

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 1615 of 2003

Act 472 of 1949

Act 183 of 1965

Acts 211, 236, 237, 238, and 317 of 1971

Act 883 of 1977; Arkansas Open Cut Land Reclamation Act of 1977

Act 406 of 1979

Acts 612, 667 and 916 of 1983

Acts 452 and 479 of 1985

Acts 172, 173, 277, 350, 394, 643, 849, 870, 934, and 979 of 1989

Acts 154, 342, 454, 718, 744, 747, 748, 749, 750, 752, 827, 1057, 1103 and 2340 of 1991

Acts 163, 165, 567, 921, 1083, 1263, 1264, 1273, and 1294 of 1993

Acts 125, 350, 384, 496, 907, 1110, and 1345 of 1995

Acts 309, 401, 551, 691, 785, 938, 1042, 1166, and 1219 of 1997

Acts 140, 142, 420, 500, 505, 719, 775, 1210, 1320, and 1526 of 1999

Acts 459 and 1376 of 2001

Acts 51, 79, 156, 486, 1193, and 1194 of 2003

History and Organization

The mission of the Arkansas Department of Environmental Quality is: "To protect, enhance and restore the natural environment for the well-being of all Arkansas."

The Arkansas Department of Environmental Quality (formerly the Department of Pollution Control and Ecology) was officially established in 1971. However, the history of the state's environmental regulatory activities dates back to 1949, when the passage of Act 472 created the Arkansas Water Pollution Control Commission. The Commission originally was a unit of the Arkansas Department of Health charged with the control and abatement of pollution affecting the waters of the State of Arkansas. Other water pollution control legislation includes Act 211 of 1971, which gave the agency the authority to license operators of municipal wastewater treatment plants in the state; Act 1103 of 1991, which extended the licensing jurisdiction to privately owned treatment plant operators; and Acts 154 and 342 of 1991, which created a state groundwater management program.

Act 183 of 1965 gave the Commission authority for air pollution control, changed the agency's name to the Arkansas Pollution Control Commission, and removed the board from the Health Department's jurisdiction.

As part of the overall reorganization of state government in 1971, 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. The composition of the Commission has been changed a number of times over the years, with the most recent change coming as the result of Act 744 of 1991. Currently, the Commission is composed of the directors of

six state agencies--Health Department, Forestry Commission, Game and Fish Commission, Geological Commission, Oil and Gas Commission, and Soil and Water Conservation 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 have at least one private-sector appointee on the Commission, while no congressional district may have more than two Commissioners.

In 1966, the Governor designated the agency as the governmental unit responsible for developing and implementing a statewide solid waste management plan. Formal legislation authorizing this program was provided by Acts 237, 238, and 317 of 1971. Act 883 of 1977 established a state litter control program. 1983 legislation included Act 612 requiring all counties to develop a solid waste management program, Act 667 providing for quarterly inspections of permitted solid waste disposal facilities, and Act 916 requiring that performance bonds be posted in order to obtain a solid waste disposal permit. Legislation approved in 1989 included Act 849 which established a solid waste recycling fund; Act 870, which created a system of regional solid waste planning districts and boards; Act 979, which appropriated funds for awarding grants to regional solid waste planning boards for the development of district solid waste needs assessments; and Act 934, which required the development of recycling plans, established a solid waste management and recycling fund, authorized the collection of landfill disposal fees, and established a state grant program to local governments. Major solid waste legislation adopted in 1991 included Act 747, which created a landfill post-closure trust fund; Act 748, which provided for an income tax credit for the purchase of recycling or waste reduction equipment; Act 749, which established a statewide recycling program and set goals, and created the State Marketing Board for Recyclables; Act 750, which provided for the classification of state landfills and the licensing of landfill operators; and Act 752, which modified the regional solid waste planning board system.

The Department's open-cut mining regulatory program for all types of strip mining was established by Act 236 of 1971. That law was superseded by the Arkansas Open Cut Land Reclamation Act of 1977, which established separate regulatory programs for coal and non-coal strip mining operations. Act 827 of 1991 revised the bonding, reclamation, and penalty provisions of the ADEQ's mining program.

Act 406 of 1979 created the Department's hazardous waste management program. In 1985, Act 479 created the Remedial Action Trust Fund to match federal monies for Superfund site cleanups, while Act 452 established a mechanism for ADEQ action involving hazardous waste emergency situations requiring immediate response. Legislation adopted in 1989 included Act 350, which promotes, encourages and facilitates implementation of approved response actions at federally listed Superfund sites; and Act 643, which provides for additional civil penalties for hazardous waste violations and requires certification of hazardous waste handlers. In 1985, Act 394 established an education and certification program for contractors engaged in demolition or renovation projects involving asbestos.

Act 172 of 1989, which designated the Department as the implementing agency to carry out the federally mandated regulated storage tank program in Arkansas, required the annual registration of certain tanks, and provided the licensing of tank installers. Act 173 of 1989 set up the storage tank trust fund to provide money for remedial action involving leaking storage tanks, while Act 277 of the First Extraordinary Session of 1989 established positions and operating costs for the new Regulated Storage Tank Division of the Department.

Since the start of the nineties, numerous environmental laws have been enacted. Major legislation passed in 1991 includes Act 744, which restructured the Pollution Control and Ecology Commission; Act 1230, which clarified the powers and duties of the Commission and the Department; Act 454 (the "Bad Actor Law"), which allows the ADEQ to deny permits to applicants which have a history of environmental violations in Arkansas or other states; Acts 154 and 342, which establish a groundwater protection program in the state; Act 718, which created the Arkansas Revolving Loan Fund for low-interest loans for wastewater treatment plant construction; Act 748, which established tax credits for the purchase of recycling equipment; Act 749, which established the state recycling program, created the State Marketing Board for Recyclables, and set specific requirements for recycling plastics, lead-acid batteries, used motor oil, and waste tires, and established recycling goals for state agencies; and Act 1057, which increased the maximum fines which can be levied for environmental violations.

Among the more significant acts of 1993 were: Acts 163 and 165, which revised the ADEQ's administrative procedures for permitting, appeal, and enforcement actions; Act 921, which authorized the Commission to hire a full-time administrative hearing officer; Act 1083, which established rules for administrative hearings held on the Commission's behalf; Act 322, which provided for a mandatory laboratory certification program to be administered by the ADEQ; Act 567, which created the State Emergency Response Commission and various Local Emergency Planning Committees around the state; Act 1294, which provided for increased environmental permit fees; Act 1263, the "Environmental Equity Law," which limits the permitting of high-impact solid waste management facilities within 12 miles for existing facilities; Act 1264, which further clarifies the Commission's powers and duties; and Act 1273, which provides for pollution prevention programs to minimize creation of waste materials.

During the 1995 session, laws passed included: Act 125, which is the so-called "Brownfields Act," for the cleanup of abandoned industrial sites; Act 350, which encourages facility operators to perform voluntary environmental audits; Act 384, which amends permit transfer, public notification and third-party appeal procedures; Act 496, also known as the Medical Waste Disposal Act; Act 907, providing the confidentiality of industrial secrets under state and federal air pollution laws; Act 1110, which created the Stream Bed Mining Task Force; and Act 1345, which prohibited commercial mining in extraordinary resource streams.

The most prominent acts of 1997 included: Act 309, authorized the Department to establish a training and licensure program for the abatement of lead-based paint hazards; Act 401, allowed streamlined procedures to encourage long-term environmental remediation projects; Act 551, required a permitting program for motor vehicle race tracks; Act 691, established a revolving fund to help small businesses comply with environmental mandates; Acts 785 and 938, provided revenue and administrative support to the ambitious "Pick Up Arkansas" and "Illegal Dump Eradication" programs; Act 1042, broadening the incentives for redevelopment of abandoned "brownfields" hazardous waste sites; and Act 1166, established a new regulatory program for the reclamation and safe closure of quarries. Act 1219 changed the name of the Department to the Arkansas Department of Environmental Quality.

Significant legislation passed in 1999 included: Act 1210 appropriated money to pay for

management reorganization of the Department utilizing national environmental performance partnership principles which integrate environmental indicators, management information, and performance-based budgeting and accounting; Act 500 established the Arkansas Environmental Regulatory Flexibility Act; Acts 140 and 142 clarified civil penalties for asbestos violations; Act 719 defined the type of facility which should have a licensed wastewater operator; Act 420 defined abandoned agricultural pesticide; Act 1320 modified the Arkansas Quarry Operation, Reclamation and Safe Closure Act; Act 1526 modified the Arkansas Open Cut Land Reclamation Act; Act 505 prohibited the delivery of regulated substances into underground tanks which have not been upgraded; and Act 775 expanding the waste tire grant program.

Major environmental acts passed in 2001 included: Act 459, transferred the Construction Assistance Revolving Loan Fund Program to the Arkansas Soil and Water Conservation Commission to consolidate the administration of numerous revolving loan programs associated with water development projects, with the program's duties accomplished more efficiently; and Act 1376 of 2001 directed the Arkansas Department of Environmental Quality to develop a statewide solid waste management plan to protect the public health and the state's environmental quality and maximize the efficiency of regional solid waste management systems.

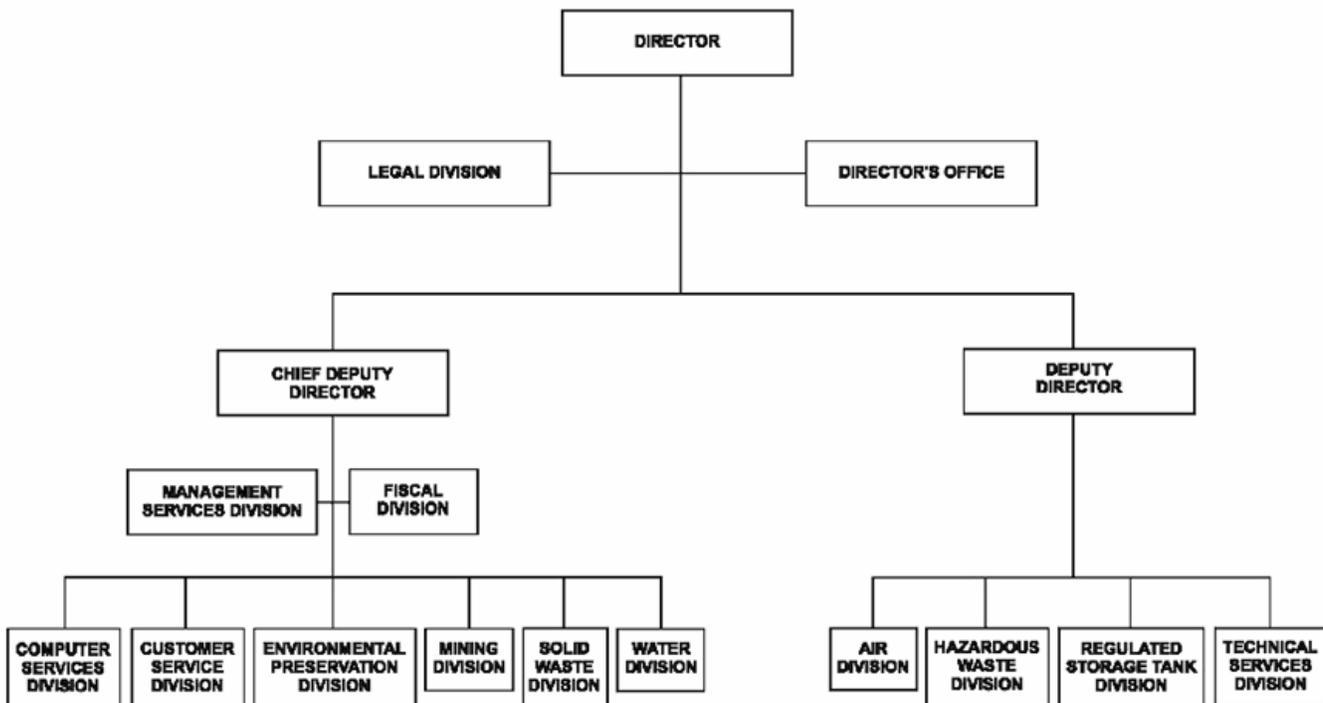
Significant environmental acts passed in 2003 included: Act 51, revising funding procedures for the Hearing Officer of the Commission; Act 79, reappropriation of the balances of capital improvement appropriations for water quality monitoring and assessment; Act 156, for contract services to complete the Total Maximum Daily Load (TMDL) assessment of all impaired waters of the state; Act 486, established procedures and penalties for licensed installers or testers of underground storage tanks; Act 1193, authorized the Department to provide loans and grants for assessment, investigation and remediation of abandoned industrial, commercial or agricultural sites; and Act 1194, established a special restricted fund for the cleanup of brownfields.

