

DEPARTMENT OF ENVIRONMENTAL QUALITY

Enabling Laws

Act 472 of 1949

Act 183 of 1965

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

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

Act 406 of 1979

Acts 612, 667 and 916 of 1983

Acts 452 and 479 of 1985

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

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

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

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

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

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

Acts 459 and 1376 of 2001

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

Acts 649, 944, 970, 1166, 1781, 1822 and 2141 of 2005

ARKANSAS CODE ANNOTATED

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

AIR - Ark. Code Ann. §§ 8-3-101 *et seq.*, 8-4-301 *et seq.*, 8-4-401 *et seq.*

WATER - Ark. Code Ann. §§ 8-4-101, *et seq.*, 8-4-201 *et seq.*, 8-5-201 *et seq.*

MINING - Ark. Code Ann. §§ 15-57-101 *et seq.*, 15-58-101 *et seq.*

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

HAZARDOUS WASTE - Ark. Code Ann. §§ 8-7-201 *et seq.*, 8-7-501 *et seq.*, 8-7-1101 *et seq.*

REGULATED 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.*, 8-2-201 *et seq.*, 8-6-1501 *et seq.*

History and Organization

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

The Arkansas Department of Environmental Quality (formerly the Department of Pollution Control and Ecology) was officially established in 1971. However, the history of the State's environmental

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

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

As part of the overall reorganization of state government in 1971, Act 38 established the Arkansas Department of Pollution Control and Ecology as a cabinet-level unit of state government, changed the name of the Commission to the Arkansas Pollution Control and Ecology Commission, and designated the Commission as the environmental policy-making body for the State. The composition of the Commission has been changed a number of times over the years, with the most recent change coming as the result of Act 744 of 1991. Currently, the Commission is composed of the directors of six state agencies-Arkansas Department of Health and Human Services - Health Division, Forestry Commission, Game and Fish Commission, Geological Commission, Oil and Gas Commission, and Arkansas Natural Resources Commission--as well as seven private citizens appointed by the Governor and confirmed by the Senate. Each of the four congressional districts existing at the time of the 1991 law must have at least one private-sector appointee on the Commission, while no congressional district may have more than two Commissioners.

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

The Department's open-cut mining regulatory program for all types of strip mining was established by Act 236 of 1971. That law was superseded by the Arkansas Open Cut Land Reclamation Act of

1977, which established separate regulatory programs for coal and non-coal strip mining operations. Act 827 of 1991 revised the bonding, reclamation, and penalty provisions of the ADEQ's mining program.

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

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

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

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

During the 1995 session, laws passed included: Act 125, which is the "Brownfields Act," for the cleanup of abandoned industrial sites; Act 350, which encourages facility operators to perform

voluntary environmental audits; Act 384, which amends permit transfer, public notification and third-party appeal procedures; Act 496, also known as the Medical Waste Disposal Act; Act 907, providing the confidentiality of industrial secrets under state and federal air pollution laws; Act 1110, which created the Stream Bed Mining Task Force; and Act 1345, which prohibited commercial mining in extraordinary resource streams.

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

Significant legislation passed in 1999 included: Act 1210 appropriated money to pay for management reorganization of the Department utilizing national environmental performance partnership principles which integrate environmental indicators, management information, and performance-based budgeting and accounting; Act 500 established the Arkansas Environmental Regulatory Flexibility Act; Acts 140 and 142 clarified civil penalties for asbestos violations; Act 719 defined the type of facility which should have a licensed wastewater operator; Act 420 defined abandoned agricultural pesticide; Act 1320 modified the Arkansas Quarry Operation, Reclamation and Safe Closure Act; Act 1526 modified the Arkansas Open Cut Land Reclamation Act; Act 505 prohibited the delivery of regulated substances into underground tanks which have not been upgraded; and Act 775 expanding the waste tire grant program.

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

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

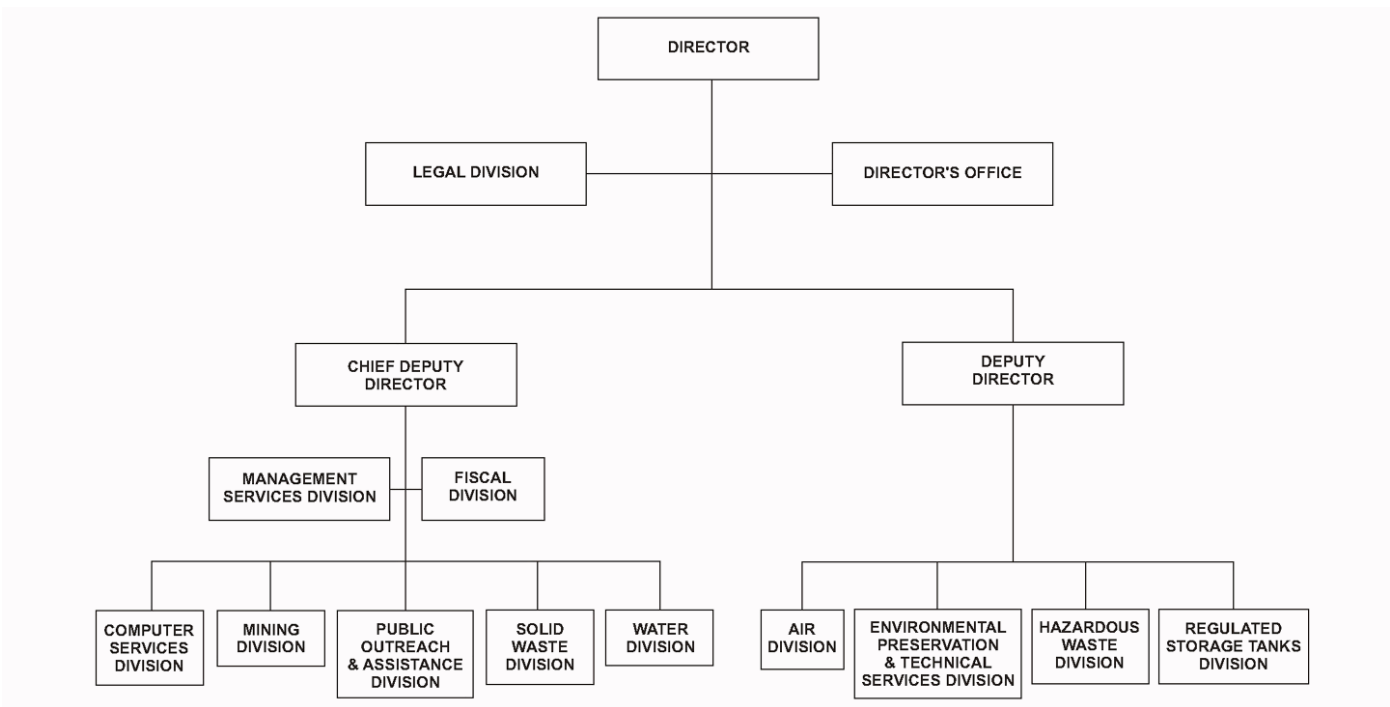
Seven acts were passed during the 2005 session including: Act 649 requiring vehicle manufacturers to work with the ADEQ to develop a removal plan for mercury switches in vehicles being salvaged or

destroyed; Act 944 dealing with the burning of storm debris by Counties in disaster areas; Act 970 authorizes the Department to develop regulations banning the disposal of computer and electronic equipment in state landfills after January 1, 2008 and makes provisions for distributing surplus items to other public entities; Act 1166 which amends the AR Hazardous Waste Management Act of 1979 to clarify that the ADEQ has authority to require corrective action at permitted and interim status facilities; Act 1781 provides definitions of a "host community" for landfill siting purposes under Section 8-6-1501, as well as providing incentives to a community to host high impact solid waste management facilities; Act 1822 establishes the distribution of fees collected for waste tire disposal based on the number of truck tires disposed of in the prior calendar year; and Act 2141 requiring contractors and consultants performing site investigations, material removal and remedial actions relating to hazardous substances and wastes to be certified by the ADEQ.

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

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

The ADEQ Environmental Management Program includes a number of other divisions which are involved in specific activities or provide general support for other Department divisions. Program area divisions include the Environmental Preservation Division and Technical Services Division, which is involved with the planning and review of various activities to determine their environmental impact with regard to matters which might not be subject to direct jurisdiction of the regulatory program areas. Pollution Prevention (P2) programs and agency internal environmental stewardship activities are also significant division responsibilities. This division also provides a full service laboratory for analyzing air, water and soil samples. The Public Outreach and Assistance Division works with the regulatory divisions within the Department to assist industries and the regulated community in responding to the technical environmental procedures to be followed through the various permit activities, and provides a mentoring leadership for the smaller industries in responding to the department's environmental processes and requirements. The Department's support groups consist of the Computer Services Division, which maintains the agency's data processing system; the Legal Division, which represents the Department regarding all legal issues and litigation involving permit appeals and enforcement actions, and assists Department administration in legislative and regulatory matters; the Fiscal Division which is responsible for tracking state appropriations and federal grants, collection and disbursement of various permit fees, other general bookkeeping activities, and permit fee administration. The support group is rounded out by the Management Services Division, which provides support services for such areas as human resource management; response to environmental emergencies, spills or discharge conditions; building and fleet operation and maintenance; and community right-to-know activities under Title III of the federal Superfund Amendments in the Reauthorization Act. The Environmental Management Program efficiently and effectively applies its resources and authorities to achieve the highest standards of agency and environmental management.



Agency Commentary

The Arkansas Department of Environmental Quality works to protect and enhance the State's environment through regulatory programs, and educational activities. The Department consists of four major program areas: Air Program, Water Program, Land Program, and Environmental Management. Our budget request applies the principles of strategic planning to accomplish state and federal mandates.

During the 2005-2007 biennium, the Department maintained or increased its efforts in the program areas of air, water, land, and environmental management. The budget request found in the following pages continues current mandated programs and addresses emerging environmental issues. Special emphasis has been placed on covering projected needs for the biennium through reallocation of base level funding and appropriation.

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

<u>PROGRAM</u>	<u>ANNUAL AMOUNT</u>
105 Air Program	\$ 1,839,295
Ambient Air Monitoring	\$ 502,838
Abandoned Mine Program (Admin)	\$ 382,090
RCRA Hazardous Waste	\$ 1,206,666
Permanent Mining Program	\$ 290,914
604 (b) Water Quality Planning	\$ 100,000
Underground Injection Control	\$ 114,933

106 Water Pollution Control	\$	3,212,899
Superfund Program	\$	6,537,567
Abandoned Mine Reclamation	\$	2,336,892
Underground Storage Tanks	\$	646,315
Asbestos/Lead Programs	\$	209,747
Pine Bluff Arsenal	\$	300,000
Small, Various Grants	\$	794,899
Watershed Programs	\$	483,237
TOTAL	\$	18,958,292

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

<u>DIVISION</u>	<u>TOTAL REQUESTED</u>	<u>CONTINGENCY</u>	<u>PURPOSE</u>
2UG	\$ 7,433,373	\$ 5,000,000	Landfill Post-Closure Program (Contractual Services) (TLP)
2UC	\$ 4,650,000	\$ 1,000,000	Solid Waste & Recycling Program (Recycling Grants) (TWS)
2UA	\$ 372,655	\$ 300,000	Emergency Response (Contractual Services) (THS)
2UH	\$ 6,975,000	\$ 1,000,000	Waste Tire Recycling Program (Grants) (TTG)
2TU	\$ 5,700,000	\$ 4,000,000	State Abandoned Mine Reclamation (Contractual Services) (MAE)
2TW	\$ 1,520,000	\$ 1,520,000	Mine Reclamation-Bond Forfeitures (Contractual Services) (TMA)
2TZ	\$ 6,502,000	\$ 4,000,000	Hazardous Waste Clean Up (Contractual Services) (THS)
2TY	\$ 500,000	\$ 500,000	Landfill Closure-Bond Forfeiture (Contractual Services) (MWP)
2TQ	\$ 2,565,000	\$ 2,565,000	Federal Operations-Hazardous Waste Clean Up(Contractual Services)(FYP)
2TS	\$ 950,000	\$ 950,000	Non-Coal Reclamation-Bond Forfeiture (Contractual Services) (TLR)
2UE	\$ 19,012,320	\$ 10,000,000	Petroleum Storage Tank Remediation (Operating Expenses) (TPT)
2UF	\$ 3,925,000	\$ 3,925,000	Regulated Storage Tank Remediation (Contractual Services) (FYP)
TOTAL	\$ 60,105,348	\$ 34,760,000	

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

During the 2005 - 2007 Biennium the Department's general revenue allocation was reduced to \$2.5 million. The Department's general revenue funded appropriation plays a vital role in supporting agency operations and demonstrating the State's commitment to protecting and enhancing our natural environment, as well as providing match requirements for numerous federal programs. For the 2007-2009 Biennium, we are requesting the restoration of the Department's general revenue allotment to fully fund the "State Operations Appropriation".

Special language is requested to provide carry forward authority for unexpended appropriation authorized for Computer and Electronic Recycling Management Expenses or Grants. The grant cycle time frames make granting and reimbursement difficult within the same fiscal year.

AIR DIVISION

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

Responsibilities of this Division involve maintenance of the National Ambient Air Quality Standards (NAAQS), provisions for air quality monitoring, modeling, and development of emission standards. Currently, the Air Division is addressing the 8-hour ozone non-attainment for Crittenden County, which is located in the Memphis Ozone Non-attainment Area and also designated as a federal Economic Development Zone. If the Department cannot demonstrate that Crittenden County will re-attain the ozone National Ambient Air Quality Standards in 2007, the Environmental Protection Agency may "bump up" the ozone non-attainment designation for this area from "marginal to moderate." The Division is also addressing the potential for future non-attainment for the Little Rock-North Little Rock Metropolitan Statistical Area. In addition, with potential changes to the Federal PM 2.5 regulations, Arkansas may have areas that will be in non-attainment status for fine particulate matter and for ozone. Revisions to existing state regulations will be required to deal with the development of new pollution control strategies for non-attainment areas.

