

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 249 of 2016

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

OFFICE OF AIR:

Ark. Code Ann. 8-3-101 et seq., 8-4-101 et seq., 8-4-201 et seq., 8-4-301 et seq., 8-10-302 et seq., 20-27-1001 et seq.

OFFICE OF WATER:

Ark. Code Ann. 8-3-101 et seq., 8-4-101 et seq., 8-4-201 et seq., 8-5-201 et seq., 19-5-1140

OFFICES OF LAND RESOURCES:

MINING:

Ark. Code Ann. 15-57-201 et seq., 15-57-301 et seq., 15-57-401 et seq., 15-58-101 et seq., 15-58-201 et seq., 15-58-301 et seq., 15-58-401 et seq., 15-58-501 et seq.

REGULATED WASTE:

SOLID WASTE:

Ark. Code Ann. 8-6-201 et seq., 8-6-501 et seq., 8-6-601 et seq., 8-6-901 et seq., 8-6-1001 et seq., 8-6-1101 et seq., 8-6-1201 et seq., 8-6-1301 et seq., 8-6-1401 et seq., 8-6-1501 et seq., 8-6-1601 et seq., 8-6-1701 et seq., 8-6-1801 et seq., 8-6-1901 et seq., 8-9-101 et seq., 8-9-201 et seq., 8-9-301 et seq., 8-9-401 et seq., 8-9-501 et seq., 8-9-601 et seq.,

HAZARDOUS WASTE:

Ark. Code Ann. 8-7-101 et seq., 8-7-201 et seq., 8-7-501 et seq., 8-7-701 et seq., 8-7-1101 et seq., 8-7-1301 et seq., 8-7-1401 et seq.

PETROLEUM STORAGE TANKS:

Ark. Code Ann. 8-7-801 et seq., 8-7-901 et seq.

Other statutes covering the organization and administration of ADEQ include: Ark. Code Ann. " 8-1-101 *et seq.*, 8-1-201 *et seq.*, 8-4-301 *et seq.*, 8-5-801 *et seq.*, 19-5-930, 19-5-959, 19-5-961, 19-5-979, 19-5-980, 19-5-983, 19-5-992, 19-5-1027, 19-5-1028, 19-5-1029, 19-5-1031, 19-5-1071, 19-5-1111, 19-5-1137, 19-5-1140, 19-6-434, 19-6-452, 19-6-463, 25-14-101

History and Organization

I. ADEQ History and Mission

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

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

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

The mission of ADEQ is "[t]o protect, enhance and restore the natural environment for the well-being of all Arkansans." ADEQ has a two-part vision of the future: "[w]e envision Arkansas with clean air, water and land, where all Arkansans strive to conserve and protect these assets for the benefit and enjoyment of this and future generations" and "[w]e envision the Arkansas Department of Environmental Quality as a respected steward of the environment, where pro-active, results-oriented staff, operating in a professional atmosphere, inspire Arkansans to conserve and protect our natural resources." ADEQ has advanced reviews of environmental programs to seek improvements in environmental outcomes and work processes to increase effectiveness and alignment of resources. We have set goals that seek to support environmentally responsible economic growth, enhance Arkansas's unique environment, and accelerate permitting processes and environmental cleanups. Our strategies include maximizing resource potential, deploying lean principles, leveraging e-technology, strengthening core programs, and

modernizing outreach methods.

II. Organization

ADEQ is undergoing a reorganization that is designed to achieve multiple internal efficiencies-including consolidating resource savings, streamlining work processes, improving response time with Arkansans, and increasing inter-divisional cooperation. ADEQ is utilizing our current work force to its maximum efficiency and evaluating whether to fill open positions. As part of our reorganization, we have realigned the twelve divisions in the agency into three program divisions and two support divisions. The three program divisions are the Office of Air Quality (OAQ), the Office of Water Quality (OWQ), and the Office of Land Resources (OLR). The two support offices are the Office of Law and Policy (OLP) and the Office of Operations and Outreach (OOO). ADEQ's reorganization is part of an overall plan to be proactive in establishing cost-saving measures within ADEQ.

a. Office of Air Quality

The Office of Air Quality (OAQ) serves many functions. OAQ has received all delegable air programs under the Clean Air Act-including a minor source program, the Title V program for major sources of air pollutants, the New Source Performance Standards (NSPS) Program, the National Emissions Standards for Hazardous Air Pollutants (NESHAP) Program, the Air Toxics Program, and Existing Source Performance Standards. The OAQ also maintains an ambient air monitoring network to evaluate air quality in the state and periodically conducts studies to assess impacts of policies on air quality. The OAQ relies upon federal grant dollars and required state matching funds, fees, and general revenue. The OAQ also has two grant programs: the GoRED! program and the Arkansas Asbestos Grant program. The OAQ seeks to utilize current resources to facilitate programs at the agency and to seek out federal funding opportunities.

b. Office of Water Quality

The core function of the Office of Water Quality (OWQ) is our permitting program, which is responsible for permitting a range of activities from agriculture to wastewater treatment facilities. These permits are key to economic development-one of the governor's priority issues. In fact, permitting engineers are often asked by the Arkansas Economic Development Commission to help provide information to industries considering a move to the state. In addition, the OWQ's Planning Branch is responsible for developing the state's water quality standards that protect our water resources and provide the scientific basis for permit limits. While this function itself is not directly a priority for the governor, it plays a crucial role in our mission of protecting and enhancing the state's waters while supporting economic growth in the state.

c. Office of Land Resources

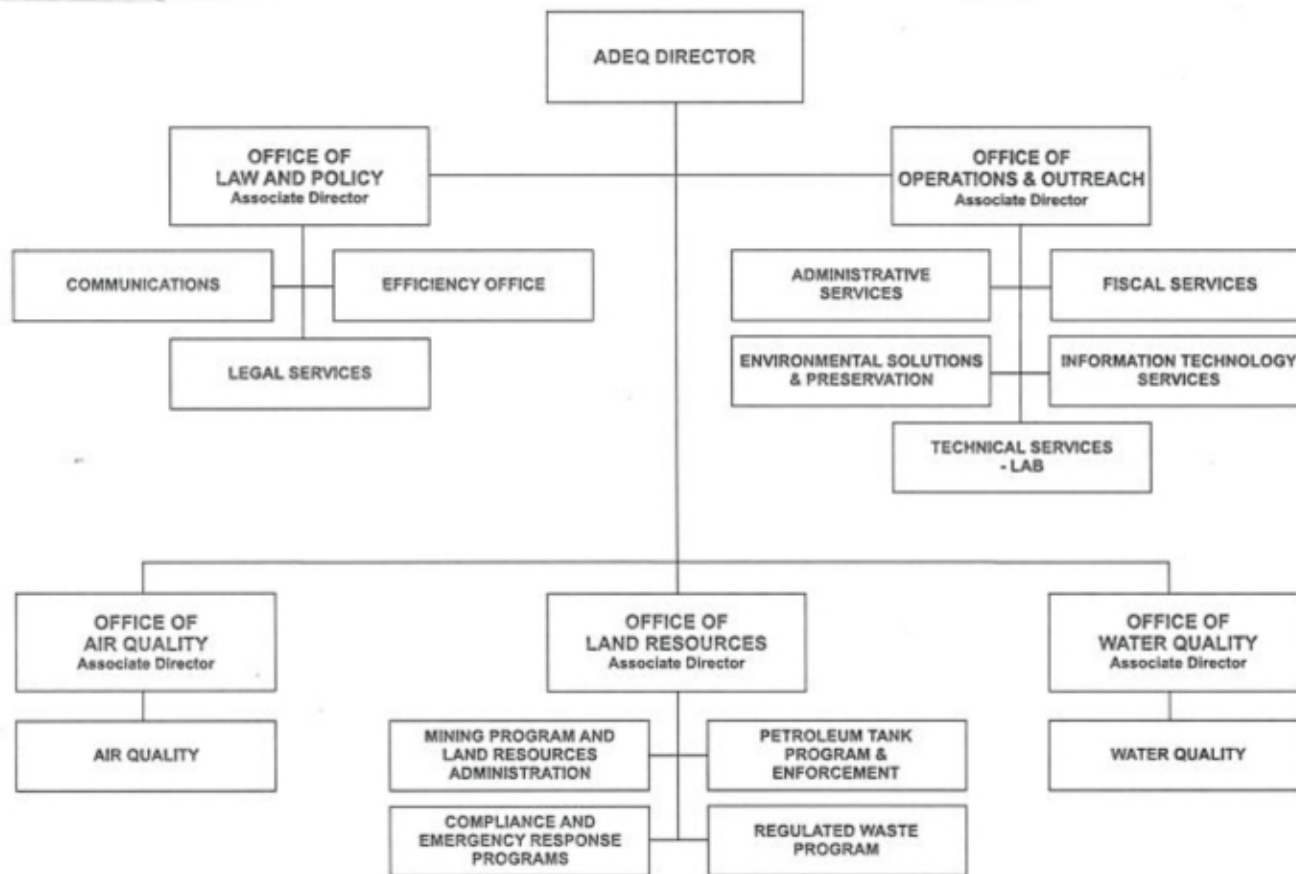
Program and Administration, and Compliance and Emergency Response Programs. The primary functions of these program areas include, but are not limited to, permitting, compliance evaluations, emergency response, brownfield investigations/re-use, licensing of operators and environmental professionals, superfund cleanup of national priority sites within Arkansas, investigation and cleanup of state priority sites within Arkansas, tank cleanups, enforcement, and various program administration (e.g., state authorization, rulemaking, financial assurance, and budget).

d. Office of Operations and Outreach

The Office of Operations and Outreach (OOO) supports all ADEQ offices and consists of Administrative Services (including Human Resources), Fiscal Services, Environmental Solutions and Preservation, Information Technology Services, and Technical Services (including our Laboratory). The Environmental Solutions and Preservation team offers technical and educational assistance to communities, industries, schools, and groups to develop management practices for disposal of solid waste and tires. ADEQ's Watershed Group works alongside citizens and groups developing educational and best management practices for maintaining and improving watersheds.

e. Office of Law and Policy

The Office of Law and Policy (OLP) supports the agency's legal functions, federal and state policy analysis, and regulatory technical studies. OLP also handles internal and external communication-including business assistance, coordinating and expanding economic development opportunities, and engaging community involvement in federal and state regulatory hearings to meet statutes.



Agency Commentary

The Arkansas Department of Environmental Quality (ADEQ) is undergoing a reorganization that is designed to achieve multiple internal efficiencies-including consolidating resource savings, streamlining work processes, improving response time with Arkansans, and increasing inter-divisional cooperation. ADEQ is utilizing our current work force to its maximum efficiency and evaluating whether to fill open positions. As part of our reorganization, we have realigned the twelve divisions in the agency into three program divisions and two support divisions. The three program divisions are the Office of Air Quality, the Office of Water Quality, and the Office of Land Resources. The two support offices are the Office of Law and Policy and the Office of Operations and Outreach. ADEQ's reorganization is part of an overall plan to be

proactive in establishing cost-saving measures within ADEQ.

During the 2015-17 biennium, ADEQ maintained its efforts in the program areas of air, water, land, and environmental management. The budget request found in the following pages continues currently mandated programs and addresses emerging environmental issues. Special emphasis is placed on covering projected needs for the biennium through reallocation of base level funding and appropriation.

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

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

Office of Air Quality

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

OAQ's responsibilities involve maintenance of the National Ambient Air Quality Standards (NAAQS); air quality monitoring; modeling and development of emission standards; the permitting, inspection, and enforcement of emission limits for stationary sources; and asbestos abatement regulation. OAQ is composed of the Permitting, Compliance (inspection), Enforcement and Asbestos, and Planning Branches.

All areas in Arkansas are currently in attainment with the NAAQS or are designated unclassifiable; however, there are several locations at risk of nonattainment with the 2012 fine particulate matter (PM_{2.5}) NAAQS and the 2015 ozone NAAQS. PM_{2.5} design values for Pulaski County for 2013-2015 approach 90% of the PM_{2.5} NAAQS. All monitored locations, even remote rural locations, are within 89% of the 2015 ozone NAAQS. Crittenden County-which has been in and out of nonattainment status as ozone NAAQS have become more stringent-has design values reaching 95% of the 2015 ozone NAAQS and is subject to specific air quality program requirements through a multi-year air quality maintenance plan to reduce the potential for it to fall back into nonattainment. The United States Environmental Protection Agency (EPA) evaluates whether the NAAQS should be revised every five years. As the NAAQS become more stringent and areas fall into nonattainment, revisions to existing state regulations will be required to implement new pollution control strategies to attain and maintain the NAAQS.

In addition to NAAQS implementation, OAQ is also faced with new EPA regulations on greenhouse gas emissions and regional haze. OAQ

must also address revised EPA requirements with regards to startup, shutdown, and malfunction provisions as a result of sue-and-settle tactics by third-party organizations.