The Arkansas Department of Environmental Quality is the primary environmental regulatory agency for the State of Arkansas. The Department is responsible for implementing the state's environmental policies which are established by the Arkansas Pollution Control and Ecology Commission.

The Department is comprised of four distinct program areas: Air, Water, Land and Environmental Management. The Air Program is responsible for maintaining healthy air concentration levels by participation in various workgroups and monitoring activities. The Water Program ensures that the physical, chemical and biological integrity of all Arkansas waters are protected and enhanced. The Land Program consists of the regulatory divisions of Solid Waste, Mining, Hazardous Waste, and Regulated Storage Tanks. Land Program activities achieve, maintain and enhance a healthy environment.

The ADEQ Environmental Management Program includes a number of other divisions which are involved in specific activities or provide general support for other Department divisions. Program area divisions include the Environmental Preservation Division, which is involved with the planning and review of various activities to determine their environmental impact with regard to matters which might not be subject to direct jurisdiction of the regulatory program areas. Pollution Prevention (P2) programs and agency internal environmental stewardship activities are also significant division responsibilities. The Customer Service Division works with the regulatory divisions within the Department to assist industries and the regulated community in responding to the technical

environmental procedures to be followed through the various permit activities, and provides a mentoring leadership for the smaller industries in responding to the department's environmental processes and requirements. The department support groups consist of the Technical Services Division, which provides laboratory facilities for sample analysis; the Computer Services Division, which maintains the agency's data processing system; the Legal Division, which represents the Department regarding all legal issues and litigation involving permit appeals and enforcement actions, and assists Department 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; response to environmental emergencies, spills or discharge conditions; building and fleet operation and maintenance; and community right-to-know activities under Title III of the federal Superfund Amendments in the Reauthorization Act. 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 strives to protect and enhance the state's environment through regulatory programs, proactive programs, and educational activities. The Department's 2005-2007 budget request is presented in the performance-based budgeting format. The Department consists of four major program areas: Air Program, Water Program, Land Program, and Environmental Management. Our budget request applies the dictates of performance-based budgeting and strategic planning to accomplish state and federal mandates.

During the 2003-2005 biennium, the Department maintained or increased its efforts in the program

areas of air, water, land, and environmental management. The budget request found in the following pages continues currently mandated programs, while reallocating resources in order to assist industry and meet Department goals and objectives. Particular emphasis has been placed on covering these projected needs for the biennium through reallocation of base level funding and appropriation.

Estimated federal monies available to the Department 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.

<u>PROGRAM</u>	<u>ANNUAL AMOUNT</u>
105 Air Program	\$ 1,047,848
Air Toxic Monitoring	\$ 576,889
Ambient Air Monitoring	\$ 555,286
Abandoned Mine Program (Admin)	\$ 386,975
RCRA Hazardous Waste	\$ 945,000
Permanent Mining Program	\$ 150,000
604 (b) Water Quality Planning	\$ 100,000
Underground Injection Control	\$ 91,300
106 Water Pollution Control	\$ 2,129,088
Superfund Program	\$ 1,430,000
Abandoned Mine Reclamation	\$ 2,500,000
Underground Storage Tanks	\$ 723,155
Asbestos/Lead Programs	\$ 200,000
Pine Bluff Arsenal	\$ 300,000
Small, Various Grants	\$ 750,000
Watershed Programs	\$ 250,000
TOTAL	\$ 12,135,541

The Department's budget includes contingency appropriations, which are considered as non-operating expenses 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 provision of grants for solid waste, recycling, and waste tires. While monies may become available during the biennium from existing or alternate sources to fully fund any or all of these, some currently reflect appropriation in excess of estimated funding. However, we are requesting approval of the total amount shown on the Biennial Budget Request forms. The following chart reflects contingency appropriation and bond forfeitures:

<u>PROGRAM</u>	<u>TOTAL REQUESTED</u>	<u>CONTINGENCY</u>	<u>PURPOSE</u>
LAND 07LS	\$ 8,000,000	\$ 8,000,000	Landfill Post-Closure Program (Contract Servs & Grants) (TLP)
LAND 07LS	5,013,000	1,000,000	Solid Waste & Recycling Program (Recycling Grants) (TWS)
ENV MGT 09LS	374,655	300,000	Emergency Response (Contract Servs) (TRE)
LAND 07LS	5,363,000	1,000,000	Waste Tire Recycling Program (Grants) (TTG)
LAND 08LS	5,700,000	4,000,000	State Abandoned Mine Reclamation (Contract Servs) (MAE)
LAND 08LS	1,520,000	1,520,000	Mine Reclamation-Bond Forfeitures (Contract Servs) (TMA)
LAND 03LS	6,502,000	6,000,000	Hazardous Waste Clean Up (Contract Servs) (THS)
LAND 07LS	500,000	500,000	Landfill Closure-Bond Forfeiture (Contract Servs) (MWP)
LAND 03LS	5,600,000	5,600,000	Fed-Haz Waste Clean Up & Water TMDL(Contract Servs) (FYP)
LAND 08LS	950,000	950,000	Non-Coal Reclamation-Bond Forfeiture (Contract Servs) (TLR)

LAND 05LS	21,694,255	12,000,000	Petroleum Storage Tank Remediation (Operating Exp) (TPT)
LAND 05LS	<u>3,925,000</u>	<u>3,925,000</u>	Regulated Storage Tank Remediation (Contract Servs) (FYP)
TOTAL	\$ 65,141,910	\$ 44,795,000	

The following paragraphs briefly describe the program’s needs requested as changes over the Base Level budget.

For the 2005-2007 biennium, we are requesting a growth pool of 14 positions to address needs emerging from statewide environmental quality issues. During the 2003-2005 biennium, a total of 28 positions were authorized with eight positions utilized from the growth pool. Our personnel request includes: the continuation of the eight growth pool positions and six new positions with a corresponding reduction in growth pool special language, position reclassifications of several positions, and nine new titles and/or grade levels for career ladders with CLIP promotions for scientific/technical classifications. Special language is also requested to grant credential enhancement authority to recognize relevant advanced academic degrees and/or training completed by employees. While exercising due diligence in the individual application of these positions is appropriate, use of these incentives will be central to improving employee retention, productivity, and will provide positive impetus for task consolidation and heightened efficiency.

AIR PROGRAM

The Air Program encompasses a single Division within the Department of Environmental Quality responsible for enhancing and protecting health and the environment in relation to 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. Currently, the Air Division is addressing the 8-hour ozone non-attainment for Crittenden County and the potential for future non-attainment for the Little Rock-North Little Rock Metropolitan Statistical Area. To potentially avert non-attainment, the LR-NLR MSA has entered into an Ozone Flex agreement, which encourages voluntary efforts at the local level. In addition, with potential changes to the Federal PM 2.5 regulations, Arkansas may have areas that will be in non-attainment status for fine particulate matter and for ozone. Revisions to existing state regulations will be required to deal with the development of new pollution control strategies for non-attainment areas. To address these needs, we are requesting to reallocate contingency appropriation from the Land Program, to provide special revenue (SPE) appropriation for expenses associated with contractual work to address non-attainment areas, promulgation of new rules, regulations, and concepts. In addition, federal (FYP) appropriation is requested to support the continuation of three growth pool positions approved during the current biennium.

WATER PROGRAM

The Water Program encompasses a single Division within the Department of Environmental Quality responsible for water quality related programs such as: 106 water pollution control, saltwater disposal, water quality planning/standards, groundwater quality protection, clean lakes, confined animal wastes, and the National Pollutant Discharge Elimination System (NPDES), which includes storm water permitting.

Two issues mandated by the U. S. Environmental Protection Agency, which will impact the Division, are the need to develop a Nutrient Management Plan for large reservoirs and the implementation of

the Concentrated Animal Feed Operation (CAFO) Permit Program. To address these issues, as well as other water quality issues, the Division is requesting: special revenue (SPE) appropriation to cover anticipated costs for water quality monitoring and to support the continuation of three growth pool positions, and increases in federal (FYP) appropriation to provide for costs to implement the (CAFO) Program and fund two inspector positions with supporting costs. To offset this change, we are requesting to reallocate contingency appropriation from the Land Program.

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 will enhance our ability to fulfill that mission as well as meet state and federal mandated performance targets.

LAND PROGRAM

The Land Program area encompasses programs administered through the Department's Divisions of Hazardous Waste, Regulated Storage Tank, Solid Waste, and Surface Mining and Reclamation. Each of these divisions have specific statutory authority governing the 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

This Division implements two distinctly different programs; the first deals principally with active manufacturing and waste management facilities, the second dealing with the investigation and cleanup of hazardous substance sites which are either abandoned or inactive.

The Hazardous Waste Division's Active Sites branch 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 swift, fair, and effective enforcement against violators.

The Division's remedial action program includes hazardous substance site cleanup programs implemented under the Federal CERCLA statutes (known as the "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 trust funds. Chief among these programs is the implementation and expansion of the state's Voluntary Cleanup and Brownfields Redevelopment programs. Performance measures for these activities include publishing program guidance; controlling and mitigating health risks from abandoned sites; and encouraging the cleanup and redevelopment of Brownfields and voluntary sites. 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 Division is requesting federal (FYP) appropriation to support the continuation of two growth pool positions authorized during the current biennium, as well as one new Hazardous Waste Inspector position to conduct site assessments and manage projects under the Arkansas Brownfield Program. This request also reallocates contingency appropriation to the Water Program to support anticipated

cost increases associated with water quality monitoring and Concentrated Animal Feed Operation (CAFO) Permit Program.

--SURFACE MINING AND RECLAMATION DIVISION

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, and the 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.

This Division is responsible for 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. Base level is requested for this Division.

--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 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, and reimburses qualified tank owners for trust fund-eligible corrective actions and third-party claims resulting from leaking tanks.

The Division's performance objectives are to aggressively enforce all environmental standards and ensure swift, 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 collection.

The Division's budget request reallocates contingency appropriation to the following programs: Air Program, for expenses associated with non-attainment issues, Water Program, for anticipated costs for water quality monitoring, and Environmental Management Program, to provide support costs for two ecologist positions.

--SOLID WASTE MANAGEMENT DIVISION

This Division is responsible for programs necessary to provide for the siting, permitting, and inspection of existing and proposed solid waste management facilities in the State of Arkansas. Acts 934 and 870 of 1989, Acts 747, 748, 749, 750, 751, 752, 319, and 1183 of 1991, Act 1127 of 1993, Act 1292 of 1997, and Acts 758 and 775 of 1999 placed additional responsibilities on the Solid Waste Division in the areas of waste tire grant disbursement and program management, solid waste operator licensing, landfill post-closure activities, 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, develops legislation and regulations, conducts recycling workshops that educate and assist the public, industry, and local governments, offers compliance assistance through regular inspections and audits of permitted facilities, and issues grant monies for the management of waste tire programs and recycling programs.

Following its mission of protecting the environment, the Solid Waste Division's performance measures include the permitting of solid waste management facilities, the licensing of solid waste operators, the licensing of waste tire transporters, the auditing of landfill disposal fees, investigation of solid waste complaints, regular inspections of both active and closed facilities, providing education and assistance to communities and promoting waste reduction, recycling efforts and markets.

The most significant change to the Department's budget authorization is found through the requests of the Solid Waste Division. In an effort to provide funding for the State's capital projects needs, legislation was adopted that transferred \$10,000,000 from the Landfill Post-Closure Trust Fund to the General Improvement Fund. This fund source was accumulated for the purpose of providing a source of revenues for cleaning up landfills that were closed, but exhibit environmental problems, such as ground water contamination. The Department requests the replenishment of this account through general revenue funding.

ENVIRONMENTAL MANAGEMENT PROGRAM

The Environmental Management Program encompasses a broad area of activities administered through the Department's Divisions of Administration, Legal, Computer Service, Customer Service, Technical Services, and Environmental Preservation.

--ADMINISTRATION

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

Performance measures of Administration and Shared Resources centers on assisting other divisions and making the most efficient and effective use of available resources.

--SHARED RESOURCES

This cost center reflects the Department's overhead costs, such as rent, utilities, phone services, vehicle maintenance, 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 and federal funding have historically supported department overhead costs, with special revenues added within the last few

years.

The Department has been working for several years to secure a site to house all our programs under one roof. Currently, the Department is scattered in seven buildings at an approximate distance of one-quarter mile. This situation makes coordinating activities very difficult. Annual lease payments for the Little Rock complex exceed one million dollars, and the department feels these payments would be sufficient to provide for debt service costs for a new building.

The division is requesting federal (FYP) appropriation to procure a building site for the Department, as well as procure office furnishings once construction is completed. To address these needs, we are requesting to reallocate contingency appropriation from the Land Program.