To address these needs, we are requesting special revenue (2TX) appropriation to provide for expenses associated with contractual work to address non-attainment areas, to purchase a Continuous Emission Monitoring (CEM) system to analyze emissions, to purchase a workstation to perform air dispersion and photochemical modeling, tablet computers for our field inspector, and to pay sales tax on a hybrid or mixed fuel vehicle. Federal (2TQ) appropriation is requested to provide for expenses associated with the maintenance and re-attainment of the National Ambient Air Quality Standards (NAAQS) for Crittenden County. The Department is also working to reduce the impact of diesel engines on the environment by utilizing grant monies to retrofit diesel engines.

Special revenue (2UB) Capital Outlay appropriation is requested to purchase a scanner to assist with the Departments' document management system.

WATER DIVISION

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

Additionally, the Division is responsible for the Watershed Planning and Environmental Education programs aimed at protecting water quality. The Division coordinates these efforts internally and with other state and federal natural resource and health agencies, as well as local citizens.

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

Two issues mandated by the U. S. Environmental Protection Agency which will impact the Division

are the need to implement an integrated tracking database for NPDES permit and compliance activities. To address these issues, as well as other water quality issues, the Division is requesting federal (2TQ) appropriation: to cover anticipated costs for a technical services contract for a Nutrient/Lake study, as well as studies on Beaver Lake and the Illinois River; to provide for the costs to implement the Integrated Compliance Information System; and to purchase replacement equipment for inspectors and supervisors to conduct field activities. To offset this change, we are requesting to reallocate Professional Fees appropriation to Operating Expenses. Special revenue (2UK) Capital Outlay appropriation is requested to purchase computer equipment to enhance efforts to develop and provide electronic environmental presentations for use in schools and public outreach programs. General revenue (2TP) Capital Outlay appropriation is requested to purchase equipment for analytical testing and to replace obsolete equipment. Special revenue (2TX) Capital Outlay to purchase equipment for analytical testing and to replace obsolete equipment. Special revenue (2TR) Conference and Travel Expenses appropriation is requested to provide additional environmental training to enhance staff development.

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

LAND PROGRAM

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

--HAZARDOUS WASTE DIVISION

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

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

The Division's remedial action program includes hazardous substance site cleanup programs implemented under the Federal CERCLA statutes (known as "Superfund") and state law, specifically the 1985 Remedial Action Trust Fund Act (RATFA) and the 1997 Voluntary Cleanup Act. These programs are funded by federal grants and trust funds. Chief among these programs is the implementation and expansion of the State's Voluntary Cleanup and Brownfields Redevelopment programs. Performance measures for these activities include publishing program guidance; controlling and mitigating health risks from abandoned sites; and encouraging the cleanup and

redevelopment of Brownfields and voluntary sites. The Division will continue to improve and enhance its use of risk management techniques, and will stress strong integration of the technical requirements of all voluntary programs.

The Division is requesting federal (2TQ) Capital Outlay appropriation to replace obsolete laptop computers and software, and to purchase high-speed scanners to support the department's document management system. Special revenue (2TT) Capital Outlay appropriation is requested to purchase equipment to allow testing for hazardous substances and to replace obsolete equipment.

A.C.A. 8-7-518 entitles any person who paid fees to the Department in 1997 or later to request a refund of permit fees based on the quantity of waste generated when such wastes are managed in a totally enclosed treatment facility, an elementary neutralization unit, or a wastewater treatment unit, or wastes excluded by regulation from inclusion in a facility's determination of its compliance status or category as a generator. The Department is required to promptly pay from the Hazardous Substance Remedial Action Trust Fund any refund request meeting the established criteria. Trust funds (2TZ) Operating Expenses appropriation is requested to process approved refunds.

The Department receives funding from the Pine Bluff Arsenal Cooperative Agreement to monitor demilitarization activities at the Pine Bluff Arsenal. The division currently has one full-time on-site inspector assigned to the facility. Due to the high profile of this site and the complexities of the operation, federal (2TQ) appropriation in contractual services is requested to retain the services of a trained third party contractor to monitor the compliance and permitting activities at the arsenal for more than one shift per day. The Division also requests federal (2TQ) Capital Outlay appropriation to purchase equipment to allow testing for hazardous substances and to replace obsolete equipment.

--SURFACE MINING AND RECLAMATION DIVISION

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

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

Reallocation of federal (2TQ) appropriation from Operating Expenses and Professional Fees to Capital Outlay is requested for this Division to purchase new equipment and replacement equipment for mine inspectors and supervisors to conduct site assessments and field related activities. The Division is also requesting reallocation of general revenue (2TP) appropriation from Operating Expenses to Capital Outlay to purchase tablet computers for field personnel. Special revenue (2TV) Operating

Expenses and Capital Outlay appropriation is requested to purchase materials and supplies and tablet computers for field personnel, respectively. This increase will allow the Division to fully utilize the funds collected for the administration of the Active Coal Mine Regulatory Program.

--REGULATED STORAGE TANK DIVISION

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

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

The federal Energy Policy Act of 2005 calls for a three-year inspection frequency on all underground storage tank facilities. The Division is unable to meet the inspection schedule with the current number of employees on staff. The Act also includes a new mandate for states to develop underground storage tank (UST) operator training programs and measures to protect groundwater resources through secondary containment requirements and/or financial responsibility certification programs. In addition, the Act provides added emphasis on using Leaking Underground Storage Tank (LUST) funds to conduct cleanups of petroleum releases involving oxygenated fuel additives. To address the new mandates, the Division is requesting trust fund (2UE) appropriation with associated supporting costs for two additional inspector positions, one program coordinator position, and one professional geologist supervisor position. The Division's federal (2TQ) budget request is for Capital Outlay appropriation to purchase scanners, printers and tablet computers to assist with electronic data management. Additionally federal (2TQ) Capital Outlay appropriation is requested to pay sales taxes on replacement vehicles and to purchase gas tech meters and field equipment.

--SOLID WASTE MANAGEMENT DIVISION

This Division is responsible for programs necessary to provide for the siting, permitting, and inspection of existing and proposed solid waste management facilities in the State of Arkansas. Acts 934 and 870 of 1989, Acts 747, 748, 749, 750, 751, 752, 319, and 1183 of 1991, Act 1127 of 1993, Act 1292 of 1997, and Acts 758 and 775 of 1999 placed additional responsibilities on the Solid Waste Division in the areas of waste tire grant disbursement and program management, solid waste operator licensing, landfill post-closure activities, and engineering standards. The Solid Waste Division provides technical assistance to landfill owners/operators, provides a solid waste liaison

service to the Regional Solid Waste Management Districts, develops legislation and regulations, conducts recycling workshops that educate and assist the public, industry, and local governments, offers compliance assistance through regular inspections and audits of permitted facilities, and issues grant monies for the management of waste tire programs and recycling programs.

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

Trust fund (2UH) appropriation increase is requested to distribution of waste tire grant funds. Tire fees are collected per tire and unexpected tire recalls increases in tire sales as well as funds available for waste tire grants. General revenue (2TP) Capital Outlay appropriation is requested for replacement of a high-speed scanner and one tablet computer to maintain our electronic filing system.

An increase in Assistance Grant appropriation is requested in (2US) to build a statewide infrastructure, to provide Electronic Recycling Grants, and to meet the needs of E-Waste disposal and a possible ban on E-Waste from landfills.

An increase in special revenue (2TX) Conference and Travel Expenses appropriation is requested to provide additional training for staff development. In addition, special revenue (2TX) Capital Outlay appropriation is requested to replace obsolete laptop computers and software, and purchase high-speed scanners to support the department's document management system.

An increase in special revenue (2UJ) Capital Outlay appropriation is requested to purchase computer equipment to enhance the Marketing Board's efforts to develop and provide electronic presentations for use in school and public outreach programs. To offset this request the Division is requesting to reallocate Professional Fees and Services appropriation to Capital Outlay.

Trust Fund (2UC) Capital Outlay appropriation is requested to purchase replacement of Global Positioning System (GPS) units, laptop computers, tablet computers, and high-speed scanners to maintain our electronic filing system. The GPS units are used by field personnel to locate illegal dumps and for inspection purposes.

ENVIRONMENTAL MANAGEMENT PROGRAM

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

--ADMINISTRATION

This group is composed of the Office of the Director, Fiscal Division, and the Management Services Office comprising the Human Resources Section, Operations Section, and the Emergency Response Section. This group performs the agency's administrative functions and is also responsible for responding to emergency situations such as spills from tanker trucks and railcars.

An increase in federal (2TQ) Conference Fees and Travel appropriation is requested to provide additional environmental and fiscal training for staff development.

--SHARED RESOURCES

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

Currently, the Department is scattered over one-quarter mile in seven buildings. Annual lease payments for the Little Rock complex exceed one million dollars. After several years of hard work to secure a site to house all our programs under one roof, approximately 10.5 acres in North Shore Business Park, North Little, Arkansas was purchased in Fiscal Year 2005. Construction financed by State Agencies Facilities Revenue Bonds issued by the Arkansas Development Finance Authority, began in Fiscal Year 2006 and is scheduled for completion in the Spring of 2007. The Department has entered a capital lease agreement with the Arkansas State Building Authority to lease the facility. The Department is requesting Capital Outlay in federal (2TQ) and special revenue (2TX) appropriations for capital lease payments as well as contingency appropriation to equip the new facility and support ongoing operations. Contingency appropriation is also requested in Operating Expenses in federal (2TQ) and special revenue (2TX) to address unanticipated operating costs. To offset this request, we are reallocating Base Level Operating Expenses appropriation, currently budgeted for rent payments, to Capital Outlay.

--LEGAL SERVICES DIVISION

This Division is responsible for all legal aspects of the Department. The Legal Division represents the agency in all administrative enforcement actions, including the negotiation and review of all final agreements. The Division also represents the agency in all permit appeals initiated by the regulated entities and/or citizens in communities in which regulated facilities are located. Additionally, the Division advises the agency on personnel issues and other internal matters, represents the agency in fee collection and cost recovery actions, tracks penalties collected in enforcement actions, maintains original signed orders, represents the agency in civil litigation seeking enforcement of the state's environmental laws and regulations, and drafts regulations and legislation. The Division's efforts also enable each and every Division of the Department to meet their specific Departmental goals. Federal (2TQ) Capital Outlay appropriation is requested to provide equipment to set up and maintain an electronic database.

--PUBLIC OUTREACH AND ASSISTANCE DIVISION

Recognizing the benefit of a more pro-active approach to environmental compliance, ADEQ developed the Public Outreach and Assistance Division (formerly known as Customer Service Division) to provide non-regulatory environmental assistance and education to communities, businesses, and individuals.

The Public Outreach and Assistance Division will continue to offer its current assistance services, including providing small-business technical and regulatory assistance, managing public input regarding ADEQ's permitting and regulatory decisions, managing media relations and public information, and developing informational materials for ADEQ's environmental programs. The Division will continue to utilize trust fund (2UN) appropriation for the Small Business Compliance Assistance and Pollution Prevention Loan Program, to provide low interest loans to small businesses, to comply with environmental requirements, or institute pollution prevention measures in their business. Professional Fees and Services appropriation (2UP) is requested to procure administrative services associated with evaluating and processing environmental loans to Arkansas small businesses.

Additionally, Capital Outlay appropriation is requested to upgrade existing equipment in both the Environmental Education Fund (2UK) and special revenue (2TX) Fund, respectively.

--COMPUTER SERVICES DIVISION

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

Additional appropriation is requested for the expenses of completing the design and establishment of the department's integrated information system. The Division plans to continue utilizing the Performance Partnership Trust fund (2UQ) balance to complete the development and implementation of the integrated information system, which will play an integral part in consolidating data from multiple environmental areas by facility or incident.

The Environmental Protection Agency designed an Exchange Network to facilitate the transmission of environmental data between environmental agencies. The Department is working with the EPA and other states to develop and implement an Exchange Node to enhance our ability to transmit and receive environmental data to EPA and other participating agencies. The EPA is providing grant funds to the Department to implement and develop the Exchange Node. Federal (FYP) Maintenance and General Operations appropriation is requested to continue development in the implementation of the Exchange Node.

--ENVIRONMENTAL PRESERVATION AND TECHNICAL SERVICES DIVISION

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

The Division provides advice to the Director's office concerning a myriad of projects related to Federal environmental protection laws that could potentially affect the environment and offers technical services to citizens to effectively manage non-point source pollution. Because the Division is

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

The Division plans to continue the critical collection of environmental water samples for stream stability assessment and physical habitat assessment, predominantly in northwest Arkansas in order to analyze improvements to water bodies shared with Oklahoma. A negotiated agreement with the State of Oklahoma required the limitation of phosphorus discharges into six shared water bodies; work is needed in this area to document improvements to water quality resulting from the efforts of wastewater utilities and poultry growers in this part of the State.

Changes to the Federal PM 2.5 Air regulations, which are related to non-attainment issues have significantly increased the demand for analytical testing materials and supplies, training and analytical equipment. To address these needs, the Division is requesting increases in federal (2TQ), special revenues (2TX) and (2TT), and trust fund (2TZ) appropriations respectively.

Federal (2TQ) appropriation is requested in Operating Expenses, Conference and Travel Expenses and Capital Outlay to support of the Particulate Matter (PM2.5) monitoring network. Special revenue appropriations (2TX) and (2TT) are requested in Capital Outlay to replace obsolete equipment.

