,957,940	100.0	126,229,235	100.0	126,229,235	100.0	107,422,200	100.0	107,743,495	100.0	107,743,495	100.0
Excess Appropriation/(Funding)		(95,033,958)		(59,463,154)		(25,226,284)		(24,820,284)		(24,820,284)		(6,675,312)		(6,205,312)		(6,205,312)	
Grand Total		49,816,570		101,336,170		100,731,656		101,408,951		101,408,951		100,746,888		101,538,183		101,538,183	

Variance in fund balance due to unfunded appropriation in fund centers 2TZ, 2UE, 2UH, and 2UQ.

Agency Position Usage Report

FY2010 - 2011						FY2011 - 2012						FY2012 - 2013					
Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted	% of Authorized Unused
	Filled	Unfilled	Total	Total			Total	Total	Filled	Unfilled			Total	Total	Filled	Unfilled	
430	394	28	422	8	8.37 %	429	379	44	423	6	11.66 %	429	376	47	423	6	12.35 %

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

The Agency utilizes this appropriation for the general operations of various programs and for matching of federal grants. This appropriation is funded by general revenue, and other non-revenue receipt deposits along with contributions from other agencies.

ADEQ is charged with the duty to issue permits to prevent the discharge of wastes into waters of the state. In conjunction with drilling activities, the Agency issues permits for land application activities, reserve pits, and storage facilities associated with salt-water injection wells. The Agency also performs site inspections and responds to citizen complaints.

Drilling and production activities in the Fayetteville Shale Gas Play have increased the department activities. During the 87th General Assembly, the Agency received seven (7) unfunded positions with supporting costs to address these needs. Due to the lack of funding these positions were not budgeted FY11; however, the Agency funded the seven (7) positions in FY12 and FY13 with a grant provided by the Arkansas Game and Fish Commission (AGFC). The Arkoma basin and south Arkansas continue to be explored and the drilling presence in central Arkansas will continue to develop. In order to oversee gas exploration activities, it is important for the Agency to have adequate staff.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY13 line item maximum.

The Agency Request is for Base Level of \$5,112,378 in FY14 and \$5,115,301 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,438,980	3,526,711	3,672,684	3,545,028	3,545,028	3,545,028	3,547,178	3,547,178	3,547,178
#Positions		70	74							
Extra Help	5010001	9,530	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help		1	2							
Personal Services Matching	5010003	1,053,937	1,129,551	1,080,930	1,152,278	1,152,278	1,152,278	1,153,051	1,153,051	1,153,051
Operating Expenses	5020002	320,469	353,183	353,183	353,183	353,183	353,183	353,183	353,183	353,183
Conference & Travel Expenses	5050009	6,783	32,115	32,115	32,115	32,115	32,115	32,115	32,115	32,115
Professional Fees	5060010	0	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		4,829,699	5,071,334	5,168,686	5,112,378	5,112,378	5,112,378	5,115,301	5,115,301	5,115,301

Funding Sources										
Fund Balance	4000005	682,862	935,488		326,592	326,592	326,592	59,735	59,735	59,735
General Revenue	4000010	4,273,065	4,210,663		4,345,521	4,345,521	4,345,521	4,348,006	4,348,006	4,348,006
Non-Revenue Receipts	4000040	209,260	150,000		150,000	150,000	150,000	150,000	150,000	150,000
Merit Adjustment Fund	4000055	0	101,775		0	0	0	0	0	0
Miscellaneous Transfers	4000355	150,000	0		0	0	0	0	0	0
Transfer to ADEQ	4000604	450,000	0		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding		5,765,187	5,397,926		5,172,113	5,172,113	5,172,113	4,907,741	4,907,741	4,907,741
Excess Appropriation/(Funding)		(935,488)	(326,592)		(59,735)	(59,735)	(59,735)	207,560	207,560	207,560
Grand Total		4,829,699	5,071,334		5,112,378	5,112,378	5,112,378	5,115,301	5,115,301	5,115,301

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Non-Revenue Receipts is comprised of miscellaneous administrative fees collected by the Agency.

Transfer to ADEQ is comprised of a grant from Arkansas Game and Fish Grant for FY12 and a grant from Oil & Gas Commission for FY14 and FY15.

Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

ADEQ utilizes this appropriation for the federal portion of program activities. Federal funding is received from the Environmental Protection Agency (EPA) and the US Department of Interior. The Agency operates under the grants with varying amounts of state matching requirements.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$9,259,096 in FY14 and \$9,261,661 each year, the Agency's change level requests totaling \$235,000 in FY14 and \$285,000 in FY15 reflect the following:

- Reallocation - A decrease of \$25,000 in Professional Fees each year to partially offset the Capital Outlay request.
- An increase in Capital Outlay of \$260,000 in FY14 and \$310,000 in FY15 will provide for replacement of two (2) vehicles in FY14 and three (3) vehicles in FY15. The vehicles will be used to conduct compliance inspections, monitor projects and investigate complaints statewide. A reallocation of \$25,000 each year from Professional Fees is requested to partially offset this request. In addition, the increase will be utilized to replace obsolete equipment (data loggers, particle matter air monitors and ozone analyzers) in the Environmental Preservation and Technical Services Division and in FY14 to replace one (1) real time kinetic (RTK) global positioning system. This equipment is required to develop accurate construction plans for reclamation projects under the Abandon Mine Land Program. This change is compliant with the Agency's Information Technology (IT) Plan (page 31).

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,397,148	4,314,069	5,202,619	4,324,093	4,324,093	4,324,093	4,326,193	4,326,193	4,326,193
#Positions		95	93	95	93	93	93	93	93	93
Extra Help	5010001	25,871	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help		10	62	62	62	62	62	62	62	62
Personal Services Matching	5010003	1,363,018	1,399,993	1,557,492	1,425,831	1,425,831	1,425,831	1,426,296	1,426,296	1,426,296
Operating Expenses	5020002	1,535,272	2,074,060	4,284,060	2,074,060	2,074,060	2,074,060	2,074,060	2,074,060	2,074,060
Conference & Travel Expenses	5050009	48,204	251,126	271,126	251,126	251,126	251,126	251,126	251,126	251,126
Professional Fees	5060010	60,185	535,401	2,045,401	535,401	510,401	510,401	535,401	510,401	510,401
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	767,437	998,000	998,000	500,000	760,000	760,000	500,000	810,000	810,000
Contractual Services	5900043	204,902	0	2,565,000	0	0	0	0	0	0
ARRA of 2009	5900052	665,461	0	0	0	0	0	0	0	0
Total		9,067,498	9,721,234	17,072,283	9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Funding Sources										
Federal Revenue	4000020	8,314,660	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Federal Funds-ARRA	4000244	752,838	0		0	0	0	0	0	0
Total Funding		9,067,498	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		9,067,498	9,721,234		9,259,096	9,494,096	9,494,096	9,261,661	9,546,661	9,546,661