--LEGAL SERVICES DIVISION

This Division is responsible for all legal aspects of the Department including internal matters, maintenance of penalty collection, final enforcement, original signed orders, statistics, preparation of regulations, and legislation. The Division also negotiates and reviews all final agreements in enforcement and permitting actions contested by regulated entities or citizens in communities in which regulated facilities are located. The Division's efforts also enable each and every Division of the Department to meet their specific Departmental goals. Base Level is requested for this Division.

--CUSTOMER SERVICE DIVISION

Recognizing the benefit of a more pro-active approach to environmental compliance, ADEQ has developed the Customer Service Division to provide non-regulatory environmental assistance and education to communities, businesses, and individuals.

The Customer Service Division will continue to offer its current assistance services, including providing small-business technical and regulatory assistance, managing public input regarding ADEQ's permitting and regulatory decisions, managing media relations and public information, and developing informational materials for ADEQ's environmental programs. The Division will continue to utilize trust fund (TBL) appropriation for the Small Business Compliance Assistance and Pollution Prevention Loan Program, to provide low interest loans to small businesses, to comply with environmental requirements, or institute pollution prevention measures in their business. Base Level is requested for this Division.

--COMPUTER SERVICES DIVISION

This Division is responsible for designing, developing, and maintaining the information technology infrastructure needed within the Department. It is a service oriented support arm of the Department, which encompasses a wide array of duties ranging from designing and maintaining the Department's computer network, to developing mission critical software, and providing assistance to the Department's approximately four hundred staff members. The main areas of responsibilities include system management, program development, and user support.

The Division plans to continue utilizing the Performance Partnership Trust fund (TPP) balance to complete the development and implementation of the integrated information system, which will play

an integral part in tracking the Department's environmental results from efforts outlined in the Strategic Plan and legislative Acts.

Since the division is service-oriented, its overall performance can be easily judged and evaluated by comments received from our users. Other indicators that can be identified are the overall uptime of our network, number of e-mail messages (internal and external) processed by our servers, number of programs placed in production, number of accesses to our web site, overall responsiveness of our network, number of user assistance requests handled, number of requests handled electronically, and overall user satisfaction. Base Level is requested for this Division.

--TECHNICAL SERVICES DIVISION

Technical Services is responsible for testing Arkansas' environment. 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.

Potential changes to the Federal PM 2.5 regulations, which is related to non-attainment issues will significantly increase the demand for analytical testing materials and supplies. To address these needs, Technical Services is requesting increases in both federal (FYP) and special revenues (SPE) appropriations to provide additional laboratory materials and supplies consumed by analytical testing of hazardous environmental samples. In addition, federal (FYP) appropriation is requested to provide for two Ecologist positions with supporting costs. These positions will collect critical environmental water samples for stream stability assessment and physical habitat assessment, predominantly in northwest Arkansas in order to analyze improvements to waterbodies shared with Oklahoma. A recently negotiated agreement with the State of Oklahoma required the limitation of phosphorus discharges into six shared waterbodies, and work is needed in this area to document improvements to water quality as a result of the efforts of wastewater utilities and poultry growers in this part of the State. To offset this request, we are requesting to reallocate contingency appropriation from the Land Program.

--ENVIRONMENTAL PRESERVATION DIVISION

The Division created by Act 38 of 1971, provides 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.

Additionally, the Division is responsible for being the Agency's lead division for developing ADEQ's Watershed Planning and Environmental Education programs aimed at water quality. 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 (FYP), its 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.

The Division is requesting an increase in federal (FYP) appropriation to provide for one new

Management Project Analyst position. This position will allow the Division to enhance its outreach and educational efforts to the citizens of Arkansas in environmental issues.

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 Department of Environmental Quality. The Hearing Officer manages the Commission’s office and its staff and serves as legal counsel to the Commission. The Act also transferred the Commission Secretary from the Department to this office. Act 1077 of 1993 provided that appropriations for this office are payable from the Department Fee Fund (SPE), and designates the Department as disbursing officer for funds appropriated by this Act. The Commission’s operating budget is prepared in the Line Item format.

The Commission’s request is to reallocation of special revenues (344) appropriation from Operating Expenses to Conference Fees. This reallocation will provide travel expenses for commissioners attending the Annual Environmental Law Conference and other environmental seminars.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2002

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	200	147	347	91 %
Black Employees	11	15	26	7 %
Other Racial Minorities	4	4	8	2 %
Total Minorities			34	9%
Total Employees			381	100 %

Publications

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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 / Program Summary

Appropriation / Program	Historical Data				Agency Request and Executive Recommendation									
	2003-2004		2004-2005		2004-2005		2005-2006				2006-2007			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
0930P01 Air Program	4,715,825	89	5,959,135	92	5,976,735	92	6,712,106	92	6,624,422	92	6,840,580	92	6,750,319	92
0930P02 Water Program	3,811,655	74	4,835,907	77	6,016,651	88	5,805,037	80	5,741,543	80	5,882,406	80	5,817,173	80
0930P03 Land Program	21,863,023	132	74,100,724	134	74,135,024	134	81,654,803	135	71,551,437	135	70,579,366	135	70,472,937	135
0930P04 Environmental Management Prgm	9,473,320	107	13,924,936	108	12,790,092	97	17,057,928	110	17,003,963	110	17,420,290	110	17,364,864	110
344 Comm-Admin Hearing	199,747	3	244,410	3	244,076	3	253,010	3	251,430	3	257,097	3	255,471	3
467 PC & E-Commission Exp	3,817	0	3,977	0	4,025	0	3,977	0	3,977	0	3,977	0	3,977	0
NOT REQUESTED FOR THE BIENNIUM														
1PA ADEQ Growth Pool	0	0	0	0	1,150,000	0	0	0	0	0	0	0	0	0
Total	40,067,387	405	99,069,089	414	100,316,603	414	111,486,861	420	101,176,772	420	100,983,716	420	100,664,741	420

Funding Sources			%		%		%		%		%		%
Fund Balance	4000005	83,423,842	71.4	76,739,468	47.3	63,335,005	35.7	63,335,005	37.8	66,047,969	38.6	66,234,206	38.6
General Revenue	4000010	3,498,963	3.0	3,505,429	2.2	13,761,962	7.8	3,735,348	2.2	3,848,028	2.2	3,820,621	2.2
Federal Revenue	4000020	10,324,077	8.8	15,599,167	9.6	24,211,215	13.6	24,211,215	14.5	25,669,725	15.0	25,669,725	15.0
Special Revenue	4000030	15,600,910	13.4	24,622,302	15.2	34,656,184	19.5	34,654,604	20.7	35,444,869	20.7	35,443,243	20.7
Non-Revenue Receipts	4000040	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	3,521,589	3.0	10,675,856	6.6	9,928,002	5.6	9,928,002	5.9	9,931,299	5.8	9,931,299	5.8
Merit Adjustment Fund	4000055	0	0.0	140,222	0.1	0	0.0	0	0.0	0	0.0	0	0.0
Bond Forfeitures	4000120	189,430	0.2	2,970,000	1.8	2,970,000	1.7	2,970,000	1.8	2,970,000	1.7	2,970,000	1.7
Contingency	4000150	0	0.0	28,001,650	17.1	27,372,128	15.4	27,276,470	16.3	26,112,353	15.2	26,013,863	15.2
Miscellaneous Revolving	4000350	98,044	0.1	0	0.0	1,150,334	0.6	1,150,334	0.7	1,150,334	0.7	1,150,334	0.7
Total Funds		116,806,855	100.0	162,404,094	100.0	177,534,830	100.0	167,410,978	100.0	171,324,577	100.0	171,383,291	100.0
Excess Appropriation/(Funding)		(76,739,468)		(63,335,005)		(66,047,969)		(66,234,206)		(70,340,861)		(70,718,550)	
Grand Total		40,067,387		99,069,089		111,486,861		101,176,772		100,983,716		100,664,741	

Special Language provides for carryforward for the Land Program in the Hazardous Substance Remedial Action Trust Fund and for the Environmental Management Program in the Performance Partnership Trust Fund, the Small Business Revolving Loan Fund and the Environmental Settlement Trust Fund. The actual amount carried over into FY05 was \$12,268,776.

The FY05 Budgeted Amount in the Environmental Management Program exceeds Authorized due to adjustments made in the Agency's 2005-2009 Strategic Plan.

Analysis of Budget Request

Appropriation / Program: 0930P01 - Air Program

Funding Sources: FYP-Federal; SPE-Fee Administration Fund; SAC-Asbestos Control Fund; Other Funds

The goal of the Air Program is to ensure that the Arkansas air is clean and healthy. This program includes the Department's Air Division, the objective of which is to administer a program of rulemaking, permitting, compliance monitoring and enforcement that encourages waste minimization and pollution prevention activities.

The FY04 Final Progress Report submitted by the agency indicated that the Agency met one of two key measures included in the Agency Strategic Plan for the Air Program.

- The targeted percentage of regulated facilities in compliance with state and federal air standards was 90%; the Agency reported the actual percentage of 83%. The Agency stated that the targeted percentage was based on 2001 actual performance indicators in a database that was in error and has since been corrected. However, due to these database errors, the Agency established an unrealistic goal of 90% that it is unable to achieve.
- The targeted number of days per year that air quality in Arkansas is unhealthy for sensitive groups for ozone, carbon monoxide or particulate matter was five days; the Agency reported the year end actual of one day.

Funding for the Air Program consists of the following:

- The ADEQ Federal Operations Fund (FYP), utilized for the federal portion of program activities. Funding is derived from federal revenues received from the Environmental Protection Agency.
- The ADEQ Fee Administration Fund (SPE), utilized for permitting, monitoring and inspecting activities. Funding is derived from Air, Water and Solid Waste permit fees.
- The Lead Based Paint Hazard Fund (MPL), utilized for the establishment, administration and enforcement of a training and licensing program for individuals and firms engaged in lead-based paint activities. Funding is derived from fees charged to consultants, contractors, and trainers conducting lead-based activities.
- The Asbestos Control Fund (SAC), utilized for administration and enforcement of a program for licensing contractors engaged in the removal of friable asbestos materials from facilities. Funding is derived from contractor license fees and asbestos removal worker fees.

The Base Level request for this Program is \$6,008,363 for FY06 and \$6,131,125 for FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 89 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting the appropriation change levels in the amount of \$703,743 in FY06 and \$709,455 in FY07. This request consists of the following:

- Appropriation is requested for salaries and matching in the amount of \$116,059 in FY06 and \$119,194 in FY07 for the restoration of three (3) growth pool positions approved during the current biennium to support the lead-Based Paint Program and the Asbestos/Lead Section.
- Appropriation is requested for salaries and personal services matching in the amount of \$87,684 in FY06 and \$90,261 in FY07 for the reclassification of thirty-six (36) positions.
- Appropriation is requested for Professional Fees and Services in the amount of \$500,000 in each year to continue maintenance of the National Ambient Air Quality Standards (NAAQS), to provide for expenses associated with contractual work to develop new pollution and control strategies, and to promulgate new rules, regulations and concepts to address non-attainment areas. This request represents a reallocation of appropriation from the Land Program.

The Executive Recommendation provides for the Agency Request, with the exception of the following:

- Reclassification requests as recommended by the Office of Personnel Management.

Appropriation / Program Summary

Appropriation / Program: 0930P01 Air Program

Funding Sources: FYP-Federal; SPE-Fee Administration Fund; SAC-Asbestos Control Fund; Other Func

Program Description	Program Goals
The Air Program encompasses a single Division within the Department of Environmental Quality responsible for enhancing and protecting health and the environment in relation to the air we breathe. This is accomplished through the safe management of air pollutants emitted into the air.	1 The Air is clean and healthy

Objective Code	Name	Description
00LS	Objective 1	To reduce the number of days that the air in Arkansas exceeds any Federal air pollution limit.