Trust fund (2TZ) Operating Expenses appropriation is requested for replacement of laboratory computers. Trust fund (2TZ) Capital Outlay appropriation is needed for replacing old laboratory equipment that is no longer reliable (Gas Chromatograph/Mass Spectrometer, Auto analyzer for nutrient analyses, Steam Sterilizer for bacterial analyses, Auto sampler for volatile organic analyses, Microwave digester for metals analyses, and a Gold trap accessory for low level mercury analyses).

POLLUTION CONTROL AND ECOLOGY COMMISSION HEARING OFFICER

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

The Commission consists of thirteen commissioners, who attend at least one environmental seminar or conference annually. An increase in Conference and Travel Expenses is requested to address increases in automobile and airplane costs related to fuel, lodging and conference registration costs. The Commission is requesting to reallocate appropriation from Operating Expenses to offset this request.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
 AUDIT OF :
 ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY
 FOR THE YEAR ENDED JUNE 30, 2005

Findings	Recommendations
None	None

Employment Summary

	Male	Female	Total	%
White Employees	194	155	349	90 %
Black Employees	9	22	31	8 %
Other Racial Minorities	4	2	6	2 %
Total Minorities			37	10 %
Total Employees			386	100 %

Publications

A.C.A 25-1-204

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

Department Appropriation Summary

Appropriation	Historical Data						Agency Request and Executive Recommendation							
	2005-2006		2006-2007		2006-2007		2007-2008				2008-2009			
	Actual	Pos	Budget	Pos	Authorized	Pos	Agency	Pos	Executive	Pos	Agency	Pos	Executive	Pos
2TP ADEQ - State Operations	3,707,661	60	3,805,141	58	3,968,865	60	3,866,298	58	3,866,298	58	3,866,635	58	3,866,635	58
2TQ ADEQ - Federal Operations	8,527,113	112	17,589,389	112	17,737,857	114	18,011,778	112	18,011,778	112	17,855,778	112	17,855,778	112
2TR Waste Water Licensing	59,563	1	78,258	1	75,046	1	80,589	1	78,589	1	80,589	1	78,589	1
2TS Land Reclamation	0	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0	950,000	0
2TT Hazardous Waste Permit Program	913,736	17	1,168,752	17	1,296,148	17	1,177,850	17	1,177,850	17	1,177,850	17	1,177,850	17
2TU Reclamation of Abandoned Mines - State	1,164,668	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	5,653	0	5,653	0	20,000	0	20,000	0	20,000	0	20,000	0
2TW Mining Reclamation	0	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	11,205,815	165	12,463,031	165	12,687,692	167	13,285,425	165	13,285,425	165	13,253,425	165	13,253,425	165
2TY Solid Waste Performance Bonds	0	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0	500,000	0
2TZ Hazardous Waste Cleanup	865,660	3	7,670,126	3	7,659,698	3	7,734,213	3	7,734,213	3	7,742,213	3	7,742,213	3
2UA Emergency Response Program	129,292	2	471,771	2	513,888	2	472,513	2	472,513	2	472,513	2	472,513	2
2UB Asbestos Control Program	140,918	4	184,615	4	187,415	4	189,288	4	189,288	4	189,288	4	189,288	4
2UC Solid Waste Mgmt/Recycling Prog	4,562,806	19	5,761,414	20	5,790,362	20	5,768,539	20	5,768,539	20	5,768,539	20	5,768,539	20
2UD Reg. Substance Storage Tank	838,814	18	876,013	18	875,001	18	892,527	18	892,527	18	892,527	18	892,527	18
2UE Petroleum Storage Tank Trust	5,699,253	3	21,706,912	3	21,703,161	3	21,893,076	7	21,787,047	5	21,877,531	7	21,787,047	5
2UF Regulated Storage Tank Program	148,100	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	309,496	5	7,822,343	6	7,824,992	6	7,829,453	6	7,829,453	6	7,829,453	6	7,829,453	6
2UH Waste Tire Recycling Program	4,839,521	0	6,425,000	0	6,425,000	0	6,700,000	0	6,425,000	0	6,975,000	0	6,425,000	0
2UJ St Mktg Brd for Recyclables Prog	13,839	0	32,001	0	30,386	0	32,001	0	32,001	0	32,001	0	32,001	0
2UK Environmental Education Program	121,891	1	313,127	1	312,781	1	316,467	1	316,467	1	316,467	1	316,467	1
2UM Lead Based Paint Hazard Prog	5,709	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0	18,250	0
2UN Small Business Loans	0	0	0	0	0	0	1,100,000	0	1,100,000	0	0	0	0	0
2UP Sm Bus Revolving Loan Prog Exp	46,919	1	51,539	1	51,289	1	56,877	1	56,877	1	56,877	1	56,877	1
2UQ Performance Partnership Syst Exp	64,157	0	500,000	0	500,000	0	600,000	0	600,000	0	600,000	0	600,000	0
2UR Environmental Settlement Trust	8,750	0	0	0	0	0	1,500,000	0	1,500,000	0	0	0	0	0
2US Computer/Electronic Recycling	79,502	0	150,000	0	150,000	0	250,000	0	250,000	0	250,000	0	250,000	0
344 PCE Comm Admn Hearing Officer	175,316	2	271,149	3	255,471	3	272,205	3	272,205	3	272,205	3	272,205	3
467 PCE Commission Expenses	3,965	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0	3,977	0
Total	43,632,464	413	99,963,461	414	100,667,932	420	104,666,326	418	104,283,297	416	102,146,118	418	101,503,634	416

Funding Sources		%		%		%		%		%		%	
Fund Balance	4000005	70,533,506	59.1	74,316,675	51.4	46,335,209	38.9	46,335,209	38.9	31,100,305	30.1	31,102,305	30.1
General Revenue	4000010	3,965	0.0	3,977	0.0	3,501,977	2.9	2,503,977	2.1	3,503,977	3.4	2,503,977	2.4
Federal Revenue	4000020	9,839,881	8.2	27,214,389	18.8	27,636,778	23.2	27,636,778	23.2	27,480,778	26.6	27,480,778	26.6
Special Revenue	4000030	26,292,048	22.0	25,945,528	18.0	26,756,459	22.4	26,756,459	22.4	27,221,287	26.4	27,221,287	26.4
Trust Fund	4000050	2,247,550	1.9	2,571,771	1.8	2,572,513	2.2	2,572,513	2.2	2,572,513	2.5	2,572,513	2.5
Merit Adjustment Fund	4000055	0	0.0	12,920	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Bond Forfeitures	4000120	0	0.0	2,970,000	2.1	2,970,000	2.5	2,970,000	2.5	2,970,000	2.9	2,970,000	2.9
DFA Motor Vehicle Acquisition	4000184	26,690	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Interest	4000300	380,066	0.3	401,539	0.3	406,877	0.3	406,877	0.3	406,877	0.4	406,877	0.4
Investments	4000315	499,311	0.4	285,161	0.2	355,061	0.3	355,061	0.3	297,858	0.3	297,858	0.3
Loan Repayment	4000330	0	0.0	0	0.0	1,100,000	0.9	1,100,000	0.9	0	0.0	0	0.0
M & R Sales	4000340	139,706	0.1	146,349	0.1	150,000	0.1	150,000	0.1	150,000	0.1	150,000	0.1
Other	4000370	6,929,213	5.8	7,225,403	5.0	7,447,888	6.3	7,447,888	6.2	7,459,428	7.3	7,459,428	7.2
Transfer from DHHS-Div of Hlth	4000511	2,500,000	2.2	2,500,000	1.7	0	0.0	0	0.0	0	0.0	0	0.0
Transfer from Special Revenue	4000565	1,231,371	1.0	949,030	0.6	0	0.0	998,000	0.9	0	0.0	1,000,000	1.1
Transfers / Adjustments	4000683	(1,231,371)	(1.0)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total Funds		119,391,936	100.0	144,542,742	100.0	119,232,762	100.0	119,232,762	100.0	103,163,023	100.0	103,165,023	100.0
Excess Appropriation/(Funding)		(75,759,472)		(44,579,281)		(14,566,436)		(14,949,465)		(1,016,905)		(1,661,389)	
Grand Total		43,632,464		99,963,461		104,666,326		104,283,297		102,146,118		101,503,634	

Budgeted, Actual, and Request Fund Balance amounts do not match due to contingency and biennial appropriations. FY06 Actual and FY07 Budgeted amounts in exceed the Authorized amounts due to salary and matching rate adjustments during the 2005-2007 biennium and biennial appropriations with carry forward Special Language.This is a Biennial Appropriation.

Agency Position Usage Report

FY2004-2005						FY2005-2006						FY2006-2007					
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	
406	382	32	414	-8	5.91%	420	385	27	412	8	8.33%	420	386	28	414	6	8.10%

Cap level raised 8 positions due to position approval from growth pool. Increased the Cap from 406 to 414 positions in March of 2004.

Analysis of Budget Request

Appropriation: 2TP - ADEQ - State Operations

Funding Sources: HMA-Arkansas Department of Environmental Quality Fund Account

The Department of Environmental Quality utilizes this appropriation for the general operations of various programs and for matching of federal grants. Historically, this appropriation was funded by general revenue, and other non-revenue receipt deposits along with contributions from other agencies. The 85th General Assembly provided for \$2,500,000 of funding be provided through a transfer from DHHS Division of Health general revenue savings, and for special language allowing for transfers from special revenue funds within the Department.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base level of \$3,856,798 for FY08 and \$3,857,135 for FY09. In addition, the Department's Change Level Requests are as follows:

- Existing Program Increase for Capital Outlay \$6,500 for each year to purchase new and replace obsolete equipment that will be used by the Water Division for analytical testing.
- Reallocation of \$5,000 from Operating Expenses for FY08 only to offset the Capital Outlay request for an increase to purchase and replace equipment.
- Technology Increase for Capital Outlay \$8,000 for FY08 and \$3,000 for FY09 will be used by the Mining Division to purchase necessary equipment to address permitting, inspection, and enforcement activities. In addition, the Solid Waste Division will use the increase to purchase a tablet computer and high speed scanner that will be used for support of permitting, compliance monitoring, inspections, and other enforcement activities.
- Increase in general revenue funding \$998,000 for FY08 and \$1,000,000 for FY09. The increase would return the Department to previous levels of general revenue funding (\$3,501,452 for each year of the 2003-05 biennium).

The Executive Recommendation provides for Base Level and the following:

- Reallocation of \$5,000 for FY08.
- Capital Outlay appropriation in the amounts of \$14,500 for FY08 and \$9,500 for FY09
- Funding in the amounts of \$988,500 for FY08 and \$1,000,000 for FY09 be derived by means of transfers from the Department's various special revenue funds as provided for through special language.

Appropriation Summary

Appropriation: 2TP ADEQ - State Operations
Funding Sources: HMA-Arkansas Department of Environmental Quality Fund Account

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	2,711,693	2,742,240	2,861,906	2,742,240	2,742,240	2,742,240	2,742,240	2,742,240	2,742,240
#Positions	60	58	60	58	58	58	58	58	58
Extra Help 5010001	15,141	25,674	25,674	25,674	25,674	25,674	25,674	25,674	25,674
#Extra Help	1	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	714,681	740,643	784,701	801,800	801,800	801,800	802,137	802,137	802,137
Operating Expenses 5020002	254,000	268,269	268,269	268,269	263,269	263,269	268,269	268,269	268,269
Conference & Travel Expenses 5050009	8,888	14,715	14,715	14,715	14,715	14,715	14,715	14,715	14,715
Professional Fees 5060010	0	4,100	4,100	4,100	4,100	4,100	4,100	4,100	4,100
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	3,258	9,500	9,500	0	14,500	14,500	0	9,500	9,500
Total	3,707,661	3,805,141	3,968,865	3,856,798	3,866,298	3,866,298	3,857,135	3,866,635	3,866,635
Funding Sources									
Fund Balance 4000005	3,538	193,191		0	0	0	0	0	0
General Revenue 4000010	0	0		2,500,000	3,498,000	2,500,000	2,500,000	3,500,000	2,500,000
Merit Adjustment Fund 4000055	0	12,920		0	0	0	0	0	0
Other 4000370	165,943	150,000		368,298	368,298	368,298	366,635	366,635	366,635
Transfer from DHHS-Div of Hlth 4000511	2,500,000	2,500,000		0	0	0	0	0	0
Transfer from Special Revenue 4000565	1,231,371	949,030		0	0	998,000	0	0	1,000,000
Total Funding	3,900,852	3,805,141		2,868,298	3,866,298	3,866,298	2,866,635	3,866,635	3,866,635
Excess Appropriation/(Funding)	(193,191)	0		988,500	0	0	990,500	0	0
Grand Total	3,707,661	3,805,141		3,856,798	3,866,298	3,866,298	3,857,135	3,866,635	3,866,635

Special Revenue Transfers from appropriation 2UE \$46,330, and 2TX \$1,185,041 authority provided by Section 42 of Act 2022 of 2005. Actual Number of Positions exceed the Authorized Number due to flexibility inherent in the authorization of positions in the appropriation act.

