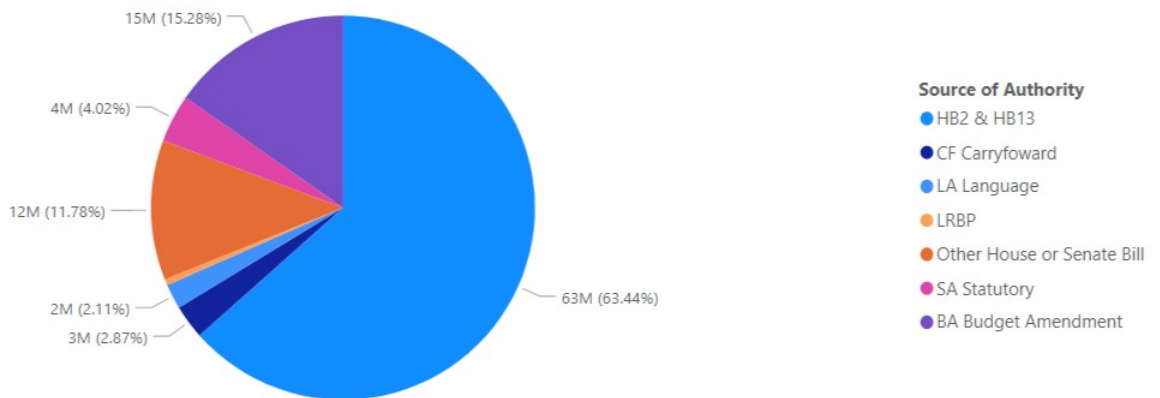


DEPARTMENT OF ENVIRONMENTAL QUALITY

TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 63.4% of the total authority for this agency. All types of appropriation authority for this agency are described below, including total budget and the percent expended by source of authority.

Total Modified Budget by Source of Authority



Source of Authority	Modified Budget	Expended Budget	Percent Expended
HB2 & HB13	63,079,848	16,024,665	25.4%
CF Carryforward	2,849,385		
LA Language	2,100,000		
LRBP	500,000		
Other House or Senate Bill	11,715,301	57,310	0.5%
SA Statutory	4,000,000	1,730,894	43.3%
BA Budget Amendment	15,194,864	1,708,656	11.2%
Total	99,439,398	19,521,525	19.6%

FiscalMonth

Select all

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Budget Amendments

Through budget amendments, the agency increased federal appropriations by \$15.2 million and expended 11.2% of that amount. Budget amendments included:

- Non-point source water quality projects; \$2.5 million budgeted, \$631,000 or 25.2% expended. Non-point source projects protect and restore rivers, lakes, streams, groundwater and wetlands from pollutants from sources such as urban and construction site runoff, agricultural runoff and resource extraction;
- Abandoned mine reclamation; \$8.0 million budgeted, \$88,900 or 1.1% expended. This authority was established for the construction of the Belt Water Treatment Plant which began construction in October 2021;

- Mine permitting and air quality programs; \$3.1 million budgeted, \$681,100 or 21.8% expended. This authority was established for grants from the Department of the Interior for Zortman Landusky and the coal e-permitting system;
- Water quality and monitoring programs; \$1.5 million budgeted, \$298,200 or 19.9% expended. Montana’s water quality monitoring program conducts sampling and analysis of Montana’s surface waters to determine the health or impairment of those waters; and
- Information technology projects; \$35,200 budgeted, \$9,200 or 26.1% expended. This authority is restricted for integration with the Environmental Protection Agency’s SDWIS Prime software.

Statutory Authority

The agency has expended \$1.7 million in statutory authority.

Revenues from a portion (\$0.0075) of the tax on gasoline, diesel, heating oil, and aviation fuel is statutorily appropriated to pay for the petroleum storage tank release clean up and accounts for 4.8% of the agency budget. Authorized statutory funding is expended through the Petroleum Tank Release Compensation Board, which is administratively attached to the agency.

Carryforward

The agency had \$2.8 million or 2.9% of total authority brought forward from FY 2021. This authority is primarily state special revenue budgeted in central management and water quality. The agency has not expended any of this authority. Carryforward authority of \$2.3 million is set aside for cost recovery projects and will only be expended if there are new projects that require the funding.

Language

The legislature provided language in HB 2 to authorize the following appropriations.

The agency has budgeted \$1.1 million in bond revenue for the Carpenter/Snow Creek superfund site near Neihart, Montana. This authority is established to ensure DEQ has the authority necessary to meet the state match requirements for federal superfund site clean-up projects.

The Petro Board budgeted \$1.0 million from the petroleum tank cleanup fund for paying contract expenses.