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Output	Percent of major permits drafted within 180 days of receiving a complete application	80%/92%	80%	90%
1			Output	Percent of minor permits drafted within 90 days of receiving a complete application	80%/88%	80%	90%
1	X	X	Outcome	Percentage of regulated facilities in compliance with state and federal air standards.	90%/83%	85%	85%
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Carbon Monoxide	0/0	0	0
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Lead	0/0	0	0
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Nitrogen dioxide	0/0	0	0
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Ozone (1 hour)	53,161/51,155	53,416	53,841

Appropriation / Program Summary

Appropriation / Program: 0930P01 Air Program

Funding Sources: FYP-Federal; SPE-Fee Administration Fund; SAC-Asbestos Control Fund; Other Func

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Ozone (8 hour)	611,952/ 51,155	0	0
1			Outcome	Number of people living in areas with air quality concentrations not meeting the National Ambient Air Quality Standards: Particulate matter (10 microns)	0/0	0	0
1	X	X	Outcome	Number of days per year that air quality in Arkansas is unhealthy for sensitive groups for ozone, carbon monoxide or particulate matter.	5/1	5	5

Appropriation / Program Summary

Appropriation / Program: 0930P01 Air Program

Authorized Program Amount **5,976,735**

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	3,264,236	3,466,664	3,481,783	3,642,679	3,569,285	3,584,537	3,750,214	3,674,663
#Positions		89	92	89	92	92	89	92	92
Personal Services Matching	5010003	856,695	985,553	1,019,662	1,062,509	1,048,219	1,039,670	1,083,448	1,068,738
Operating Expenses	5020002	352,082	773,628	773,628	773,628	773,628	773,628	773,628	773,628
Travel-Conference Fees	5050009	86,011	127,106	127,106	127,106	127,106	127,106	127,106	127,106
Professional Fees and Services	5060010	104,796	530,684	530,684	1,030,684	1,030,684	530,684	1,030,684	1,030,684
Capital Outlay	5120011	52,005	75,500	75,500	75,500	75,500	75,500	75,500	75,500
Total		4,715,825	5,959,135	6,008,363	6,712,106	6,624,422	6,131,125	6,840,580	6,750,319

Funding Sources									
Fund Balance	4000005	10,680,640	9,818,907	9,542,859	9,542,859	9,542,859	9,042,859	8,955,175	9,042,859
Federal Revenue	4000020	382,690	400,780	384,944	501,003	501,003	390,487	509,681	509,681
Special Revenue	4000030	3,471,402	5,282,307	5,123,419	5,623,419	5,623,419	5,740,638	6,240,638	6,240,638
Total Funding		14,534,732	15,501,994	15,051,222	15,667,281	15,667,281	15,173,984	15,705,494	15,793,178
Excess Appro/(Funding)		(9,818,907)	(9,542,859)	(9,042,859)	(8,955,175)	(9,042,859)	(9,042,859)	(8,864,914)	(9,042,859)
Grand Total		4,715,825	5,959,135	6,008,363	6,712,106	6,624,422	6,131,125	6,840,580	6,750,319

The FY05 budgeted number of positions exceeds the Base Level number of positions due to Growth Pool positions approved during the current biennium.

Objective Summary

Objective: 00LS Air Program-Objective 1-Treasury

Description: To reduce the number of days that the air in Arkansas exceeds any Federal air pollution limit.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2005-2006			2006-2007		
			Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	3,264,236	3,466,664	3,481,783	3,642,679	3,569,285	3,584,537	3,750,214	3,674,663
#Positions	89	92	89	92	92	89	92	92
Personal Services Matching 5010003	856,695	985,553	1,019,662	1,062,509	1,048,219	1,039,670	1,083,448	1,068,738
Operating Expenses 5020002	352,082	773,628	773,628	773,628	773,628	773,628	773,628	773,628
Travel-Conference Fees 5050009	86,011	127,106	127,106	127,106	127,106	127,106	127,106	127,106
Professional Fees and Services 5060010	104,796	530,684	530,684	1,030,684	1,030,684	530,684	1,030,684	1,030,684
Capital Outlay 5120011	52,005	75,500	75,500	75,500	75,500	75,500	75,500	75,500
Objective Total	4,715,825	5,959,135	6,008,363	6,712,106	6,624,422	6,131,125	6,840,580	6,750,319

Analysis of Budget Request

Appropriation / Program: 0930P02 - Water Program

Funding Sources: HMA-State Operations Fund, FYP-Federal, SPE-Fee Administration Fund, Other Funds

The goal of the Water Program is to ensure that the physical, chemical and biological integrity of all Arkansas waters are protected and enhanced. This program includes the Department's Water Division, the objective of which is to ensure that assessed surface water in Arkansas will meet water quality standards for all beneficial uses.

The FY04 Final Progress Report submitted by the agency indicated that the Agency met one of two key measures included in the Agency Strategic Plan for the Water Program.

- The targeted percentage of assessed surface waters that meet all water quality standards was 87%; the Agency reported the actual year end percentage of 85%. The Agency states that the FY04 actual year end percentage is less than the targeted percentage because of two reasons: (a) if any one of the designated uses of a water body is not met, the water body is listed as "not meeting uses" even though all of its other uses are adequately met; and (b) a large number of the water quality monitoring stations are purposely located in areas of known contamination or areas suspected of having water quality contamination, and this results in a higher percentage of problem areas being monitored, which skews the results toward the impaired areas. The Agency does not have the resources to assess all streams in Arkansas. The Agency notes that the original goal of 87% was optimistic, and did not take into account the length of time required to improve water quality when no direct source of pollutants is apparent.
- The targeted percentage of regulated facilities in compliance with state and federal water regulations was 87%; the Agency reported the actual year end percentage of 95%.

Funding for the Water Program consists of the following:

- The ADEQ State Operations Fund (HMA), utilized for general operations of various programs and for matching of federal grants. Funding is derived from General Revenues with a minimal amount from Non-Revenue Receipt deposits.
- The ADEQ Federal Operations Fund (FYP), utilized for the federal portion of program activities. Funding is derived from federal revenues received from the Environmental Protection Agency.
- The ADEQ Fee Administration Fund (SPE), utilized for permitting, monitoring and inspecting activities. Funding is derived from Air, Water and Solid Waste permit fees.
- The Waste Water Licensing Fund (MWW), utilized to provide staff and operating expenses for the administration of the laws governing the Wastewater Licensing Program. Funding is derived from examination, license and license renewal collected from wastewater treatment plant operators.

The Base Level request for this Program is \$4,934,514 for FY06 and \$5,039,588 for FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 75 Base Level positions. This includes a \$600 minimum

increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting the change levels in the amount of \$870,523 in FY06 and \$842,818 in FY07. Additional General Revenue requested is \$3,432 in FY06 and \$3,534 in FY07. This request consists of the following:

- Appropriation for salaries and personal services matching in the amount of \$75,868 in FY06 and \$77,914 in FY07 for two new Inspector Positions for the Concentrated Animal Feed Operation (CAFO) Permit program.
- Appropriation for regular salaries and personal services matching in the amount of \$122,544 in FY06 and \$125,873 in FY07 for the continuation of three growth pool positions approved during the current biennium which provide compliance assistance for the Storm Water Construction Permit Program and technical assistance for the National Pollutant Discharge Elimination System (NPDES) Permit Branch.
- Appropriation for salaries and personal services matching in the amount of \$64,611 in FY06 and \$66,531 in FY07 for the reclassification of 25 positions. Additional General Revenue requested is \$3,432 in FY06 and \$3,534 in FY07.
- Appropriation for operating expenses in the amount of \$25,000 is requested for each year to provide general operating expenses to support the two (2) new Inspector Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.
- Appropriation for travel and conference fees in the amount of \$5,000 in each year of the biennium to provide for the training related travel expenses for the two (2) new Inspector Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.
- Appropriation for professional fees and services in the amount of \$570,000 is requested for FY06 and \$535,000 for FY07 to provide additional contracting authority to implement the Concentrated Animal Feed Operation Permit Program and to install, operate and monitor designated Arkansas waters. This request represents a reallocation of contingency appropriation from the Land Program.
- Appropriation for capital outlay in the amount of \$7,500 is requested for each year of the biennium to provide laboratory equipment for the two (2) new Inspector Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.

The Executive Recommendation provides for the Agency Request, with the exception of the following:

- No additional General Revenue is recommended.
- No additional Travel and Conference Fee appropriation is recommended.
- Reclassification requests as recommended by the Office of Personnel Management.

Appropriation / Program Summary

Appropriation / Program: 0930P02

Water Program

Funding Sources:

HMA-State Operations Fund, FYP-Federal, SPE-Fee Administration Fund, Other Func

Program Description	Program Goals
The Water Program covers programs administered through the Water Division. The Water Division's responsibilities cover water quality protection related programs such as the National Pollutant Discharge Elimination System, saltwater disposal, clean lakes, confined animal wastes, storm water permitting, planning and standards development, groundwater quality protection, and the 106 water pollution control program.	1 The physical, chemical and biological integrity of all Arkansas waters are protected and enhanced.

Objective Code	Name	Description
01LS	Objective 1	To insure that assessed surface water in Arkansas will meet water quality standards for all beneficial uses.

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Outcome	Percent of assessed surface waters that meet all water quality standards.	87%/85%	89%	90%
1			Output	Number of Total Maximum Daily Loads (TMDL's) completed in accordance with court ordered schedule.	26/33	29	5
1	X	X	Outcome	Percentage of regulated facilities in compliance with state and federal water regulations.	87%/95%	90%	91%
1			Output	Number of watershed groups developing/implementing watershed management plans	10/11	14	16

Appropriation / Program Summary

Appropriation / Program: 0930P02 Water Program
Authorized Program Amount 6,016,651

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	2,750,317	2,937,275	2,997,266	3,201,353	3,152,391	3,085,215	3,295,410	3,244,993
#Positions		74	77	75	80	80	75	80	80
Personal Services Matching	5010003	730,457	832,952	871,568	930,504	920,972	888,693	948,816	939,000
Operating Expenses	5020002	154,364	214,253	214,253	239,253	239,253	214,253	239,253	239,253
Travel-Conference Fees	5050009	21,875	38,490	38,490	43,490	38,490	38,490	43,490	38,490
Professional Fees and Services	5060010	146,200	763,187	763,187	1,333,187	1,333,187	763,187	1,298,187	1,298,187
Capital Outlay	5120011	8,442	49,750	49,750	57,250	57,250	49,750	57,250	57,250
Total		3,811,655	4,835,907	4,934,514	5,805,037	5,741,543	5,039,588	5,882,406	5,817,173

Funding Sources									
Fund Balance	4000005	4,135,852	4,244,247	3,624,087	3,624,087	3,624,087	3,624,087	3,562,908	3,622,970
General Revenue	4000010	1,071,989	1,081,896	676,760	680,192	676,760	694,359	697,893	694,359
Federal Revenue	4000020	803,561	823,561	1,731,588	2,344,956	2,344,956	1,757,824	2,373,238	2,373,238
Special Revenue	4000030	2,044,500	2,310,290	2,526,166	2,718,710	2,718,710	2,587,405	2,748,278	2,748,278
Total Funding		8,055,902	8,459,994	8,558,601	9,367,945	9,364,513	8,663,675	9,382,317	9,438,845
Excess Appro/(Funding)		(4,244,247)	(3,624,087)	(3,624,087)	(3,562,908)	(3,622,970)	(3,624,087)	(3,499,911)	(3,621,672)
Grand Total		3,811,655	4,835,907	4,934,514	5,805,037	5,741,543	5,039,588	5,882,406	5,817,173

The FY05 budgeted number of positions exceeds the Base Level number of positions due to Growth Pool positions approved during the current biennium.

Objective Summary

Objective: 01LS Water Program-Objective 1-Treasury

Description: To insure that assessed surface water in Arkansas will meet water quality standards for all beneficial uses.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,750,317	2,937,275	2,997,266	3,201,353	3,152,391	3,085,215	3,295,410	3,244,993
#Positions	74	77	75	80	80	75	80	80
Personal Services Matching 5010003	730,457	832,952	871,568	930,504	920,972	888,693	948,816	939,000
Operating Expenses 5020002	154,364	214,253	214,253	239,253	239,253	214,253	239,253	239,253
Travel-Conference Fees 5050009	21,875	38,490	38,490	43,490	38,490	38,490	43,490	38,490
Professional Fees and Services 5060010	146,200	763,187	763,187	1,333,187	1,333,187	763,187	1,298,187	1,298,187
Capital Outlay 5120011	8,442	49,750	49,750	57,250	57,250	49,750	57,250	57,250
Objective Total	3,811,655	4,835,907	4,934,514	5,805,037	5,741,543	5,039,588	5,882,406	5,817,173

Analysis of Budget Request

Appropriation / Program: 0930P03 - Land Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; SMB-Marketing Board; TPT, TWS, TLP, TTG, THS, TMA, TLR-Trust; Other funds

The goal of the Land Program is to ensure that the land based activities achieve, maintain and enhance a healthy environment and to ensure that land based clean-up activities improve environmentally impacted areas. This program includes the following divisions within the Department:

- The Hazardous Waste Division: This division is responsible for ensuring the safe management of hazardous waste and the safe clean up of hazardous waste sites in Arkansas.
- The Regulated Storage Tank Division: This division is responsible for reducing and preventing leaks from underground storage tanks as well as cleaning up of areas contaminated from leaks of underground storage tanks.
- The Solid Waste Division: This division is responsible for safe handling, storage, processing and disposal of non-hazardous solid waste and the protection and restoration of land and water from inappropriate landfill practices.
- The Surface Mining and Reclamation Division: This division is responsible for protecting society and the environment from the adverse effects of surface mining activities and ensuring that the reclamation and restoration of affected lands results in future productive use.