Change Level by Appropriation

Appropriation:

2TP-ADEQ - State Operations

Funding Sources:

HMA-Arkansas Department of Environmental Quality Fund
Account

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,856,798	58	3,856,798	100.0	3,857,135	58	3,857,135	100.0
C01	Existing Program	6,500	0	3,863,298	100.1	6,500	0	3,863,635	100.1
C04	Reallocation	(5,000)	0	3,858,298	100.0	0	0	3,863,635	100.1
C08	Technology	8,000	0	3,866,298	100.2	3,000	0	3,866,635	100.2

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	3,856,798	58	3,856,798	100.0	3,857,135	58	3,857,135	100.0
C01	Existing Program	6,500	0	3,863,298	100.1	6,500	0	3,863,635	100.1
C04	Reallocation	(5,000)	0	3,858,298	100.0	0	0	3,863,635	100.1
C08	Technology	8,000	0	3,866,298	100.2	3,000	0	3,866,635	100.2

Justification

C01	The Water Division is requesting Capital Outlay to purchase equipment for analytical testing and to replace obsolete equipment.
C04	Mining Division Reallocation: To offset the Capital Outlay request, the department is requesting to reallocate Operating Expenses appropriation to Capital Outlay. This reduction is contingent upon the approval of Capital Outlay request.
C08	The Mining Division is requesting Capital Outlay to purchase tablet computers to provide data access in field related activities. This change is necessary to provide the appropriate tools to address permitting, inspection, and enforcement activities. To offset this request, the department is requesting to reallocate Operating Expenses appropriation to Capital Outlay. The Solid Waste Division is requesting Capital Outlay to purchase a replacement tablet computer and a high speed scanner to support the department's electronic filing system. This change is necessary to provide operational support to address permitting, compliance monitoring, inspections, and enforcement activities.

Analysis of Budget Request

Appropriation: 2TQ - ADEQ - Federal Operations

Funding Sources: FYP-Federal Funds

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

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base level of \$15,640,945 for each year of the 2007-09 biennium. In addition, the Department's Change Level Requests are as follows:

1. Operating Expenses:

- Reallocation of \$355,000 each year. \$350,000 will be reallocated to Capital Outlay from rent to pay for a capital lease of the new facility. \$5,000 reallocated for the Mining Division to purchase replacement equipment for inspectors.
- Existing Program Increase of \$548,000 for each year. \$350,000 will be used for capital lease of the new facility. The remainder of the increases will be used to continue maintenance of the National Ambient Air Quality Standards, purchase equipment for inspectors, new facility operating costs, contingency appropriation to equip new facility, and for support of the Particulate Matter Monitoring Network.
- Technology related increases \$20,000 in FY08 and \$10,000 in FY09 in line with the Department's Information Technology plan will be used to develop and implement an exchange node that will be used to transmit and exchange environmental data to the EPA and other participating agencies.

2. Conference & Travel Expenses:

- Existing Program Increase of \$11,500 for each year will be used by the Mining Division to provide additional environmental and fiscal training. Technology related increase of \$47,000 in FY08 and \$15,000 in FY09 will be used by the Computer Service Division to provide necessary training to implement the exchange node.

3. Professional Fees:

- Reallocation of \$125,000 in FY08 and \$115,000 in FY09 to supplement Operating Expenses requested increases.
- Existing Program Increase of \$270,000 each year to procure the services of a third-party contractor that will monitor compliance and permitting activities.
- Technology related increase of \$175,000 in FY08 and \$75,000 in FY09 will be used by

the Computer Service Division in line with the Agency Information Technology Plan to implement the exchange node.

4. Capital Outlay:

- Existing Program Increase of \$1,685,033 for FY08 and \$1,675,033 for FY09. \$500,000 for each year will be used for capital lease of the new facility. In addition, increases will be utilized to purchase new or replace obsolete equipment for several different departments allowing for the completion of the overall Departmental mission, and for contingency appropriation to equip the new facility.
- Technology related increase of \$94,300 in FY08 and \$80,300 in FY09 to be utilized for the purpose of replacing obsolete laptop and personal computers, software, high speed scanners, and printers that will support the Department's electronic filing system and maintain an electronic database in order to support Departmental missions.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	4,245,447	4,593,489	4,718,862	4,593,489	4,593,489	4,593,489	4,593,489	4,593,489	4,593,489
#Positions	112	112	114	112	112	112	112	112	112
Extra Help 5010001	65,781	148,585	148,585	148,585	148,585	148,585	148,585	148,585	148,585
#Extra Help	24	37	37	37	37	37	37	37	37
Personal Services Matching 5010003	1,256,660	1,349,718	1,372,813	1,414,407	1,414,407	1,414,407	1,414,407	1,414,407	1,414,407
Overtime 5010006	10,356	0	0	0	0	0	0	0	0
Operating Expenses 5020002	1,720,286	4,455,047	4,455,047	4,455,047	4,668,047	4,668,047	4,455,047	4,658,047	4,658,047
Conference & Travel Expenses 5050009	153,747	300,312	300,312	300,312	358,812	358,812	300,312	326,812	326,812
Professional Fees 5060010	444,249	2,164,105	2,164,105	2,164,105	2,484,105	2,484,105	2,164,105	2,394,105	2,394,105
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	234,084	2,013,133	2,013,133	0	1,779,333	1,779,333	0	1,755,333	1,755,333
Contractual Services 5900043	396,503	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000	2,565,000
Total	8,527,113	17,589,389	17,737,857	15,640,945	18,011,778	18,011,778	15,640,945	17,855,778	17,855,778
Funding Sources									
Federal Revenue 4000020	8,527,113	17,589,389		15,640,945	18,011,778	18,011,778	15,640,945	17,855,778	17,855,778
Total Funding	8,527,113	17,589,389		15,640,945	18,011,778	18,011,778	15,640,945	17,855,778	17,855,778
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	8,527,113	17,589,389		15,640,945	18,011,778	18,011,778	15,640,945	17,855,778	17,855,778

FY06 Overtime was established through the authority of the Overtime Holding Account.

Change Level by Appropriation

Appropriation: 2TQ-ADEQ - Federal Operations

Funding Sources: FYP-Federal Funds

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	15,640,945	112	15,640,945	100.0	15,640,945	112	15,640,945	100.0
C01	Existing Program	2,514,533	0	18,155,478	116.0	2,504,533	0	18,145,478	116.0
C04	Reallocation	(480,000)	0	17,675,478	113.0	(470,000)	0	17,675,478	113.0
C08	Technology	336,300	0	18,011,778	115.1	180,300	0	17,855,778	114.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	15,640,945	112	15,640,945	100.0	15,640,945	112	15,640,945	100.0
C01	Existing Program	2,514,533	0	18,155,478	116.0	2,504,533	0	18,145,478	116.0
C04	Reallocation	(480,000)	0	17,675,478	113.0	(470,000)	0	17,675,478	113.0
C08	Technology	336,300	0	18,011,778	115.1	180,300	0	17,855,778	114.1

Justification

C01	The Air is Division requesting Operating Expenses appropriation to continue maintenance of the National Ambient Air Quality Standards (NAAQS) providing additional air quality monitoring, modeling and development of emission standards. This change will also provide for expenses associated with re-attaining National Ambient Air Quality Standards in Crittenden County. The Water Division is requesting Operating Expenses and Capital Outlay to continue water quality monitoring activities and to purchase replacement equipment for inspectors and supervisors to conduct field related activities. To offset this request, the department is requesting to reallocate Professional Fees appropriation. The Hazardous Waste Division is requesting additional Professional Fees to procure the services of a third-party contractor to monitor the compliance and permitting activities. Capital Outlay is requested to purchase equipment to allow testing for hazardous substances and to replace obsolete equipment. These changes are necessary to increase compliance monitoring at the Pine Bluff Arsenal. The Mining Division is requesting Capital Outlay to purchase new and replacement equipment for mine inspectors and supervisors to conduct site assessments and field related activities. To offset this request, the department is requesting to reallocate Operating Expenses and Professional Fees appropriation to Capital Outlay. The Regulated Storage Tank Division is requesting Capital Outlay to purchase Gas Tech Meters and field equipment to facilitate data gathering of underground and leaking underground storage tank sites. This change is necessary to provide the appropriate tools to address permitting, compliance monitoring, inspection, and enforcement activities. An increase in Conference Fees and Travel is requested to provide additional environmental and fiscal training to enhance staff development. Capital Outlay is requested to pay capital lease expenses and provide contingency appropriation to equip the new facility. Operating expense are requested to address unanticipated operating costs. Environmental Preservation and Tech Services Division is requesting general operations appropriation to support the Particulate Matter Monitoring Network and address non-attainment issues.
C04	Reallocation: To offset the Operating Expenses request, the Water Division is requesting to reallocate Professional Fees appropriation to Operating Expenses. This request is contingent upon the approval of the Operating Expenses request. Reallocation: To offset the Capital Outlay request, the Mining Division is requesting to reallocate Operating Expenses and Professional Fees appropriation to Capital Outlay. This reduction is contingent upon the approval of Capital Outlay request. Reallocation: To offset The Capital Outlay request for capital lease payments, the department is reallocating Base Level Operating Expenses appropriation, budgeted for rent payments to Capital Outlay.
C08	The Hazardous Waste Division is requesting Capital Outlay to replace obsolete laptop computers and software; and purchase high speed scanners to support the department's electronic filing system. The Regulated Storage Tank Division is requesting Capital Outlay to purchase replacement computers, printers, scanners and software. This change is necessary to provide operational support to address permitting, compliance monitoring, inspection, and enforcement activities. The Legal Division is requesting Capital Outlay to purchase equipment to set up and maintain an electronic database. The Computer Service Division is requesting Operating Expenses, Conference Fees and Travel, and Professional Fees and Services appropriation to develop and implement an exchange node to transmit and exchange environmental data to EPA and other participating agencies.

Analysis of Budget Request

Appropriation: 2TR - Waste Water Licensing

Funding Sources: MWW-Wastewater Licensing Fund

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

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base Level of \$78,589 for each year of the 2007-09 biennium. In addition, the Department is requesting an increase above Base Level in Conference & Travel Expenses of \$2,000 for each year of the biennium. This increase would allow the Department to enhance staff development through the training process.

The Executive Recommendation provides for Base Level only.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	35,303	35,752	33,051	35,752	35,752	35,752	35,752	35,752	35,752
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	10,658	10,785	10,274	11,116	11,116	11,116	11,116	11,116	11,116
Operating Expenses 5020002	11,579	26,632	26,632	26,632	26,632	26,632	26,632	26,632	26,632
Conference & Travel Expenses 5050009	2,023	5,089	5,089	5,089	7,089	5,089	5,089	7,089	5,089
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	59,563	78,258	75,046	78,589	80,589	78,589	78,589	80,589	78,589
Funding Sources									
Fund Balance 4000005	278,740	323,772		342,024	342,024	342,024	366,030	366,030	368,030
Special Revenue 4000030	104,595	96,510		102,595	104,595	104,595	105,600	107,600	107,600
Total Funding	383,335	420,282		444,619	446,619	446,619	471,630	473,630	475,630
Excess Appropriation/(Funding)	(323,772)	(342,024)		(366,030)	(366,030)	(368,030)	(393,041)	(393,041)	(397,041)
Grand Total	59,563	78,258		78,589	80,589	78,589	78,589	80,589	78,589

The FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary and matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	78,589	1	78,589	100.0	78,589	1	78,589	100.0
C01	Existing Program	2,000	0	80,589	102.5	2,000	0	80,589	102.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	78,589	1	78,589	100.0	78,589	1	78,589	100.0
C01	Existing Program	0	0	78,589	100.0	0	0	78,589	100.0

Justification

C01	An increase in Conference Fees and Travel appropriation is requested to provide additional environmental training to enhance staff development.
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Analysis of Budget Request

Appropriation: 2TS - Land Reclamation

Funding Sources: TLR-Land Reclamation Fund

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

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	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

This is a contingency appropriation, and is not included in the Department funded budget.

Analysis of Budget Request

Appropriation: 2TT - Hazardous Waste Permit Program

Funding Sources: SHW-Hazardous Waste Permit Fund

This appropriation is used for operation of the Hazardous Waste Permit Program. As stated in Arkansas Code 19-6-434, 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 cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base level of \$1,164,850 for each year of the 2007-09 biennium. In addition, the Agency is requesting an increase above Base Level in Capital Outlay \$13,000 for each year of the biennium. This increase would allow the Department to purchase new, and replace obsolete equipment that will be used for analytical testing, address permitting, and compliance monitoring.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	569,153	653,716	764,840	653,716	653,716	653,716	653,716	653,716	653,716
#Positions	17	17	17	17	17	17	17	17	17
Extra Help 5010001	7,208	15,795	15,795	15,795	15,795	15,795	15,795	15,795	15,795
#Extra Help	1	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	180,475	199,487	215,759	205,585	205,585	205,585	205,585	205,585	205,585
Overtime 5010006	2,091	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Operating Expenses 5020002	137,607	190,804	190,804	190,804	190,804	190,804	190,804	190,804	190,804
Conference & Travel Expenses 5050009	8,766	44,700	44,700	44,700	44,700	44,700	44,700	44,700	44,700
Professional Fees 5060010	1,946	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	6,490	10,000	10,000	0	13,000	13,000	0	13,000	13,000
Total	913,736	1,168,752	1,296,148	1,164,850	1,177,850	1,177,850	1,164,850	1,177,850	1,177,850
Funding Sources									
Fund Balance 4000005	3,559,258	4,174,012		4,522,141	4,522,141	4,522,141	4,885,291	4,885,291	4,885,291
Special Revenue 4000030	1,423,612	1,417,978		1,426,000	1,439,000	1,439,000	1,426,850	1,439,850	1,439,850
Other 4000370	104,878	98,903		102,000	102,000	102,000	105,000	105,000	105,000
Total Funding	5,087,748	5,690,893		6,050,141	6,063,141	6,063,141	6,417,141	6,430,141	6,430,141
Excess Appropriation/(Funding)	(4,174,012)	(4,522,141)		(4,885,291)	(4,885,291)	(4,885,291)	(5,252,291)	(5,252,291)	(5,252,291)
Grand Total	913,736	1,168,752		1,164,850	1,177,850	1,177,850	1,164,850	1,177,850	1,177,850

Change Level by Appropriation

Appropriation: 2TT-Hazardous Waste Permit Program

Funding Sources: SHW-Hazardous Waste Permit Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,164,850	17	1,164,850	100.0	1,164,850	17	1,164,850	100.0
C01	Existing Program	13,000	0	1,177,850	101.1	13,000	0	1,177,850	101.1

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	1,164,850	17	1,164,850	100.0	1,164,850	17	1,164,850	100.0
C01	Existing Program	13,000	0	1,177,850	101.1	13,000	0	1,177,850	101.1

Justification

C01	The Hazardous Waste Division is requesting Capital Outlay to purchase equipment to allow testing for hazardous substances and to replace obsolete equipment. This change is necessary to provide operational support to address permitting, compliance monitoring, inspections, and enforcement activities. The Environmental Preservation & Technical Services Division is requesting Capital Outlay to purchase equipment for analytical testing and to replace obsolete equipment.
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Analysis of Budget Request

Appropriation: 2TU - Reclamation of Abandoned Mines - State

Funding Sources: MAE-Abandoned Mine Reclamation Fund

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

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Abandoned Mine Reclamation Contract5900043	1,164,668	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	1,164,668	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	1,164,668	5,700,000		5,700,000	5,700,000	5,700,000	5,700,000	5,700,000	5,700,000
Total Funding	1,164,668	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	1,164,668	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 Department utilizes this appropriation to administer and enforce the Arkansas Surface Coal Mining Reclamation Code. Pursuant to Arkansas Code 15-58-508, permit fees collected from coal and lignite-mining operations fund the Surface Coal Mining appropriation.

The Department's request includes Base Level of \$5,653 for each year of the 2007-09 biennium, and a Change Level increase of \$9,347 in Operating Expenses for each year of the biennium. The increase will be utilized for the purchase of materials and supplies for mining inspectors. In addition, the increase will be used in line with the Department's Information Technology Plan to purchase low value computer equipment, hardware, and software to allow for scanning and storage of electronic documents necessary to administer the program.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	0	5,653	5,653	5,653	15,000	15,000	5,653	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	5,000	5,000	0	5,000	5,000
Total	0	5,653	5,653	5,653	20,000	20,000	5,653	20,000	20,000
Funding Sources									
Fund Balance 4000005	19,775	29,765		30,612	30,612	30,612	32,549	18,202	18,202
Other 4000370	9,990	6,500		7,590	7,590	7,590	7,730	7,730	7,730
Total Funding	29,765	36,265		38,202	38,202	38,202	40,279	25,932	25,932
Excess Appropriation/(Funding)	(29,765)	(30,612)		(32,549)	(18,202)	(18,202)	(34,626)	(5,932)	(5,932)
Grand Total	0	5,653		5,653	20,000	20,000	5,653	20,000	20,000

Change Level by Appropriation

Appropriation: 2TV-Surface Coal Mining

Funding Sources: MAF-Surface Coal Mining Operation Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,653	0	5,653	100.0	5,653	0	5,653	100.0
C01	Existing Program	9,347	0	15,000	265.3	9,347	0	15,000	265.3
C08	Technology	5,000	0	20,000	353.7	5,000	0	20,000	353.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,653	0	5,653	100.0	5,653	0	5,653	100.0
C01	Existing Program	9,347	0	15,000	265.3	9,347	0	15,000	265.3
C08	Technology	5,000	0	20,000	353.7	5,000	0	20,000	353.7

Justification

C01	Operating Expenses are requested to purchase materials and supplies for mining inspectors. This increase will provide the appropriation authority to fully utilize the funds collected for administering of the Active Coal Mine Regulatory Program.
C08	Capital Outlay is requested to purchase computer equipment for the field personnel as well as computer hardware and software for the scanning and storage of electronic documents.

Analysis of Budget Request

Appropriation: 2TW - Mining Reclamation

Funding Sources: TMA-Mine Reclamation Trust Fund

The Department 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 Department for reclamation of the area. In the event reclamation efforts fail, the bond is forfeited and the Department is responsible for contracting for the reclamation work. The Mining Reclamation Fund may only be used to accomplish reclamation of land covered by forfeitures of performance bonds.

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Mining Reclamation Contractual Serv5900043	0	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	0	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Funding Sources									
Bond Forfeitures 4000120	0	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000
Total Funding	0	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	0	1,520,000		1,520,000	1,520,000	1,520,000	1,520,000	1,520,000	1,520,000

This is a contingency appropriation, and is not included in the Department funded budget.

Analysis of Budget Request

Appropriation: 2TX - Fee Administration

Funding Sources: SPE-Arkansas Department of Environmental Quality Fee Fund

Act 817 of 1983 (A.C.A. 8-1-103), as amended, authorized the Commission of the Department of Environmental Quality 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 Commission revising the rate structures. The fees, as established by the Commission 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.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base Level of \$12,453,345 for each year of the 2007-09 biennium. In addition, the Department's Change Level Requests are as follows:

- Reallocation of Operating Expenses \$692,570 for each year of the biennium. Operating Expenses currently budgeted for rent payments will be reallocated to Capital Outlay to pay capital lease payments for the Department's new facility.
- Increase in Professional Fees of \$325,600 for each year of the biennium. The increase will be used to continue maintenance of the National Ambient Air Quality Standards allowing for additional air quality monitoring, modeling and development of emission standards.
- Increase in Capital Outlay \$1,197,450 for FY08 and \$1,181,450 for FY09. \$1,050,000 of the increase will be used each year of the biennium to cover the capital lease payments associated with the new facility. Increases of \$147,450 for FY08 and \$131,450 for FY09 will be used for equipment expenses. The equipment expenses will include analytical testing equipment, additional equipment for the new facility, and contingency operating expenses appropriation to address potential needs of the new facility. In line with the Department's Information Technology plan Capital Outlay increases will also include the purchase of a portable emission analyzer, tablet and laptop personal computers, scanners, printers, and related software. These purchases will be used to address needs for both the Air Division and the Solid Waste Divisions of the Department.
- Increase in Conference & Travel Expenses \$1,600 for each year will be used by the Solid Waste Division to provide training and staff development.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2TX Fee Administration
Funding Sources: SPE-Arkansas Department of Environmental Quality Fee Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	6,164,787	6,365,160	6,559,455	6,365,160	6,365,160	6,365,160	6,365,160	6,365,160	6,365,160
#Positions	165	165	167	165	165	165	165	165	165
Extra Help 5010001	798	45,000	45,000	45,000	45,000	45,000	45,000	45,000	45,000
#Extra Help	1	23	23	23	23	23	23	23	23
Personal Services Matching 5010003	1,823,212	1,887,973	1,918,339	1,988,137	1,988,137	1,988,137	1,988,137	1,988,137	1,988,137
Overtime 5010006	16,730	0	0	0	0	0	0	0	0
Operating Expenses 5020002	1,868,565	2,076,038	2,076,038	2,076,038	1,383,468	1,383,468	2,076,038	1,383,468	1,383,468
Conference & Travel Expenses 5050009	112,226	150,789	150,789	150,789	152,389	152,389	150,789	152,389	152,389
Professional Fees 5060010	857,959	1,828,221	1,828,221	1,828,221	2,153,821	2,153,821	1,828,221	2,137,821	2,137,821
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	361,538	109,850	109,850	0	1,197,450	1,197,450	0	1,181,450	1,181,450
Total	11,205,815	12,463,031	12,687,692	12,453,345	13,285,425	13,285,425	12,453,345	13,253,425	13,253,425
Funding Sources									
Fund Balance 4000005	16,200,989	14,950,001		13,793,411	13,793,411	13,793,411	12,019,844	12,019,844	12,019,844
Special Revenue 4000030	11,174,105	11,306,441		10,679,778	11,511,858	11,511,858	11,126,928	11,927,008	11,927,008
DFA Motor Vehicle Acquisition 4000184	26,690	0		0	0	0	0	0	0
Transfers / Adjustments 4000683	(1,245,968)	0		0	0	0	0	0	0
Total Funding	26,155,816	26,256,442		24,473,189	25,305,269	25,305,269	23,146,772	23,946,852	23,946,852
Excess Appropriation/(Funding)	(14,950,001)	(13,793,411)		(12,019,844)	(12,019,844)	(12,019,844)	(10,693,427)	(10,693,427)	(10,693,427)
Grand Total	11,205,815	12,463,031		12,453,345	13,285,425	13,285,425	12,453,345	13,253,425	13,253,425

FY06 Overtime was established through the authority of the Overtime Holding Account. Transfers to ZUH \$60,927; and ZTP \$1,185,041 authority provided by Special Language in Section 42 of Act 2022 of 2005.

Change Level by Appropriation

Appropriation: 2TX-Fee Administration

Funding Sources: SPE-Arkansas Department of Environmental Quality Fee Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	12,453,345	165	12,453,345	100.0	12,453,345	165	12,453,345	100.0
C01	Existing Program	1,819,550	0	14,272,895	114.6	1,816,550	0	14,269,895	114.5
C04	Reallocation	(1,042,570)	0	13,230,325	106.2	(1,042,570)	0	13,227,325	106.2
C08	Technology	55,100	0	13,285,425	106.6	26,100	0	13,253,425	106.4

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	12,453,345	165	12,453,345	100.0	12,453,345	165	12,453,345	100.0
C01	Existing Program	1,819,550	0	14,272,895	114.6	1,816,550	0	14,269,895	114.5
C04	Reallocation	(1,042,570)	0	13,230,325	106.2	(1,042,570)	0	13,227,325	106.2
C08	Technology	55,100	0	13,285,425	106.6	26,100	0	13,253,425	106.4

Justification

C01	Air Division - Capital Outlay and Professional Fees appropriation is requested to continue maintenance of the National Ambient Air Quality Standards (NAAQS) providing additional air quality monitoring, modeling and development of emission standards. This change will also provide for expenses associated with re-attaining National Ambient Air Quality Standards in Crittenden County, which is located in the Memphis Ozone Non-Attainment Area and also designated as a federal Economic Development Zone. If the Department cannot demonstrate that Crittenden County will re-attain the ozone National Ambient Air Quality Standards in 2007, the Environmental Protection Agency may "bump up" the ozone non-attainment designation for this area from "marginal to moderate." To address these federal requirements, the Department will procure analytical equipment and professional services in the environmental field to meet Federal deadlines. The Water Division is requesting Capital Outlay appropriation to purchase equipment for analytical testing and to replace obsolete equipment. The Solid Waste Division is requesting an increase in Conference Fees and Travel to provide additional training opportunities and staff development for the division's thirty-eight employees. Construction of a new campus to house the administrative offices and field functions of the department will be completed the Spring of 2007. The department has entered a capital lease agreement with the Arkansas State Building Authority. The Department is requesting Capital Outlay appropriation for capital lease payments and to equip the new facility and support ongoing operations. Contingency Operating Expenses appropriation is requested to address unanticipated operating costs. The Environmental Preservation & Technical Services Division is requesting Capital Outlay to purchase equipment for analytical testing and to replace obsolete equipment.
C04	Reallocation: To offset the Department's Capital Outlay request for capital lease payments, we are reallocating Base Level Operating Expenses appropriation currently budgeted for rent payments, to Capital Outlay.
C08	Air - Division - Capital Outlay appropriation is requested to restore technology equipment to purchase a portable emission analyzer to determine a facility's compliance with emissions limits; tablet personal computers for field inspectors; and scanners for the field offices to assist with the document management system. The Solid Waste Division is requesting Capital Outlay to purchase replacement computers, printers, scanners and software. This change is necessary to provide operational support to address permitting, compliance monitoring, inspection, and enforcement activities. The Public Outreach and Assistance Division is requesting Capital Outlay to replace obsolete laptop computers and software; purchase four high-speed scanners to support the department's document management system.

Analysis of Budget Request

Appropriation: 2TY - Solid Waste Performance Bonds

Funding Sources: MWP-Solid Waste Performance Bond Fund

The Department 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 if the site does not meet requirements of the Pollution Control and Ecology Commission, the bond is forfeited and the Department contracts the remediation work.

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Solid Waste Performance Bonds Contr:5900043	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Total	0	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Funding Sources									
Bond Forfeitures 4000120	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Total Funding	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	500,000		500,000	500,000	500,000	500,000	500,000	500,000

This is a contingency appropriation, and is not included in the Department funded budget.