Change Level by Appropriation

Appropriation: 2TQ - ADEQ - Federal Operations
Funding Sources: FYP - Federal Funds

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,259,096	93	9,259,096	100.0	9,261,661	93	9,261,661	100.0
C01	Existing Program	195,000	0	9,454,096	102.1	285,000	0	9,546,661	103.1
C04	Reallocation	0	0	9,454,096	102.1	0	0	9,546,661	103.1
C08	Technology	40,000	0	9,494,096	102.5	0	0	9,546,661	103.1

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	9,259,096	93	9,259,096	100.0	9,261,661	93	9,261,661	100.0
C01	Existing Program	195,000	0	9,454,096	102.1	285,000	0	9,546,661	103.1
C04	Reallocation	0	0	9,454,096	102.1	0	0	9,546,661	103.1
C08	Technology	40,000	0	9,494,096	102.5	0	0	9,546,661	103.1

Justification

C01	The mining division is requesting \$30,000 federally funded (2TQ) Capital Outlay appropriation to replace one vehicle, a 1999 GMC Crew Cab truck, which will have over 100,000 miles on it in the fiscal year 2015. The vehicle will be used to conduct overnight inspections of contractors, performing reclamation under the Abandoned Mine Land Program and investigations of future reclamations projects. The regulated storage tanks division is requesting federally funded (2TQ) \$25,000 Capital Outlay appropriation to replace one vehicle for one of the field inspectors in the fiscal year ending June 30, 2015. The vehicle will be used to travel to regulated petroleum storage tank sites for compliance inspections, response to petroleum releases and to observe installation and closures of tank systems. The environmental preservation and technical services division is requesting \$150,000 and \$210,000 for the fiscal years ending June 30, 2014 and 2015, respectively for federally funded (2TQ) Capital Outlay appropriation for replacement equipment. Replacement equipment includes particulate monitors, data loggers, ozone monitors and calibrators, and CO, NOX, and SO2 monitors and calibrators. The request is included to cover possible EPA CO2 monitoring requirements. The water division is requesting \$20,000 each fiscal year for federally funded (2TQ) Capital Outlay appropriation to replace equipment as it becomes inoperable. Equipment is replaced upon failure or when it gets to the point where it is no longer cost effective to repair. Replacement equipment includes samplers, multiprobe monitoring devices, incubators and sterilizers.
C04	The air division is requesting \$25,000 federally funded (2TQ) Capital Outlay reallocation appropriation from a reduction in the fee fund (2TQ), Professional Fees to replace one vehicle each year. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.
C08	The mining division is also requesting \$40,000 federally funded (2TQ) Capital Outlay appropriation to replace a RTK GPS unit in the fiscal year ending June 30, 2014. The unit is over 10 years old. It's hardware and software are no longer supported by the manufacturer. The FCC is also not going to renew the radio license for the frequencies used by the old unit. The RTK GPS unit is critical for the Mining Division to develop the construction plans for reclamation projects under the Abandoned Mine Land Program. This change is compliant with the Agency's Information Technology (IT) Plan (page 31).

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

This appropriation is utilized to operate the Waste Water Licensing Program. Pursuant to A.C.A. §8-5-209, funding is derived from licensing fees collected from wastewater treatment plant operations.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$166,443 each year, the Agency's change level request provides for a reallocation of \$50,000 each year in Professional Fees from appropriation (2UK) Environmental Education to develop a formal training class for wastewater licensing operators.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	98,314	100,711	101,646	100,510	100,510	100,510	100,510	100,510	100,510
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	38,961	33,582	33,556	34,212	34,212	34,212	34,212	34,212	34,212
Operating Expenses	5020002	9,020	26,632	26,632	26,632	26,632	26,632	26,632	26,632	26,632
Conference & Travel Expenses	5050009	1,288	5,089	5,089	5,089	5,089	5,089	5,089	5,089	5,089
Professional Fees	5060010	0	0	0	0	50,000	50,000	0	50,000	50,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		147,583	166,014	166,923	166,443	216,443	216,443	166,443	216,443	216,443
Funding Sources										
Fund Balance	4000005	454,449	436,946		400,932	400,932	400,932	381,489	331,489	331,489
Special Revenue	4000030	130,080	130,000		147,000	147,000	147,000	167,000	167,000	167,000
Total Funding		584,529	566,946		547,932	547,932	547,932	548,489	498,489	498,489
Excess Appropriation/(Funding)		(436,946)	(400,932)		(381,489)	(331,489)	(331,489)	(382,046)	(282,046)	(282,046)
Grand Total		147,583	166,014		166,443	216,443	216,443	166,443	216,443	216,443

Change Level by Appropriation

Appropriation: 2TR - Waste Water Licensing
Funding Sources: MWW - Waste Water Licensing Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	166,443	3	166,443	100.0	166,443	3	166,443	100.0
C04	Reallocation	50,000	0	216,443	130.0	50,000	0	216,443	130.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	166,443	3	166,443	100.0	166,443	3	166,443	100.0
C04	Reallocation	50,000	0	216,443	130.0	50,000	0	216,443	130.0

Justification

C04	The water division requests a \$50,000 appropriation reallocation each fiscal year from the environmental education fund (2UK), professional fees to the waste water licensing fund (2TR), professional fees to allow for further development of a formal training class for Class IV wastewater licensing operators.
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Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

The Agency utilizes this appropriation for Reclamation Projects, which would be funded by bond forfeitures on non-coal activities, such as sand and gravel (A.C.A. §15-57-319). Bonds are required on land to be mined in the event the land is not reclaimed to the specifications of the Department of Environmental Quality.

The Agency Request is for Base Level of \$950,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Reclamation Contracts 5900043	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Total	0	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
Funding Sources									
Bond Forfeitures 4000120	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Total Funding	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	950,000		950,000	950,000	950,000	950,000	950,000	950,000

Analysis of Budget Request

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

This appropriation is used to operate the Hazardous Waste Permit Program. Fees were established to recover the costs of processing permit applications and permit renewal proceedings; on-site inspections and monitoring; the certification of personnel to operate hazardous waste treatment, storage, or disposal facilities; and other departmental activities to assure that generators of hazardous waste and facilities are complying with current law (A.C.A. §19-6-434).