The FY04 Final Progress Report submitted by the agency indicated that the Agency met five of seven key measures included in the Agency Strategic Plan for the Land Program.

- The targeted number of acres of environmentally impacted land returned to productive use was 763 acres; the Agency reported the year end actual of 1,803 acres.
- The targeted number of Hazardous Waste cleanups initiated/completed was 5/3; the Agency reported the year end actual of 20/8.
- The targeted number of Regulated Storage Tank cleanups initiated/completed was 73/64; the Agency reported the year end actual of 58/65. The Agency stated that the number of cleanups initiated was lower than projected because the number of sites reporting new releases was lower than anticipated. The Agency is unable to initiate a clean up until a release is reported from the facility.
- The targeted percentage of material diverted from landfills through recycling and waste tire programs was 38.5%; the Agency reported the year end actual of 59%.
- The targeted number of Solid Waste clean-ups initiated/completed was 26/41; the Agency reported the year end actual of 9/9. The Illegal Dump Eradication Program sunsetted at the end of FY03, while the annual targets had been based on the possibility of that program continuing with a new sunset date. Since the program was not extended, the Solid Waste Division's target of projected number of clean-ups both initiated and completed has been adjusted in the 2005-2009 Strategic Plan.
- The targeted percentage of regulated facilities in compliance with Solid Waste, Hazardous Waste, Mining and Regulated Storage Tank laws was 66%; the Agency reported the year end

actual of 82.33%

- The targeted number of Mining clean-ups initiated/completed was 1/1; the Agency reported the year end actual of 3/2.

Funding for the Land Program consists of the following:

- The ADEQ State Operations Fund (HMA), utilized for general operations of various programs and for matching of federal grants. Funding is derived from General Revenues with a minimal amount from Non-Revenue Receipt deposits.
- The ADEQ Federal Operations Fund (FYP), utilized for the federal portion of program activities. Funding is derived from federal revenues received from the Environmental Protection Agency and the US Department of Interior-Office of Surface Mining.
- The ADEQ Fee Administration Fund (SPE), utilized for permitting, monitoring and inspecting activities. Funding is derived from Air, Water and Solid Waste permit fees.
- The Regulated Substance Storage Tank Fund (SRS), utilized for the administration of the Regulated Substance Storage Tank Program. Funding is derived from fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks.
- The Petroleum Storage Tank Trust Fund (TPT), utilized to reimburse remediation costs or damages as a result of leaking tanks of unknown ownership or when corrective action is not taken by the owner or operator in a timely manner. Funding is derived from an environmental assurance fee for each gallon of motor fuel or distillate special fuel purchased or imported into the State.
- The Solid Waste Performance Bond Fund (MWP), utilized 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 issued to ensure proper closure of the site once it is complete. If the site does not meet the requirements of the Pollution Control and Ecology Commission, the bond is forfeited and the Department contracts the remediation work.
- The Electronic Equipment Recycling Fund (MER), utilized to provide assistance and development grants to promote recycling. Funding is derived from a percentage of funds generated from the sale of agency surplus electronic equipment.
- The Solid Waste Management Recycling Fund (TWS), utilized to provide assistance and grants to 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 program. Funding is derived from landfill disposal fees.
- The Marketing Board Fund (SMB), utilized to provide operating expenses for the administration of the laws governing the State Marketing Board for Recycling Program. Funding is derived from a portion of landfill disposal fees.
- The Landfill Post Closure Trust Fund (TLP), utilized to address corrective actions which may be necessary to properly clean up a previously closed landfill, so that no harm is caused to public health or the environment. Funding is derived from landfill disposal fees. Pursuant to Act 938 of 1997, funding for this program is capped at \$25 million, with no additional moneys collected once this level is reached. Collections are reinstated, however, once the fund diminishes to \$15 million. In addition the Department may utilize these funds for administrative purposes at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%.

- The Waste Tire Grant Fund (TTG), utilized to disburse Tire Recycling Grant Funds to the regional solid waste management districts. Funding is derived from a fee imposed beginning July 1, 1991, on the sale of each automobile and truck tire sold at retail, as well as a fee imposed on all waste tires imported into Arkansas.
- The Hazardous Waste Permit Fees Fund (SHW), utilized to cover the costs of processing permit applications and permit renewal proceedings, on-site inspections and monitoring, certification of personnel to operate hazardous waste treatment, storage or disposal facilities, and other departmental activities that ensure that generators of hazardous waste and facilities are complying with current law. Funding is derived from fees charged to owners or operators of disposal sites and to transporters and generators of hazardous waste. In addition, this fund also receives reimbursement funds from the TERIS (formerly ENSCO) plant in El Dorado for activities related to the monitoring agreement that the Department entered into with TERIS in 1998, which states that the Department is responsible for monitoring the incineration of hazardous compounds at the plant.
- The Hazardous Substance Remedial Action Trust Fund (THS), utilized for the administrative costs and expenses of providing for the inspection, identification, containment, abatement, treatment and/or control of hazardous substance sites. Funding is derived from fees on the generation of hazardous waste, and from waste that is either treated, stored or disposed of in Arkansas, as well as any penalties collected from the Air, Water, Solid and Hazardous Waste users and interest accrued to the fund.
- The State Abandoned Mine Reclamation Fund (MAE), utilized for the reclamation of land that was mined prior to the adoption of mining regulations in 1977. Funding is derived from funds received from the US Department of Interior-Office of Surface Mining.
- The Surface Coal Mining Operations Fund (MAF), utilized to provide for operating expenses to administer and enforce the Arkansas Surface Coal Mining Reclamation Code. Funding is derived from permit fees collected from coal and lignite mining operations.
- The Mining Reclamation Trust Fund (TMA), utilized for bond forfeitures on coal or lignite mined lands. When mine land in Arkansas is cut for coal or lignite, a bond must be issued in the amount agreed upon by the Department for reclamation of the area. In the event the reclamation efforts fail, the bond is forfeited and the Department is responsible for contracting for the reclamation work.
- The Land Reclamation Fund (TLR), utilized for Land Reclamation projects. Funding is derived from bond forfeitures on non-coal activities, such as sand and gravel. Bonds are required on land to be mined in the event the land is not reclaimed to the specifications of the Department.

The Base Level request for this Program is \$74,256,986 for FY06 and \$74,439,652 for FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 132 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting the Change Levels in the amount of \$7,397,817 in FY06 and (\$3,860,286) in FY07. Additional General Revenue requested is \$10,007,708 in FY06 and \$7,939 in FY07. This

request consists of the following:

- Appropriation for salaries and personal services matching in the amount of \$40,190 in FY06 and \$41,279 in FY07 for one (1) new Inspector position for the Hazardous Waste Division that will conduct site assessments and manage projects under the Arkansas Brownfield Program.
- Appropriation for salaries and matching in the amount of \$91,264 in FY06 and \$93,770 in FY07 for the restoration of two (2) growth pool positions approved during the current biennium to provide site assessments of uncontrolled hazardous waste sites, perform site investigations and conduct risk evaluations and assessments.
- Appropriation for salaries and personal services matching in the amount of \$111,363 in FY06 and \$114,665 in FY07 for the reclassification of fifty (50) positions. Additional General Revenue requested is \$7,708 in FY06 and \$7,939 in FY07.
- Reduction in contingency appropriation for operating expenses in the amount of \$70,000 in FY06 and \$35,000 in FY07 to reallocate appropriation to the Water Program for the implementation of the Concentrated Animal Feed Operation Permit Program and to monitor designated Arkansas waters.
- Reduction in contingency appropriation for operating expenses in the amount of \$200,000 in each year to reallocate appropriation to the Environmental Management Program
- Reduction in contingency appropriation for professional fees and services in the amount of \$500,000 in each year to reallocate appropriation to the Air Program to address non-attainment issues and to provide air monitoring.
- Reduction in contingency appropriation for professional fees and services in the amount of \$500,000 in each year to reallocate appropriation to the Water Program to implement the Concentrated Animal Feed Operation Permit Program and to monitor designated Arkansas waters.
- Reduction in contingency appropriation for professional fees and services in the amount of \$37,500 in each year to reallocate appropriation to the Water Program for the supporting costs related to the two (2) new Inspector Positions requested by the Water Division.
- Reduction in contingency appropriation for professional fees and services in the amount of \$37,500 in each year to reallocate appropriation to the Environmental Management Program for the supporting costs related to the two (2) new Ecologist Positions requested by the Technical Services Division.
- Reduction in contingency appropriation for professional fees and services in the amount of \$1,500,000 in FY06 and \$2,800,000 in FY07 to reallocate appropriation to the Environmental Management Program. This request consists of \$1,500,000 each year for capital outlay to procure a land site and \$1,300,000 in FY07 to provide office furnishings for the new building.
- Increase in appropriation and General Revenue funding in the amount of \$10,000,000 in FY06 for the replenishment of the Landfill Post-Closure Trust fund. This Trust was accumulated for the purpose of providing a source of revenues for corrective action such as cleaning up landfills that were closed, but exhibit environmental problems such as ground water contamination. Last biennium, legislation was adopted that transferred \$10,000,000 from this Trust Fund to the General Improvement Fund to provide funding for the State's capital project needs. The Department requests replenishment of this account through General Revenue funding to restore the fund to its pre-transfer balance.

The Executive Recommendation provides for the Agency Request, with the exception of the following:

- No additional General Revenue is recommended.
- Appropriation and funding for the \$10,000,000 request to replenish the Landfill Post-Closure Trust Fund is recommended to be provided through the General Improvement Fund rather than through Stabilized General Revenue.
- Reclassification requests as recommended by the Office of Personnel Management.

Appropriation / Program Summary

Appropriation / Program: 0930P03 Land Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; SMB-Marketing Board; TPT, TWS, TLP, TTG, THS, TMA, TLR-Trust; Other funds

Program Description		Program Goals	
The Land Program area covers programs administered through the Department's Divisions of Regulated Storage Tank, Solid Waste, Hazardous Waste, and Surface Mining and Reclamation. Each of these divisions have specific statutory authority governing the respective programs, and enhances and protects health and the environment through rulemaking, permitting, compliance monitoring, enforcement, site remediation, while encouraging waste minimization and pollution prevention activities, clean-up/remediation.	1	Land-based activities achieve, maintain and enhance a healthy environment.	
	2	Land-based clean-up activities improve environmentally impacted areas, restoring land to beneficial uses.	

Objective Code	Name	Description
03LS	Objective 1	The safe management of hazardous waste in Arkansas.
05LS	Objective 2	To reduce and prevent leaks from underground storage tanks.
07LS	Objective 3	Safe handling, storage, processing and disposal of non-hazardous solid waste.
08LS	Objective 4	The protection of society and the environment from the adverse effects of surface mining activities.
15LS	Objective 1	The safe clean-up of hazardous waste sites, both through state-led and federal-led initiatives
16LS	Objective 2	The clean-up of areas contaminated from leaks of underground petroleum storage tanks.
17LS	Objective 3	The protection and restoration of the land and water from inappropriate landfill practices.
18LS	Objective 4	The protection of 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 Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Output	Acres of known environmentally impacted land returned to productive use.	763/1,803	700-800	700-800
1			Output	Percentage of hazardous waste recycled, reclaimed, used, or reused	6%/2.31%	2.3%	2.3%
1	X	X	Output	Number of clean-ups initiated/completed: Hazardous Waste	5/3/ 20/8	5/6	5/7

Appropriation / Program Summary

Appropriation / Program: 0930P03 Land Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; SMB-Marketing Board; TPT, TWS, TLP, TTG, THS, TMA, TLR-Trust; Other funds

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1	X	X	Output	Number of clean-ups initiated/completed: Mining	1/1/ 3/2	1/1	1/1
1	X	X	Output	Number of clean-ups initiated/completed : Regulated Storage Tanks	73/64/ 58/65	50/50	50/50
1	X	X	Output	Number of clean-ups initiated/completed: Solid Waste	26/41/ 9/9	1/1	1/1
3			Effort	Number of grants/dollars processed for Recycling	90/\$3,200,000 / 100/ \$2,569,607	90/ \$3,300,000	90/\$3,300,000
3	X	X	Outcome	Percent of material diverted from landfills through recycling and waste tire programs.	38.50%/59%	41%	43%
3			Effort	Number of grants/dollars processed for Waste Tires	99/\$4,482,691 / 86/\$4,613,507	82/ \$4,500,000	82/ \$4,600,000
4	X	X	Outcome	Percentage of regulated facilities in compliance with Solid Waste, Hazardous Waste, Mining and Regulated Storage Tank laws	66%/82.33%	73%	76%