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 moneys legally designated for the fund. The Department 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 moneys collected for the Hazardous Substance Remedial Action Trust Fund are deposited into the Environmental Education Fund up to \$275,000 per fiscal year.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base Level of \$7,441,213 for each year of the 2007-09 biennium. In addition, the Agency is requesting an increase above Base Level in Capital Outlay of \$261,000 for FY08 and 275,000 for FY09, and Operating Expenses of \$32,000 for FY08 and 26,000 for FY09. The Capital Outlay will be used to purchase various equipment that will be utilized to perform accurate and reliable analysis of air, water, soil, hazardous waste, solid waste, and biological samples. The equipment will include photo ionization detector and Trimble GPS units. Operating Expenses, in line with the Department's Information Technology plan, will be used to replace computers, printers, and software. The equipment will support Department operations.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	94,294	100,880	92,846	100,880	100,880	100,880	100,880	100,880	100,880
#Positions	3	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	30,488	31,991	29,597	33,078	33,078	33,078	33,078	33,078	33,078
Operating Expenses 5020002	57,615	67,358	67,358	67,358	99,358	99,358	67,358	93,358	93,358
Conference & Travel Expenses 5050009	3,049	33,960	33,960	33,960	33,960	33,960	33,960	33,960	33,960
Professional Fees 5060010	980	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	90,273	230,000	230,000	0	261,000	261,000	0	275,000	275,000
Contractual Services 5900043	259,850	6,502,000	6,502,000	6,502,000	6,502,000	6,502,000	6,502,000	6,502,000	6,502,000
Data Processing Purchases 5900044	329,111	453,937	453,937	453,937	453,937	453,937	453,937	453,937	453,937
Total	865,660	7,670,126	7,659,698	7,441,213	7,734,213	7,734,213	7,441,213	7,742,213	7,742,213
Funding Sources									
Fund Balance 4000005	11,097,120	12,349,718		6,779,592	6,779,592	6,779,592	1,438,379	1,145,379	1,145,379
Trust Fund 4000050	2,118,258	2,100,000		2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000
Total Funding	13,215,378	14,449,718		8,879,592	8,879,592	8,879,592	3,538,379	3,245,379	3,245,379
Excess Appropriation/(Funding)	(12,349,718)	(6,779,592)		(1,438,379)	(1,145,379)	(1,145,379)	3,902,834	4,496,834	4,496,834
Grand Total	865,660	7,670,126		7,441,213	7,734,213	7,734,213	7,441,213	7,742,213	7,742,213

Change Level by Appropriation

Appropriation:

2TZ-Hazardous Waste Cleanup

Funding Sources:

THS-Hazardous Substance Remedial Action Trust Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	7,441,213	3	7,441,213	100.0	7,441,213	3	7,441,213	100.0
C01	Existing Program	281,000	0	7,722,213	103.7	295,000	0	7,736,213	103.9
C08	Technology	12,000	0	7,734,213	103.9	6,000	0	7,742,213	104.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	7,441,213	3	7,441,213	100.0	7,441,213	3	7,441,213	100.0
C01	Existing Program	281,000	0	7,722,213	103.7	295,000	0	7,736,213	103.9
C08	Technology	12,000	0	7,734,213	103.9	6,000	0	7,742,213	104.0

Justification

C01	A.C.A. 8-7-518 provides specific circumstances in which a hazardous waste generator is entitled to a refund from the Hazardous Substance Remedial Action Trust Fund. The department is required to promptly pay any refund request meeting the established criteria. The Hazardous Waste Division is requesting an increase in Operating Expenses appropriation to process approved refunds. The Environmental Preservation & Technical Services Division is responsible for testing Arkansas' environment. This includes air, water, soil, hazardous waste, solid waste, and biological samples. To protect the environment, it is imperative that the department updates its equipment to perform accurate and reliable analysis. Capital Outlay appropriation is requested to replace obsolete equipment.
C08	The Environmental Preservation & Technical Services Division is requesting an increase in Operating Expenses to purchase replacement computers, printers, and software. This change is necessary to support department operations.

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 moneys 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 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 Commission approval.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	83,707	71,176	106,906	71,176	71,176	71,176	71,176	71,176	71,176
#Positions	2	2	2	2	2	2	2	2	2
Personal Services Matching 5010003	20,987	22,107	28,494	22,849	22,849	22,849	22,849	22,849	22,849
Operating Expenses 5020002	611	3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833
Conference & Travel Expenses 5050009	1,021	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Professional Fees 5060010	0	0	0	0	0	0	0	0	0
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Contractual Services 5900043	22,966	372,655	372,655	372,655	372,655	372,655	372,655	372,655	372,655
Total	129,292	471,771	513,888	472,513	472,513	472,513	472,513	472,513	472,513
Funding Sources									
Trust Fund 4000050	129,292	471,771		472,513	472,513	472,513	472,513	472,513	472,513
Total Funding	129,292	471,771		472,513	472,513	472,513	472,513	472,513	472,513
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	129,292	471,771		472,513	472,513	472,513	472,513	472,513	472,513

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 Department through Act 394 of 1985 (A.C.A. 20-27-1001). This Act called for the Department to adopt, administer, and enforce a program for licensing contractors engaged in the removal of asbestos materials from facilities. Pursuant to Arkansas Code 19-6-452, funding is derived from an annual contractors license fee of \$500 and fee of \$35 for asbestos removal workers to cover program costs.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Department's Request is for Base Level of \$186,088 each year of the 2007-09 biennium, and a Change Level increase of \$3,200 in Capital Outlay for each year. The increase will be used to purchase a lap top computer and scanner that will be used in line with the Department's Information Technology Plan to increase efficiency of the document management system utilized by this appropriation.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	91,281	111,094	114,181	111,094	111,094	111,094	111,094	111,094	111,094
#Positions	4	4	4	4	4	4	4	4	4
Personal Services Matching 5010003	33,531	37,879	37,592	39,352	39,352	39,352	39,352	39,352	39,352
Operating Expenses 5020002	12,546	29,452	29,452	29,452	29,452	29,452	29,452	29,452	29,452
Conference & Travel Expenses 5050009	2,627	4,090	4,090	4,090	4,090	4,090	4,090	4,090	4,090
Professional Fees 5060010	933	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	3,200	3,200	0	3,200	3,200
Total	140,918	184,615	187,415	186,088	189,288	189,288	186,088	189,288	189,288
Funding Sources									
Fund Balance 4000005	735,142	850,480		890,819	890,819	890,819	939,526	939,526	939,526
Special Revenue 4000030	256,256	224,954		234,795	237,995	237,995	260,693	263,893	263,893
Total Funding	991,398	1,075,434		1,125,614	1,128,814	1,128,814	1,200,219	1,203,419	1,203,419
Excess Appropriation/(Funding)	(850,480)	(890,819)		(939,526)	(939,526)	(939,526)	(1,014,131)	(1,014,131)	(1,014,131)
Grand Total	140,918	184,615		186,088	189,288	189,288	186,088	189,288	189,288

The FY07 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 2UB-Asbestos Control Program

Funding Sources: SAC-Asbestos Control Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	186,088	4	186,088	100.0	186,088	4	186,088	100.0
C08	Technology	3,200	0	189,288	101.7	3,200	0	189,288	101.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	186,088	4	186,088	100.0	186,088	4	186,088	100.0
C08	Technology	3,200	0	189,288	101.7	3,200	0	189,288	101.7

Justification

C08	Capital Outlay appropriation is requested to purchase a scanner and lap top computer to assist with the document management system.
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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, further legislation was adopted strengthening the recycling aspect of solid waste management. Funding for this program is from landfill disposal fees collected pursuant to legislative enactments.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Department's Request is for Base Level of \$5,748,539 each year of the 2007-09 biennium, and a Change Level increase of \$20,000 in Capital Outlay for each year. The increase will be used to replace obsolete computers, software, and purchase four high speed scanners. The increases will aid the agency by increasing the efficiency in compliance monitoring, inspections, enforcement activities, and address permitting. This will be accomplished through the use of the Department's electronic filing system, and by allowing Inspectors to access global positioning satellite units. The equipment is in line with the Department's Information Technology Plan.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	697,498	730,127	759,491	730,127	730,127	730,127	730,127	730,127	730,127
#Positions		19	20	20	20	20	20	20	20	20
Personal Services Matching	5010003	214,762	225,090	224,674	232,215	232,215	232,215	232,215	232,215	232,215
Operating Expenses	5020002	77,233	120,529	120,529	120,529	120,529	120,529	120,529	120,529	120,529
Conference & Travel Expenses	5050009	14,728	15,668	15,668	15,668	15,668	15,668	15,668	15,668	15,668
Professional Fees	5060010	0	0	0	0	0	0	0	0	0
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Grants and Aid	5100004	3,541,331	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	17,254	20,000	20,000	0	20,000	20,000	0	20,000	20,000
Total		4,562,806	5,761,414	5,790,362	5,748,539	5,768,539	5,768,539	5,748,539	5,768,539	5,768,539
Funding Sources										
Fund Balance	4000005	5,877,138	5,921,736		4,209,702	4,209,702	4,209,702	3,045,074	3,045,074	3,045,074
Special Revenue	4000030	4,576,022	4,003,474		4,531,411	4,551,411	4,551,411	4,531,411	4,551,411	4,551,411
Investments	4000315	31,382	45,906		52,500	52,500	52,500	52,500	52,500	52,500
Total Funding		10,484,542	9,971,116		8,793,613	8,813,613	8,813,613	7,628,985	7,648,985	7,648,985
Excess Appropriation/(Funding)		(5,921,736)	(4,209,702)		(3,045,074)	(3,045,074)	(3,045,074)	(1,880,446)	(1,880,446)	(1,880,446)
Grand Total		4,562,806	5,761,414		5,748,539	5,768,539	5,768,539	5,748,539	5,768,539	5,768,539

The FY07 Budgeted amount in Personal Services Matching exceeds the authorized amount due to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,748,539	20	5,748,539	100.0	5,748,539	20	5,748,539	100.0
C08	Technology	20,000	0	5,768,539	100.3	20,000	0	5,768,539	100.3

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	5,748,539	20	5,748,539	100.0	5,748,539	20	5,748,539	100.0
C08	Technology	20,000	0	5,768,539	100.3	20,000	0	5,768,539	100.3

Justification

C08	The Solid Waste Division is requesting Capital Outlay to replace obsolete laptop computers and software, purchase four high speed scanners to support the department's electronic filing system, and equip Inspectors with global positioning satellite units. This change is necessary to provide operational support to address permitting, compliance monitoring, inspections, and enforcement activities.
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Analysis of Budget Request

Appropriation: 2UD - Reg. Substance Storage Tank

Funding Sources: SRS-Regulated Substance Storage Tank Program Fund

Acts 172 and 173 of 1989, as amended, designated the Department of Pollution Control and Ecology as the implementing agency for the Regulated Storage Tank Program. Pursuant to Arkansas Code 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.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	620,040	615,872	610,904	615,872	615,872	615,872	615,872	615,872	615,872
#Positions	18	18	18	18	18	18	18	18	18
Personal Services Matching 5010003	182,615	184,108	188,064	200,622	200,622	200,622	200,622	200,622	200,622
Operating Expenses 5020002	33,192	71,028	71,028	71,028	71,028	71,028	71,028	71,028	71,028
Conference & Travel Expenses 5050009	2,967	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	838,814	876,013	875,001	892,527	892,527	892,527	892,527	892,527	892,527
Funding Sources									
Fund Balance 4000005	714,825	692,496		708,159	708,159	708,159	718,469	718,469	718,469
Special Revenue 4000030	816,485	891,676		902,837	902,837	902,837	922,762	922,762	922,762
Total Funding	1,531,310	1,584,172		1,610,996	1,610,996	1,610,996	1,641,231	1,641,231	1,641,231
Excess Appropriation/(Funding)	(692,496)	(708,159)		(718,469)	(718,469)	(718,469)	(748,704)	(748,704)	(748,704)
Grand Total	838,814	876,013		892,527	892,527	892,527	892,527	892,527	892,527

FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceeds the authorized amount due to salary adjustments during the 2005-2007 biennium.

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 Department utilizes this appropriation to take corrective action as needed because of accidental releases from a storage tank of unknown ownership or when corrective action is not taken by the owner or operator in a timely manner. This appropriation contains unfunded contingency appropriation that is utilized for when necessary for corrective actions.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes a Base level of \$21,707,924 for each year of the 2007-09 biennium. In addition, the Department's Change Level requests are as follows:

1. Personnel Related Change Levels:

- One (1) Geology Supervisor grade 23, \$31,339.
- One (1) Agency Program Coordinator grade 21, \$35,510.
- Two (2) Pollution Control Inspectors grade 20, \$29,394 each.

Due to the passage of the Federal Energy Act of 2005 that mandates a three-year inspection frequency on all underground storage tank facilities, the positions will be used for operations support to comply with the federal mandate. Appropriate levels of Personal Services Matching are also requested (all positions are requested for both fiscal years of the 2007-09 biennium).

2. Non-personnel Related Change Levels:

- Operating Expenses \$15,320 for FY08 and \$765 for FY09; will be used for various operating expenses associated with the addition of new staff.
- Conference & Travel Expenses \$1,890 for FY08 and \$900 for FY09; will be used to send new staff to instructional conferences.

The Executive Recommendation provides for Base Level, as well as, Two (2) Pollution Control Inspectors grade 20 \$29,394 each for both years of the 2007-09 biennium and associated match.

Appropriation Summary

Appropriation: 2UE Petroleum Storage Tank Trust
Funding Sources: TPT-Petroleum Storage Tank Trust Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	168,652	162,462	160,275	162,462	288,099	221,250	162,462	288,099	221,250
#Positions	3	3	3	3	7	5	3	7	5
Personal Services Matching 5010003	44,987	44,289	42,725	45,301	87,606	65,636	45,301	87,606	65,636
Overtime 5010006	1,866	0	0	0	0	0	0	0	0
Operating Expenses 5020002	5,422,801	18,997,000	18,997,000	18,997,000	19,012,320	18,997,000	18,997,000	18,997,765	18,997,000
Conference & Travel Expenses 5050009	0	3,005	3,005	3,005	4,895	3,005	3,005	3,905	3,005
Professional Fees 5060010	60,947	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156	2,500,156
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	0	0	0	0	0	0	0	0	0
Total	5,699,253	21,706,912	21,703,161	21,707,924	21,893,076	21,787,047	21,707,924	21,877,531	21,787,047
Funding Sources									
Fund Balance 4000005	13,253,646	14,293,781		0	0	0	0	0	0
Interest 4000300	333,147	350,000		350,000	350,000	350,000	350,000	350,000	350,000
Other 4000370	6,452,571	6,750,000		6,750,000	6,750,000	6,750,000	6,750,000	6,750,000	6,750,000
Transfers / Adjustments 4000683	(46,330)	0		0	0	0	0	0	0
Total Funding	19,993,034	21,393,781		7,100,000	7,100,000	7,100,000	7,100,000	7,100,000	7,100,000
Excess Appropriation/(Funding)	(14,293,781)	313,131		14,607,924	14,793,076	14,687,047	14,607,924	14,777,531	14,687,047
Grand Total	5,699,253	21,706,912		21,707,924	21,893,076	21,787,047	21,707,924	21,877,531	21,787,047

The FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceed the Authorized amount due to salary and matching rate adjustments during the 2005-2007 biennium. FY06 Overtime was established through the authority of the Overtime Holding Account. Appropriation levels exceed actual funding due to contingency appropriation. Transfer to appropriation 2TP authority provided by Special Language in Section 42 of Act 2022 of 2005.