OAQ requests \$450,000.00 for each of the fiscal years 2018 and 2019 for Assistance Grants and Aid appropriation to fulfill OAQ's obligations and responsibilities for the DERA Grant program.

OAQ also requests \$200,000.00 to fulfill its obligations and responsibilities under the Multipurpose Grant. Of this grant, \$102,000.00 will be allocated to personnel costs. Another \$49,000.00 of the grant will be moved into operating. And the remaining \$50,000.00 will go to professional services and fees. This grant supports ongoing priority activities aimed at protecting and improving air quality. It also supports research, education, and outreach to fellow agencies, governing officials, and the public on the impacts of crop residue management techniques and prescribed fire management on our air quality. The Multipurpose Grant is a one-time source of funding for projects in fiscal years 2017, 2018, and 2019. It is entirely federally funded and requires no state match (no General Revenue). We will be moving previously budgeted travel and professional services to cover the shortage in the DERA appropriations and newly awarded Multipurpose Grant.

Additionally, OAQ requests \$160,000.00 for fiscal year 2017 and \$125,000.00 for fiscal year 2018 in appropriation for Professional and Administrative Fees to help continue to fund a contract with the University of Arkansas Agriculture extension service.

Also, OAQ requests \$150,000.00 for fiscal year 2018 and \$50,000.00 for fiscal year 2019 from the asbestos control fund, which assists communities in the abatement of asbestos containing sites.

Finally, OAQ requests \$25,000.00 of capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by OAQ's inspectors to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace vehicles sent to M&R.

Office of Water Quality

The Office of Water Quality's (OWQ) mission is to restore and maintain water quality in all waters of the state consistent with the economic well-being of all its citizens. The requests above Base Level will enhance our ability to fulfill that mission while meeting state and federally mandated performance targets.

OWQ is comprised of the Permitting, Compliance, Enforcement, and Planning Branches. All of OWQ is responsible for water quality related programs such as: the National Pollutant Discharge Elimination System (NPDES) permitting, which includes storm water; saltwater disposal; water quality planning and standards; groundwater quality protection; clean lakes; and concentrated animal feeding operations. OWQ coordinates permitting, compliance, enforcement, and planning efforts internally, with other state and federal natural resource and health agencies, and with local citizens.

Under the authority of the Arkansas Water and Air Pollution Control Act (Act 472 of 1949, as amended A.C.A. § 8-4-203, et seq.), ADEQ is charged with the duty to issue permits to prevent, control, or abate pollution and carries this out through the Permitting Branch. NPDES permits are issued in accordance with federal regulations and are intended to control point source discharges. In addition, OWQ issues No-Discharge permits to prevent pollution from entering waters of the State.

OWQ's Compliance Branch performs site inspections of permitted NPDES, No-Discharge, and Oil & Gas operation facilities to determine the status of compliance with state and federal regulations. Compliance Branch inspectors respond to complaints as well as emergency response cases involving spills that may impact waters of the State. Compliance Branch inspectors work with the Planning Branch to collect water samples from ambient monitoring stations located throughout the state. In order to carry out its charge in overseeing oil and gas exploration activities, OWQ has assigned dedicated staff within the Compliance and Enforcement Branches to conduct inspections and enforcement activities related to oil and gas development.

Under Section 303(d) of the federal Clean Water Act, states are to develop lists of impaired waterbodies or stream segments every two years. This list is developed by the Planning Branch through a process which includes reviewing water quality data collected from streams throughout the state and evaluating the data against assessment criteria and water quality regulations. ADEQ has recently submitted the 2016 list of impaired stream segments to EPA for review and approval.

In order to address the pollutant impairing a given waterbody, the Clean Water Act requires states to develop a Total Maximum Daily Load (TMDL). A TMDL is a calculation of the amount of a pollutant that an impaired waterbody can receive and still meet water quality standards. During the next biennium, EPA will continue to require ADEQ to develop TMDLs for impaired stream segments at a cost which could exceed \$500,000.00 per year.

EPA has also required the state to develop numeric nutrient criteria for a single class of waters in three to five years. Currently, the Planning Branch is conducting field work and analysis to determine appropriate criteria for its Extraordinary Resource Waters. Additional 106 Monitoring Initiative Funds have been applied for in order to carry out this task.

Because OWQ is funded largely through federal EPA grants (2TQ), program work plans are developed internally and approved in cooperation with EPA Region 6.

OWQ requests \$108,000.00 to fulfill its obligations and responsibilities under the Multipurpose Grant from EPA which will be used in support of a collaborative effort to address water quality concerns in the Buffalo River watershed. The Multipurpose Grant is a one-time grant that will be funding these projects in fiscal years 2017, 2018, and 2019. The Multipurpose Grant is entirely federally funded and requires no state match (no General Revenue).

OWQ conducts a robust monitoring program for the waters of Arkansas. In order to support this effort on an on-going basis, OWQ requests \$40,000.00 in capital outlay appropriation each fiscal year to replace vehicles and equipment as it becomes inoperable (i.e., samplers, multi-probe monitoring devices, incubators, sterilizers, etc.). We have a variety of aging equipment and we repair it as best we can before it is replaced. We need appropriation available, however, in the event that the equipment can no longer be repaired.

Office of Land Resources

The Office of Land Resources (OLR) combines the former divisions of solid waste, hazardous waste, mining, and regulated storage tanks program areas. Each of these sections has specific statutory authority governing their respective programs, which enhances and protects health and the environment through rulemaking, permitting, compliance monitoring, enforcement, and site remediation, while encouraging waste minimization, pollution prevention activities, clean-up/remediation, restoration, and reuse.

OLR is divided into four separate sections: Regulated Waste Programs, Compliance Monitoring Program, Petroleum Tanks Program and Enforcement, and Mining Program and Administration.

OLR requests \$200,000.00 in capital outlay appropriation for FY18 to purchase a mobile command center using funds from TET0100 ADEQ Environment Settlement (2UR). No funds from General Revenue will be used. The mobile command center will be stocked with computer technology. The primary usage is for an incident command and control center at the site of an emergency incident. It can also serve our public outreach needs-including environmental education and outreach to schools, festivals, fairs, and conferences.

OLR requests \$15,000.00 capital outlay appropriation for FY18 to purchase a smart board from SHW0000 (2TT). No funds from General Revenue will be used. Using a smart board in meetings will help facilitate collaborative activities such as mapping, analysis, and brainstorming. The smart board will greatly assist OLR in planning environmental projects and setting action goals. The smart board will also be extremely instrumental agency-wide in LEAN processes and value stream mapping. The smart board will enhance ADEQ's efficiency and effectiveness in administering the environmental program for Arkansas.

Regulated Waste Programs

The Regulated Waste Programs regulate the management of waste that could pose a potential risk to people and the environment if improperly managed. The Regulated Waste Programs are comprised of three branches: Programs, Groundwater, and Permitting/Corrective Action. The branches work together to regulate active manufacturing and waste management facilities, solid waste operator licensing, landfill post-closure activities, the tax credit program, and engineering standards. The three branches also conduct investigations and ensure clean-up of hazardous substance sites that are either abandoned or inactive, and compile hazardous and solid waste related data for public review.

The Regulated Waste Programs implement the federal and state hazardous waste management program goals through a state program

authorized by EPA. Specific performance measures include establishing appropriate controls (permits, enforcement orders, or remedial action plans) at targeted waste management facilities; monitoring compliance; providing increased compliance assistance and outreach to industry, small businesses, and the public; and implementing timely, fair, and effective enforcement against violators.

The Regulated Waste Programs also administer hazardous substance site cleanup programs implemented under the federal CERCLA statute ("Superfund") and state law, specifically the 1985 Remedial Action Trust Fund Act. These programs are funded by federal grants and state trust funds. The Regulated Waste Programs will continue to improve and enhance the use of risk management techniques, and will stress strong integration of the technical requirements of all these programs.

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

The Regulated Waste Programs request \$25,000.00 of capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Compliance Monitoring Program

The Compliance Monitoring Program is responsible for programs necessary to regulate active manufacturing and hazardous waste management facilities and provide for the inspections of existing and proposed solid waste management facilities, regulated storage tanks, and mining sites in Arkansas. This section also conducts site inspections and evaluations of potential Brownfield sites and sites in the Superfund Program.

The Compliance Monitoring Program provides technical assistance to hazardous waste management facilities and landfill owners/operators, while also providing a solid waste liaison service to the Regional Solid Waste Management Districts, mining owners and operators, and petroleum tank owners and operators. This program area also conducts workshops that educate and assist the public, industry, and local governments. It offers compliance assistance through regular inspections and audits of permitted facilities as well.

The Compliance Monitoring Program is implemented in part through a state program authorized by EPA that provides federal funding for the hazardous waste inspections. The CERCLA site assessment inspections are implemented under the Superfund and state Law, specifically the 1985 Remedial Action Trust Fund Act. The CERCLA program operates using federal funds. The Solid Waste inspections are implemented

under state law and funded using General Revenue. The Regulated Storage Tank inspections are implemented under a state program utilizing federal funds from EPA. The Mining inspections are implemented under the Open Cut Land Reclamation Act utilizing federal funds.

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

The Brownfield Program is also located within the Compliance Monitoring Program. The Brownfield Program is implemented under the 1997 Voluntary Cleanup Act-a state law. This program is funded by federal grants.

The Compliance Monitoring Program requests \$25,000.00 in capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Petroleum Tanks Program and Enforcement

The Petroleum Tanks Program 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. It is also responsible for registering, collecting fees, and responding to environmental concerns associated with certain aboveground petroleum storage tanks. The Petroleum Tanks Program oversees and conducts clean-up activities to correct environmental problems at leaking tank sites, conducts trust fund certification and financial assurance reviews for regulated tanks, licenses UST contractors and individuals, trains and certifies UST operators, and reimburses qualified tank owners for trust fund-eligible corrective actions and third-party claims resulting from leaking tanks.

The enforcement actions for OLR program areas are implemented in this section. The goal is to enforce all environmental standards and ensure timely, fair, and effective enforcement for alleged violators of the standards of OLR.

The Petroleum Tanks Program and Enforcement section conducts outreach and 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 and amended notification forms and tank fee collections.

The Petroleum Tanks Program and Enforcement requests \$25,000.00 in capital outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's field staff to conduct facility inspections and investigate complaints statewide. These are not additional vehicles. They will be purchased to replace those sent to M&R.

Mining Program and Administration

The Mining Program and Administration section protects 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.

The Mining Program and Administration is responsible for permitting activities necessary to ensure compliance with state law. These responsibilities include a state program authorized under Public Law 95-87 to regulate all surface coal-mining operations in Arkansas and 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 and the Arkansas Quarry Operation, Reclamation and Safe Closure Act. The Open Cut Land Reclamation Act also includes responsibilities in permitting of mining operations within the channel of streams in Arkansas.

The administration duties such as budgeting and purchasing are responsibilities of the Mining Program and Administration. This program area serves OLR on all budgeting and purchasing needs.

Office of Law and Policy

The Office of Law and Policy (OLP) supports all of ADEQ. It has three divisions: Legal Services, Communications, and the Efficiency Office. During the last biennium, the Director has put in place a Chief Technical Officer to enhance ADEQ's scientific reputation and capability. The Chief Technical Officer is leading scientific review, creation of thought leaders, technical management of key special projects, and research into significant issues in order to adopt changes.

Legal Services

Legal Services is responsible for all legal aspects of ADEQ and supports all divisions of ADEQ. Legal Services represents ADEQ in all administrative enforcement actions and permit appeals initiated by regulated entities and citizens in communities in which regulated facilities are located. Additionally, Legal Services advises ADEQ on personnel issues and other internal matters, represents ADEQ in fee collection, determines cost recovery actions and bankruptcy matters, maintains original signed orders, and represents ADEQ in civil litigation that seeks enforcement of the state's environmental laws and regulations. Finally, Legal Services drafts regulations and legislation.

Communications

Communications is responsible for handling public information requests, providing education to communities and businesses, crafting presentations, and developing all internal communications within ADEQ. Additionally, Communications is responsible for small business

assistance-including permitting and regulatory education, non-regulatory environmental assistance, and instituting pollution prevention measures.

The Efficiency Office

The Efficiency Office includes ADEQ's metrics and records management. The Efficiency Office scans all of ADEQ's documents as electronic records and makes them available to the public. Also, the Efficiency Office incorporates efficiency efforts internally and gathers city and county specific data within Arkansas as it pertains to ADEQ.

The Efficiency Office requests \$25,000.00 in capital outlay appropriation for FY18 to purchase a large format scanner. The current large format scanner has two major issues. First, the scanner is not compatible with ADEQ's current records management software. Second, the scanner is out of warranty because it is over a decade old. Thus, if the scanner malfunctions, then ADEQ will have to pay for all repair costs. Because this scanner will serve the entire agency, it will be budgeted in a Shared Resources cost center. A reallocation was made from Professional Fees (character 10) to Capital Outlay (character 11). Therefore there is no additional funding being requested.