Appropriation / Program Summary

Appropriation / Program: 0930P03 Land Program
Authorized Program Amount 74,135,024

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,928,534	5,097,933	5,183,724	5,377,324	5,290,805	5,336,624	5,535,998	5,446,915
#Positions		132	134	132	135	135	132	135	135
Extra Help	5010001	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help		0	2						
Personal Services Matching	5010003	1,315,259	1,447,249	1,517,720	1,566,937	1,550,090	1,547,486	1,597,826	1,580,480
Overtime	5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses	5020002	7,523,134	32,871,638	33,447,868	33,177,868	33,177,868	33,447,868	33,212,868	33,212,868
Travel-Conference Fees	5050009	66,444	246,528	249,825	249,825	249,825	249,825	249,825	249,825
Professional Fees and Services	5060010	785,449	23,906,031	22,971,504	30,396,504	20,396,504	22,646,504	18,771,504	18,771,504
Grants and Aid	5100004	7,183,175	10,387,000	10,750,000	10,750,000	10,750,000	11,075,000	11,075,000	11,075,000
Capital Outlay	5120011	61,028	127,300	119,300	119,300	119,300	119,300	119,300	119,300
Total		21,863,023	74,100,724	74,256,986	81,654,803	71,551,437	74,439,652	70,579,366	70,472,937

Funding Sources									
Fund Balance	4000005	54,975,901	49,750,205	40,505,536	40,505,536	40,505,536	43,141,281	43,141,281	43,141,281
General Revenue	4000010	421,549	448,689	461,599	10,469,307	461,599	473,216	481,155	473,216
Federal Revenue	4000020	6,015,000	10,697,545	14,151,617	14,151,617	14,151,617	14,225,830	14,225,830	14,225,830
Special Revenue	4000030	6,861,436	13,371,248	22,336,982	22,382,625	22,382,625	22,425,262	22,472,277	22,472,277
Trust Fund	4000050	3,149,912	9,366,923	6,942,533	6,944,871	6,944,871	6,945,761	6,948,168	6,948,168
Bond Forfeitures	4000120	189,430	2,970,000	2,970,000	2,970,000	2,970,000	2,970,000	2,970,000	2,970,000
Contingency	4000150	0	28,001,650	30,030,000	27,372,128	27,276,470	30,030,000	26,112,353	26,013,863
Total Funding		71,613,228	114,606,260	117,398,267	124,796,084	114,692,718	120,211,350	116,351,064	116,244,635
Excess Appro/(Funding)		(49,750,205)	(40,505,536)	(43,141,281)	(43,141,281)	(43,141,281)	(45,771,698)	(45,771,698)	(45,771,698)
Grand Total		21,863,023	74,100,724	74,256,986	81,654,803	71,551,437	74,439,652	70,579,366	70,472,937

The FY05 budgeted number of positions exceeds the Base Level due to Growth Pool positions approved during the current biennium. Special Language provides for carry forward of appropriation for the Land Program that is funded from the Hazardous Substance Remedial Action Trust Fund. The actual amount carried forward into FY05 was \$6,456,257.

Objective Summary

Objective: 03LS Land Program-Objective 1-Goal 1-Treasury

Description: The safe management of hazardous waste in Arkansas.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,974,807	2,084,857	2,078,288	2,220,825	2,180,550	2,139,323	2,286,107	2,244,651
#Positions	50	52	50	53	53	50	53	53
Extra Help 5010001	0	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help	0	2	2	2	2	2	2	2
Personal Services Matching 5010003	517,990	582,620	598,211	637,486	629,642	610,091	650,190	642,118
Overtime 5010006	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses 5020002	630,405	5,105,330	5,105,330	4,835,330	4,835,330	5,105,330	4,870,330	4,870,330
Travel-Conference Fees 5050009	29,725	182,343	182,343	182,343	182,343	182,343	182,343	182,343
Professional Fees and Services 5060010	320,504	7,845,000	7,845,000	6,345,000	6,345,000	7,845,000	5,045,000	5,045,000
Capital Outlay 5120011	23,588	49,000	49,000	49,000	49,000	49,000	49,000	49,000
Objective Total	3,497,019	15,866,195	15,875,217	14,287,029	14,238,910	15,948,132	13,100,015	13,050,487

Objective Summary

Objective: 05LS Land Program-Objective 2-Goal 1-Treasury

Description: To reduce and prevent leaks from underground storage tanks.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2005-2006			2006-2007		
			Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,072,209	1,080,880	1,115,856	1,135,433	1,118,764	1,148,753	1,168,918	1,151,748
#Positions	30	30	30	30	30	30	30	30
Personal Services Matching 5010003	287,128	312,018	332,457	336,269	333,024	338,863	342,789	339,446
Operating Expenses 5020002	6,023,228	21,241,813	21,241,813	21,241,813	21,241,813	21,241,813	21,241,813	21,241,813
Travel-Conference Fees 5050009	7,880	22,804	22,804	22,804	22,804	22,804	22,804	22,804
Professional Fees and Services 5060010	462,095	5,323,906	5,323,906	4,248,906	4,248,906	5,323,906	4,248,906	4,248,906
Capital Outlay 5120011	6,131	47,300	47,300	47,300	47,300	47,300	47,300	47,300
Objective Total	7,858,671	28,028,721	28,084,136	27,032,525	27,012,611	28,123,439	27,072,530	27,052,017

Objective Summary

Objective: 07LS Land Program-Objective 3-Goal 1-Treasury

Description: Safe handling, storage, processing and disposal of non-hazardous solid waste.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	1,295,444	1,340,989	1,381,108	1,404,512	1,383,019	1,422,384	1,446,490	1,424,352
#Positions	38	38	38	38	38	38	38	38
Personal Services Matching 5010003	359,567	390,086	414,823	419,380	415,195	422,857	427,551	423,241
Operating Expenses 5020002	244,591	4,532,572	4,532,572	4,532,572	4,532,572	4,532,572	4,532,572	4,532,572
Travel-Conference Fees 5050009	20,941	30,678	30,678	30,678	30,678	30,678	30,678	30,678
Professional Fees and Services 5060010	600	4,383,098	4,020,098	14,020,098	4,020,098	3,695,098	3,695,098	3,695,098
Grants and Aid 5100004	7,183,175	10,387,000	10,750,000	10,750,000	10,750,000	11,075,000	11,075,000	11,075,000
Capital Outlay 5120011	24,102	23,000	23,000	23,000	23,000	23,000	23,000	23,000
Objective Total	9,128,420	21,087,423	21,152,279	31,180,240	21,154,562	21,201,589	21,230,389	21,203,941

Objective Summary

Objective: 08LS Land Program-Objective 4-Goal 1-Treasury

Description: The protection of society and the environment from the adverse effects of surface mining activities.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	586,074	591,207	608,472	616,554	608,472	626,164	634,483	626,164
#Positions	14	14	14	14	14	14	14	14
Personal Services Matching 5010003	150,574	162,525	172,229	173,802	172,229	175,675	177,296	175,675
Operating Expenses 5020002	624,910	1,991,923	2,568,153	2,568,153	2,568,153	2,568,153	2,568,153	2,568,153
Travel-Conference Fees 5050009	7,898	10,703	14,000	14,000	14,000	14,000	14,000	14,000
Professional Fees and Services 5060010	2,250	6,354,027	5,782,500	5,782,500	5,782,500	5,782,500	5,782,500	5,782,500
Capital Outlay 5120011	7,207	8,000	0	0	0	0	0	0
Objective Total	1,378,913	9,118,385	9,145,354	9,155,009	9,145,354	9,166,492	9,176,432	9,166,492

Analysis of Budget Request

Appropriation / Program: 0930P04 - Environmental Management Prgm

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; TWS, TLP, THS, TET, TBL, TPP, TRE-Trust; Other Funds

The goal of the Environmental Management Program is to efficiently and effectively apply the Department's resources and authorities to achieve the highest standards of agency and environmental management, to provide information and resources to the public in a timely and meaningful manner, and to use sound science to make environmental decisions and innovative techniques and practices to improve environmental conditions. This program includes the following divisions within the Department:

- **Administration Division:** This division includes the Office of the Director, the Fiscal Division and the Management Service Office, and is responsible for providing fiscal and human resource support that is efficient, effective and timely allowing the Department to pursue its mandate to protect the environment of Arkansas.
- **Legal Services Division:** This division is responsible for providing legal representation for the Department.
- **Computer Services Division:** This division is responsible for providing programming assistance, technical support and telecommunications planning for the department.
- **Customer Services Division:** This division is responsible for environmental assistance to Arkansas by helping citizens and businesses utilize the resources of the Department to learn about the environment and to meet any of their environmental obligations.
- **Technical Services Division:** This division is responsible for performing analytical testing and technical project services for the department.
- **Environmental Preservation Division:** This division is responsible for working with all other divisions, other state and federal agencies, local agencies, municipalities and citizens to provide planning, review, advice, environmental data management, environmental education and technical service for projects and development programs involving air sheds and watersheds.

The FY04 Final Progress Report submitted by the agency indicated that the Agency met three of four key measures included in the Agency Strategic Plan for the Environmental Management Program.

- The targeted percentage of agency performance measures met was 100%; the Agency reported a year end actual percentage of 76%. The Agency stated that in prior reporting years, the Agency only reported the indicators relevant to the Management Services Division. The reporting procedure has been corrected and the FY04 actual includes all of the agency's indicators in the appropriation act.
- The targeted percentage of agency staff and budget in the Administration program compared to total agency positions and budget was 13%; the Agency reported a year end actual percentage of 11%.
- The targeted number of prior year audit findings repeated in subsequent audit was zero; the Agency reported a year end actual number of zero.
- The targeted percentage of samples analyzed within acceptable national laboratory standards

was 80%; the Agency reported a year end percentage of 100%.

Funding for the Environmental Management Program consists of the following:

- The ADEQ State Operations Fund (HMA), utilized for general operations of various programs and for matching of federal grants. Funding is derived from General Revenues with a minimal amount from Non-Revenue Receipt deposits.
- The ADEQ Federal Operations Fund (FYP), utilized for the federal portion of program activities. Funding is derived from federal revenues received from the Environmental Protection Agency.
- The ADEQ Fee Administration Fund (SPE), utilized for permitting, monitoring and inspecting activities. Funding is derived from Air, Water and Solid Waste permit fees.
- The Regulated Substance Storage Tank Fund (SRS), utilized for the administration of the Regulated Substance Storage Tank Program. Funding is derived from fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks.
- The Solid Waste Management Recycling Fund (TWS), utilized to provide assistance and grants to 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 program. Funding is derived from landfill disposal fees.
- The Landfill Post Closure Trust Fund (TLP), utilized to address corrective actions which may be necessary to properly clean up a previously closed landfill, so that no harm is caused to public health or the environment. Funding is derived from landfill disposal fees. Pursuant to Act 938 of 1997, funding for this program is capped at \$25 million, with no additional moneys collected once this level is reached. Collections are reinstated, however, once the fund diminishes to \$15 million. In addition the department may utilize these funds for administrative purposes at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%.
- The Hazardous Waste Permit Fees Fund (SHW), utilized to cover the costs of processing permit applications and permit renewal proceedings, on-site inspections and monitoring, certification of personnel to operate hazardous waste treatment, storage or disposal facilities, and other departmental activities that ensure that generators of hazardous waste and facilities are complying with current law. Funding is derived from fees charged to owners or operators of disposal sites and to transporters and generators of hazardous waste. In addition, this fund also receives reimbursement funds from the TERIS (formerly ENSCO) plant in El Dorado for activities related to the monitoring agreement that the Department entered into with TERIS in 1998, which states that the Department is responsible for monitoring the incineration of hazardous compounds at the plant.
- The Hazardous Substance Remedial Action Trust Fund (THS), utilized for the administrative costs and expenses of providing for the inspection, identification, containment, abatement, treatment and/or control of hazardous substance sites. Funding is derived from fees on the generation of hazardous waste, and from waste that is either treated, stored or disposed of in Arkansas, as well as any penalties collected from the Air, Water, Solid and Hazardous Waste users and interest accrued to the fund.
- The Environmental Education Fund (MEE), utilized to provide for personnel and operating expenses for the administration of the Environmental Education Program, which was created

to provide environmental educational materials and training. Funding is derived from a portion of the moneys collected for the Hazardous Substance Remedial Action Trust Fund (THS).