Change Level by Appropriation

Appropriation: 2UE-Petroleum Storage Tank Trust
Funding Sources: TPT-Petroleum Storage Tank Trust Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	21,707,924	3	21,707,924	100.0	21,707,924	3	21,707,924	100.0
C02	New Program	185,152	4	21,893,076	100.8	169,607	4	21,877,531	100.7

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	21,707,924	3	21,707,924	100.0	21,707,924	3	21,707,924	100.0
C02	New Program	79,123	2	21,787,047	100.3	79,123	2	21,787,047	100.3

Justification

C02 Congress passed the federal Energy Act of 2005 which mandates: a three-year inspection frequency on all underground storage tank facilities; orders states to develop underground storage tank training programs and additional measures to protect groundwater resources; and emphasizes using Leaking Underground Tank Funds to conduct cleanups of petroleum releases. Current staff levels are not sufficient to meet the requirements of the Energy Act. The Regulated Storage Tank Division is requesting four positions with associated operating support to comply with this federal mandate.

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 Department utilizes this appropriation for contractual services on corrective actions with federal funding derived from the Environmental Protection Agency. These funds require an 80/20 federal/state match ratio.

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regulated Storage Tank 5900043	148,100	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	148,100	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	148,100	3,925,000		3,925,000	3,925,000	3,925,000	3,925,000	3,925,000	3,925,000
Total Funding	148,100	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	148,100	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.

The Illegal Dump Eradication and Corrective Action Program was created by Act 938 of 1997 (A.C.A. 8-6-504) to set forth a state policy to eliminate illegal dumping of solid waste and to provide a means to fund the program up to \$1 million each year for five years. Pursuant to Act 938 of 1997, funding for all programs is capped at \$25 million, with no additional moneys collected once this level is reached; however, collections are reinstated once the fund diminishes to \$15 million. In addition, for administrative purposes, the Department may utilize these funds at a level not exceeding \$300,000 annually, with an annual escalator not exceeding 3%. An additional \$100,000 may be budgeted for administrative expenses of the Illegal Dump Eradication and Corrective Action Program.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes Base Level of \$7,824,453 for each year of the 2007-09 biennium. In addition, the Agency is requesting an increase above Base Level in Capital Outlay of \$5,000 for each year of the biennium. This increase would allow the Department to purchase new tablet computers and necessary software to allow for field and remote location data access. The request is in line with the Department's Information Technology Plan and will be used to increase efficiency in the processes of permitting, compliance monitoring, inspection, and enforcement activities.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UG Landfill Post Closure Program
Funding Sources: TLP-Landfill Post-Closure Trust Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	237,520	273,448	274,394	273,448	273,448	273,448	273,448	273,448	273,448
#Positions	5	6	6	6	6	6	6	6	6
Personal Services Matching 5010003	70,127	78,599	80,302	80,709	80,709	80,709	80,709	80,709	80,709
Operating Expenses 5020002	1,849	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	5,000	5,000	0	5,000	5,000
Contractual Services 5900043	0	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373	7,433,373
Total	309,496	7,822,343	7,824,992	7,824,453	7,829,453	7,829,453	7,824,453	7,829,453	7,829,453
Funding Sources									
Fund Balance 4000005	13,902,178	16,815,821		12,013,307	12,013,307	12,013,307	7,207,929	7,207,929	7,207,929
Special Revenue 4000030	2,825,454	2,800,000		2,795,000	2,800,000	2,800,000	2,795,000	2,800,000	2,800,000
Investments 4000315	397,685	219,829		224,075	224,075	224,075	224,075	224,075	224,075
Total Funding	17,125,317	19,835,650		15,032,382	15,037,382	15,037,382	10,227,004	10,232,004	10,232,004
Excess Appropriation/(Funding)	(16,815,821)	(12,013,307)		(7,207,929)	(7,207,929)	(7,207,929)	(2,402,551)	(2,402,551)	(2,402,551)
Grand Total	309,496	7,822,343		7,824,453	7,829,453	7,829,453	7,824,453	7,829,453	7,829,453

Change Level by Appropriation

Appropriation: 2UG-Landfill Post Closure Program

Funding Sources: TLP-Landfill Post-Closure Trust Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	7,824,453	6	7,824,453	100.0	7,824,453	6	7,824,453	100.0
C08	Technology	5,000	0	7,829,453	100.0	5,000	0	7,829,453	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	7,824,453	6	7,824,453	100.0	7,824,453	6	7,824,453	100.0
C08	Technology	5,000	0	7,829,453	100.0	5,000	0	7,829,453	100.0

Justification

C08	The Solid Waste Division is requesting Capital Outlay appropriation to purchase replacement tablet computers and software to provide data access in the field and remote locations. This change is necessary to provide operational support to address permitting, compliance monitoring, inspection, and enforcement activities.
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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 beginning July 1, 1991 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. A total of 8% of the moneys collected is transferred to the Department'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.

The request for this appropriation includes Base Level of \$6,425,000 each year of the 2007-09 biennium. In addition, the Agency is requesting an increase above Base Level in Grant/Aid of \$275,000 for FY08 and \$550,000 for FY09. This increase would allow the Department to increase the ability of the Solid Waste Division to disburse Tire Recycling Grants to the Regional Solid waste Management Districts.

The Executive Recommendation provides for Base Level.

Appropriation Summary

Appropriation: 2UH Waste Tire Recycling Program
Funding Sources: TTG-Waste Tire Grant Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Grants and Aid	5100004	4,839,521	6,425,000	6,425,000	6,425,000	6,700,000	6,425,000	6,425,000	6,975,000	6,425,000
Total		4,839,521	6,425,000	6,425,000	6,425,000	6,700,000	6,425,000	6,425,000	6,975,000	6,425,000
Funding Sources										
Fund Balance	4000005	1,451,478	1,584,207		59,207	59,207	59,207	0	0	0
Special Revenue	4000030	4,911,323	4,900,000		4,900,000	4,900,000	4,900,000	4,900,000	4,900,000	4,900,000
Transfers / Adjustments	4000683	60,927	0		0	0	0	0	0	0
Total Funding		6,423,728	6,484,207		4,959,207	4,959,207	4,959,207	4,900,000	4,900,000	4,900,000
Excess Appropriation/(Funding)		(1,584,207)	(59,207)		1,465,793	1,740,793	1,465,793	1,525,000	2,075,000	1,525,000
Grand Total		4,839,521	6,425,000		6,425,000	6,700,000	6,425,000	6,425,000	6,975,000	6,425,000

Change Level by Appropriation

Appropriation: 2UH-Waste Tire Recycling Program

Funding Sources: TTG-Waste Tire Grant Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,425,000	0	6,425,000	100.0	6,425,000	0	6,425,000	100.0
C01	Existing Program	275,000	0	6,700,000	104.2	550,000	0	6,975,000	108.5

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	6,425,000	0	6,425,000	100.0	6,425,000	0	6,425,000	100.0
C01	Existing Program	0	0	6,425,000	100.0	0	0	6,425,000	100.0

Justification

C01	The Solid Waste Division is requesting an increase in Grants appropriation to provide additional authority to disburse Tire Recycling Grants to the Regional Solid Waste Management Districts.
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Analysis of Budget Request

Appropriation: 2UJ - St Mktg Brd for Recyclables Prog

Funding Sources: SMB-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 include the development of a program coordinating all existing marketing programs for recyclables as well as an overall marketing plan for Arkansas recyclables; the establishment of an inventory of markets for recyclables in Arkansas and surrounding states with maintenance of current market prices and trends; the working with new and existing industries to encourage the use of recyclables in the manufacturing processes; and the 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 2UB.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. The Base Level request is \$1,500 for each year of the 2007-09 biennium for Regular Salaries to pay Board Member Stipends, as well as, \$115 each year to pay appropriate levels of Personal Services Matching.

The request for this appropriation includes Base Level of \$32,001 each year of the 2007-09 biennium. In addition, the Department is requesting a reallocation from Professional Fees to Capital Outlay of \$3,125 each year of the biennium. The reallocation will allow for the purchase of computer equipment. The equipment purchase is in line with the Department's Information Technology Plan and will be utilized for electronic presentations in schools and other public outreach programs. There is no overall increase in appropriation above Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UJ St Mktg Brd for Recyclables Prog
Funding Sources: SMB-Marketing Board Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	180	1,500	0	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	14	115	0	115	115	115	115	115	115
Operating Expenses	5020002	10,997	13,846	13,846	13,846	13,846	13,846	13,846	13,846	13,846
Conference & Travel Expenses	5050009	2,648	6,415	6,415	6,415	6,415	6,415	6,415	6,415	6,415
Professional Fees	5060010	0	10,125	10,125	10,125	7,000	7,000	10,125	7,000	7,000
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	3,125	3,125	0	3,125	3,125
Total		13,839	32,001	30,386	32,001	32,001	32,001	32,001	32,001	32,001
Funding Sources										
Fund Balance	4000005	134,935	138,371		124,555	124,555	124,555	112,938	112,938	112,938
Special Revenue	4000030	17,275	18,185		20,384	20,384	20,384	20,384	20,384	20,384
Total Funding		152,210	156,556		144,939	144,939	144,939	133,322	133,322	133,322
Excess Appropriation/(Funding)		(138,371)	(124,555)		(112,938)	(112,938)	(112,938)	(101,321)	(101,321)	(101,321)
Grand Total		13,839	32,001		32,001	32,001	32,001	32,001	32,001	32,001

FY06 Actual and FY07 Budgeted amounts in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 2UJ-St Mktg Brd for Recyclables Prog

Funding Sources: SMB-Marketing Board Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	32,001	0	32,001	100.0	32,001	0	32,001	100.0
C04	Reallocation	(3,125)	0	28,876	90.2	(3,125)	0	28,876	90.2
C08	Technology	3,125	0	32,001	100.0	3,125	0	32,001	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	32,001	0	32,001	100.0	32,001	0	32,001	100.0
C04	Reallocation	(3,125)	0	28,876	90.2	(3,125)	0	28,876	90.2
C08	Technology	3,125	0	32,001	100.0	3,125	0	32,001	100.0

Justification

C04	Reallocation: To offset the Capital Outlay request, the department is requesting to reallocate Professional Fees appropriation to Capital Outlay. This reduction is contingent upon the approval of the Capital Outlay request.
C08	The Solid Waste Division is requesting Capital Outlay to purchase computer equipment to enhance the Marketing Board's efforts to develop and provide electronic presentations for use in schools and public outreach programs. To offset this request, the department is requesting to reallocate Professional Fees appropriation to Capital Outlay.

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 moneys collected for the Hazardous Substance Remedial Action Trust Fund up to a \$275,000 per fiscal year (A.C.A. 8-7-509(d)).

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes Base level of \$305,467 each year of the 2007-09 biennium. In addition, the Agency is requesting an increase above Base Level in Capital Outlay of \$11,000 for each year of the biennium. This increase would allow the Department to purchase new computer equipment that will be used in line with the Department's Information Technology Plan to develop and provide electronic environmental education presentations for use in schools and other public outreach programs.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	39,548	39,324	39,324	39,324	39,324	39,324	39,324	39,324	39,324
#Positions	1	1	1	1	1	1	1	1	1
Personal Services Matching 5010003	11,533	11,842	11,496	12,182	12,182	12,182	12,182	12,182	12,182
Operating Expenses 5020002	27,854	151,961	151,961	151,961	151,961	151,961	151,961	151,961	151,961
Conference & Travel Expenses 5050009	1,444	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Professional Fees 5060010	40,639	94,000	94,000	94,000	94,000	94,000	94,000	94,000	94,000
Data Processing 5090012	0	0	0	0	0	0	0	0	0
Capital Outlay 5120011	873	8,000	8,000	0	11,000	11,000	0	11,000	11,000
Total	121,891	313,127	312,781	305,467	316,467	316,467	305,467	316,467	316,467
Funding Sources									
Fund Balance 4000005	202,058	275,998		182,871	182,871	182,871	86,404	86,404	86,404
Other 4000370	195,831	220,000		209,000	220,000	220,000	219,063	230,063	230,063
Total Funding	397,889	495,998		391,871	402,871	402,871	305,467	316,467	316,467
Excess Appropriation/(Funding)	(275,998)	(182,871)		(86,404)	(86,404)	(86,404)	0	0	0
Grand Total	121,891	313,127		305,467	316,467	316,467	305,467	316,467	316,467

FY06 Actual and FY07 Budgeted in Personal Services Matching exceed Authorized amounts to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 2UK-Environmental Education Program

Funding Sources: MEE-Environmental Education Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	305,467	1	305,467	100.0	305,467	1	305,467	100.0
C08	Technology	11,000	0	316,467	103.6	11,000	0	316,467	103.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	305,467	1	305,467	100.0	305,467	1	305,467	100.0
C08	Technology	11,000	0	316,467	103.6	11,000	0	316,467	103.6

Justification

C08	The Water Division is requesting Capital Outlay appropriation to purchase computer equipment to enhance efforts to develop and provide electronic environmental education presentations for use in schools and public outreach programs. The Public Outreach and Assistance Division is requesting Capital Outlay to purchase computer equipment to enhance efforts to develop and provide electronic environmental education presentations for use in schools and public outreach programs.
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Analysis of Budget Request

Appropriation: 2UM - Lead Based Paint Hazard Prog

Funding Sources: MPL-Lead-Based Paint Hazard Fund

The Lead-Based Paint Hazard Program was created by the 81st General Assembly through Act 309 of 1997 (A.C.A. 8-4-409 et esq.). This Act authorized the Department to establish, administer, and enforce a program for training and licensing individuals and firms engaged in lead-based paint activities. Funding is derived from fees charged to consultants, contractors, and trainers conducting lead-based paint activities.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UM Lead Based Paint Hazard Prog
Funding Sources: MPL-Lead-Based Paint Hazard Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Operating Expenses 5020002	5,449	16,825	16,825	16,825	16,825	16,825	16,825	16,825	16,825
Conference & Travel Expenses 5050009	260	1,425	1,425	1,425	1,425	1,425	1,425	1,425	1,425
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	5,709	18,250	18,250	18,250	18,250	18,250	18,250	18,250	18,250
Funding Sources									
Fund Balance 4000005	130,234	136,130		133,041	133,041	133,041	130,965	130,965	130,965
Special Revenue 4000030	11,605	15,161		16,174	16,174	16,174	16,174	16,174	16,174
Total Funding	141,839	151,291		149,215	149,215	149,215	147,139	147,139	147,139
Excess Appropriation/(Funding)	(136,130)	(133,041)		(130,965)	(130,965)	(130,965)	(128,889)	(128,889)	(128,889)
Grand Total	5,709	18,250		18,250	18,250	18,250	18,250	18,250	18,250

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 Department to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. Funding to support the administrative costs of this program is to be derived from interest earnings and repayment streams of the loan program (see appropriation 2UP).