Office of Operations and Outreach

The Office of Operations and Outreach (OOO) supports all ADEQ offices and includes Administrative Services, Fiscal Services, Environmental Solutions and Preservation, Information Technology Services, and Technical Services (which includes our Laboratory).

Administrative Services

Administrative Services includes human resources, building management, and fleet management. The human resources team handles job applications and benefits for our team members. The building management team ensures that our buildings and native landscape are well kept. The fleet management team keeps track of scheduling and maintenance of department vehicles.

Fiscal Services

Fiscal Services manages ADEQ's financial activities. Its staff oversees purchasing, accounts receivable, accounts payable, grants administration, budget preparation and monitoring, and asset management. ADEQ uses public tax money and recovers the costs of regulatory work by charging fees to license and permit holders.

Environmental Solutions and Preservation

The Environmental Solutions and Preservation (ESP) team offers technical and educational assistance to communities, industries, schools, and groups to develop management practices for recycling and disposal of solid waste. The Watershed Group works alongside citizens and groups developing educational and best management practices for maintaining and improving watersheds. ESP also serves the Regional Solid Waste Management Districts (RSWMDs) in Arkansas by providing support through the Tire Grants Program and the Recycling and E-Waste Recycling Distribution Programs.

Information Technology Services

Information Technology Services (ITS) is responsible for designing, developing, and maintaining ADEQ's information technology infrastructure. ITS encompasses a wide array of duties such as designing and maintaining ADEQ's computer network, developing mission critical software, and providing desktop user assistance to ADEQ's approximately 400 staff members.

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

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

The IT services team has furthered advancement in technology to drive reduced overall operating costs, provide increased transparency in work processes to both internal and external view, and adopt smart tools for increased accuracy in information captured and stored. Deployment of eportal and mobile applications that occurred during the previous biennium are expected to continue to expand utilization in all program offices. Capital outlay is requested to advance smart tools and enhanced functionality of existing applications.

ITS requests \$80,000.00 in capital outlay appropriation from trust funds for each fiscal year (not from General Revenue). The equipment purchased will allow for replacement of aging backup, network, and security systems.

ITS requests \$300,000.00 in capital outlay appropriation for FY18 in order to obtain new imaging software (not from General Revenue). It should be noted that this appropriation is accounted for in the FY17 budget. If this is appropriated for FY17, then this appropriation will not be needed for FY18. This imaging software is needed in order to make our electronic records system more effective and efficient.

Technical Services

Technical Services (TS) is responsible for testing Arkansas's environment and providing input on environmental projects involving air, water, soil, hazardous waste, solid waste, and biological samples. TS also certifies environmental labs for the state, analyzes fish and other biological samples, and provides analytical assistance for stream restoration and wastewater plant operation.

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

With EPA tightening National Ambient Air Quality Standards, ADEQ's air monitoring system-operated by TS-will need to continue to generate high quality air monitoring for ozone, particulate matter, sulfur dioxide, nitrogen oxides, and carbon monoxide. TS requests \$200,000.00 and \$210,000.00 for fiscal years 2018 and 2019 respectively for capital outlay appropriation to replace aging air monitoring equipment used for collecting data for the ambient air network program (not from General Revenue). Equipment needs include monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment ovens and new air monitoring systems for a proposed program the EPA is asking to implement. Each additional monitoring location EPA requests will cost approximately \$72,000.00.

TS also requests \$390,000.00 for fiscal year 2018 and \$435,000.00 for fiscal year 2019 for capital outlay appropriation to replace aging laboratory equipment used for environmental testing (not from General Revenue). Equipment needs include two quadrupole gas chromatograph/mass spectrometer, a DI Water system, a gas chromatograph/ PID+FID, analytical balances, a mercury analyzer, a Solid Phase Extraction apparatus, an automated nutrients analyzer, a microwave digester, an ion chromatograph, a muffle furnace, a hot block digester, and a laboratory steam scrubber.

Office of the Director

The Office of the Director provides management leadership throughout ADEQ to advance scientifically sound and efficient environmental programs and outcomes. The Office of the Director has prioritized and streamlined accountable ADEQ management and policy leadership. It supports multi-agency collaboratives formed in energy and resource management. The Office of the Director has spearheaded the realignment of leadership and reorganization within ADEQ to enhance accountability, while operating within existing budget constraints and the reallocation of resources.

SHARED RESOURCES

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

supported department overhead costs.

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 ADEQ. The Hearing Officer manages the Commission's office and its staff, and serves as legal counsel (along with the Attorney General's office) to the Commission. The Act also transferred the Commission Secretary from the Agency to this office. Act 1077 of 1993 provided that appropriations for this office are payable from the ADEQ Trust Fee Fund (344), and designates ADEQ as the disbursing officer for funds appropriated by this Act.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

None

None

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

Employment Summary

| | Male | Female | Total | % |
|-------------------------|------|--------|-------|-------|
| White Employees | 164 | 130 | 294 | 88 % |
| Black Employees | 8 | 26 | 34 | 10 % |
| Other Racial Minorities | 7 | 0 | 7 | 2 % |
| Total Minorities | | | 41 | 12 % |
| Total Employees | | | 335 | 100 % |

Publications

A.C.A. 25-1-201 et seq.

| Name | Statutory Authorization | Required for | | # of Copies | Reason(s) for Continued Publication and Distribution | Unbound Black & White Copies Produced During the Last Two Years | Cost of Unbound Copies Produced During the Last Two Years |
|------|-------------------------|--------------|------------------|-------------|--|---|---|
| | | Governor | General Assembly | | | | |
| None | N/A | N | N | 0 | N/A | 0 | 0.00 |

Department Appropriation Summary

Historical Data

Agency Request and Executive Recommendation

| Appropriation | 2015-2016 | | 2016-2017 | | 2016-2017 | | 2017-2018 | | | | | 2018-2019 | | | | | | |
|--|-------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|
| | Actual | Pos | Budget | Pos | Authorized | Pos | Base Level | Pos | Agency | Pos | Executive | Pos | Base Level | Pos | Agency | Pos | Executive | Pos |
| 2TP ADEQ - State Operations | 4,633,486 | 71 | 5,071,986 | 73 | 5,124,666 | 75 | 5,161,883 | 74 | 5,161,883 | 74 | 5,032,321 | 71 | 5,168,666 | 74 | 5,168,666 | 74 | 5,039,104 | 71 |
| 2TQ ADEQ - Federal Operations | 5,947,180 | 86 | 9,273,035 | 90 | 9,822,035 | 91 | 9,187,309 | 93 | 9,457,309 | 93 | 9,425,060 | 92 | 9,189,895 | 93 | 9,469,895 | 93 | 9,437,646 | 92 |
| 2TR Waste Water Licensing | 76,259 | 1 | 152,130 | 1 | 163,597 | 1 | 152,215 | 1 | 152,215 | 1 | 152,215 | 1 | 152,215 | 1 | 152,215 | 1 | 152,215 | 1 |
| 2TS Land Reclamation | 0 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 | 950,000 | 0 |
| 2TT Hazardous Waste Permit Program | 1,132,627 | 17 | 1,498,067 | 19 | 1,486,306 | 19 | 1,535,793 | 20 | 1,555,793 | 20 | 1,555,793 | 20 | 1,536,133 | 20 | 1,556,133 | 20 | 1,556,133 | 20 |
| 2TU Reclamation of Abandoned Mines - State | 1,491,456 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 | 5,700,000 | 0 |
| 2TV Surface Coal Mining | 0 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 | 15,000 | 0 |
| 2TW Mining Reclamation | 211 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 | 1,520,000 | 0 |
| 2TX Fee Administration | 11,472,565 | 169 | 13,805,036 | 175 | 14,047,551 | 178 | 13,187,462 | 170 | 13,570,221 | 173 | 13,261,428 | 165 | 13,192,136 | 170 | 13,574,895 | 173 | 13,266,102 | 165 |
| 2TY Solid Waste Performance Bonds | 1,137,490 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 | 3,000,000 | 0 |
| 2TZ Hazardous Waste Cleanup | 561,832 | 6 | 8,170,680 | 6 | 8,136,024 | 6 | 7,656,756 | 6 | 7,736,756 | 6 | 7,736,756 | 6 | 7,656,756 | 6 | 7,736,756 | 6 | 7,736,756 | 6 |
| 2UA Emergency Response Program | 0 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 | 372,655 | 0 |
| 2UB Asbestos Control Program | 440,906 | 6 | 490,019 | 6 | 491,449 | 6 | 490,531 | 6 | 490,531 | 6 | 490,531 | 6 | 490,531 | 6 | 390,531 | 6 | 390,531 | 6 |
| 2UC Solid Waste Mgmt/Recycling Prog | 7,486,652 | 19 | 8,484,848 | 19 | 8,526,653 | 19 | 8,209,283 | 16 | 8,234,283 | 16 | 8,234,283 | 16 | 8,210,219 | 16 | 8,235,219 | 16 | 8,235,219 | 16 |
| 2UD Reg. Substance Storage Tank | 770,760 | 16 | 944,053 | 17 | 957,691 | 17 | 946,459 | 17 | 946,459 | 17 | 924,632 | 16 | 946,707 | 17 | 946,707 | 17 | 924,880 | 16 |
| 2UE Petroleum Storage Tank Trust | 6,280,308 | 5 | 21,847,070 | 5 | 21,817,788 | 5 | 21,848,300 | 5 | 21,848,300 | 5 | 21,848,300 | 5 | 21,849,161 | 5 | 21,849,161 | 5 | 21,849,161 | 5 |
| 2UF Regulated Storage Tank Program | 40,695 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 | 3,925,000 | 0 |
| 2UG Landfill Post Closure Program | 2,739,063 | 4 | 17,789,782 | 4 | 17,791,306 | 4 | 17,791,073 | 4 | 17,791,073 | 4 | 17,791,073 | 4 | 17,791,320 | 4 | 17,791,320 | 4 | 17,791,320 | 4 |
| 2UH Waste Tire Recycling Program | 5,313,513 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 | 6,425,000 | 0 |
| 2UJ St Mktg Brd for Recyclables Prog | 12,968 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 | 28,876 | 0 |
| 2UK Environmental Education Program | 163,672 | 1 | 273,497 | 1 | 272,976 | 1 | 273,772 | 1 | 273,772 | 1 | 273,772 | 1 | 273,772 | 1 | 273,772 | 1 | 273,772 | 1 |
| 2UN Small Business Loans | 0 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 | 550,000 | 0 |
| 2UP Sm Bus Revolving Loan Prog Exp | 1,553 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 | 19,660 | 0 |
| 2UQ Performance Partnership Syst Exp | 94,142 | 0 | 563,000 | 0 | 600,000 | 0 | 577,000 | 0 | 563,000 | 0 | 563,000 | 0 | 577,000 | 0 | 563,000 | 0 | 563,000 | 0 |
| 2UR Environmental Settlement Trust | 258,188 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 | 750,000 | 0 |
| 2US Computer/Electronic Recycling | 127,233 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 | 250,000 | 0 |
| 344 PCE Comm Admn Hearing Officer | 204,472 | 2 | 286,138 | 2 | 285,970 | 2 | 286,881 | 2 | 286,881 | 2 | 286,881 | 2 | 286,881 | 2 | 286,881 | 2 | 286,881 | 2 |
| 36A Fee Administration Non-Haz Clean Up | 12,395 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 | 100,000 | 0 |
| 467 PCE Commission Expenses | 3,937 | 0 | 3,936 | 0 | 4,477 | 0 | 3,936 | 0 | 3,936 | 0 | 3,936 | 0 | 3,936 | 0 | 3,936 | 0 | 3,936 | 0 |
| F72 Performance Bond Fund | 0 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 | 500,000 | 0 |
| M98 Nonmunicipal Domestic Sewage Treatment | 16,700 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 2,100,000 | 0 | 55,000 | 0 | 55,000 | 0 | 2,100,000 | 0 | 55,000 | 0 | 55,000 | 0 |
| Total | 50,420,263 | 402 | 114,859,468 | 416 | 115,734,680 | 422 | 113,514,844 | 413 | 112,233,603 | 416 | 111,741,172 | 403 | 113,531,519 | 413 | 112,160,278 | 416 | 111,667,847 | 403 |