- The Environmental Settlement Trust Fund (TET), utilized to provide for expenses as authorized through various settlement agreements benefiting the state. Funding is derived from funds received by the State pursuant to settlement agreements for environmental or natural resources damages.
- The Small Business Revolving Loan Fund (TBL), utilized to encourage the investment in pollution control and prevention technologies by providing loans to eligible small businesses for projects to meet regulatory mandates in pollution control and prevention technologies. Funding is derived from loan repayments and interest earnings.
- The Performance Partnership Trust Fund (TPP), utilized to provide for the design and establishment of a management organization system utilizing the principles of the National Environmental Performance Partnership System, which is advocated by the US Environmental Protection Agency to integrate environmental indicators, management information and performance based budgeting and accounting to measure agency performance. The Department has dedicated this fund for the internal development of an integrated information system linking management information on facilities and department activities in an effort to provide environmental indicator data, as well as a broad range of scientific and compliance data. Funding is derived from an apportionment of the interest earned on funds in the Landfill Post Closure Trust Fund (TLP).
- The Emergency Response Fund (TRE), utilized to provide for the expenses related to the purchase/reimbursement of any commodities and/or services necessary in taking response actions in connection with a release or threatened release of hazardous substances. The Director is not authorized to expend in excess of \$60,000 on any single response action without Commission approval. Funding is derived from penalties levied pursuant to the Air and Water Act, Hazardous Waste Management Act and Solid Waste Act, with no more than \$150,000 in the fund at any time. Excess funding is to be deposited into the Remedial Action Trust Fund (THS).

The Base Level request for this Program is \$15,150,211 for FY06 and \$14,207,816 for FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 107 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting Change Levels in the amount of \$1,907,717 in FY06 and \$3,212,474 in FY07. Additional General Revenue requested is \$15,474 in FY06 and \$15,934 in FY07. This request consists of the following:

- Appropriation for salaries and personal services matching in the amount of \$113,802 in FY06 and \$116,872 in FY07 for two (2) new Ecologist Positions for the Technical Services Division that are needed to analyze improvements to water bodies shared with Oklahoma and surrounding areas and one (1) new Management Project Analyst position that is needed to will

- help increase the Environmental Preservation Division's outreach and educational activities.
- Appropriation for salaries and personal services matching in the amount of \$56,415 in FY06 and \$58,102 in FY07 for the reclassification of 48 positions. Additional General Revenue requested is \$15,474 in FY06 and \$15,934 in FY07.
 - Appropriation for operating expenses in the amount of \$25,000 for each year of the biennium to provide for general operating expenses to support the two (2) new Ecologist Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.
 - Appropriation for operating expenses in the amount of \$200,000 in each year to provide for laboratory supplies and materials consumed by the analytical testing of hazardous environmental samples by the Technical Services Division. These requests represent a reallocation of contingency appropriation from the Land Program.
 - Appropriation for operating expenses in the amount of \$1,300,000 in FY07 to provide office furnishings for the new building that is also included in the Agency's biennial budget request. This request represents a reallocation of contingency appropriation from the Land Program.
 - Appropriation for travel and conference fees in the amount of \$5,000 for each year of the biennium is to provide for training related travel expenses of the two (2) new Ecologist Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.
 - Appropriation for capital outlay in the amount of \$7,500 for each year of the biennium to provide for laboratory equipment expenses to support the two new Ecologist Positions that have been requested. This request represents a reallocation of contingency appropriation from the Land Program.
 - Appropriation for capital outlay in the amount of \$1,500,000 for each year of the biennium to purchase land for a new building to house the entire Agency. In the event that a site is not located in FY06, the appropriation is also requested for FY07. This request represents a reallocation of contingency appropriation from the Land Program.

The Executive Recommendation provides for the Agency Request, with the exception of the following:

- No additional General Revenue is recommended.
- No additional Travel and Conference Fee appropriation is recommended.
- Reclassification requests as recommended by the Office of Personnel Management.

Appropriation / Program Summary

Appropriation / Program: 0930P04 Environmental Management Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; TWS, TLP, THS, TET, TBL, TPP, TRE-Trust; Other Funds

Program Description	Program Goals	
<p>The Environmental Management Program covers a broad array of activities. Administrative functions are carried out through the Fiscal Division, Management Services Division and the Director's Office. The Legal Division provides legal representation for the Department's pursuit of environmental protection. The Department's Public Involvement is coordinated through the Customer Services Division. The Customer Services Division provides environmental assistance to the State by providing citizens and businesses a single point of contact to learn of their environmental obligations. The Computer Services Division supports all information technology needs of the Department ranging from desktop personal computers to a department wide information system handling various applications needed to track environmental activities and billings. The Technical Services Division supports an extensive laboratory responsible for analyzing, and often obtaining, environmental samples as gathered through the water, air, hazardous waste, solid waste and mining programs. Emergency responses to environmental disasters are handled through this program as well. The Environmental Preservation Division actively works with airshed and watershed planning groups, participates in demonstration projects geared towards improving farm management practices, provides water education to school age children, and reviews environmental plans to insure that projects have the least impact to the environment.</p>	1	<p>The Department efficiently and effectively applies its resources and authorities to achieve the highest standards of agency and environmental management.</p>
	2	<p>The public uses ADEQ information and resources, in a timely and meaningful manner, to protect and manage their environment.</p>
	3	<p>The Department uses sound science to make environmental decisions; and innovative techniques and practices to improve environmental conditions.</p>

Objective Code	Name	Description
09LS	Objective 1	To provide fiscal and human resource support that is efficient, effective, and timely allowing the Department to pursue its mandate to protect the environment of Arkansas.
10LS	Objective 2	To have prompt, thorough, well-prepared legal representation to allow the Department to pursue its mandates.
11LS	Objective 3	Administer a Computer Services Division providing programming assistance, technical support and telecommunications planning.
12LS	Objective 1	To administer a Customer Service Division providing environmental assistance to the state by helping citizens and businesses utilize the resources of the Department to learn about the environment and to meet any of their environmental obligations.

Appropriation / Program Summary

Appropriation / Program: 0930P04 Environmental Management Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; TWS, TLP, THS, TET, TBL, TPP, TRE-Trust; Other Funds

Objective Code	Name	Description
13LS	Objective 1	Administer a Technical Services Division to perform analytical testing and technical project services for the Clean Air Act; Clean Water Act; Resource Conservation and Recovery Act; Leaking Underground Storage Tank Program; Comprehensive Environmental Response, Compensation, and Liability Act; other federal programs; and state solid waste and animal waste programs.
14LS	Objective 2	Administer an Environmental Preservation Division that works with all other ADEQ Divisions, other state and federal agencies, local agencies, municipalities and citizens to provide planning, review, advice, environmental data management, environmental education and technical service for projects and developmental programs involving airsheds and watersheds

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Effort	Percent change in turnover rate.	Agency reduction of 10% of turnover percentage/ Reduction of 27.7%	Maximum of 12%	Maximum of 12%
1			Outcome	Number of days to enter all year-end closing entries into AASIS required for CAFR Report.		63 days	63 days
1	X	X	Outcome	Percent of agency key performance measures met.	100%/76%	72%	72%
1	X	X	Effort	Percent of agency staff and budget in the Administration Program compared to total agency positions and budget	13%/11%	13%	13%
1	X	X	Outcome	Number of prior year audit findings repeated in subsequent audit	0/0	0	0
1			Output	Number of responses to public complaints on environmental conditions initiated through ADEQ's help-lines.	200/861	800	800
1			Output	Number of presentations/technical programs given by ADEQ staff.	220/474	360	380

Appropriation / Program Summary

Appropriation / Program: 0930P04 Environmental Management Program

Funding Sources: HMA-State Operations; FYP-Federal; SPE-Fee Administration; SRS-Regulated Storage Tank; SHW-Hazardous Waste Permit Fees; TWS, TLP, THS, TET, TBL, TPP, TRE-Trust; Other Funds

Performance Measures

Objective	Key Measures		Type	Description	2004 Target Authorized / Actual	2006 Target	2007 Target
	Exec	Leg					
1			Output	Number of Arkansans that participate in Department hearings and meetings and presentations	11,000/26,277	28,000	28,000
1			Output	Number of samples analyzed	6,600/7,544	8,961	9,230
1	X	X	Output	Percentage of samples analyzed within acceptable national laboratory standards.	80%/100%	100%	100%
1			Output	Number of responses to requests for information	2,200/3,387	NA	NA
1			Output	Number of responses to requests for environmental/compliance assistance.	1,100/665	NA	NA
2			Output	Number of watershed groups developing/implementing watershed management plans.		14	16
2			Efficiency	Number of ADEQ decisions reversed by Commission and/or Appellate courts.	0/0	2	2
2			Output	Number of ADEQ legal matters initiated/closed.	450/837	450/250	450/250
3			Outcome	Percentage of security and privacy policies promulgated by the State Executive Chief Information Officer implemented internally in a timely manner.		75%	75%
3			Output	Percentage of Integrated Information system project milestone completed	all scheduled/6/1 1 Accomplished	75% of scheduled	75% of scheduled

Appropriation / Program Summary

Appropriation / Program: 0930P04 Environmental Management Prgm
 Authorized Program Amount **12,790,092**

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	4,272,700	4,462,324	4,528,070	4,660,905	4,619,921	4,660,030	4,796,846	4,754,637
#Positions		107	108	107	110	110	107	110	110
Extra Help	5010001	76,659	219,259	219,259	219,259	219,259	219,259	219,259	219,259
#Extra Help		27	68						
Personal Services Matching	5010003	1,122,145	1,250,162	1,309,691	1,347,073	1,339,092	1,335,336	1,373,494	1,365,277
Operating Expenses	5020002	2,923,273	5,131,334	5,121,446	5,346,446	5,346,446	5,121,446	6,646,446	6,646,446
Travel-Conference Fees	5050009	80,941	289,902	303,557	308,557	303,557	303,557	308,557	303,557
Professional Fees and Services	5060010	265,405	1,699,072	1,695,305	1,695,305	1,695,305	1,695,305	1,695,305	1,695,305
Capital Outlay	5120011	664,642	872,883	872,883	2,380,383	2,380,383	872,883	2,380,383	2,380,383
Loans	5120029	67,555	0	1,100,000	1,100,000	1,100,000	0	0	0
Total		9,473,320	13,924,936	15,150,211	17,057,928	17,003,963	14,207,816	17,420,290	17,364,864

Funding Sources									
Fund Balance	4000005	13,631,449	12,926,109	9,662,523	9,662,523	9,662,523	10,388,605	10,388,605	10,427,096
General Revenue	4000010	2,001,608	1,970,867	2,593,012	2,608,486	2,593,012	2,649,069	2,665,003	2,649,069
Federal Revenue	4000020	3,122,826	3,677,281	5,433,674	7,213,639	7,213,639	5,477,080	8,560,976	8,560,976
Special Revenue	4000030	3,023,825	3,414,047	3,566,142	3,678,420	3,678,420	3,613,935	3,726,579	3,726,579
Non-Revenue Receipts	4000040	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Trust Fund	4000050	371,677	1,308,933	2,983,131	2,983,131	2,983,131	2,983,131	2,983,131	2,983,131
Merit Adjustment Fund	4000055	0	140,222	0	0	0	0	0	0
Miscellaneous Revolving	4000350	98,044	0	1,150,334	1,150,334	1,150,334	1,150,334	1,150,334	1,150,334
Total Funding		22,399,429	23,587,459	25,538,816	27,446,533	27,431,059	26,412,154	29,624,628	29,647,185
Excess Appro/(Funding)		(12,926,109)	(9,662,523)	(10,388,605)	(10,388,605)	(10,427,096)	(12,204,338)	(12,204,338)	(12,282,321)
Grand Total		9,473,320	13,924,936	15,150,211	17,057,928	17,003,963	14,207,816	17,420,290	17,364,864

The FY05 budgeted number of positions exceeds the Base Level due to the flexibility inherent in the authorization of all positions through one salary section in the appropriation act. The FY05 Budgeted amount exceeds Authorized due to adjustments made in the Agency's 2005-2009 Strategic Plan. Special Language provides for carry forward of appropriation that is funded from three specific funds in the Environmental Management Program. The actual amount carried over into FY05 was \$5,812,519.

Objective Summary

Objective: 09LS Environmental Management Prgm-Objective 1-Goal 1-Treasury

Description: To provide fiscal and human resource support that is efficient, effective, and timely allowing the Department to pursue its mandate to protect the environment of Arkansas.