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$1,623,297 in FY14 and \$1,623,634 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	915,232	986,034	1,001,989	987,281	987,281	987,281	987,531	987,531	987,531
#Positions	20	21							
Extra Help 5010001	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help	0	1							
Personal Services Matching 5010003	280,654	315,471	296,974	320,967	320,967	320,967	321,054	321,054	321,054
Overtime 5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses 5020002	157,536	197,304	197,304	197,304	197,304	197,304	197,304	197,304	197,304
Conference & Travel Expenses 5050009	9,197	47,700	47,700	47,700	47,700	47,700	47,700	47,700	47,700
Professional Fees 5060010	0	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	1,362,619	1,616,554	1,614,012	1,623,297	1,623,297	1,623,297	1,623,634	1,623,634	1,623,634
Funding Sources									
Fund Balance 4000005	4,553,056	4,335,511		3,984,957	3,984,957	3,984,957	3,511,660	3,511,660	3,511,660
Special Revenue 4000030	985,358	1,216,000		1,100,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Other 4000370	159,716	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Total Funding	5,698,130	5,601,511		5,134,957	5,134,957	5,134,957	4,661,660	4,661,660	4,661,660
Excess Appropriation/(Funding)	(4,335,511)	(3,984,957)		(3,511,660)	(3,511,660)	(3,511,660)	(3,038,026)	(3,038,026)	(3,038,026)
Grand Total	1,362,619	1,616,554		1,623,297	1,623,297	1,623,297	1,623,634	1,623,634	1,623,634

Analysis of Budget Request

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

The Agency utilizes the Reclamation of Abandoned Mines appropriation to expend funds received from the U.S. Department of Interior - Office of Surface Mining for reclamation of land that was mined prior to the adoption of mining regulations in 1977.

The Agency Request is for Base Level of \$5,700,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Cc 5900043	1,381,667	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total	1,381,667	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Funding Sources									
Federal Revenue 4000020	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	1,381,667	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000

Analysis of Budget Request

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

The Agency utilizes this appropriation to administer and enforce the Arkansas Surface Coal Mining Reclamation Code. Pursuant to A.C.A. § 15-58-508, permit fees collected from coal and lignite-mining operations fund the appropriation.

The Agency Request is for Base Level of \$15,000 for each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses	5020002	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Conference & Travel Expenses	5050009	0	0	0	0	0	0	0	0	0
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Funding Sources										
Fund Balance	4000005	53,312	61,842		48,042	48,042	48,042	34,042	34,042	34,042
Other	4000370	8,530	1,200		1,000	1,000	1,000	1,000	1,000	1,000
Total Funding		61,842	63,042		49,042	49,042	49,042	35,042	35,042	35,042
Excess Appropriation/(Funding)		(61,842)	(48,042)		(34,042)	(34,042)	(34,042)	(20,042)	(20,042)	(20,042)
Grand Total		0	15,000		15,000	15,000	15,000	15,000	15,000	15,000

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

The Agency utilizes this appropriation for bond forfeitures on coal or lignite mined lands. When mine land in Arkansas is cut for coal or lignite, a bond must be put up in the amount agreed upon by the Agency for reclamation of the area. In the event reclamation efforts fail, the bond is forfeited and the Agency is responsible for contracting for the reclamation work. The Mining Reclamation Fund may only be used to accomplish reclamation of land covered by forfeitures of performance bonds.

The Agency Request is for Base Level of \$1,520,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Mining Reclamation Contractual 5900043	86,227	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total	86,227	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Funding Sources									
Bond Forfeitures 4000120	86,227	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total Funding	86,227	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	86,227	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: TPE - ADEQ Fee Trust Fund

Act 817 of 1983 (A.C.A. §8-1-103), as amended, authorized the Agency to establish and collect permit fees for Air, Water, and Solid Waste permitting, monitoring and inspecting activities. During the 79th General Assembly, various limits on permits were included, with the Agency revising the rate structures. The fees, as established by the Agency in accordance with stipulations set out in the Act, were increased effective in October of 1993. Further, the Federal Clean Air Act has required a permit fee system to cover the costs of compliance with this law.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request includes Base Level appropriation of \$14,781,051 in FY14 and \$14,786,793 in FY15. The Agency's change level request which results in no net additional appropriation provides for reallocations of \$118,000 from Professional Fees to Capital Outlay to replace one (1) vehicle as needed each year to conduct compliance inspections, monitor projects and investigate complaints statewide. And in addition, to purchase an infrared camera to provide non-intrusive inspection capabilities to detect the release of harmful emissions and track these emissions directly to the source.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	7,472,182	7,640,148	7,680,413	7,669,931	7,669,931	7,669,931	7,674,631	7,674,631	7,674,631
#Positions		172	176	178	176	176	176	176	176	176
Extra Help	5010001	0	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help		0	5	5	5	5	5	5	5	5
Personal Services Matching	5010003	2,384,741	2,515,902	2,322,992	2,567,042	2,567,042	2,567,042	2,568,084	2,568,084	2,568,084
Operating Expenses	5020002	881,052	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170	1,698,170
Conference & Travel Expenses	5050009	29,755	152,389	152,389	152,389	152,389	152,389	152,389	152,389	152,389
Professional Fees	5060010	121,500	1,598,519	1,598,519	1,598,519	1,480,519	1,480,519	1,598,519	1,573,519	1,573,519
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	834,745	1,075,000	1,075,000	1,050,000	1,168,000	1,168,000	1,050,000	1,075,000	1,075,000
Total		11,723,975	14,725,128	14,572,483	14,781,051	14,781,051	14,781,051	14,786,793	14,786,793	14,786,793

Funding Sources										
Fund Balance	4000005	14,906,123	14,923,677		12,273,549	12,273,549	12,273,549	9,067,498	9,067,498	9,067,498
Special Revenue	4000030	11,741,529	12,075,000		11,575,000	11,575,000	11,575,000	11,575,000	11,575,000	11,575,000
Total Funding		26,647,652	26,998,677		23,848,549	23,848,549	23,848,549	20,642,498	20,642,498	20,642,498
Excess Appropriation/(Funding)		(14,923,677)	(12,273,549)		(9,067,498)	(9,067,498)	(9,067,498)	(5,855,705)	(5,855,705)	(5,855,705)
Grand Total		11,723,975	14,725,128		14,781,051	14,781,051	14,781,051	14,786,793	14,786,793	14,786,793

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. Capital Outlay in the amount of \$1,050,000 is included in Base Level to provide for the Agency's capital lease.

Change Level by Appropriation

Appropriation: 2TX - Fee Administration
Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	14,781,051	176	14,781,051	100.0	14,786,793	176	14,786,793	100.0
C04	Reallocation	0	0	14,781,051	100.0	0	0	14,786,793	100.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	14,781,051	176	14,781,051	100.0	14,786,793	176	14,786,793	100.0
C04	Reallocation	0	0	14,781,051	100.0	0	0	14,786,793	100.0

Justification

C04	The air division is requesting \$25,000 fee fund (2TX) Capital Outlay reallocation appropriation to replace one fleet vehicle each year. These vehicles will be used by department inspectors to conduct facility inspections and investigate complaints statewide. The above \$25,000 total requested capital appropriation reallocation is offset from a reduction in the same fund, Professional Fees. The air division also requests \$93,000 appropriation reallocation from (2TX), professional fees to (2TX), Capital Outlay for the purchase of an infrared camera. Many areas of the state will face being classified as Non-Attainment under the revised National Ambient Air Quality Standard for Ozone which was finalized in August 2010. This device provides rapid non-intrusive inspection capabilities of equipment and processes potentially emitting Volatile Organic Compounds (VOCs). Imaging capabilities of this instrument provide visual evidence of emission leaks/releases that are otherwise invisible to the naked eye and enables the tracking of a leak directly to the source. It also provides the capability to verify that leaks have been repaired. VOC emissions are a major contributor to the formation of ground level ozone.
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Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

The Agency utilizes this appropriation for payment to contractors for the proper closure of solid waste facilities. If a city, county, or individual in Arkansas were to open a landfill, a performance bond would be put up to insure proper closure of the site once it is complete; however, if the site does not meet requirements of the Pollution Control and Ecology Commission the bond is forfeited and the Agency contracts the remediation work.