| Funding Sources | | % | | % | | % | | % | | % | | % | | % | | % | |
|--------------------------------|---------|--------------|-------|--------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|-------------|-------|
| Fund Balance | 4000005 | 92,539,811 | 64.0 | 94,190,108 | 57.8 | 48,160,242 | 41.1 | 48,160,242 | 41.7 | 48,160,242 | 41.8 | 30,830,807 | 30.8 | 30,383,891 | 31.0 | 30,714,511 | 31.3 |
| General Revenue | 4000010 | 4,256,115 | 2.9 | 4,256,114 | 2.6 | 4,637,861 | 4.0 | 4,637,861 | 4.0 | 4,508,299 | 3.9 | 4,762,602 | 4.8 | 4,762,602 | 4.9 | 4,633,040 | 4.7 |
| Federal Revenue | 4000020 | 7,479,542 | 5.2 | 20,418,035 | 12.5 | 20,332,309 | 17.3 | 20,602,309 | 17.8 | 20,570,060 | 17.8 | 20,334,895 | 20.3 | 20,614,895 | 21.1 | 20,582,646 | 21.0 |
| Special Revenue | 4000030 | 27,551,643 | 19.1 | 25,996,138 | 15.9 | 25,996,881 | 22.2 | 25,996,881 | 22.5 | 25,996,881 | 22.5 | 25,996,881 | 26.0 | 25,996,881 | 26.6 | 25,996,881 | 26.5 |
| Non-Revenue Receipts | 4000040 | 501,059 | 0.3 | 415,000 | 0.3 | 410,000 | 0.3 | 410,000 | 0.4 | 410,000 | 0.4 | 410,000 | 0.4 | 410,000 | 0.4 | 410,000 | 0.4 |
| Trust Fund | 4000050 | 3,239,382 | 2.2 | 5,322,655 | 3.3 | 5,322,655 | 4.5 | 3,257,655 | 2.8 | 3,257,655 | 2.8 | 5,322,655 | 5.3 | 3,257,655 | 3.3 | 3,257,655 | 3.3 |
| Bond Forfeitures | 4000120 | 1,137,490 | 0.8 | 3,950,000 | 2.4 | 3,950,000 | 3.4 | 3,950,000 | 3.4 | 3,950,000 | 3.4 | 3,950,000 | 3.9 | 3,950,000 | 4.0 | 3,950,000 | 4.0 |
| Interest | 4000300 | 38,109 | 0.0 | 50,660 | 0.0 | 50,660 | 0.0 | 50,660 | 0.0 | 50,660 | 0.0 | 50,660 | 0.1 | 50,660 | 0.1 | 50,660 | 0.1 |
| Loan Repayment | 4000330 | 0 | 0.0 | 550,000 | 0.3 | 550,000 | 0.5 | 550,000 | 0.5 | 550,000 | 0.5 | 550,000 | 0.5 | 550,000 | 0.6 | 550,000 | 0.6 |
| M & R Sales | 4000340 | 74,082 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 | 110,000 | 0.1 |
| Other | 4000370 | 7,793,138 | 5.4 | 7,761,000 | 4.8 | 7,776,000 | 6.6 | 7,776,000 | 6.7 | 7,776,000 | 6.7 | 7,776,000 | 7.8 | 7,776,000 | 7.9 | 7,776,000 | 7.9 |
| Total Funds | | 144,610,371 | 100.0 | 163,019,710 | 100.0 | 117,296,608 | 100.0 | 115,501,608 | 100.0 | 115,339,797 | 100.0 | 100,094,500 | 100.0 | 97,862,584 | 100.0 | 98,031,393 | 100.0 |
| Excess Appropriation/(Funding) | | (94,190,108) | | (48,160,242) | | (3,781,764) | | (3,268,005) | | (3,598,625) | | 13,437,019 | | 14,297,694 | | 13,636,454 | |
| Grand Total | | 50,420,263 | | 114,859,468 | | 113,514,844 | | 112,233,603 | | 111,741,172 | | 113,531,519 | | 112,160,278 | | 111,667,847 | |

Budgeted exceeds Authorized in (2TZ) Hazardous Waste Cleanup, (2UE) Petroleum Storage Tank Trust, (2UK) Environmental, and (344) PCE Comm Admn Hearing Officer due to salary and matching rate adjustments during the 2015-2017 Biennium.

Variance in fund balance is due to unfunded appropriation in (2TZ) Hazardous Waste Cleanup, (2UE) Petroleum Storage Tank Trust, (2UG) Landfill Post Closure Program, (2UH) Waste Tire Recycling Program, (2UK) Environmental Education Program, (2UQ) Performance Partnership Syst Exp, and (2US) Computer/Electronic Recycling.

Agency Position Usage Report

| FY2014 - 2015 | | | | | | FY2015 - 2016 | | | | | | FY2016 - 2017 | | | | | |
|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|-------------------|----------|----------|-------|------------|------------------------|
| Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused | Authorized in Act | Budgeted | | | Unbudgeted | % of Authorized Unused |
| | Filled | Unfilled | Total | Total | | | Filled | Unfilled | Total | Total | | | Filled | Unfilled | Total | Total | |
| 423 | 368 | 55 | 423 | 0 | 13.00 % | 422 | 337 | 86 | 423 | -1 | 20.14 % | 422 | 336 | 86 | 422 | 0 | 20.38 % |

FY17 Budget amounts in Regular Salaries and Personal Services Matching may exceed the authorized amounts due to transfers from the Agency Growth Pool during the 2015-2017 Biennium.

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

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

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Agency Request is for Base Level of \$5,161,883 for FY18 and \$5,168,666 for FY19 with \$4,633,925 in FY18 and \$4,818,666 in FY19 in general revenue funding.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Inspector (C118), and one (1) Administrative Specialist II (C109) position based on the personnel evaluation and the reduction of General Revenue Funding of \$129,562 each year of the biennium.

Appropriation Summary

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA - ADEQ Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|------------------------------|---------|---------------------|---------------------|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 3,170,863 | 3,498,962 | 3,537,581 | 3,552,679 | 3,552,679 | 3,459,659 | 3,557,835 | 3,557,835 | 3,464,815 |
| #Positions | | 71 | 73 | 75 | 74 | 74 | 71 | 74 | 74 | 71 |
| Extra Help | 5010001 | 0 | 25,674 | 25,674 | 25,674 | 25,674 | 25,674 | 25,674 | 25,674 | 25,674 |
| #Extra Help | | 0 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Personal Services Matching | 5010003 | 1,072,268 | 1,157,952 | 1,172,013 | 1,194,132 | 1,194,132 | 1,157,590 | 1,195,759 | 1,195,759 | 1,159,217 |
| Operating Expenses | 5020002 | 354,139 | 353,183 | 353,183 | 353,183 | 353,183 | 353,183 | 353,183 | 353,183 | 353,183 |
| Conference & Travel Expenses | 5050009 | 32,116 | 32,115 | 32,115 | 32,115 | 32,115 | 32,115 | 32,115 | 32,115 | 32,115 |
| Professional Fees | 5060010 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 | 4,100 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 4,633,486 | 5,071,986 | 5,124,666 | 5,161,883 | 5,161,883 | 5,032,321 | 5,168,666 | 5,168,666 | 5,039,104 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Fund Balance | 4000005 | 403,015 | 522,766 | | 117,958 | 117,958 | 117,958 | 0 | 0 | 0 |
| General Revenue | 4000010 | 4,252,178 | 4,252,178 | | 4,633,925 | 4,633,925 | 4,504,363 | 4,758,666 | 4,758,666 | 4,629,104 |
| Non-Revenue Receipts | 4000040 | 501,059 | 415,000 | | 410,000 | 410,000 | 410,000 | 410,000 | 410,000 | 410,000 |
| Total Funding | | 5,156,252 | 5,189,944 | | 5,161,883 | 5,161,883 | 5,032,321 | 5,168,666 | 5,168,666 | 5,039,104 |
| Excess Appropriation/(Funding) | | (522,766) | (117,958) | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 4,633,486 | 5,071,986 | | 5,161,883 | 5,161,883 | 5,032,321 | 5,168,666 | 5,168,666 | 5,039,104 |

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level position from (2TX) Fee Administration..

Change Level by Appropriation

Appropriation: 2TP - ADEQ - State Operations
Funding Sources: HMA - ADEQ Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,161,883 | 74 | 5,161,883 | 100.0 | 5,168,666 | 74 | 5,168,666 | 100.0 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 5,161,883 | 74 | 5,161,883 | 100.0 | 5,168,666 | 74 | 5,168,666 | 100.0 |
| C13 | Not Recommended | (36,542) | 0 | 5,125,341 | 99.3 | (36,542) | 0 | 5,132,124 | 99.3 |
| C19 | Executive Changes | (93,020) | (3) | 5,032,321 | 97.5 | (93,020) | (3) | 5,039,104 | 97.5 |

Justification

| | |
|-----|--|
| C19 | The Executive Recommendation reflects the reduction of one (1) ADEQ Enforcement Coordinator C120, (1) ADEQ Inspector C118, and (1) Administrative Specialist II C109 position based on the personnel evaluation. |
|-----|--|

Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$9,187,309 in FY18 and \$9,189,895 in FY19.

The Agency's Change Level requests totaling \$270,000 in FY18 and \$280,000 in FY19 reflect the following:

- Reallocation of \$20,000 Conference & Travel Expenses and \$79,000 Professional Fees to Grants and Aid and Operating Expenses to align with Agency needs.
- Capital Outlay increase of \$270,000 in FY18 and \$280,000 in FY19 to replace equipment and vehicles.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation reflects the reduction of one (1) Chemist (C117) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|------------------------------|---------|---------------------|---------------------|-------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 3,566,364 | 3,900,933 | 4,321,805 | 4,091,654 | 4,091,654 | 4,059,405 | 4,093,754 | 4,093,754 | 4,061,505 |
| #Positions | | 86 | 90 | 91 | 93 | 93 | 92 | 93 | 93 | 92 |
| Extra Help | 5010001 | 6,953 | 148,585 | 148,585 | 148,585 | 148,585 | 148,585 | 148,585 | 148,585 | 148,585 |
| #Extra Help | | 3 | 62 | 62 | 62 | 62 | 62 | 62 | 62 | 62 |
| Personal Services Matching | 5010003 | 1,264,216 | 1,340,680 | 1,468,808 | 1,420,483 | 1,420,483 | 1,420,483 | 1,420,969 | 1,420,969 | 1,420,969 |
| Operating Expenses | 5020002 | 779,036 | 1,740,060 | 1,740,060 | 1,740,060 | 1,789,060 | 1,789,060 | 1,740,060 | 1,789,060 | 1,789,060 |
| Conference & Travel Expenses | 5050009 | 36,654 | 231,126 | 231,126 | 231,126 | 211,126 | 211,126 | 231,126 | 211,126 | 211,126 |
| Professional Fees | 5060010 | 75,307 | 755,401 | 755,401 | 755,401 | 676,401 | 676,401 | 755,401 | 676,401 | 676,401 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants and Aid | 5100004 | 136,269 | 400,000 | 400,000 | 400,000 | 450,000 | 450,000 | 400,000 | 450,000 | 450,000 |
| Capital Outlay | 5120011 | 82,381 | 756,250 | 756,250 | 400,000 | 670,000 | 670,000 | 400,000 | 680,000 | 680,000 |
| Total | | 5,947,180 | 9,273,035 | 9,822,035 | 9,187,309 | 9,457,309 | 9,425,060 | 9,189,895 | 9,469,895 | 9,437,646 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Federal Revenue | 4000020 | 5,947,180 | 9,273,035 | | 9,187,309 | 9,457,309 | 9,425,060 | 9,189,895 | 9,469,895 | 9,437,646 |
| Total Funding | | 5,947,180 | 9,273,035 | | 9,187,309 | 9,457,309 | 9,425,060 | 9,189,895 | 9,469,895 | 9,437,646 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 5,947,180 | 9,273,035 | | 9,187,309 | 9,457,309 | 9,425,060 | 9,189,895 | 9,469,895 | 9,437,646 |

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level positions from (2TX) Fee Administration.