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2003-2004	2004-2005	2005-2006			2006-2007		
		Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	1,262,198	1,258,642	1,294,433	1,297,681	1,296,238	1,331,074	1,334,419	1,332,933
#Positions		29	29	29	29	29	29	29	29
Extra Help	5010001	43,584	140,334	140,334	140,334	140,334	140,334	140,334	140,334
#Extra Help		10	42	42	42	42	42	42	42
Personal Services Matching	5010003	325,118	352,610	373,968	374,600	374,319	381,051	381,702	381,413
Operating Expenses	5020002	2,169,059	3,823,744	3,786,144	3,786,144	3,786,144	3,786,144	5,086,144	5,086,144
Travel-Conference Fees	5050009	8,394	112,645	112,645	112,645	112,645	112,645	112,645	112,645
Professional Fees and Services	5060010	50,157	321,297	321,297	321,297	321,297	321,297	321,297	321,297
Capital Outlay	5120011	434,699	15,000	15,000	1,515,000	1,515,000	15,000	1,515,000	1,515,000
Objective Total		4,293,209	6,024,272	6,043,821	7,547,701	7,545,977	6,087,545	8,891,541	8,889,766

Objective Summary

Objective: 10LS Environmental Management Prgm-Objective 2-Goal 1-Treasury

Description: To have prompt, thorough, well-prepared legal representation to allow the Department to pursue its mandates.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	516,596	570,545	589,197	590,911	590,911	606,654	608,420	608,420
#Positions	15	15	15	15	15	15	15	15
Personal Services Matching 5010003	142,843	161,963	172,316	172,649	172,649	175,716	176,060	176,060
Operating Expenses 5020002	60,643	71,600	71,600	71,600	71,600	71,600	71,600	71,600
Travel-Conference Fees 5050009	7,385	12,857	22,457	22,457	22,457	22,457	22,457	22,457
Professional Fees and Services 5060010	526	500	500	500	500	500	500	500
Objective Total	727,993	817,465	856,070	858,117	858,117	876,927	879,037	879,037

Objective Summary

Objective: 11LS Environmental Management Prgm-Objective 3-Goal 1-Treasury

Description: Administer a Computer Services Division providing programming assistance, technical support and telecommunications planning.

Commitment Item	Historical Data		Agency Request and Executive Recommendation					
	2003-2004 Actual	2004-2005 Budget	2005-2006			2006-2007		
			Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	638,418	671,605	691,225	691,225	691,225	711,353	711,353	711,353
#Positions	15	15	15	15	15	15	15	15
Personal Services Matching 5010003	158,386	181,505	192,182	192,182	192,182	196,103	196,103	196,103
Operating Expenses 5020002	261,370	361,016	361,016	361,016	361,016	361,016	361,016	361,016
Travel-Conference Fees 5050009	30,263	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Professional Fees and Services 5060010	190,030	1,064,702	1,064,702	1,064,702	1,064,702	1,064,702	1,064,702	1,064,702
Capital Outlay 5120011	94,978	209,950	209,950	209,950	209,950	209,950	209,950	209,950
Objective Total	1,373,445	2,498,778	2,529,075	2,529,075	2,529,075	2,553,124	2,553,124	2,553,124

Objective Summary

Objective: 12LS Environmental Management Prgm-Objective 1-Goal 2-Treasury

Description: To administer a Customer Service Division providing environmental assistance to the state by helping citizens and businesses utilize the resources of the Department to learn about the environment and to meet any of their environmental obligations.

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	494,213	541,996	558,209	560,927	560,927	574,876	577,676	577,676
#Positions	15	16	16	16	16	16	16	16
Personal Services Matching 5010003	142,683	159,603	170,123	170,652	170,652	173,368	173,913	173,913
Operating Expenses 5020002	48,527	64,400	64,400	64,400	64,400	64,400	64,400	64,400
Travel-Conference Fees 5050009	20,385	23,755	23,755	23,755	23,755	23,755	23,755	23,755
Professional Fees and Services 5060010	0	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Capital Outlay 5120011	7,858	6,500	6,500	6,500	6,500	6,500	6,500	6,500
Loans 5120029	67,555	0	1,100,000	1,100,000	1,100,000	0	0	0
Objective Total	781,221	820,254	1,946,987	1,950,234	1,950,234	866,899	870,244	870,244

Objective Summary

Objective: 13LS Environmental Management Prgm-Objective 1-Goal 3-Treasury

Description: Administer a Technical Services Division to perform analytical testing and technical project services for the Clean Air Act; Clean Water Act; Resource Conservation and Recovery Act; Leaking Underground Storage Tank Program; Comprehensive Environmental Response, Compensation, and Liability Act; other federal programs; and state solid waste and animal waste programs.

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	954,928	999,547	962,533	1,049,446	1,019,609	990,760	1,080,278	1,049,548
#Positions	22	22	21	23	23	21	23	23
Extra Help 5010001	33,075	78,925	78,925	78,925	78,925	78,925	78,925	78,925
#Extra Help	17	26	26	26	26	26	26	26
Personal Services Matching 5010003	243,450	275,649	274,659	299,261	293,451	280,156	305,265	299,282
Operating Expenses 5020002	322,338	675,219	700,219	925,219	925,219	700,219	925,219	925,219
Travel-Conference Fees 5050009	3,860	6,650	9,650	14,650	9,650	9,650	14,650	9,650
Professional Fees and Services 5060010	21	0	0	0	0	0	0	0
Capital Outlay 5120011	127,107	568,933	568,933	576,433	576,433	568,933	576,433	576,433
Objective Total	1,684,779	2,604,923	2,594,919	2,943,934	2,903,287	2,628,643	2,980,770	2,939,057

Objective Summary

Objective: 14LS Environmental Management Prgm-Objective 2-Goal 3-Treasury

Description: Administer an Environmental Preservation Division that works with all other ADEQ Divisions, other state and federal agencies, local agencies, municipalities and citizens to provide planning, review, advice, environmental data management, environmental education and technical service for projects and developmental programs involving airsheds and watersheds.

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	406,347	419,989	432,473	470,715	461,011	445,313	484,700	474,707
#Positions	11	11	11	12	12	11	12	12
Personal Services Matching 5010003	109,665	118,832	126,443	137,729	135,839	128,942	140,451	138,506
Operating Expenses 5020002	61,336	135,355	138,067	138,067	138,067	138,067	138,067	138,067
Travel-Conference Fees 5050009	10,654	123,995	125,050	125,050	125,050	125,050	125,050	125,050
Professional Fees and Services 5060010	24,671	288,573	284,806	284,806	284,806	284,806	284,806	284,806
Capital Outlay 5120011	0	72,500	72,500	72,500	72,500	72,500	72,500	72,500
Objective Total	612,673	1,159,244	1,179,339	1,228,867	1,217,273	1,194,678	1,245,574	1,233,636

Analysis of Budget Request

Appropriation / Program: 344 - Comm-Admin Hearing

Funding Sources: SPE-Fee Administration Fund

The Pollution Control and Ecology Commission promulgates rules and regulations implementing the substantive statutes charged to the Arkansas Department of Environmental Quality for administration. The Hearing Officer Division was authorized by Act 921 of 1993 (A.C.A. 8-1-203) to hire a full time, independent administrative hearing officer for the purposes of adjudicatory review of Department decisions concerning permit issuance or revocation and assessment of civil penalties. Pursuant to A.C.A. 8-1-204, funding for this appropriation is derived from special revenues transferred from the Department's Fee Fund (SPE). This appropriation was not included in the Agency's conversion to a Performance Based Budget, and consequently is prepared under the current Appropriation Fund Center (344).

The Base Level request for this Program is \$249,706 for FY06 and \$253,695 for FY07 and includes graduated salary increases of 3% to 1.5% each year over FY05 salary levels, along with related Personal Services Matching costs for 3 Base Level positions. This includes a \$600 minimum increase for employees earning \$20,000 or below. Included in Personal Services Matching is a \$40 increase in the monthly contribution for State employee's health insurance for a total State match of \$320 per month.

The Agency is requesting Change Levels in the amount of \$3,304 in FY06 and \$3,402 in FY07. This request consists of the following.

- Increase in salary and matching appropriation in the amount of \$3,304 in FY06 and \$3,402 in FY07 for the reclassification of one (1) grade 17 Administrative Assistant II position to a grade 19 PSC Manager position.
- Reallocation of appropriation in the amount of \$2,217 from operating expenses to travel and conference fees to provide for the travel expenses for the commissioners attending environmental conferences and seminars, including the Annual Environmental Law Conference.

The Executive Recommendation provides for Base Level, as well as for the reclassification of one (1) grade 17 Administrative Assistant II position to a grade 18 Management Project Analyst I position.

Appropriation / Program Summary

Appropriation / Program: 344 Comm-Admin Hearing
Funding Sources: SPE-Fee Administration Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004	2004-2005	2004-2005	2005-2006			2006-2007		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	117,964	117,309	118,674	120,572	123,337	122,015	123,911	126,759	125,397
#Positions	3								
Personal Services Matching 5010003	31,316	32,962	31,263	34,995	35,534	35,276	35,645	36,199	35,935
Operating Expenses 5020002	49,609	90,217	90,217	90,217	88,000	90,217	90,217	88,000	90,217
Travel-Conference Fees 5050009	858	3,922	3,922	3,922	6,139	3,922	3,922	6,139	3,922
Professional Fees and Services 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	199,747	244,410	244,076	249,706	253,010	251,430	253,695	257,097	255,471
Funding Sources									
Special Revenue 4000030	199,747	244,410		249,706	253,010	251,430	253,695	257,097	255,471
Total Funding	199,747	244,410		249,706	253,010	251,430	253,695	257,097	255,471
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	199,747	244,410		249,706	253,010	251,430	253,695	257,097	255,471

The FY05 Budgeted amount in Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2003-2005 biennium.

Change Level by Appropriation

Appropriation / Program: 344-Comm-Admin Hearing
Funding Sources: SPE-Fee Administration Fund

Agency Request

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	249,706	3	249,706	100.0	253,695	3	253,695	100.0
C01	Existing Program	2,217	0	251,923	100.8	2,217	0	255,912	100.8
C03	Discontinue Program	(2,217)	0	249,706	100.0	(2,217)	0	253,695	100.0
C10	Reclass	3,304	0	253,010	101.3	3,402	0	257,097	101.3

Executive Recommendation

Change Level		2005-2006	Pos	Cumulative	% of BL	2006-2007	Pos	Cumulative	% of BL
BL	Base Level	249,706	3	249,706	100.0	253,695	3	253,695	100.0
C01	Existing Program	0	0	249,706	100.0	0	0	253,695	100.0
C03	Discontinue Program	0	0	249,706	100.0	0	0	253,695	100.0
C10	Reclass	1,724	0	251,430	100.6	1,776	0	255,471	100.7

Justification

C01	Increase in Conference Fee and Travel appropriation in the amount of \$2,217 for each year. Commission is requesting to reallocate Operating Expenses appropriation to cover this request, which will provide registration fees and other travel related costs for commissioners attending the Annual Environmental Law Conference and other environmental seminars or training.
C03	Agency requests to reallocate appropriation in the amount of \$2,217 in FY06 and \$2,217 in FY07 from Operating Expenses appropriation to Conference Fees and Travel appropriation in order to cover the increased appropriation requests in that line item. This request to reduce appropriation in Operating Expenses is contingent upon the approval of the increased appropriation in Conference Fees and Travel.
C10	Reclassification appropriation is requested in the amount of \$3,304 in FY06 and \$3,402 in FY07 to change the authorized classification (job) of positions to a classification of a higher grade because substantial and permanent changes in the duties and responsibilities have occurred. Appropriate classifications that reflect job scope, duty area and skill level is requested.

Analysis of Budget Request

Appropriation / Program: 467 - PC & E-Commission Exp

Funding Sources: HUA-Miscellaneous Agencies Fund

The Pollution Control and Ecology Commission promulgates rules and regulations implementing the substantive statutes charged to the Arkansas Department of Environmental Quality for administration. The Commission makes decisions that are protective of Arkansas' environment when issues are presented to the Commission. The Commission also provides the right to appeal permitting decisions, enforcement actions and other decisions made by the Department. According to state law, the Pollution Control and Ecology Commission is independent of the Department. This appropriation was not included in the Agency's conversion to a Performance Based Budget, and consequently is prepared under the current Appropriation Fund Center (467).

The Commission utilizes this appropriation for Commission operating expenses. Funding for this appropriation consists of general revenue funding.

The Agency does not request any Change Levels.

The Executive Recommendation provides for the Agency Request.

Appropriation / Program Summary

Appropriation / Program: 467 PC & E-Commission Exp
Funding Sources: HUA-Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2003-2004 Actual	2004-2005 Budget	2004-2005 Authorized	2005-2006			2006-2007		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	2,992	0	0	0	0	0	0	0	0
Travel-Conference Fees 5050009	825	0	0	0	0	0	0	0	0
PC & E Commission 5900046	0	3,977	4,025	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,817	3,977	4,025	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,817	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,817	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	3,817	3,977		3,977	3,977	3,977	3,977	3,977	3,977