The Department Request is for Base Level.

The Executive Recommendation provides for the Department 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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Loans 5120029	0	0	0	1,100,000	1,100,000	1,100,000	0	0	0
Total	0	0	0	1,100,000	1,100,000	1,100,000	0	0	0
Funding Sources									
Loan Repayment 4000330	0	0		1,100,000	1,100,000	1,100,000	0	0	0
Total Funding	0	0		1,100,000	1,100,000	1,100,000	0	0	0
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	0	0		1,100,000	1,100,000	1,100,000	0	0	0

This is a Biennial Appropriation.

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 Department to establish and administer the Small Business Revolving Loan Fund to encourage the investment in pollution control and prevention technologies. This appropriation provides for the personal services and operating expenses of the Small Business Revolving Loan Program.

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes Base Level of \$51,877 each year of the 2007-09 biennium. In addition, the Department is requesting an increase above Base Level in Professional Fees of \$5,000 for each year of the biennium. This increase would allow the Department to acquire administrative services that will be utilized to evaluate and process environmental loans.

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		2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
		Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	27,819	27,445	27,445	27,445	27,445	27,445	27,445	27,445	27,445
#Positions		1	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	9,398	9,434	9,184	9,772	9,772	9,772	9,772	9,772	9,772
Operating Expenses	5020002	7,129	11,010	11,010	11,010	11,010	11,010	11,010	11,010	11,010
Conference & Travel Expenses	5050009	2,573	3,650	3,650	3,650	3,650	3,650	3,650	3,650	3,650
Professional Fees	5060010	0	0	0	0	5,000	5,000	0	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		46,919	51,539	51,289	51,877	56,877	56,877	51,877	56,877	56,877
Funding Sources										
Interest	4000300	46,919	51,539		51,877	56,877	56,877	51,877	56,877	56,877
Total Funding		46,919	51,539		51,877	56,877	56,877	51,877	56,877	56,877
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
Grand Total		46,919	51,539		51,877	56,877	56,877	51,877	56,877	56,877

FY06 Actual and FY07 Budgeted in Regular Salaries and Personal Services Matching exceed Authorized amounts to matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 2UP-Sm Bus Revolving Loan Prog Exp
Funding Sources: TBL-Small Business Revolving Loan Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	51,877	1	51,877	100.0	51,877	1	51,877	100.0
C01	Existing Program	5,000	0	56,877	109.6	5,000	0	56,877	109.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	51,877	1	51,877	100.0	51,877	1	51,877	100.0
C01	Existing Program	5,000	0	56,877	109.6	5,000	0	56,877	109.6

Justification

C01	The Small Business Assistance Program administers environmental loans to small businesses. Professional Fees and Services is requested to procure required administrative services to evaluate and process environmental loans.
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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, and performance-based budgeting and accounting to measure agency performance. The fund enables the Department to examine infrastructure and develop integrated approaches to environmental management, as well as, implementation of a multi-year redesign of Department regulatory databases. Funding is derived from an apportionment of the interest earned on moneys in the Landfill Post Closure Trust Fund. Fund transfers shall not exceed \$500,000 per fiscal year.

The Agency Request includes Base Level of \$500,000 each year of the 2007-09 biennium. In addition, the Department is requesting an increase of \$100,000. This increase will enable the Department to complete the development and implementation of the integrated information system. Also, this increase would allow the Department to utilize the Performance Partnership Trust Fund balance fully, allowing for the program completion and full utilization of the information systems.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

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

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Performance Integrated Syst 5900046	64,157	500,000	500,000	500,000	600,000	600,000	500,000	600,000	600,000
Total	64,157	500,000	500,000	500,000	600,000	600,000	500,000	600,000	600,000
Funding Sources									
Fund Balance 4000005	1,247,033	1,214,443		733,869	733,869	733,869	255,152	155,152	155,152
Investments 4000315	31,567	19,426		21,283	21,283	21,283	21,283	21,283	21,283
Total Funding	1,278,600	1,233,869		755,152	755,152	755,152	276,435	176,435	176,435
Excess Appropriation/(Funding)	(1,214,443)	(733,869)		(255,152)	(155,152)	(155,152)	223,565	423,565	423,565
Grand Total	64,157	500,000		500,000	600,000	600,000	500,000	600,000	600,000

Change Level by Appropriation

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

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C08	Technology	100,000	0	600,000	120.0	100,000	0	600,000	120.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	500,000	0	500,000	100.0	500,000	0	500,000	100.0
C08	Technology	100,000	0	600,000	120.0	100,000	0	600,000	120.0

Justification

C08	The Computer Services Division is requesting additional appropriation to complete the development and implementation of the intergrated information system. This increase will provide the authority to fully utilize the Performance Partnership Trust fund balance.
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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 as authorized through various settlement agreements benefiting the State of Arkansas as administered through the Arkansas Department of Environmental Quality. The fund consists of moneys received by the State of Arkansas pursuant to settlement agreements for environmental or natural resource damages, interest earnings, and other designated moneys.

The Agency Request is for Base Level.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2UR Environmental Settlement Trust
Funding Sources: TET-ADEQ Environmental Settlement Trust Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Environmental Settlement Trust 5900046	8,750	0	0	1,500,000	1,500,000	1,500,000	0	0	0
Total	8,750	0	0	1,500,000	1,500,000	1,500,000	0	0	0
Funding Sources									
Fund Balance 4000005	1,412,870	0		1,442,797	1,442,797	1,442,797	0	0	0
Investments 4000315	38,677	0		57,203	57,203	57,203	0	0	0
Total Funding	1,451,547	0		1,500,000	1,500,000	1,500,000	0	0	0
Excess Appropriation/(Funding)	(1,442,797)	0		0	0	0	0	0	0
Grand Total	8,750	0		1,500,000	1,500,000	1,500,000	0	0	0

This is a biennial appropriation.

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 develop grants to determine the most efficient process for collecting, transporting, and processing various scrap electronic equipment.

The Agency Request includes Base Level of \$150,000 each year of the 2007-2009 biennium. In addition, the Department is requesting an increase of \$100,000 for each year. The increase will be used for development of grants and promotion of electronic equipment recycling practices.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 2US Computer/Electronic Recycling
Funding Sources: MER-Computer and Electronic Recycling Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
Computer/Electronics Recycling 5900046	79,502	150,000	150,000	150,000	250,000	250,000	150,000	250,000	250,000
Total	79,502	150,000	150,000	150,000	250,000	250,000	150,000	250,000	250,000
Funding Sources									
Fund Balance 4000005	312,549	372,753		369,102	369,102	369,102	269,102	269,102	269,102
M & R Sales 4000340	139,706	146,349		50,000	150,000	150,000	50,000	150,000	150,000
Total Funding	452,255	519,102		419,102	519,102	519,102	319,102	419,102	419,102
Excess Appropriation/(Funding)	(372,753)	(369,102)		(269,102)	(269,102)	(269,102)	(169,102)	(169,102)	(169,102)
Grand Total	79,502	150,000		150,000	250,000	250,000	150,000	250,000	250,000

Change Level by Appropriation

Appropriation: 2US-Computer/Electronic Recycling
Funding Sources: MER-Computer and Electronic Recycling Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C01	Existing Program	100,000	0	250,000	166.6	100,000	0	250,000	166.6

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	150,000	0	150,000	100.0	150,000	0	150,000	100.0
C01	Existing Program	100,000	0	250,000	166.6	100,000	0	250,000	166.6

Justification

C01	The Solid Waste Division is requesting an increase in Computer Electronic Recycling Expenses and Grants to provide additional development grants promoting the recycling of electronic equipment.
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Analysis of Budget Request

Appropriation: 344 - PCE Comm Admn Hearing Officer

Funding Sources: SPE-Department of Environmental Quality Fee 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 Department decisions concerning permit issuance or revocation, and assessment of civil penalties. Act 1077 of 1993 provided appropriations for this Division payable from the Department's Fee Fund. Pursuant to Arkansas Code 8-1-204, funding for this appropriation is derived from special revenues transferred from the Department's Fee Fund (SPE).

A cost of living increase is not incorporated in Base Level pending the outcome of the Classification and Compensation Study. FY07 salary levels have been held flat each year. Personal Services Matching reflects increases in the Base Level due to the Social Security Tax Maximum income limit and certain increase in Worker's Compensation and Unemployment Tax rates. Personal Services Matching also includes a \$30 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$350 per month.

The request for this appropriation includes Base level of \$272,205 each year of the 2007-09 biennium. In addition, the Department is requesting a reallocation of resources of \$2,000 each year from Operating Expenses to Conference & Travel Expenses. Specifically, expenses will cover increases in fuel, lodging, and seminar registration costs for the thirteen (13) commissioners who attend at least one environmental seminar or conference annually.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 344 PCE Comm Admn Hearing Officer
Funding Sources: SPE-Department of Environmental Quality Fee Fund

Commitment Item	Historical Data			Agency Request and Executive Recommendation					
	2005-2006 Actual	2006-2007 Budget	2006-2007 Authorized	2007-2008			2008-2009		
				Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries 5010000	111,164	138,528	125,397	138,528	138,528	138,528	138,528	138,528	138,528
#Positions	2	3	3	3	3	3	3	3	3
Personal Services Matching 5010003	32,962	38,482	35,935	39,538	39,538	39,538	39,538	39,538	39,538
Operating Expenses 5020002	30,504	90,217	90,217	90,217	88,217	88,217	90,217	88,217	88,217
Conference & Travel Expenses 5050009	686	3,922	3,922	3,922	5,922	5,922	3,922	5,922	5,922
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	175,316	271,149	255,471	272,205	272,205	272,205	272,205	272,205	272,205
Funding Sources									
Special Revenue 4000030	175,316	271,149		272,205	272,205	272,205	272,205	272,205	272,205
Total Funding	175,316	271,149		272,205	272,205	272,205	272,205	272,205	272,205
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	175,316	271,149		272,205	272,205	272,205	272,205	272,205	272,205

The FY07 Budgeted amount in Regular Salaries and Personal Services Matching exceed the authorized amount due to salary and matching rate adjustments during the 2005-2007 biennium.

Change Level by Appropriation

Appropriation: 344-PCE Comm Admn Hearing Officer

Funding Sources: SPE-Department of Environmental Quality Fee Fund

Agency Request

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	272,205	3	272,205	100.0	272,205	3	272,205	100.0
C01	Existing Program	2,000	0	274,205	100.7	2,000	0	274,205	100.7
C04	Reallocation	(2,000)	0	272,205	100.0	(2,000)	0	272,205	100.0

Executive Recommendation

Change Level		2007-2008	Pos	Cumulative	% of BL	2008-2009	Pos	Cumulative	% of BL
BL	Base Level	272,205	3	272,205	100.0	272,205	3	272,205	100.0
C01	Existing Program	2,000	0	274,205	100.7	2,000	0	274,205	100.7
C04	Reallocation	(2,000)	0	272,205	100.0	(2,000)	0	272,205	100.0

Justification

C01	The Commission consists of thirteen commissioners, who attend at least one environmental seminar or conference annually. This change is necessary to address increases in fuel, lodging and seminar registration costs. To offset this request, the Commission is requesting to reallocate Operating Expenses appropriation to Conference Fees and Travel.
C04	Reallocation: To offset this request, the Commission is requesting to reallocate Operating Expenses appropriation to Conference Fees and Travel. This reduction is contingent upon the approval of the Conference Fees and Travel request.

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. Funding for this appropriation is derived from general revenues.

The Agency Request is for Base Level.

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	2005-2006	2006-2007	2006-2007	2007-2008			2008-2009		
	Actual	Budget	Authorized	Base Level	Agency	Executive	Base Level	Agency	Executive
PC&E Commission Expenses 5900046	3,965	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Total	3,965	3,977	3,977	3,977	3,977	3,977	3,977	3,977	3,977
Funding Sources									
General Revenue 4000010	3,965	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Total Funding	3,965	3,977		3,977	3,977	3,977	3,977	3,977	3,977
Excess Appropriation/(Funding)	0	0		0	0	0	0	0	0
Grand Total	3,965	3,977		3,977	3,977	3,977	3,977	3,977	3,977