Change Level by Appropriation

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP - Federal Funds

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 9,187,309 | 93 | 9,187,309 | 100.0 | 9,189,895 | 93 | 9,189,895 | 100.0 |
| C01 | Existing Program | 270,000 | 0 | 9,457,309 | 102.9 | 280,000 | 0 | 9,469,895 | 103.0 |
| C04 | Reallocation | 0 | 0 | 9,457,309 | 102.9 | 0 | 0 | 9,469,895 | 103.0 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 9,187,309 | 93 | 9,187,309 | 100.0 | 9,189,895 | 93 | 9,189,895 | 100.0 |
| C01 | Existing Program | 270,000 | 0 | 9,457,309 | 102.9 | 280,000 | 0 | 9,469,895 | 103.0 |
| C04 | Reallocation | 0 | 0 | 9,457,309 | 102.9 | 0 | 0 | 9,469,895 | 103.0 |
| C19 | Executive Changes | (32,249) | (1) | 9,425,060 | 102.6 | (32,249) | (1) | 9,437,646 | 102.7 |

Justification

| | |
|-----|--|
| C01 | The Office of Air Quality requests \$450,000 and \$450,000 for the fiscal years ending June 30, 2018 and June 30, 2019, respectively for Assistance Grants and Aid appropriation to fulfill the Division's obligations and responsibilities for the DERA Grant program. The Office of Air Quality is also requesting \$25,000 Capital Outlay appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. The Office of Water Quality requests \$20,000 in Capital Outlay appropriation each fiscal year to replace equipment as it becomes inoperable, i.e., samplers, multiprobe monitoring devices, incubators, sterilizers, etc. We have a variety of aging equipment and we repair it as best we can before it is replaced. However, we need appropriation available in the event the equipment can no longer be repaired. The Office of Land Resources requests \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. The Technical Services Division is requesting 200,000 and \$210,000 for fiscal years ending June 30, 2018 and 2019 respectively for Capital Outlay appropriation to replace aging air monitoring equipment used for collecting data for the ambient air network program. FY18 equipment includes monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment, ovens, and new air monitoring systems for a proposed program the EPA is asking us to implement. FY19 equipment needs will include monitoring trailers with installation costs, data loggers, speciation equipment, particulate monitoring equipment, ovens, and new air monitoring systems for a proposed program the EPA is asking us to implement. Each location EPA requests will add approximately \$72,000. |
| C04 | The Office of Air Quality requests to reallocate \$29,000 from Character 10 Professional and Administrative Fees and \$20,000 from Character 09 Travel to Character 2 Contractual Services for each fiscal year. The Office of Air Quality also requests to reallocate \$50,000 from Character 10 Professional and Administrative Fees to Character 4 Assistance Grants and Aid for each fiscal year. Each of these requests are made to allow the Division to better meet their Federal Grant Program obligations. |
| C19 | The Executive Recommendation reflects the reduction of one (1) Chemist C117 position based on the personnel evaluation. |

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Agency Request is for Base Level of \$152,215 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW - Waste Water Licensing Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 50,778 | 52,316 | 61,547 | 52,137 | 52,137 | 52,137 | 52,137 | 52,137 | 52,137 |
| #Positions | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Personal Services Matching | 5010003 | 17,998 | 18,093 | 20,329 | 18,357 | 18,357 | 18,357 | 18,357 | 18,357 | 18,357 |
| Operating Expenses | 5020002 | 7,018 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 | 26,632 |
| Conference & Travel Expenses | 5050009 | 465 | 5,089 | 5,089 | 5,089 | 5,089 | 5,089 | 5,089 | 5,089 | 5,089 |
| Professional Fees | 5060010 | 0 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 76,259 | 152,130 | 163,597 | 152,215 | 152,215 | 152,215 | 152,215 | 152,215 | 152,215 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 442,136 | 477,300 | | 425,170 | 425,170 | 425,170 | 372,955 | 372,955 | 372,955 |
| Special Revenue | 4000030 | 111,423 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Funding | | 553,559 | 577,300 | | 525,170 | 525,170 | 525,170 | 472,955 | 472,955 | 472,955 |
| Excess Appropriation/(Funding) | | (477,300) | (425,170) | | (372,955) | (372,955) | (372,955) | (320,740) | (320,740) | (320,740) |
| Grand Total | | 76,259 | 152,130 | | 152,215 | 152,215 | 152,215 | 152,215 | 152,215 | 152,215 |

Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR - Land Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|-----------|-----------|------------|------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Reclamation Contracts 5900043 | 0 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Total | 0 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Funding Sources | | | | | | | | | |
| Bond Forfeitures 4000120 | 0 | 950,000 | | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Total Funding | 0 | 950,000 | | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 950,000 | | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |

Analysis of Budget Request

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$1,535,793 in FY18 and \$1,536,133 in FY19.

The Agency's Change level request of \$20,000 each year reflects the following:

- Increase of \$25,000 in Capital Outlay for replacement vehicles.
- Reduction totaling (\$20,000) in Operating Expenses (\$15,000) and Professional Fees (\$5,000) to offset increases in Capital Outlay request.
- Technology increase of \$15,000 for smart board purchase. This request is located in the Agency's IT Plan.

In addition to the Agency's Change level request, the Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW - Hazardous Waste Permit Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 774,281 | 872,030 | 867,200 | 911,089 | 911,089 | 911,089 | 911,339 | 911,339 | 911,339 |
| #Positions | | 17 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 |
| Extra Help | 5010001 | 0 | 15,795 | 15,795 | 15,795 | 15,795 | 15,795 | 15,795 | 15,795 | 15,795 |
| #Extra Help | | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Personal Services Matching | 5010003 | 257,733 | 290,988 | 284,057 | 309,655 | 309,655 | 309,655 | 309,745 | 309,745 | 309,745 |
| Overtime | 5010006 | 0 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Operating Expenses | 5020002 | 91,171 | 197,304 | 197,304 | 197,304 | 182,304 | 182,304 | 197,304 | 197,304 | 197,304 |
| Conference & Travel Expenses | 5050009 | 7,967 | 47,700 | 47,700 | 47,700 | 47,700 | 47,700 | 47,700 | 47,700 | 47,700 |
| Professional Fees | 5060010 | 1,475 | 53,000 | 53,000 | 53,000 | 48,000 | 48,000 | 53,000 | 48,000 | 48,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 20,000 | 20,000 | 0 | 40,000 | 40,000 | 0 | 25,000 | 25,000 |
| Total | | 1,132,627 | 1,498,067 | 1,486,306 | 1,535,793 | 1,555,793 | 1,555,793 | 1,536,133 | 1,556,133 | 1,556,133 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 4,240,979 | 4,567,056 | | 4,443,989 | 4,443,989 | 4,443,989 | 4,283,196 | 4,263,196 | 4,263,196 |
| Special Revenue | 4000030 | 1,272,002 | 1,200,000 | | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Other | 4000370 | 186,702 | 175,000 | | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 | 175,000 |
| Total Funding | | 5,699,683 | 5,942,056 | | 5,818,989 | 5,818,989 | 5,818,989 | 5,658,196 | 5,638,196 | 5,638,196 |
| Excess Appropriation/(Funding) | | (4,567,056) | (4,443,989) | | (4,283,196) | (4,263,196) | (4,263,196) | (4,122,063) | (4,082,063) | (4,082,063) |
| Grand Total | | 1,132,627 | 1,498,067 | | 1,535,793 | 1,555,793 | 1,555,793 | 1,536,133 | 1,556,133 | 1,556,133 |

Base Level positions exceeds Budget Number of Positions due to the transfer of Base Level position from (2TX) Fee Administration.

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium.

Change Level by Appropriation

Appropriation: 2TT - Hazardous Waste Permit Program
Funding Sources: SHW - Hazardous Waste Permit Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,535,793 | 20 | 1,535,793 | 100.0 | 1,536,133 | 20 | 1,536,133 | 100.0 |
| C01 | Existing Program | 25,000 | 0 | 1,560,793 | 101.6 | 25,000 | 0 | 1,561,133 | 101.6 |
| C04 | Reallocation | (20,000) | 0 | 1,540,793 | 100.3 | (5,000) | 0 | 1,556,133 | 101.3 |
| C08 | Technology | 15,000 | 0 | 1,555,793 | 101.3 | 0 | 0 | 1,556,133 | 101.3 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 1,535,793 | 20 | 1,535,793 | 100.0 | 1,536,133 | 20 | 1,536,133 | 100.0 |
| C01 | Existing Program | 25,000 | 0 | 1,560,793 | 101.6 | 25,000 | 0 | 1,561,133 | 101.6 |
| C04 | Reallocation | (20,000) | 0 | 1,540,793 | 100.3 | (5,000) | 0 | 1,556,133 | 101.3 |
| C08 | Technology | 15,000 | 0 | 1,555,793 | 101.3 | 0 | 0 | 1,556,133 | 101.3 |

Justification

| | |
|-----|--|
| C01 | The Office of Land Resources request \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. |
| C04 | The Office of Land Resources request to reallocated \$5,000 from Character 10 Professional and Administrative Fees to Character 11 Capital Outlay to help pay for the replacement vehicles for each fiscal year. The Office of Land Resources request to reallocated \$15,000 from Character 02 Electricity to Character 11 Capital Outlay in FY18 only. |
| C08 | The Office of Land Resources request \$15,000 Capital Appropriation for FY18 to purchase a Smart Board. Using a smart board in meetings helps facilitate collaborative activities such as mapping, analysis and brainstorming. The smart board will greatly assist the Office of Land Resources in planning environmental projects and setting action goals. The smart board will also be extremely instrumental agency-wide in LEAN process; value stream mapping. The smart board will enhance ADEQ's efficiency and effectiveness in administering the environmental program for the State of Arkansas. |

Analysis of Budget Request

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE - Abandoned Mine Reclamation Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|---------------------------------------|-----------|-----------|------------|------------|-----------|-----------|------------|-----------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Abandoned Mine Reclamation Cc 5900043 | 1,491,456 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 |
| Total | 1,491,456 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 1,491,456 | 5,700,000 | | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 |
| Total Funding | 1,491,456 | 5,700,000 | | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 1,491,456 | 5,700,000 | | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 | 5,700,000 |

Analysis of Budget Request

Appropriation: 2TV - Surface Coal Mining

Funding Sources: MAF - Surface Coal Mining Operation Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TV - Surface Coal Mining
Funding Sources: MAF - Surface Coal Mining Operation Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|---------------------------------------|---------|---------------------|---------------------|-------------------------|---|-----------------|-----------------|---|-----------------|-----------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Operating Expenses | 5020002 | 0 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Conference & Travel Expenses | 5050009 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 0 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 109,772 | 110,772 | | 96,772 | 96,772 | 96,772 | 82,772 | 82,772 | 82,772 |
| Other | 4000370 | 1,000 | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Funding | | 110,772 | 111,772 | | 97,772 | 97,772 | 97,772 | 83,772 | 83,772 | 83,772 |
| Excess Appropriation/(Funding) | | (110,772) | (96,772) | | (82,772) | (82,772) | (82,772) | (68,772) | (68,772) | (68,772) |
| Grand Total | | 0 | 15,000 | | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA - Mine Reclamation Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--|---------------------|---------------------|-------------------------|------------|-----------|-----------|------------|-----------|-----------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Mining Reclamation Contractual 5900043 | 211 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Total | 211 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 211 | 1,520,000 | | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Total Funding | 211 | 1,520,000 | | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 211 | 1,520,000 | | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 | 1,520,000 |

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: TPE - ADEQ Fee Trust Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$13,187,462 in FY18 and \$13,192,136 in FY19.

The Agency's Change Level requests totaling \$382,759 each year reflect the following:

- Reallocation of \$25,000 in FY18 from Professional and Administrative Fees to Capital Outlay in order to purchase a large scanner. This request is located in the Agency's IT Plan.
- Capital Outlay increase of \$20,000 each year to purchase equipment.
- Regular Salaries and Personal Services Matching of \$362,759 each year for the restoration of three (3) ADEQ Deputy Director (N908) positions from Growth Pool.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation in addition to providing for the Agency Request reflects the reduction of four (4) Administrative Specialist II (C109), one (1) Grants Analyst (C117), one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Enforcement Analyst (C119), and one (1) Administrative Specialist III (C109).

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|------------------------------|---------|---------------------|---------------------|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 6,672,695 | 7,548,039 | 7,725,901 | 7,139,707 | 7,422,271 | 7,204,053 | 7,143,507 | 7,426,071 | 7,207,853 |
| #Positions | | 169 | 175 | 178 | 170 | 173 | 165 | 170 | 173 | 165 |
| Extra Help | 5010001 | 0 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 | 45,000 |
| #Extra Help | | 0 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Personal Services Matching | 5010003 | 2,374,001 | 2,582,919 | 2,647,572 | 2,503,677 | 2,583,872 | 2,493,297 | 2,504,551 | 2,584,746 | 2,494,171 |
| Operating Expenses | 5020002 | 807,471 | 1,307,170 | 1,307,170 | 1,307,170 | 1,307,170 | 1,307,170 | 1,307,170 | 1,307,170 | 1,307,170 |
| Conference & Travel Expenses | 5050009 | 35,371 | 152,389 | 152,389 | 152,389 | 152,389 | 152,389 | 152,389 | 152,389 | 152,389 |
| Professional Fees | 5060010 | 419,046 | 989,519 | 989,519 | 989,519 | 964,519 | 964,519 | 989,519 | 989,519 | 989,519 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 1,163,981 | 1,180,000 | 1,180,000 | 1,050,000 | 1,095,000 | 1,095,000 | 1,050,000 | 1,070,000 | 1,070,000 |
| Total | | 11,472,565 | 13,805,036 | 14,047,551 | 13,187,462 | 13,570,221 | 13,261,428 | 13,192,136 | 13,574,895 | 13,266,102 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|-------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund Balance | 4000005 | 15,223,027 | 15,535,928 | | 13,410,892 | 13,410,892 | 13,410,892 | 11,903,430 | 11,520,671 | 11,829,464 |
| Special Revenue | 4000030 | 11,785,466 | 11,680,000 | | 11,680,000 | 11,680,000 | 11,680,000 | 11,680,000 | 11,680,000 | 11,680,000 |
| Total Funding | | 27,008,493 | 27,215,928 | | 25,090,892 | 25,090,892 | 25,090,892 | 23,583,430 | 23,200,671 | 23,509,464 |
| Excess Appropriation/(Funding) | | (15,535,928) | (13,410,892) | | (11,903,430) | (11,520,671) | (11,829,464) | (10,391,294) | (9,625,776) | (10,243,362) |
| Grand Total | | 11,472,565 | 13,805,036 | | 13,187,462 | 13,570,221 | 13,261,428 | 13,192,136 | 13,574,895 | 13,266,102 |

Budget positions exceeds Base Level number due to the transfer of Budget positions to (2TP) ADEQ- State Operations, (2TQ) ADEQ- Federal Operations, and (2TT) Hazardous Waste Permit Program.