The Agency Request is for Base Level of \$500,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds 5900043	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Bond Forfeitures 4000120	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

Analysis of Budget Request

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

The Hazardous Substance Remedial Action Trust Fund was established by Act 479 of 1985 (A.C.A. §8-7-509). Funding is derived from fees, donations, damages, and any other monies legally designated for the fund. The Agency utilizes this appropriation for administrative costs and expenses of providing for inspection, identification, containment, abatement, treatment, and control of hazardous substance sites. In addition, ten percent (10%) of the monies collected for the Hazardous Substance Remedial Action Trust Fund are deposited into the Environmental Education Fund up to \$275,000 per fiscal year. This appropriation contains \$4,000,000 of unfunded contingency appropriation that is utilized when necessary and funded for corrective actions.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$7,508,802 each year, the Agency's change level request reflects an increase in Capital Outlay of \$386,000 in FY14 and \$450,000 in FY15 to replace a gas chromatograph/mass spectrometer, which provides capability to analyze environmental samples for organic contaminants like pesticides and solvents, a microwave digester for preparing tissues and soil samples for metal testing, analytical balances for residue testing and various obsolete laboratory equipment. And in addition, to replace aging data processing equipment and data systems which support agency permitting, compliance monitoring, enforcement activities and provide off-site data storage of backups for disaster recovery. Costs associated with this purchase are documented in the Agency's IT Plan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	138,493	131,641	135,938	131,641	131,641	131,641	131,641	131,641	131,641
#Positions		3	3	3	3	3	3	3	3	3
Personal Services Matching	5010003	43,644	43,147	41,636	43,906	43,906	43,906	43,906	43,906	43,906
Operating Expenses	5020002	25,072	401,358	401,358	401,358	401,358	401,358	401,358	401,358	401,358
Conference & Travel Expenses	5050009	0	33,960	33,960	33,960	33,960	33,960	33,960	33,960	33,960
Professional Fees	5060010	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	153,901	262,000	262,000	0	386,000	386,000	0	450,000	450,000
Contractual Services	5900043	450,528	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000	6,194,000
Data Processing Purchases	5900044	155,891	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total		967,529	7,770,043	7,772,829	7,508,802	7,894,802	7,894,802	7,508,802	7,958,802	7,958,802

Funding Sources										
Fund Balance	4000005	8,289,354	8,603,309		1,736,304	1,736,304	1,736,304	0	0	0
Trust Fund	4000050	1,281,484	903,038		900,000	900,000	900,000	900,000	900,000	900,000
Total Funding		9,570,838	9,506,347		2,636,304	2,636,304	2,636,304	900,000	900,000	900,000
Excess Appropriation/(Funding)		(8,603,309)	(1,736,304)		4,872,498	5,258,498	5,258,498	6,608,802	7,058,802	7,058,802
Grand Total		967,529	7,770,043		7,508,802	7,894,802	7,894,802	7,508,802	7,958,802	7,958,802

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. The excess appropriation in FY14 and FY15 assumes full expenditure of contingency appropriation in the Contractual Services line item.

Change Level by Appropriation

Appropriation: 2TZ - Hazardous Waste Cleanup
Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,508,802	3	7,508,802	100.0	7,508,802	3	7,508,802	100.0
C01	Existing Program	276,000	0	7,784,802	103.7	370,000	0	7,878,802	104.9
C08	Technology	110,000	0	7,894,802	105.1	80,000	0	7,958,802	106.0

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	7,508,802	3	7,508,802	100.0	7,508,802	3	7,508,802	100.0
C01	Existing Program	276,000	0	7,784,802	103.7	370,000	0	7,878,802	104.9
C08	Technology	110,000	0	7,894,802	105.1	80,000	0	7,958,802	106.0

Justification

C01	The environmental preservation and technical services division is requesting \$276,000 and \$370,000 for the fiscal years ending June 30, 2014 and 2015, respectively for Capital Outlay appropriation to replace aging laboratory equipment used for environmental testing by EPA methods. Fiscal year ending June 30, 2014 equipment includes analytical balances, ion chromatograph, total organic carbon analyzer, ultrasonic bath, autoanalyzer, autoclave, furnace, microwave digester, deionized water system, mercury analyzer and fluorometer. Fiscal year ending June 30, 2015 equipment includes a liquid chromatograph/mass spectrometer and a gas chromatograph/mass spectrometer.
C08	The computer services division is requesting \$110,000 and \$80,000 for the fiscal years ending June 30, 2014 and 2015, respectively for Capital Outlay appropriation to replace aging data systems. Replacement equipment includes servers which are critical to the department's data systems. Server replacement is determined by critical function as well as age of hardware and if the extension of the vendor hardware warranty is available. The computer services division strives to keep costs down by extending warranties as far out as possible to avoid buying new data processing equipment. Replacement equipment also includes backup and archival systems. The division is currently researching new data backup and archival systems. Current backup systems are cumbersome to manage as our department's data storage continues to grow. A new backup system will streamline the current process. The replacement system will provide local backup and recovery and off-site storage of backups for disaster recovery at the off-site data recovery site. Costs associated with this purchase are documented in the Agency's FY14/15 IT Plan. Sections "Major Project" Documenting Imaging Section (page 16) and "IT Support", category Hardware – Additional disk storage, data backup and replication costs (page 19).

Analysis of Budget Request

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

This appropriation was created by Act 452 of 1985 (A.C.A. §8-7-401) in order to give spending authorization to the Emergency Response Program. Act 1824 of 2005 repealed A.C.A. §8-7-401 and provided for funds collected as civil penalties to be deposited in the Hazardous Substance Remedial Action Trust Fund (A.C.A. §8-4-103), and provided for the Emergency Response Program to be funded from the Hazardous Substance Remedial Action Trust. Funds are used for the purchase/reimbursement of any commodities and/or services necessary in taking emergency response actions in connection with a release or a threatened release of hazardous substances. Further, the Director is not authorized to spend in excess of \$250,000 on any single response action without the Pollution Control & Ecology Commission approval.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$497,469 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	95,031	89,357	91,778	89,357	89,357	89,357	89,357	89,357	89,357
#Positions		2	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	29,676	29,117	27,807	29,624	29,624	29,624	29,624	29,624	29,624
Operating Expenses	5020002	2,463	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833
Conference & Travel Expenses	5050009	0	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contractual Services	5900043	59,061	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total		186,231	496,962	498,073	497,469	497,469	497,469	497,469	497,469	497,469
Funding Sources										
Trust Fund	4000050	186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469
Total Funding		186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		186,231	496,962		497,469	497,469	497,469	497,469	497,469	497,469

Analysis of Budget Request

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

The Asbestos Control Program utilizes this appropriation to provide spending authority for responsibilities placed on the Agency through Act 394 of 1985 (A.C.A. §20-27-1001). This Act called for the Agency to adopt, administer, and enforce a program for licensing contractors engaged in the removal of asbestos materials from facilities. Pursuant to A.C.A. §19-6-452, funding is derived from an annual contractor's license fee of \$500 and a fee of \$35 for asbestos removal workers to cover program costs.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$258,280 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	175,228	166,168	166,942	166,168	166,168	166,168	166,168	166,168	166,168
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	56,169	55,460	52,346	56,470	56,470	56,470	56,470	56,470	56,470
Operating Expenses	5020002	23,352	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses	5050009	800	4,090	4,090	4,090	4,090	4,090	4,090	4,090	4,090
Professional Fees	5060010	0	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		255,549	257,270	254,930	258,280	258,280	258,280	258,280	258,280	258,280
Funding Sources										
Fund Balance	4000005	1,598,592	1,648,125		1,740,855	1,740,855	1,740,855	1,832,575	1,832,575	1,832,575
Special Revenue	4000030	305,082	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Total Funding		1,903,674	1,998,125		2,090,855	2,090,855	2,090,855	2,182,575	2,182,575	2,182,575
Excess Appropriation/(Funding)		(1,648,125)	(1,740,855)		(1,832,575)	(1,832,575)	(1,832,575)	(1,924,295)	(1,924,295)	(1,924,295)
Grand Total		255,549	257,270		258,280	258,280	258,280	258,280	258,280	258,280

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Analysis of Budget Request

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog

Funding Sources: TWS - Solid Waste Management Recycling Fund

Act 849 of 1989 (A.C.A. §8-6-605) established a Solid Waste Management and Recycling Fund to assist counties, cities, and solid waste authorities in the development of solid waste management plans, programs, and facilities that integrate recycling as a functional part of the solid waste management system. During the 79th General Assembly, additional legislation was adopted strengthening the recycling aspect of solid waste management. Funding is derived from landfill disposal fees collected pursuant to legislative enactments.

This appropriation contains unfunded contingency appropriation for Electronic Waste Recycling Infrastructure. Pursuant to A.C.A. §8-6-614, funding is derived from landfill disposal fees.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

In addition to Base Level of \$8,469,238 in FY14 and \$8,471,070 in FY15, the Agency is requesting Capital Outlay of \$20,000 each year to replace one (1) vehicle each year. The vehicles will be used to conduct compliance inspections, monitor projects and investigate complaints statewide.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog
Funding Sources: TWS - Solid Waste Management Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	936,485	883,515	883,975	884,103	884,103	884,103	885,603	885,603	885,603
#Positions		20	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	290,837	287,777	269,779	292,938	292,938	292,938	293,270	293,270	293,270
Operating Expenses	5020002	104,440	126,529	126,529	126,529	126,529	126,529	126,529	126,529	126,529
Conference & Travel Expenses	5050009	5,594	15,668	15,668	15,668	15,668	15,668	15,668	15,668	15,668
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	4,491,115	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000	4,650,000
Capital Outlay	5120011	0	0	0	0	20,000	20,000	0	20,000	20,000
Electronic Waste Recycling Infra.	5900046	2,005,591	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Total		7,834,062	8,463,489	8,445,951	8,469,238	8,489,238	8,489,238	8,471,070	8,491,070	8,491,070
Funding Sources										
Fund Balance	4000005	14,870,141	15,529,189		14,985,700	14,985,700	14,985,700	14,516,462	14,516,462	14,516,462
Special Revenue	4000030	8,493,110	7,920,000		8,020,000	8,020,000	8,020,000	8,020,000	8,020,000	8,020,000
Total Funding		23,363,251	23,449,189		23,005,700	23,005,700	23,005,700	22,536,462	22,536,462	22,536,462
Excess Appropriation/(Funding)		(15,529,189)	(14,985,700)		(14,536,462)	(14,516,462)	(14,516,462)	(14,065,392)	(14,045,392)	(14,045,392)
Grand Total		7,834,062	8,463,489		8,469,238	8,489,238	8,489,238	8,471,070	8,491,070	8,491,070

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog
Funding Sources: TWS - Solid Waste Management Recycling Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,469,238	20	8,469,238	100.0	8,471,070	20	8,471,070	100.0
C01	Existing Program	20,000	0	8,489,238	100.2	20,000	0	8,491,070	100.2

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	8,469,238	20	8,469,238	100.0	8,471,070	20	8,471,070	100.0
C01	Existing Program	20,000	0	8,489,238	100.2	20,000	0	8,491,070	100.2

Justification

C01	The solid waste management division requests \$20,000 capital appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department inspectors to conduct facility inspections and investigate complaints statewide.
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Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Acts 172 and 173 of 1989, as amended, designated the Department of Environmental Quality as the implementing agency for the Regulated Storage Tank Program. Pursuant to A.C.A. §8-7-808, this appropriation is funded by fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$914,379 in FY14 and \$916,090 in FY15.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	601,609	621,849	717,944	621,849	621,849	621,849	623,249	623,249	623,249
#Positions		15	16	16	16	16	16	16	16	16
Personal Services Matching	5010003	198,157	212,370	228,176	216,397	216,397	216,397	216,708	216,708	216,708
Operating Expenses	5020002	51,562	71,128	71,128	71,128	71,128	71,128	71,128	71,128	71,128
Conference & Travel Expenses	5050009	0	5,005	5,005	5,005	5,005	5,005	5,005	5,005	5,005
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		851,328	910,352	1,022,253	914,379	914,379	914,379	916,090	916,090	916,090
Funding Sources										
Fund Balance	4000005	1,098,834	1,367,175		1,424,323	1,424,323	1,424,323	1,434,944	1,434,944	1,434,944
Special Revenue	4000030	1,119,669	967,500		925,000	925,000	925,000	925,000	925,000	925,000
Total Funding		2,218,503	2,334,675		2,349,323	2,349,323	2,349,323	2,359,944	2,359,944	2,359,944
Excess Appropriation/(Funding)		(1,367,175)	(1,424,323)		(1,434,944)	(1,434,944)	(1,434,944)	(1,443,854)	(1,443,854)	(1,443,854)
Grand Total		851,328	910,352		914,379	914,379	914,379	916,090	916,090	916,090

Analysis of Budget Request

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

The Petroleum Storage Tank Trust Fund was established by Act 173 of 1989, as amended (A.C.A. §8-7-901). This fund provides a procedure for reimbursement of remediation costs or damages as a result of leaking tanks. Funding for the program is derived from an environmental assurance fee which is assessed at a rate not to exceed three-tenths of one cent for each gallon of motor fuel or distillate special fuel purchased or imported into Arkansas (A.C.A. §8-7-906). The environmental assurance fee is paid by the first distributor or supplier receiving fuel from a terminal in Arkansas, or if the fuel will never be stored in a terminal in this State, then by the distributor or supplier who first imports the fuel into the State by truck.

The Agency utilizes this appropriation to pay reimbursements to owner operators for taking corrective action or to pay third parties for compensatory damages caused by accidental releases from qualified storage tanks, and to pay reasonable and necessary costs and expenses of the department for taking corrective action caused by accidental releases from a storage tank of unknown ownership or when corrective action is not taken by the owner or operator in a timely manner. This appropriation contains \$10,000,000 of unfunded contingency appropriation that is utilized when necessary for corrective actions.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Agency Request is for Base Level of \$21,781,629 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	225,983	212,303	216,141	212,303	212,303	212,303	212,303	212,303	212,303
#Positions		4	4	4	4	4	4	4	4	4
Personal Services Matching	5010003	61,863	65,342	61,830	66,365	66,365	66,365	66,365	66,365	66,365
Operating Expenses	5020002	4,759,960	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800	18,999,800
Conference & Travel Expenses	5050009	0	3,005	3,005	3,005	3,005	3,005	3,005	3,005	3,005
Professional Fees	5060010	225,232	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		5,273,038	21,780,606	21,780,932	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629
Funding Sources										
Fund Balance	4000005	18,366,661	20,369,784		5,850,378	5,850,378	5,850,378	0	0	0
Other	4000370	7,276,161	7,261,200		7,200,000	7,200,000	7,200,000	7,200,000	7,200,000	7,200,000
Total Funding		25,642,822	27,630,984		13,050,378	13,050,378	13,050,378	7,200,000	7,200,000	7,200,000
Excess Appropriation/(Funding)		(20,369,784)	(5,850,378)		8,731,251	8,731,251	8,731,251	14,581,629	14,581,629	14,581,629
Grand Total		5,273,038	21,780,606		21,781,629	21,781,629	21,781,629	21,781,629	21,781,629	21,781,629

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium. The excess appropriation in FY14 and FY15 assumes full expenditure of the contingency appropriation (Petroleum Storage Tank Remediation Program) in the Operating Expenses line item.

Analysis of Budget Request

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Acts 172 and 173 of 1989 created the Regulated Storage Tank Program and placed the responsibilities of the program under the direction of the Department of Environmental Quality. The Agency utilizes this appropriation for contractual services on corrective actions with federal funding derived from the Environmental Protection Agency. This funding requires a 90/10 federal/state match ratio.

The Agency Request is for Base Level of \$3,925,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank & Contr. 5900043	203,680	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total	203,680	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Funding Sources									
Federal Revenue 4000020	203,680	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	203,680	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	203,680	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000

Analysis of Budget Request

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

The Landfill Post-Closure Program was created by Act 747 of 1991 (A.C.A. §8-6-1001) to address corrective actions, which may be necessary to properly clean up a previously closed landfill, so that no harm is caused to the public health or the environment. Funding is derived from landfill disposal fees and transportation fees, as well as fees imposed on solid waste generated in the State but not disposed of in a solid waste facility within the State.

Pursuant to Act 938 of 1997 (A.C.A. §8-6-1002), funding for all programs is capped at \$25,000,000, with no additional funds collected for the Landfill Post Closure Trust Fund once this level is reached; however, collections are reinstated once the fund diminishes to \$15,000,000. In addition, for administrative purposes, the Agency may utilize these funds at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%. During FY09 the fund balance was capped at \$25,000,000; therefore, no additional funds will be collected for the Landfill Post Closure Trust Fund until the fund balance diminishes to \$15,000,000. Current funding is derived from interest earned on the monies in the Landfill Post Closure Trust Fund.

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	290,644	274,264	311,225	274,564	274,564	274,564	274,664	274,664	274,664
#Positions		5	5	6	5	5	5	5	5	5
Personal Services Matching	5010003	86,298	84,039	90,488	85,388	85,388	85,388	85,410	85,410	85,410
Operating Expenses	5020002	0	30,923	30,923	30,923	30,923	30,923	30,923	30,923	30,923
Conference & Travel Expenses	5050009	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Contractual Services	5900043	47,420	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373
Total		424,362	7,828,599	7,872,009	7,830,248	7,830,248	7,830,248	7,830,370	7,830,370	7,830,370

Funding Sources										
Fund Balance	4000005	23,856,955	23,341,570		15,572,971	15,572,971	15,572,971	9,302,723	9,302,723	9,302,723
Special Revenue	4000030	0	0		1,500,000	1,500,000	1,500,000	2,000,000	2,000,000	2,000,000
Interest	4000300	58,977	60,000		60,000	60,000	60,000	60,000	60,000	60,000
Intra-agency Fund Transfer	4000317	(150,000)	0		0	0	0	0	0	0
Total Funding		23,765,932	23,401,570		17,132,971	17,132,971	17,132,971	11,362,723	11,362,723	11,362,723
Excess Appropriation/(Funding)		(23,341,570)	(15,572,971)		(9,302,723)	(9,302,723)	(9,302,723)	(3,532,353)	(3,532,353)	(3,532,353)
Grand Total		424,362	7,828,599		7,830,248	7,830,248	7,830,248	7,830,370	7,830,370	7,830,370

Intra - agency transfer: \$150,000 transfer to (2TP) ADEQ Fund.

Analysis of Budget Request

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

The Waste Tire Recycling Program was created by Act 749 of 1991, as amended by Act 1292 of 1997 (A.C.A. §8-9-404). Funding for this program is derived from a fee imposed on the sale of each automobile and truck tire sold at retail at a rate of \$2.00 per tire, and an additional \$3.00 per truck tire. The fee imposed, less 5% retained by the tire retailer is used for grants to the State's regional solid waste districts. Of the total funds collected, 8% is transferred to the Agency's Permit Fee Fund for administrative program support. In addition to the fee imposed on new tires, a \$1.00 fee is imposed on all waste tires imported into Arkansas.

This appropriation is used to disburse Tire Recycling Grant Funds to the Regional Solid Waste Management Districts and contains unfunded contingency appropriation in the amount of \$1,000,000 that is disbursed when funds are available.