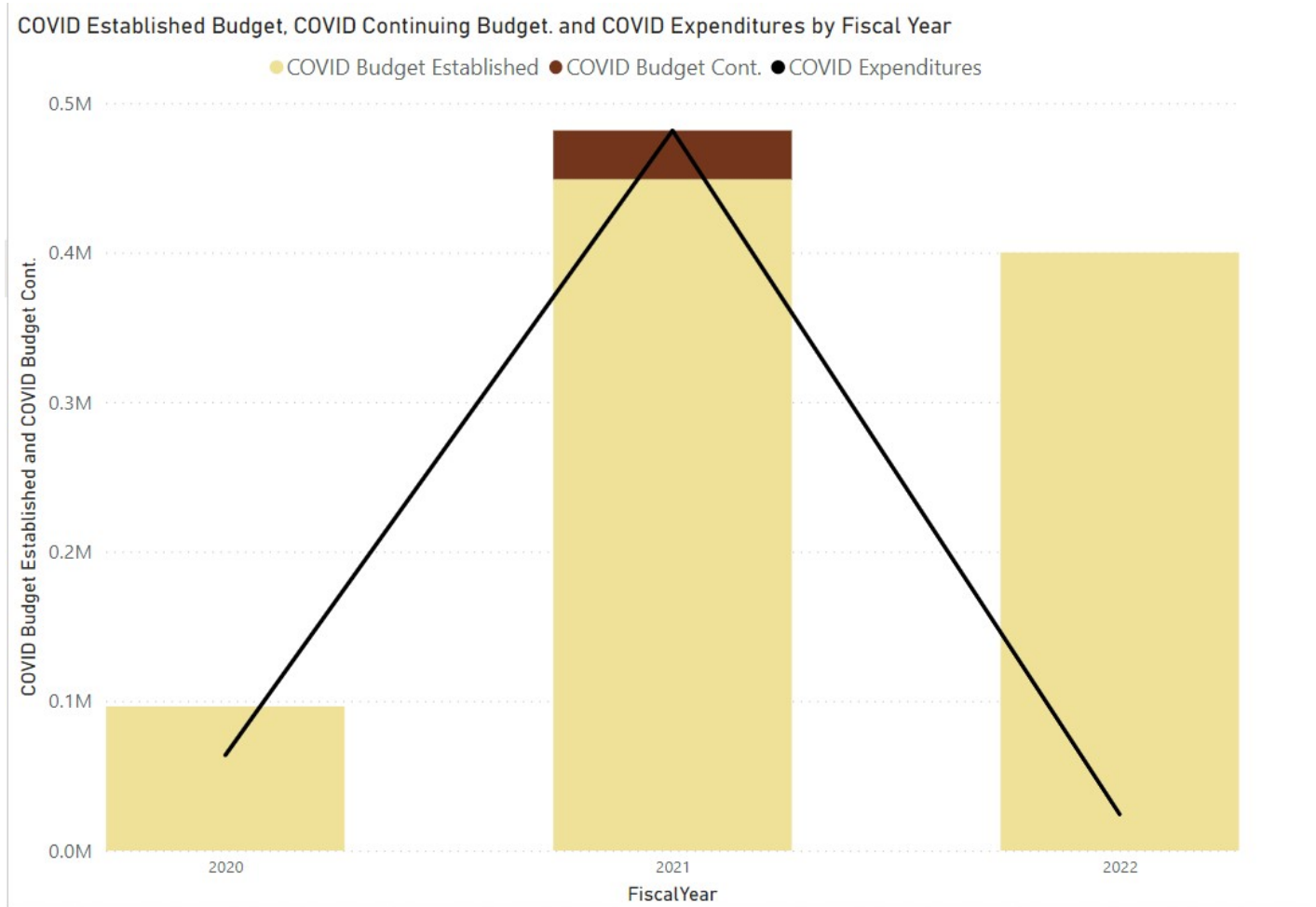
Other Bills

Funding from HB 5 totals \$11.7 million or 11.8% of the budget. These funds are primarily from the orphan share state special revenue account and capital projects account. They are for long range projects related to environmental clean-up and energy conservation capital projects.

- State Building Energy Conservation Funds, \$8.5 million
- Remediation of Leaking Petroleum Tanks, \$2.0 million
- Orphan Share, \$1.2 million

COVID-19 Authority

The following chart is provided to allow the legislature to examine the funding that is available to the agency for COVID-19 impacts. Administrative authority for CARES I and ARPA appropriations was allocated to the agency by the Governor’s Office. Administration authority is not an appropriation and thus is not included in the total appropriation authority shown on the previous page.



No authority for Covid-19 was brought forward from FY 2021. For FY 2022 the agency received \$400,000 in American Recovery Plan act funding, and as of November, the agency has expended \$24,200. The agency’s ARPA funding will be used to cover the costs of additional engineers hired to review new water and sewer infrastructure projects and will be spent over both FY 2022 and FY 2023.

HB 2 BUDGET MODIFICATIONS

The following chart shows the HB 2 budget as passed by the legislature, including the pay plan, and the HB 2 modified budget through November 30, 2021. Net modifications to the budget include operating plan changes from one expenditure account to another, program transfers, reorganizations, and agency transfers of authority. The **positive modifications** and **negative modifications** are shown by program, expenditure account, and fund type.

Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	Legislative Budget	Modified Budget	Net Modifications
Dept of Environmental Quality	63,079,848	63,079,848	0
AIR ENERGY & MINING DIVISION	16,494,870	16,335,462	-159,408
CENTRAL MANAGEMENT PROGRAM	4,024,411	4,331,831	307,420
LIBBY ASBESTOS SF ADVISORY TM	480,000	480,000	
PETRO TANK RELEASE COMP BOARD	645,825	645,825	
WASTE MGMT & REMEDIATION DIV	22,714,769	22,601,194	-113,575
WATER QUALITY DIVISION	18,719,973	18,685,536	-34,437
Total	63,079,848	63,079,848	0

Expenditure	Legislative Budget	Modified Budget	Net Modifications
61000 Personal Services	32,009,435	31,973,867	-35,568
62000 Operating Expenses	25,728,166	25,763,734	35,568
63000 Equipment & Intangible Assets	101,740	101,740	
66000 Grants	1,775,863	1,775,863	
67000 Benefits & Claims	425,000	425,000	
68000 Transfers-out	3,039,644	3,039,644	0

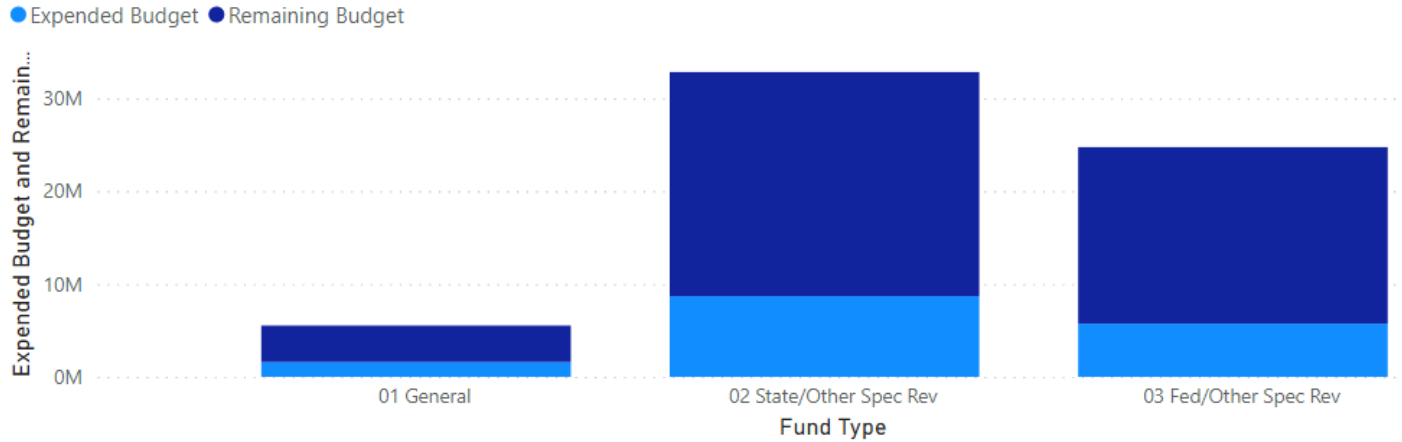
Fund Type	Legislative Budget	Modified Budget	Net Modifications
01 General	5,524,436	5,524,436	0
02 State/Other Spec Rev	32,819,464	32,819,464	0
03 Fed/Other Spec Rev	24,735,948	24,735,948	0

The legislature gave the agency the authority to reallocate personal services to manage an additional 1.0% vacancy savings imposed in the 2021 legislative session. To meet the vacancy savings requirement, the agency moved \$282,420 of personal services authority from the Air Energy & Mining Division, the Water Quality Division, and the Waste Management & Remediation Division to the Central Management Program. The agency transferred federal authority totaling \$25,000 from the Waste Management & Remediation Division to the Central Management Program. Changes to the operating plan, included moving \$35,568 from personal services to operating expense in the Water Quality Division.

HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2021.