Change Level by Appropriation

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

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 13,187,462 | 170 | 13,187,462 | 100.0 | 13,192,136 | 170 | 13,192,136 | 100.0 |
| C01 | Existing Program | 20,000 | 0 | 13,207,462 | 100.2 | 20,000 | 0 | 13,212,136 | 100.2 |
| C04 | Reallocation | (25,000) | 0 | 13,182,462 | 100.0 | 0 | 0 | 13,212,136 | 100.2 |
| C06 | Restore Position/Approp | 362,759 | 3 | 13,545,221 | 102.7 | 362,759 | 3 | 13,574,895 | 102.9 |
| C08 | Technology | 25,000 | 0 | 13,570,221 | 102.9 | 0 | 0 | 13,574,895 | 102.9 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------------|-------------------|------------|-------------------|--------------|-------------------|------------|-------------------|--------------|
| BL | Base Level | 13,187,462 | 170 | 13,187,462 | 100.0 | 13,192,136 | 170 | 13,192,136 | 100.0 |
| C01 | Existing Program | 20,000 | 0 | 13,207,462 | 100.2 | 20,000 | 0 | 13,212,136 | 100.2 |
| C04 | Reallocation | (25,000) | 0 | 13,182,462 | 100.0 | 0 | 0 | 13,212,136 | 100.2 |
| C06 | Restore Position/Approp | 362,759 | 3 | 13,545,221 | 102.7 | 362,759 | 3 | 13,574,895 | 102.9 |
| C08 | Technology | 25,000 | 0 | 13,570,221 | 102.9 | 0 | 0 | 13,574,895 | 102.9 |
| C13 | Not Recommended | (90,575) | 0 | 13,479,646 | 102.2 | (90,575) | 0 | 13,484,320 | 102.2 |
| C19 | Executive Changes | (218,218) | (8) | 13,261,428 | 100.6 | (218,218) | (8) | 13,266,102 | 100.6 |

Justification

| | |
|-----|--|
| C01 | The Office of Water Quality request \$20,000 Capital Appropriation each fiscal year is requesting \$20,000 in Capital Outlay ADEQ Permit Fees (2TX) appropriation each year to replace equipment as it becomes inoperable, i.e., samplers, multi-probe monitoring devices, incubators, sterilizers, etc. We have a variety of aging equipment and we repair it as much as possible before it is replaced. |
| C04 | The Efficiency Office request to reallocate from Character 10 Professional and Administrative Fees to Character 11 Capital Outlay \$25,000 to purchase a large scanner for FY 18 only. |
| C06 | Restoration of three (3) ADEQ Deputy Director (N908) positions from Growth Pool. |
| C08 | The Efficiency Office request Capital Appropriation for \$25,000 to purchase a large scanner for FY 18 only. The records keeping section of the Law and Policy support office needs a new large format scanner. The current large format scanner has two major issues. First, the large format scanner is not compatible with ADEQ's current records management software. Second, the large format scanner is out of warranty because it is over a decade old. Thus, if the scanner malfunctions, then ADEQ will have to pay for all repair costs. |
| C19 | Elimination of four (4) Administrative Specialist II (C109), one (1) Grants Analyst (C117), one (1) ADEQ Enforcement Coordinator (C120), one (1) ADEQ Enforcement Analyst (C119), and one (1) Administrative Specialist III (C109). |

Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

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

Agency Request is for Base Level of \$3,000,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP - Solid Waste Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|---------------------------------------|---------------------|---------------------|-------------------------|------------|-----------|-----------|------------|-----------|-----------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Solid Waste Performance Bonds 5900043 | 1,137,490 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Total | 1,137,490 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Funding Sources | | | | | | | | | |
| Bond Forfeitures 4000120 | 1,137,490 | 3,000,000 | | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Total Funding | 1,137,490 | 3,000,000 | | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 1,137,490 | 3,000,000 | | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |

Analysis of Budget Request

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$7,656,756 each year of the biennium.

The Agency's Change Level reflects Capital Outlay of \$80,000 each year to replace aging servers and the backup and archival system. This request is located in the Agency's IT Plan.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2TZ - Hazardous Waste Cleanup

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 219,337 | 235,817 | 209,256 | 235,643 | 235,643 | 235,643 | 235,643 | 235,643 | 235,643 |
| #Positions | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Personal Services Matching | 5010003 | 76,815 | 80,775 | 72,680 | 82,025 | 82,025 | 82,025 | 82,025 | 82,025 | 82,025 |
| Operating Expenses | 5020002 | 26,316 | 405,191 | 405,191 | 405,191 | 405,191 | 405,191 | 405,191 | 405,191 | 405,191 |
| Conference & Travel Expenses | 5050009 | 626 | 35,960 | 35,960 | 35,960 | 35,960 | 35,960 | 35,960 | 35,960 | 35,960 |
| Professional Fees | 5060010 | 0 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 515,000 | 515,000 | 0 | 80,000 | 80,000 | 0 | 80,000 | 80,000 |
| Contractual Services | 5900043 | 201,843 | 6,194,000 | 6,194,000 | 6,194,000 | 6,194,000 | 6,194,000 | 6,194,000 | 6,194,000 | 6,194,000 |
| Data Processing Purchases | 5900044 | 36,895 | 453,937 | 453,937 | 453,937 | 453,937 | 453,937 | 453,937 | 453,937 | 453,937 |
| Total | | 561,832 | 8,170,680 | 8,136,024 | 7,656,756 | 7,736,756 | 7,736,756 | 7,656,756 | 7,736,756 | 7,736,756 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|----------------|------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|
| Fund Balance | 4000005 | 5,694,313 | 8,065,423 | | 1,394,743 | 1,394,743 | 1,394,743 | 0 | 0 | 0 |
| Trust Fund | 4000050 | 2,932,942 | 1,500,000 | | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| Total Funding | | 8,627,255 | 9,565,423 | | 2,894,743 | 2,894,743 | 2,894,743 | 1,500,000 | 1,500,000 | 1,500,000 |
| Excess Appropriation/(Funding) | | (8,065,423) | (1,394,743) | | 4,762,013 | 4,842,013 | 4,842,013 | 6,156,756 | 6,236,756 | 6,236,756 |
| Grand Total | | 561,832 | 8,170,680 | | 7,656,756 | 7,736,756 | 7,736,756 | 7,656,756 | 7,736,756 | 7,736,756 |

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

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

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,656,756 | 6 | 7,656,756 | 100.0 | 7,656,756 | 6 | 7,656,756 | 100.0 |
| C08 | Technology | 80,000 | 0 | 7,736,756 | 101.0 | 80,000 | 0 | 7,736,756 | 101.0 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 7,656,756 | 6 | 7,656,756 | 100.0 | 7,656,756 | 6 | 7,656,756 | 100.0 |
| C08 | Technology | 80,000 | 0 | 7,736,756 | 101.0 | 80,000 | 0 | 7,736,756 | 101.0 |

Justification

| | |
|-----|--|
| C08 | The Computer Services Division is requesting capital outlay appropriation from (2TZ) trust funds in the amount of \$80,000 for each fiscal year. The equipment purchased will allow for replacement of aging servers and the backup and archival system. |
|-----|--|

Analysis of Budget Request

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Agency Request is for Base Level of \$372,655 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UA - Emergency Response Program

Funding Sources: THS - Hazardous Substance Remedial Action Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|-----------|-----------|------------|------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Contractual Services 5900043 | 0 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 |
| Total | 0 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 0 | 372,655 | | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 |
| Total Funding | 0 | 372,655 | | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 372,655 | | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 | 372,655 |

Analysis of Budget Request

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$490,531 FY18 and \$390,531 FY19.

The Agency's Change level request is for a decrease of (\$100,000) in FY19 Grants and Aid to align with agency needs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UB - Asbestos Control Program

Funding Sources: SAC - Asbestos Control Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 211,464 | 223,442 | 224,192 | 222,894 | 222,894 | 222,894 | 222,894 | 222,894 | 222,894 |
| #Positions | | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Personal Services Matching | 5010003 | 77,375 | 80,935 | 81,615 | 81,995 | 81,995 | 81,995 | 81,995 | 81,995 | 81,995 |
| Operating Expenses | 5020002 | 1,569 | 29,452 | 29,452 | 29,452 | 29,452 | 29,452 | 29,452 | 29,452 | 29,452 |
| Conference & Travel Expenses | 5050009 | 498 | 4,090 | 4,090 | 4,090 | 4,090 | 4,090 | 4,090 | 4,090 | 4,090 |
| Professional Fees | 5060010 | 0 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 | 2,100 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grants and Aid | 5100004 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 150,000 | 50,000 | 50,000 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 440,906 | 490,019 | 491,449 | 490,531 | 490,531 | 490,531 | 490,531 | 390,531 | 390,531 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 1,701,405 | 1,553,547 | | 1,363,528 | 1,363,528 | 1,363,528 | 1,172,997 | 1,172,997 | 1,172,997 |
| Special Revenue | 4000030 | 293,048 | 300,000 | | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 | 300,000 |
| Total Funding | | 1,994,453 | 1,853,547 | | 1,663,528 | 1,663,528 | 1,663,528 | 1,472,997 | 1,472,997 | 1,472,997 |
| Excess Appropriation/(Funding) | | (1,553,547) | (1,363,528) | | (1,172,997) | (1,172,997) | (1,172,997) | (982,466) | (1,082,466) | (1,082,466) |
| Grand Total | | 440,906 | 490,019 | | 490,531 | 490,531 | 490,531 | 490,531 | 390,531 | 390,531 |

Change Level by Appropriation

Appropriation: 2UB - Asbestos Control Program
Funding Sources: SAC - Asbestos Control Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 490,531 | 6 | 490,531 | 100.0 | 490,531 | 6 | 490,531 | 100.0 |
| C03 | Discontinue Program | 0 | 0 | 490,531 | 100.0 | (100,000) | 0 | 390,531 | 79.6 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 490,531 | 6 | 490,531 | 100.0 | 490,531 | 6 | 490,531 | 100.0 |
| C03 | Discontinue Program | 0 | 0 | 490,531 | 100.0 | (100,000) | 0 | 390,531 | 79.6 |

Justification

| | |
|-----|---|
| C03 | The Office Air Quality's Asbestos Program only needs \$50,000 in Character 04 Grants and Aid in FY19. |
|-----|---|

Analysis of Budget Request

Appropriation: 2UC - Solid Waste Mgmt/Recycling Prog

Funding Sources: TWS - Solid Waste Management Recycling Fund

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

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

Base Level is \$8,209,283 in FY18 and \$8,210,219 FY19.

The Agency's Change level request of \$25,000 in Capital Outlay is for the purchase of replacement vehicles.

The Executive Recommendation provides for the Agency Request for Capital Outlay to replace aging, high mileage vehicles in accordance with A.C.A. §22-8-201 et seq., Automobile and Pickup Truck Acquisition Act, which establishes guidelines for automobile replacement.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|---|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 910,195 | 876,039 | 904,831 | 680,874 | 680,874 | 680,874 | 681,631 | 681,631 | 681,631 |
| #Positions | 19 | 19 | 19 | 16 | 16 | 16 | 16 | 16 | 16 |
| Personal Services Matching 5010003 | 302,324 | 291,612 | 304,625 | 236,212 | 236,212 | 236,212 | 236,391 | 236,391 | 236,391 |
| Operating Expenses 5020002 | 2,606,465 | 126,529 | 126,529 | 126,529 | 126,529 | 126,529 | 126,529 | 126,529 | 126,529 |
| Conference & Travel Expenses 5050009 | 4,654 | 15,668 | 15,668 | 15,668 | 15,668 | 15,668 | 15,668 | 15,668 | 15,668 |
| Professional Fees 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Refunds/Reimbursements 5110014 | 3,663,014 | 4,650,000 | 4,650,000 | 4,650,000 | 4,650,000 | 4,650,000 | 4,650,000 | 4,650,000 | 4,650,000 |
| Capital Outlay 5120011 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 |
| Electronic Waste Recycling Infra. 5900046 | 0 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 | 2,500,000 |
| Total | 7,486,652 | 8,484,848 | 8,526,653 | 8,209,283 | 8,234,283 | 8,234,283 | 8,210,219 | 8,235,219 | 8,235,219 |
| Funding Sources | | | | | | | | | |
| Fund Balance 4000005 | 17,039,902 | 17,163,429 | | 13,678,581 | 13,678,581 | 13,678,581 | 10,469,298 | 10,444,298 | 10,444,298 |
| Special Revenue 4000030 | 7,610,179 | 5,000,000 | | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 | 5,000,000 |
| Total Funding | 24,650,081 | 22,163,429 | | 18,678,581 | 18,678,581 | 18,678,581 | 15,469,298 | 15,444,298 | 15,444,298 |
| Excess Appropriation/(Funding) | (17,163,429) | (13,678,581) | | (10,469,298) | (10,444,298) | (10,444,298) | (7,259,079) | (7,209,079) | (7,209,079) |
| Grand Total | 7,486,652 | 8,484,848 | | 8,209,283 | 8,234,283 | 8,234,283 | 8,210,219 | 8,235,219 | 8,235,219 |

Budget positions exceeds Base Level number due to the transfer of Budget positions to (2TQ) ADEQ - Federal Operations.

Change Level by Appropriation

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

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 8,209,283 | 16 | 8,209,283 | 100.0 | 8,210,219 | 16 | 8,210,219 | 100.0 |
| C01 | Existing Program | 25,000 | 0 | 8,234,283 | 100.3 | 25,000 | 0 | 8,235,219 | 100.3 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|------------------|-----------|------------------|--------------|------------------|-----------|------------------|--------------|
| BL | Base Level | 8,209,283 | 16 | 8,209,283 | 100.0 | 8,210,219 | 16 | 8,210,219 | 100.0 |
| C01 | Existing Program | 25,000 | 0 | 8,234,283 | 100.3 | 25,000 | 0 | 8,235,219 | 100.3 |

Justification

| | |
|-----|---|
| C01 | The Office of Land Resources request \$25,000 Capital Appropriation each fiscal year to purchase replacement vehicles. These vehicles will be used by the department's inspectors to conduct facility inspections and investigate complaints statewide. |
|-----|---|

Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency is requesting Base Level of \$946,459 in FY18 and \$946,707 in FY19.

Subsequent to Agency's initial Budget Request, the Office of Personnel Management and Agency personnel evaluated the Agency's position usage and ongoing staffing needs. The Executive Recommendation, in addition to providing for the Agency Request, reflects the reduction of one (1) Administrative Specialist II (C109) position based on the personnel evaluation.

Appropriation Summary

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|------------------|------------------|---|------------------|------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 525,169 | 639,934 | 648,615 | 639,105 | 639,105 | 617,278 | 639,305 | 639,305 | 617,478 |
| #Positions | | 16 | 17 | 17 | 17 | 17 | 16 | 17 | 17 | 16 |
| Personal Services Matching | 5010003 | 205,865 | 227,986 | 232,943 | 231,221 | 231,221 | 231,221 | 231,269 | 231,269 | 231,269 |
| Operating Expenses | 5020002 | 39,533 | 71,128 | 71,128 | 71,128 | 71,128 | 71,128 | 71,128 | 71,128 | 71,128 |
| Conference & Travel Expenses | 5050009 | 193 | 5,005 | 5,005 | 5,005 | 5,005 | 5,005 | 5,005 | 5,005 | 5,005 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 770,760 | 944,053 | 957,691 | 946,459 | 946,459 | 924,632 | 946,707 | 946,707 | 924,880 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 1,889,509 | 2,086,625 | | 2,092,572 | 2,092,572 | 2,092,572 | 2,096,113 | 2,096,113 | 2,117,940 |
| Special Revenue | 4000030 | 967,876 | 950,000 | | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 | 950,000 |
| Total Funding | | 2,857,385 | 3,036,625 | | 3,042,572 | 3,042,572 | 3,042,572 | 3,046,113 | 3,046,113 | 3,067,940 |
| Excess Appropriation/(Funding) | | (2,086,625) | (2,092,572) | | (2,096,113) | (2,096,113) | (2,117,940) | (2,099,406) | (2,099,406) | (2,143,060) |
| Grand Total | | 770,760 | 944,053 | | 946,459 | 946,459 | 924,632 | 946,707 | 946,707 | 924,880 |

Change Level by Appropriation

Appropriation: 2UD - Reg. Substance Storage Tank
Funding Sources: SRS - Regulated Substance Storage Tank Program Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 946,459 | 17 | 946,459 | 100.0 | 946,707 | 17 | 946,707 | 100.0 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|-------------------|-----------|-----|------------|---------|-----------|-----|------------|---------|
| BL | Base Level | 946,459 | 17 | 946,459 | 100.0 | 946,707 | 17 | 946,707 | 100.0 |
| C19 | Executive Changes | (21,827) | (1) | 924,632 | 97.7 | (21,827) | (1) | 924,880 | 97.7 |

Justification

| | |
|-----|--|
| C19 | The Executive Recommendation reflects the reduction of one (1) Administrative Specialist II C109 position based on the personnel evaluation. |
|-----|--|

Analysis of Budget Request

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

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

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$21,848,300 in FY18 and \$21,849,161 in FY19.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UE - Petroleum Storage Tank Trust

Funding Sources: TPT - Petroleum Storage Tank Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------------|---------------------|---------------------|-------------------------|---|-------------------|-------------------|---|-------------------|-------------------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries 5010000 | 268,016 | 262,660 | 238,364 | 262,510 | 262,510 | 262,510 | 263,210 | 263,210 | 263,210 |
| #Positions | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Personal Services Matching 5010003 | 82,169 | 81,449 | 76,463 | 82,829 | 82,829 | 82,829 | 82,990 | 82,990 | 82,990 |
| Operating Expenses 5020002 | 4,853,569 | 18,999,800 | 18,999,800 | 18,999,800 | 18,999,800 | 18,999,800 | 18,999,800 | 18,999,800 | 18,999,800 |
| Conference & Travel Expenses 5050009 | 0 | 3,005 | 3,005 | 3,005 | 3,005 | 3,005 | 3,005 | 3,005 | 3,005 |
| Professional Fees 5060010 | 1,076,554 | 2,500,156 | 2,500,156 | 2,500,156 | 2,500,156 | 2,500,156 | 2,500,156 | 2,500,156 | 2,500,156 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 6,280,308 | 21,847,070 | 21,817,788 | 21,848,300 | 21,848,300 | 21,848,300 | 21,849,161 | 21,849,161 | 21,849,161 |
| Funding Sources | | | | | | | | | |
| Fund Balance 4000005 | 22,793,339 | 24,015,047 | | 9,667,977 | 9,667,977 | 9,667,977 | 0 | 0 | 0 |
| Other 4000370 | 7,502,016 | 7,500,000 | | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 | 7,500,000 |
| Total Funding | 30,295,355 | 31,515,047 | | 17,167,977 | 17,167,977 | 17,167,977 | 7,500,000 | 7,500,000 | 7,500,000 |
| Excess Appropriation/(Funding) | (24,015,047) | (9,667,977) | | 4,680,323 | 4,680,323 | 4,680,323 | 14,349,161 | 14,349,161 | 14,349,161 |
| Grand Total | 6,280,308 | 21,847,070 | | 21,848,300 | 21,848,300 | 21,848,300 | 21,849,161 | 21,849,161 | 21,849,161 |

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UF - Regulated Storage Tank Program

Funding Sources: FYP - Federal Funds

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|---|---------------------|---------------------|-------------------------|------------|-----------|-----------|------------|-----------|-----------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regulated Storage Tank & Contr. 5900043 | 40,695 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 |
| Total | 40,695 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 |
| Funding Sources | | | | | | | | | |
| Federal Revenue 4000020 | 40,695 | 3,925,000 | | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 |
| Total Funding | 40,695 | 3,925,000 | | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 40,695 | 3,925,000 | | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 | 3,925,000 |

Analysis of Budget Request

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

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

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$17,791,073 in FY18 and \$17,791,320 in FY19.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UG - Landfill Post Closure Program

Funding Sources: TLP - Landfill Post Closure Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|------------------------------|---------|---------------------|---------------------|-------------------------|---|-------------------|-------------------|---|-------------------|-------------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 238,352 | 243,532 | 244,192 | 243,532 | 243,532 | 243,532 | 243,732 | 243,732 | 243,732 |
| #Positions | | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Personal Services Matching | 5010003 | 74,997 | 74,954 | 75,818 | 76,245 | 76,245 | 76,245 | 76,292 | 76,292 | 76,292 |
| Operating Expenses | 5020002 | 75,809 | 30,923 | 30,923 | 30,923 | 30,923 | 30,923 | 30,923 | 30,923 | 30,923 |
| Conference & Travel Expenses | 5050009 | 0 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 |
| Professional Fees | 5060010 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Contractual Services | 5900043 | 2,349,905 | 17,434,373 | 17,434,373 | 17,434,373 | 17,434,373 | 17,434,373 | 17,434,373 | 17,434,373 | 17,434,373 |
| Total | | 2,739,063 | 17,789,782 | 17,791,306 | 17,791,073 | 17,791,073 | 17,791,073 | 17,791,320 | 17,791,320 | 17,791,320 |

| Funding Sources | | | | | | | | | | |
|--------------------------------|---------|------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund Balance | 4000005 | 20,229,843 | 17,524,520 | | 764,738 | 764,738 | 764,738 | 0 | 0 | 0 |
| Special Revenue | 4000030 | 0 | 1,000,000 | | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Interest | 4000300 | 33,740 | 30,000 | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Total Funding | | 20,263,583 | 18,554,520 | | 1,794,738 | 1,794,738 | 1,794,738 | 1,030,000 | 1,030,000 | 1,030,000 |
| Excess Appropriation/(Funding) | | (17,524,520) | (764,738) | | 15,996,335 | 15,996,335 | 15,996,335 | 16,761,320 | 16,761,320 | 16,761,320 |
| Grand Total | | 2,739,063 | 17,789,782 | | 17,791,073 | 17,791,073 | 17,791,073 | 17,791,320 | 17,791,320 | 17,791,320 |

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

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

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

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

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UH - Waste Tire Recycling Program

Funding Sources: TTG - Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|------------|-----------|-----------|------------|-----------|-----------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Grants and Aid | 5100004 | 5,313,513 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 |
| Total | | 5,313,513 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 1,411,687 | 1,318,333 | | 283,333 | 283,333 | 283,333 | 0 | 0 | 0 |
| Special Revenue | 4000030 | 5,220,159 | 5,390,000 | | 5,390,000 | 5,390,000 | 5,390,000 | 5,390,000 | 5,390,000 | 5,390,000 |
| Total Funding | | 6,631,846 | 6,708,333 | | 5,673,333 | 5,673,333 | 5,673,333 | 5,390,000 | 5,390,000 | 5,390,000 |
| Excess Appropriation/(Funding) | | (1,318,333) | (283,333) | | 751,667 | 751,667 | 751,667 | 1,035,000 | 1,035,000 | 1,035,000 |
| Grand Total | | 5,313,513 | 6,425,000 | | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 | 6,425,000 |

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

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

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

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB - State Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 840 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| #Positions | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Personal Services Matching | 5010003 | 64 | 115 | 115 | 115 | 115 | 115 | 115 | 115 | 115 |
| Operating Expenses | 5020002 | 11,189 | 13,846 | 13,846 | 13,846 | 13,846 | 13,846 | 13,846 | 13,846 | 13,846 |
| Conference & Travel Expenses | 5050009 | 875 | 6,415 | 6,415 | 6,415 | 6,415 | 6,415 | 6,415 | 6,415 | 6,415 |
| Professional Fees | 5060010 | 0 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 | 7,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 12,968 | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 234,591 | 308,641 | | 369,765 | 369,765 | 369,765 | 430,889 | 430,889 | 430,889 |
| Special Revenue | 4000030 | 87,018 | 90,000 | | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 | 90,000 |
| Total Funding | | 321,609 | 398,641 | | 459,765 | 459,765 | 459,765 | 520,889 | 520,889 | 520,889 |
| Excess Appropriation/(Funding) | | (308,641) | (369,765) | | (430,889) | (430,889) | (430,889) | (492,013) | (492,013) | (492,013) |
| Grand Total | | 12,968 | 28,876 | | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 | 28,876 |

Analysis of Budget Request

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$273,772 each year in the biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UK - Environmental Education Program

Funding Sources: MEE - Environmental Education Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|---|----------------|----------------|---|----------------|----------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 53,362 | 51,834 | 51,329 | 51,834 | 51,834 | 51,834 | 51,834 | 51,834 | 51,834 |
| #Positions | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Personal Services Matching | 5010003 | 17,010 | 16,702 | 16,686 | 16,977 | 16,977 | 16,977 | 16,977 | 16,977 | 16,977 |
| Operating Expenses | 5020002 | 91,904 | 152,961 | 152,961 | 152,961 | 152,961 | 152,961 | 152,961 | 152,961 | 152,961 |
| Conference & Travel Expenses | 5050009 | 1,396 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Professional Fees | 5060010 | 0 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 | 44,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 163,672 | 273,497 | 272,976 | 273,772 | 273,772 | 273,772 | 273,772 | 273,772 | 273,772 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 278,777 | 218,525 | | 30,028 | 30,028 | 30,028 | 0 | 0 | 0 |
| Other | 4000370 | 103,420 | 85,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Funding | | 382,197 | 303,525 | | 130,028 | 130,028 | 130,028 | 100,000 | 100,000 | 100,000 |
| Excess Appropriation/(Funding) | | (218,525) | (30,028) | | 143,744 | 143,744 | 143,744 | 173,772 | 173,772 | 173,772 |
| Grand Total | | 163,672 | 273,497 | | 273,772 | 273,772 | 273,772 | 273,772 | 273,772 | 273,772 |

FY17 Budget amount in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2015-2017 Biennium. Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UN - Small Business Loans

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|-----------|-----------|------------|------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Loans 5120029 | 0 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 |
| Total | 0 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 |
| Funding Sources | | | | | | | | | |
| Loan Repayment 4000330 | 0 | 550,000 | | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 |
| Total Funding | 0 | 550,000 | | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 550,000 | | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 | 550,000 |

Analysis of Budget Request

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UP - Sm Bus Revolving Loan Prog Exp

Funding Sources: TBL - Small Business Revolving Loan Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | Agency Request and Executive Recommendation | | | Agency Request and Executive Recommendation | | |
|--------------------------------------|---------------------|---------------------|-------------------------|---|---------------|---------------|---|---------------|---------------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
| | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Operating Expenses 5020002 | 309 | 11,010 | 11,010 | 11,010 | 11,010 | 11,010 | 11,010 | 11,010 | 11,010 |
| Conference & Travel Expenses 5050009 | 1,244 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 | 3,650 |
| Professional Fees 5060010 | 0 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Data Processing 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 1,553 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 |
| Funding Sources | | | | | | | | | |
| Interest 4000300 | 1,553 | 19,660 | | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 |
| Total Funding | 1,553 | 19,660 | | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 1,553 | 19,660 | | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 | 19,660 |

Analysis of Budget Request

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

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

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

Base Level is \$577,000 each year of the biennium.

The Agency's Change level request provides for a decrease of (\$14,000) each year in order to align with agency needs.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2UQ - Performance Partnership Syst Exp

Funding Sources: TPP - Performance Partnership Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|-------------------------------------|-----------|-----------|------------|------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Performance Integrated Syst 5900046 | 94,142 | 563,000 | 600,000 | 577,000 | 563,000 | 563,000 | 577,000 | 563,000 | 563,000 |
| Total | 94,142 | 563,000 | 600,000 | 577,000 | 563,000 | 563,000 | 577,000 | 563,000 | 563,000 |
| Funding Sources | | | | | | | | | |
| Fund Balance 4000005 | 654,042 | 562,716 | | 716 | 716 | 716 | 0 | 0 | 0 |
| Interest 4000300 | 2,816 | 1,000 | | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Total Funding | 656,858 | 563,716 | | 1,716 | 1,716 | 1,716 | 1,000 | 1,000 | 1,000 |
| Excess Appropriation/(Funding) | (562,716) | (716) | | 575,284 | 561,284 | 561,284 | 576,000 | 562,000 | 562,000 |
| Grand Total | 94,142 | 563,000 | | 577,000 | 563,000 | 563,000 | 577,000 | 563,000 | 563,000 |

Expenditure of appropriation is contingent upon available funding.

Change Level by Appropriation

Appropriation: 2UQ - Performance Partnership Syst Exp
Funding Sources: TPP - Performance Partnership Trust Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 577,000 | 0 | 577,000 | 100.0 | 577,000 | 0 | 577,000 | 100.0 |
| C03 | Discontinue Program | (14,000) | 0 | 563,000 | 97.6 | (14,000) | 0 | 563,000 | 97.6 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|----------------|----------|----------------|--------------|----------------|----------|----------------|--------------|
| BL | Base Level | 577,000 | 0 | 577,000 | 100.0 | 577,000 | 0 | 577,000 | 100.0 |
| C03 | Discontinue Program | (14,000) | 0 | 563,000 | 97.6 | (14,000) | 0 | 563,000 | 97.6 |

Justification

| | |
|-----|---|
| C03 | The request to discontinue \$14,000 will more accurately align appropriation with department revenue projections for this fund. This request is consistent with ADEQ's continuing efforts to promote accurate long term fiscal planning and efficient reorganization within the department. |
|-----|---|

Analysis of Budget Request

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

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

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR - Environmental Settlement Trust

Funding Sources: TET - ADEQ Environmental Settlement Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|--|-----------|-----------|------------|------------|---------|-----------|------------|---------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Environmental Settlement Trust - 5900046 | 258,188 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Total | 258,188 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 258,188 | 750,000 | | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Total Funding | 258,188 | 750,000 | | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 258,188 | 750,000 | | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 | 750,000 |

Analysis of Budget Request

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

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

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

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

Appropriation Summary

Appropriation: 2US - Computer/Electronic Recycling

Funding Sources: MER - Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Computer & Electronics Recycling 5900046 | 127,233 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Total | 127,233 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| Funding Sources | | | | | | | | | |
| Fund Balance 4000005 | 193,474 | 140,323 | | 323 | 323 | 323 | 0 | 0 | 0 |
| M & R Sales 4000340 | 74,082 | 110,000 | | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 | 110,000 |
| Total Funding | 267,556 | 250,323 | | 110,323 | 110,323 | 110,323 | 110,000 | 110,000 | 110,000 |
| Excess Appropriation/(Funding) | (140,323) | (323) | | 139,677 | 139,677 | 139,677 | 140,000 | 140,000 | 140,000 |
| Grand Total | 127,233 | 250,000 | | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |

Expenditure of appropriation is contingent upon available funding.

Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

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

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases.

The Agency Request is for Base Level of \$286,881 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Regular Salaries | 5010000 | 152,060 | 149,639 | 149,285 | 149,639 | 149,639 | 149,639 | 149,639 | 149,639 | 149,639 |
| #Positions | | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Personal Services Matching | 5010003 | 43,456 | 42,360 | 42,546 | 43,103 | 43,103 | 43,103 | 43,103 | 43,103 | 43,103 |
| Operating Expenses | 5020002 | 7,979 | 49,217 | 49,217 | 49,217 | 49,217 | 49,217 | 49,217 | 49,217 | 49,217 |
| Conference & Travel Expenses | 5050009 | 777 | 6,922 | 6,922 | 6,922 | 6,922 | 6,922 | 6,922 | 6,922 | 6,922 |
| Professional Fees | 5060010 | 200 | 38,000 | 38,000 | 38,000 | 38,000 | 38,000 | 38,000 | 38,000 | 38,000 |
| Data Processing | 5090012 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 5120011 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | 204,472 | 286,138 | 285,970 | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 |
| Funding Sources | | | | | | | | | | |
| Special Revenue | 4000030 | 204,472 | 286,138 | | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 |
| Total Funding | | 204,472 | 286,138 | | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 |
| Excess Appropriation/(Funding) | | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | | 204,472 | 286,138 | | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 | 286,881 |

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.

Analysis of Budget Request

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

Funding Sources: TPE - ADEQ Fee Trust Fund

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

Agency Request is for Base Level of \$100,000 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Funding Sources: TPE - ADEQ Fee Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------------------|---------------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | | | | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Contractual Services 5900043 | 12,395 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total | 12,395 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 12,395 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Total Funding | 12,395 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 12,395 | 100,000 | | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |

Analysis of Budget Request

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

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

The Agency Request is for Base Level of \$3,936 each year of the biennium.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 467 - PCE Commission Expenses

Funding Sources: HUA - Miscellaneous Agencies Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | 2015-2016 | 2016-2017 | 2016-2017 | 2017-2018 | | | 2018-2019 | | |
|----------------------------------|-----------|-----------|------------|------------|--------|-----------|------------|--------|-----------|
| | Actual | Budget | Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| PC&E Commission Expenses 5900046 | 3,937 | 3,936 | 4,477 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 |
| Total | 3,937 | 3,936 | 4,477 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 |
| Funding Sources | | | | | | | | | |
| General Revenue 4000010 | 3,937 | 3,936 | | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 |
| Total Funding | 3,937 | 3,936 | | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 3,937 | 3,936 | | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 | 3,936 |

Analysis of Budget Request

Appropriation: F72 - Performance Bond Fund

Funding Sources: TWB - Water Performance Bond Fund

The Water Performance Bond Fund was created pursuant to Act 402 of 2014 as a depository trust fund for funds appropriated by the General Assembly, all forfeitures collected under A.C.A. 8-4-201 et seq., grants made by a person or the federal government, gifts and donations, and interest earned on the funds deposited into the fund for the enforcement of laws pertaining to domestic sewage treatment.

The Agency may use these funds to hire a third-party contractor to (1) take remedial action against parties not in compliance with domestic sewage treatment laws, (2) effect the closure of domestic sewage treatment works, (3) maintain and operate a nonmunicipal sewage treatment works, and (4) take any other action the Director of the Arkansas Department of Environmental Quality determines to be necessary to enforce sewage treatment standards set forth by law.

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

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: F72 - Performance Bond Fund

Funding Sources: TWB - Water Performance Bond Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|---------------------------------------|---------------------|---------------------|-------------------------|------------|---------|-----------|------------|---------|-----------|
| | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Non-Municipal Domestic Sewage 5900043 | 0 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total | 0 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Funding Sources | | | | | | | | | |
| Trust Fund 4000050 | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Total Funding | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| Excess Appropriation/(Funding) | 0 | 0 | | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand Total | 0 | 500,000 | | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |

Analysis of Budget Request

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment

Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

This fund was established as a trust fund for environmental liabilities which can occur. Once fully funded it will be able to provide funds to the state to address underperforming or bankrupt systems. Funding source is fees paid in by the non municipal or rural property owners associations.

Base Level is \$2,100,000 each year of the biennium.

The Agency Request is for a decrease of (\$2,045,000) each year to align with Agency needs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment

Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

Historical Data

Agency Request and Executive Recommendation

| Commitment Item | | Historical Data | | | 2017-2018 | | | 2018-2019 | | |
|--------------------------------|---------|---------------------|---------------------|-------------------------|------------|--------|-----------|------------|--------|-----------|
| | | 2015-2016 Actual | 2016-2017 Budget | 2016-2017 Authorized | Base Level | Agency | Executive | Base Level | Agency | Executive |
| Remediation | 5900046 | 16,700 | 2,100,000 | 2,100,000 | 2,100,000 | 55,000 | 55,000 | 2,100,000 | 55,000 | 55,000 |
| Total | | 16,700 | 2,100,000 | 2,100,000 | 2,100,000 | 55,000 | 55,000 | 2,100,000 | 55,000 | 55,000 |
| Funding Sources | | | | | | | | | | |
| Fund Balance | 4000005 | 0 | 19,157 | | 19,157 | 19,157 | 19,157 | 19,157 | 0 | 0 |
| Trust Fund | 4000050 | 35,857 | 2,100,000 | | 2,100,000 | 35,000 | 35,000 | 2,100,000 | 35,000 | 35,000 |
| Total Funding | | 35,857 | 2,119,157 | | 2,119,157 | 54,157 | 54,157 | 2,119,157 | 35,000 | 35,000 |
| Excess Appropriation/(Funding) | | (19,157) | (19,157) | | (19,157) | 843 | 843 | (19,157) | 20,000 | 20,000 |
| Grand Total | | 16,700 | 2,100,000 | | 2,100,000 | 55,000 | 55,000 | 2,100,000 | 55,000 | 55,000 |

Change Level by Appropriation

Appropriation: M98 - Nonmunicipal Domestic Sewage Treatment
Funding Sources: TDS- Nonmunicipal Domestic Sewage Treatment Works Trust Fund

Agency Request

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,100,000 | 0 | 2,100,000 | 100.0 | 2,100,000 | 0 | 2,100,000 | 100.0 |
| C03 | Discontinue Program | (2,045,000) | 0 | 55,000 | 2.6 | (2,045,000) | 0 | 55,000 | 2.6 |

Executive Recommendation

| Change Level | | 2017-2018 | Pos | Cumulative | % of BL | 2018-2019 | Pos | Cumulative | % of BL |
|--------------|---------------------|------------------|----------|------------------|--------------|------------------|----------|------------------|--------------|
| BL | Base Level | 2,100,000 | 0 | 2,100,000 | 100.0 | 2,100,000 | 0 | 2,100,000 | 100.0 |
| C03 | Discontinue Program | (2,045,000) | 0 | 55,000 | 2.6 | (2,045,000) | 0 | 55,000 | 2.6 |

Justification

| | |
|-----|--|
| C03 | The request to discontinue \$2,045,000 will more accurately align appropriation with department revenue projections for this fund. This request is consistent with ADEQ's continuing efforts to promote accurate long term fiscal planning and efficient reorganization within the department. |
|-----|--|