The Agency Request is for Base Level of \$6,425,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			2013-2014			2014-2015		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,845,779	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Total		4,845,779	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000
Funding Sources										
Fund Balance	4000005	1,911,439	1,803,289		363,289	363,289	363,289	0	0	0
Special Revenue	4000030	4,737,629	4,985,000		4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
Total Funding		6,649,068	6,788,289		5,263,289	5,263,289	5,263,289	4,900,000	4,900,000	4,900,000
Excess Appropriation/(Funding)		(1,803,289)	(363,289)		1,161,711	1,161,711	1,161,711	1,525,000	1,525,000	1,525,000
Grand Total		4,845,779	6,425,000		6,425,000	6,425,000	6,425,000	6,425,000	6,425,000	6,425,000

Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

The State Marketing Board for Recyclables Program was created by the 78th General Assembly through Act 749 of 1991 (A.C.A. §8-9-201 and §8-6-607). The Board's responsibilities includes development of a program coordinating all existing marketing programs for recyclables as well as an overall marketing plan for Arkansas recyclables; establishment of an inventory of markets for recyclables in Arkansas and surrounding states with maintenance of current market prices and trends; working with new and existing industries to encourage the use of recyclables in the manufacturing processes; and advising and assisting of state and local officials in all areas of recyclables marketing.

Act 755 of 1991 (A.C.A. §8-6-607), as amended, provides the Board's funding from 25% of the disposal fees collected from landfills where a private industry bears the expense of operating and maintaining the landfill solely for the disposal of wastes generated by the industry. The remaining 75% of the disposal fees, which fund the Solid Waste Management and Recycling Program, are found in appropriation (2UC) Solid Waste Management Recycling Program .

The Base Level request for Regular Salaries reflects board member Stipend payments and corresponding Personal Services Matching.

The Agency Request is for Base Level of \$28,876 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,140	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
#Positions		0	0	0	0	0	0	0	0	0
Personal Services Matching	5010003	87	115	115	115	115	115	115	115	115
Operating Expenses	5020002	7,919	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	2,504	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415
Professional Fees	5060010	0	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		11,650	28,876	28,876	28,876	28,876	28,876	28,876	28,876	28,876
Funding Sources										
Fund Balance	4000005	186,386	197,926		193,650	193,650	193,650	187,774	187,774	187,774
Special Revenue	4000030	23,190	24,600		23,000	23,000	23,000	23,000	23,000	23,000
Total Funding		209,576	222,526		216,650	216,650	216,650	210,774	210,774	210,774
Excess Appropriation/(Funding)		(197,926)	(193,650)		(187,774)	(187,774)	(187,774)	(181,898)	(181,898)	(181,898)
Grand Total		11,650	28,876		28,876	28,876	28,876	28,876	28,876	28,876

Analysis of Budget Request

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

The appropriation for the Environmental Education Program was created by the 78th General Assembly to provide environmental education materials and training. Funding is derived from 10% of the revenue collected for the Hazardous Substance Remedial Action Trust Fund up to \$275,000 per fiscal year (A.C.A. §8-7-509(d)).

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$270,770 each year, which reflects a reallocation of \$50,000 each year from Professional Fees to Professional Fees in appropriation (2TR) Waste Water Licensing to develop a formal training class for wastewater licensing operators.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	52,614	49,851	50,823	49,851	49,851	49,851	49,851	49,851	49,851
#Positions		1								
Personal Services Matching	5010003	15,928	15,703	14,814	15,958	15,958	15,958	15,958	15,958	15,958
Operating Expenses	5020002	68,507	152,961	152,961	152,961	152,961	152,961	152,961	152,961	152,961
Conference & Travel Expenses	5050009	1,835	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees	5060010	100	94,000	94,000	94,000	44,000	44,000	94,000	44,000	44,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		138,984	320,515	320,598	320,770	270,770	270,770	320,770	270,770	270,770
Funding Sources										
Fund Balance	4000005	334,733	354,047		178,532	178,532	178,532	7,762	57,762	57,762
Other	4000370	158,298	145,000		150,000	150,000	150,000	150,000	150,000	150,000
Total Funding		493,031	499,047		328,532	328,532	328,532	157,762	207,762	207,762
Excess Appropriation/(Funding)		(354,047)	(178,532)		(7,762)	(57,762)	(57,762)	163,008	63,008	63,008
Grand Total		138,984	320,515		320,770	270,770	270,770	320,770	270,770	270,770

FY13 Budget amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2011-2013 Biennium.

Change Level by Appropriation

Appropriation: 2UK - Environmental Education Program
Funding Sources: MEE - Environmental Education Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	320,770	1	320,770	100.0	320,770	1	320,770	100.0
C04	Reallocation	(50,000)	0	270,770	84.4	(50,000)	0	270,770	84.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	320,770	1	320,770	100.0	320,770	1	320,770	100.0
C04	Reallocation	(50,000)	0	270,770	84.4	(50,000)	0	270,770	84.4

Justification

C04	The water division requests a \$50,000 appropriation reallocation each fiscal year to the waste water licensing fund (2TR), professional fees from the environmental education fund (2UK), professional fees to allow for further development of a formal training class for Class IV wastewater licensing operators.
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Analysis of Budget Request

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earnings and repayment streams of the small business loans. The personal services and operating expenses of the Small Business Revolving Loan Program are found in appropriation (2UP) Small Business Revolving Loan Program Expenses. The Agency utilizes this appropriation to issue small business loans.

The Agency Request is for Base Level of \$550,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	6,500	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Total	6,500	550,000	550,000	550,000	550,000	550,000	550,000	550,000	550,000
Funding Sources									
Loan Repayment 4000330	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Total Funding	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	6,500	550,000		550,000	550,000	550,000	550,000	550,000	550,000

Analysis of Budget Request

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

The Small Business Revolving Loan Program was created by the 81st General Assembly through Act 691 of 1997 (A.C.A. §8-5-801 et seq.). This Act authorized the Agency to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding for this program is derived from interest earned on the monies in Small Business Revolving Loan Fund. The loan expenses of the Small Business Revolving Loan Program are found in appropriation (2UN) Small Business Loans. This appropriation provides for the operating expenses of the Small Business Revolving Loan Program.

The Agency Request is for Base Level of \$19,660 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	0	0	27,375	0	0	0	0	0	0
#Positions	0	0	1	0	0	0	0	0	0
Personal Services Matching 5010003	4,682	0	10,237	0	0	0	0	0	0
Operating Expenses 5020002	566	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses 5050009	35	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Professional Fees 5060010	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	5,283	19,660	57,272	19,660	19,660	19,660	19,660	19,660	19,660
Funding Sources									
Interest 4000300	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Total Funding	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	5,283	19,660		19,660	19,660	19,660	19,660	19,660	19,660

Analysis of Budget Request

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

This appropriation was created by Act 1210 of 1999 (A.C.A. §19-5-1102) to provide for expenses of designing and establishing a management organization, utilizing the principles of the National Environmental Performance Partnership System advocated by the U.S. Environmental Protection Agency which integrates environmental indicators, management information, along with performance-based budgeting and accounting to measure Agency performance. The fund enables the Agency to examine infrastructure, develop integrated approaches to environmental management, and implement a multi-year redesign of the Agency's regulatory databases.

Initial funding was derived from fund transfers beginning in FY00 of \$500,000 each fiscal year from the Landfill Post Closure Trust Fund. The transfers were authorized for five (5) years, with the cessation of the fund transfers occurring in FY04. Current funding is derived from interest earned on the monies in the Performance Partnership Trust Fund. This program will cease when the fund balance is depleted.

The Agency Request is for Base Level of \$600,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	85,519	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Total	85,519	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
Funding Sources									
Fund Balance 4000005	848,927	765,380		167,380	167,380	167,380	0	0	0
Interest 4000300	1,972	2,000		2,000	2,000	2,000	2,000	2,000	2,000
Total Funding	850,899	767,380		169,380	169,380	169,380	2,000	2,000	2,000
Excess Appropriation/(Funding)	(765,380)	(167,380)		430,620	430,620	430,620	598,000	598,000	598,000
Grand Total	85,519	600,000		600,000	600,000	600,000	600,000	600,000	600,000

Analysis of Budget Request

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

The ADEQ Environmental Settlement Trust Fund was created by Act 1416 of 2001 (A.C.A. §19-5-1111) for expenses authorized through various settlement agreements benefiting the State of Arkansas as administered through the ADEQ. The fund consists of income received by the State of Arkansas pursuant to settlement agreements for environmental or natural resource damages, interest earnings, and other designated revenue.

The Agency Request is for Base Level of \$750,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust 5900046	22,112	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	22,112	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	22,112	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	22,112	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	22,112	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

The Computer and Electronic Recycling Fund was created by Act 1410 of 2001 (A.C.A. § 19-5-1217). This appropriation is used to promote market research and development grants to determine the most efficient process for collecting, transporting and processing various scrap electronic equipment. This appropriation is funded through Marketing and Redistribution proceeds from computer or electronic equipment sales throughout the state.

The Agency Request is for Base Level of \$250,000 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer & Electronics Recycling 5900046	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Total	0	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	248,184	360,700		215,700	215,700	215,700	65,700	65,700	65,700
Special Revenue 4000030	112,516	105,000		100,000	100,000	100,000	100,000	100,000	100,000
Total Funding	360,700	465,700		315,700	315,700	315,700	165,700	165,700	165,700
Excess Appropriation/(Funding)	(360,700)	(215,700)		(65,700)	(65,700)	(65,700)	84,300	84,300	84,300
Grand Total	0	250,000		250,000	250,000	250,000	250,000	250,000	250,000

Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

The Hearing Officer Division was created by Act 921 of 1993 (A.C.A. §8-1-203), which authorized the Pollution Control and Ecology Commission to hire a full-time, independent administrative hearing officer for the purposes of adjudicatory review of Agency decisions concerning permit issuance or revocation, and assessment of civil penalties. Act 1077 of 1993 provided appropriations for this Division payable from the Agency's Fee Fund. Funding for this appropriation is derived from special revenues transferred from the Agency's Fee Fund. (A.C.A §8-1-204)

Base Level Regular Salaries and Personal Services Matching includes Career Service payments for eligible employees. Personal Services Matching also includes a \$20 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$410 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

In addition to Base Level of \$221,063 each year, the Agency is requesting an increase of \$29,716 to provide for the reclassification of the Administrative Law Judge position title, grade level C127 to a grade level N907, PC&E Hearing Officer position title.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	2013-2014			2014-2015		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	43,225	96,970	132,747	96,970	126,686	126,686	96,970	126,686	126,686
#Positions		1	2	2	2	2	2	2	2	2
Personal Services Matching	5010003	17,807	29,448	34,801	29,954	36,533	36,533	29,954	36,533	36,533
Operating Expenses	5020002	24,543	49,217	87,217	49,217	49,217	49,217	49,217	49,217	49,217
Conference & Travel Expenses	5050009	0	6,922	6,922	6,922	6,922	6,922	6,922	6,922	6,922
Professional Fees	5060010	16,470	38,000	0	38,000	38,000	38,000	38,000	38,000	38,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		102,045	220,557	261,687	221,063	257,358	257,358	221,063	257,358	257,358
Funding Sources										
Special Revenue	4000030	102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358
Total Funding		102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		102,045	220,557		221,063	257,358	257,358	221,063	257,358	257,358

Budget exceeds Authorized Appropriation in Professional Fees by authority of a Budget Classification Transfer.

Change Level by Appropriation

Appropriation: 344 - PCE Comm Admn Hearing Officer
Funding Sources: TPE - ADEQ Fee Trust Fund

Agency Request

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,063	2	221,063	100.0	221,063	2	221,063	100.0
C10	Reclass	36,295	0	257,358	116.4	36,295	0	257,358	116.4

Executive Recommendation

Change Level		2013-2014	Pos	Cumulative	% of BL	2014-2015	Pos	Cumulative	% of BL
BL	Base Level	221,063	2	221,063	100.0	221,063	2	221,063	100.0
C10	Reclass	36,295	0	257,358	116.4	36,295	0	257,358	116.4

Justification

C10	Agency Request to reclass position C127 Administrative Law Judge to N907 PC&E Hearing Officer due to inability to fill position at the lower grade level.
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Analysis of Budget Request

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

This appropriation was created by the 86th General Assembly in Act 1281 of 2007. This appropriation gives ADEQ the ability to cleanup non-hazardous sites which pose a threat to the environment of the State of Arkansas. The ADEQ Fee Trust Fund provides the funding for the appropriation; however, funding is restricted to interest earnings only from the ADEQ Fee Trust Fund.

The Agency Request is for Base Level of \$750,000 in each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 36A - Fee Administration Non-Haz Clean Up

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	Historical Data			2013-2014			2014-2015		
	2011-2012 Actual	2012-2013 Budget	2012-2013 Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Contractual Services 5900043	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Total	0	750,000	750,000	750,000	750,000	750,000	750,000	750,000	750,000
Funding Sources									
Trust Fund 4000050	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Total Funding	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	750,000		750,000	750,000	750,000	750,000	750,000	750,000

Analysis of Budget Request

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

The Pollution Control and Ecology Commission utilizes this appropriation for Commission training expenses and is funded by General Revenue.

The Agency Request is for Base Level of \$3,977 each year.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2011-2012	2012-2013	2012-2013	2013-2014			2014-2015		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,651	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,651	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,651	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,651	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,651	3,977		3,977	3,977	3,977	3,977	3,977	3,977