Expended Budget and Remaining Budget by Fund Type - HB 2 Only



Expenditure	Modified Budget	Expended Budget	Percent Expended
Personal Services	31,973,867	10,335,946	32.3%
Operating Expenses	25,763,734	4,923,935	19.1%
Equipment & Intangible Assets	101,740		
Grants	1,775,863	725,581	40.9%
Benefits & Claims	425,000	39,203	9.2%
Transfers-out	3,039,644		

Program Name	Modified Budget	Expended Budget	Percent Expended
AIR ENERGY & MINING DIVISION	16,335,462	3,865,433	23.7%
CENTRAL MANAGEMENT PROGRAM	4,331,831	1,113,569	25.7%
LIBBY ASBESTOS SF ADVISORY TM	480,000		
PETRO TANK RELEASE COMP BOARD	645,825	225,849	35.0%
WASTE MGMT & REMEDIATION DIV	22,601,194	5,676,393	25.1%
WATER QUALITY DIVISION	18,685,536	5,143,422	27.5%
Total	63,079,848	16,024,665	25.4%

The authority from HB 2 supports \$63.1 million or 63.8% of the agency total budget and is funded primarily with state special and federal special revenue. General fund supports only \$5.5 million or 8.8% of the agency HB 2 budget and is used primarily to fund personal services, match federal grant programs, and operations across all programs. The agency has expended 25.4% of the HB 2 appropriation as of November.

Personal Services

The agency was budgeted \$32.0 million in personal services to fund 365.5 FTE. The agency has expended 32.3% of that appropriation as of the end of November. By comparison, in the three previous biennia, expenditure rates for personal services at this same point of the fiscal year have ranged between 31.3% and 36.8%, with an average of 33.4%.

Operations

The agency expended 19.1% of the \$25.8 million budgeted for operations, 0.8% less than the average expenditure rate of 19.9% in the previous three biennia.

Unspent authority in the central management program is primarily related to state special revenue authority for cost recovery projects and continuing authority related to federal grants. Cost recovery activities are driven by industry and are dependent on applications submitted. The amount of authority expended is directly tied to the work associated with applications as they are submitted.

Unspent authority in the Waste Management & Remediation Division is primarily related to multi-year grant funding for abandoned mines and Superfund sites. Both the authority and these projects often span multiple fiscal years.

Transfers

The HB 2 budget for transfers totaled \$3.0 million, 90.0% federal funds, and was 0.0% expended. Major components of the \$2.7 million in unexpended federal funds include:

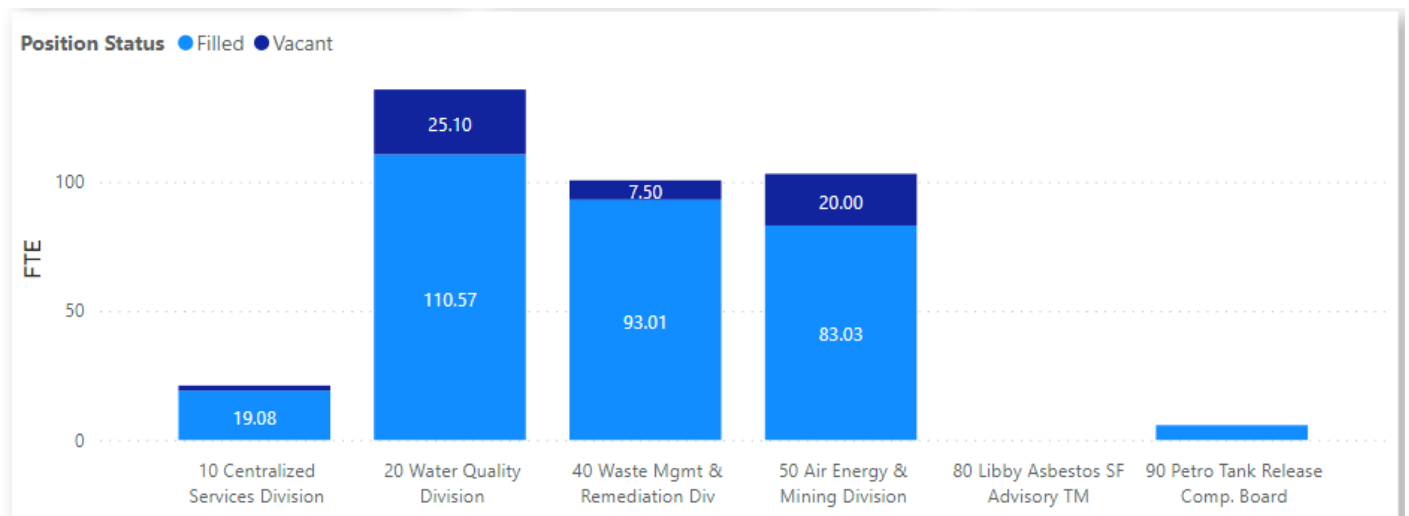
- Abandoned mines: \$2.4 million
- Superfund sites: \$260,000
- