

DEPARTMENT OF ENVIRONMENTAL QUALITY (930)  
FISCAL YEAR 2018  
As Enacted by Act 1001 of 2017

**I) AGENCY SUMMARY & REVENUE SOURCES**

**MISSION**

The Arkansas Department of Environmental Quality's (ADEQ) safeguards the air, water, and land resources of Arkansas by controlling or abating existing pollution, preventing new pollution through the adoption of regulations, and enforce existing state and federal regulations concerning pollution. The Pollution Control and Ecology Commission promulgates rules and regulations for the Department and provides an appeal of permitting or grants decisions rendered by the director or his/her delegate, or of administrative enforcement or emergency actions.

**TOTAL APPROPRIATION**

The total appropriation for FY2018 is \$127,356,469.

**FUNDING SOURCE**

The appropriations for ADEQ are funded by fund balances, general revenue, federal funds, special revenue, and trust funds generated from various fees, penalties, and bond forfeitures.

**II) CHANGE LEVEL REQUESTS**

**State Operations (2TP)**

This appropriation is funded by general revenue and non-revenue receipts and provides for agency operations. The total appropriation for FY2018 is \$5,032,321, a decrease of \$129,562 from base level. Change levels include the following:

**Regular Salaries** decreases \$93,020 by eliminating positions for Enforcement Coordinator, Inspector, and Administrative Specialist.

**Personal Services Matching** decreases \$36,542 for matching expenses for positions eliminated.

**Federal Operations (Appropriation 2TQ)**

This appropriation utilizes funds from the EPA and US Dept. of the Interior to execute the federal portion of program activities. The total appropriation for FY2018 is \$9,382,835, an increase of \$195,526 from base level. Change levels include the following:

**Regular Salaries** decreases \$32,249 due to elimination of Chemist position.

**Operating Expenses** increases \$49,000 due to reallocation of funds from Conference & Travel and Professional Fees to Operating Expenses and Diesel Emission Reduction Grants.

**Conference & Travel Expenses** decreases \$62,225 due to reallocation of \$20,000 of appropriation from Conference & Travel and Professional Fees to Operating Expenses and Diesel Emission Reduction Grants. Additional decrease of \$42,225 is due to aligning appropriation level with

historical spending levels.

**Professional Fees** decreases \$79,000 due to reallocation of funds from Conference & Travel and Professional Fees to Operating Expenses and Diesel Emission Reduction Grants.

**Diesel Emission Reduction Grants** increases \$50,000 due to reallocation of funds from Conference & Travel and Professional Fees to Operating Expenses and Diesel Emission Reduction Grants.

**Capital Outlay** increases \$270,000 in FY2018 to replace equipment and vehicles.

**Hazardous Waste Permit Program (Appropriation 2TT)**

This appropriation is funded by fees, permits and refunds and assures that generators of hazardous waste are complying with law. The total appropriation for FY2018 is \$1,555,793, an increase of \$20,000 from base level. Change levels include the following:

**Operating Expenses** decreases \$15,000 due to reallocation of funds from Operating Expenses and Professional Fees to Capital Outlay to aid in purchase of vehicles.

**Professional Fees** decreases \$5,000 due to reallocation of funds from Operating Expenses and Professional Fees to Capital Outlay to aid in purchase of vehicles.

**Capital Outlay** increases \$40,000 to purchase replacement vehicles and a technology purchase of a SmartBoard for meetings.

**Fee Administration (Appropriation 2TX)**

This appropriation allows the agency to establish and collect permit fees for Air, Water, and Solid Waste permitting, and provides for monitoring and inspecting activities. The total appropriation for FY2018 is \$13,230,950, an increase of \$43,488 from base level. Change levels include:

**Regular Salaries** increases \$64,346 due to restoration of 3 deputy director positions and eliminating 8 other positions.

**Personal Services Matching** decreases \$10,380 due to restoration of 3 deputy director positions and eliminating 8 other positions.

**Conference and Travel** decreases \$30,478 to align appropriation level with historical spending levels.

**Professional Fees** decreases \$25,000 due to reallocation of funds from Professional Fees to Capital Outlay to aid in purchase of a scanner.

**Capital Outlay** increases \$45,000 due to reallocation of funds from Professional Fees to Capital Outlay, plus \$20,000 in additional appropriation each year, for purchase of a scanner.

**Hazardous Waste Cleanup (Appropriation 2TZ)**

This appropriation is funded from fees, donations, and damages and covers administrative costs and expenses providing for inspection, identification, containment, abatement, treatment, and control of hazardous substance sites. The total appropriation for FY2018 is

\$7,736,756, an increase of \$80,000 from base level to the Capital Outlay line item for replacement of aging servers and a backup archival system.

**Solid Waste Management and Recycling Program (Appropriation 2UC)**

This appropriation is funded from landfill disposal fees collected pursuant to legislative enactments and is utilized to assist cities and counties in solid waste management planning. The total appropriation for FY2018 is \$8,234,283, an increase of \$25,000 from base level. Change levels include a \$25,000 increase to the Capital Outlay line item for replacement of vehicles.

**Regulated Substance Storage Tank (Appropriation 2UD)**

This appropriation is funded from fees collected from the annual registration of underground and above ground storage tanks and from the licensure of installers of storage tanks. The total appropriation for FY2018 is \$924,632, a decrease of \$21,827 from base level. Change levels include a decrease of \$21,827 each year from the Regular Salaries line item due to the elimination of an Administrative Specialist.

**Performance Partnership Systems Expenses (Appropriation 2UQ)**

This appropriation is funded by interest earnings from the Performance Partnership Trust Fund and it provides 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. The total appropriation is \$563,000, a decrease of \$14,000 from base level to more accurately align with funding levels.

**Environmental Settlement Trust (Appropriation 2UR)**

This appropriation is funded by settlement agreements for environmental or natural resource damages and is utilized to carry out mitigation efforts that result from damage. The total appropriation for FY2018 is \$5,650,000, an increase of \$4,900,000 from base level to administer funds from the Volkswagen settlement.

**Nonmunicipal Domestic Sewage Treatment (Appropriation M98)**

This appropriation is funded by fees paid by rural property owners associations and allows the agency to address underperforming or bankrupt systems. The total appropriation for each year is \$55,000, a decrease of \$2,045,000 from base level to more accurately align with funding levels.

**Used Tire Recycling and Accountability Program**

This is a new appropriation funded by rim removal fees to carry out Act 317 of 2017. The total appropriation is \$10,788,000 for FY2018.

**III) ADDITIONAL POSITIONS (Total Authorized Positions FY2017: 422)**

Total Authorized Positions FY2018: 405

Total Base Level Positions: 413

Increase/(Decrease)from Base Level: (8)

Extra Help Positions FY2018: 70 (Base Level Extra Help: 70)

[Changes include the restoring of 3 ADEQ Deputy Director positions and eliminating 7 Administrative Specialist positions, 2 Enforcement Coordinator positions, 1 Enforcement Analyst position, 1 Chemist position, 1 Grants Analyst position, and 1 Inspector position.]

#### **IV) SPECIAL LANGUAGE**

**\*LANGUAGE TO BE DELETED\* EXTRA HELP:** Authorizes four (4) temporary or part-time extra help employees for the Hazardous Waste Permit Program and exempts positions from limitations on hours worked

**\*LANGUAGE REVISED\* EQUIPMENT PURCHASE RESTRICTIONS:** Provides that capital outlay and data processing purchases for the Hazardous Waste Clean Up appropriation used for the purchase of departmental laboratory equipment and data processing equipment shall be funded through interest earnings, investment earnings, and additional funding from the Remedial Action Trust Fund, with annual reporting of these expenditures to Legislative Council or Joint Budget Committee.

**APPROPRIATION RESTRICTIONS:** Determines that no expenditure from the Environmental Settlement Trust Fund for Information Technology needs may be made without prior approval of Chief Fiscal Officer of the State and review by Arkansas Legislative Council or Joint Budget Committee. Also, utilization of appropriation for information technology needs must be approved by Exec. Chief Information Officer and approved projects and expenditures must be reported annually to the Joint Committee on Advanced Communications and Information Technology.

**\*LANGUAGE TO BE DELETED\* ADEQ ASBESTOS PROGRAM:** Fees collected for Asbestos Abatement Program shall be used to fund operational expenses and to provide and train personnel to administer asbestos program. Activities include issuing certificates and licenses, auditing trainers, updating ADEQ web page with licensed asbestos parties, performing and coordinating inspections, and conducting enforcement actions. Personnel shall wear appropriate safety equipment when necessary.

**\*LANGUAGE TO BE DELETED\* Reporting Requirements:** Agency shall make presentations to Arkansas Legislative Council quarterly. Items to report include: Pollution Control and Ecology Commission permits; revenue report from all permit categories; pending environmental permit applications; enforcement actions by agency; pending rulemaking activities with economic impact and environmental benefit analysis.

**Funds Transfer Provision:** Allows agency to transfer \$1,500,000 from various funds to the Arkansas Department of Environmental Quality Fund Account to supplement personal services and operating expenses described in State Operations Appropriation. Remaining funds are allowed to carry forward to next fiscal year.

**Reporting Requirements:** Determines that funds transferred to supplement personal services and operating expenses, as described in Section 40, are not considered part of any statutory limitation on the use of funds for administration of programs.

**LANDFILL POST-CLOSURE CLEAN UP RESTRICTIONS:** Expenditures over \$50,000 in the Landfill Post-Closure Clean Up program will be prioritized and expenditures over \$2,000,000 must be approved by the Arkansas Pollution Control and Ecology Commission.

**NON HAZARDOUS SITE CLEAN UP RESTRICTIONS:** Expenditures shall be funded only through interest earnings from the ADEQ Fee Trust Fund. The agency shall seek cost recovery from parties responsible for damage to the environment.

**Landfill Post-Closure Trust Fund:** Allows agency to use the Landfill Post-Closure Trust Fund to pay contractors or a regional solid waste management district to complete closure and post-closure of a landfill when the solid waste management district files for bankruptcy, is unable to meet debts, or is otherwise insolvent. The agency may take civil action to recoup these funds.

**SUSPENSION OF LANDFILL DISPOSAL FEES TO SUPPORT A COMPUTER AND ELECTRONIC EQUIPMENT RECYCLING PROGRAM:** Suspends landfill disposal fee that will be replaced by a separate fee in the future. Language allows the distribution of revenues already collected.

**\*NEW LANGUAGE\* INVESTMENTS:** Directs funds in Landfill Post-Closure Trust Fund, Hazardous Substances Remedial Trust Fund, and Petroleum Storage Tank Trust Fund to be invested by Office of Treasurer. ADEQ Director determines fund transfers out of investments.

Revised: April 2017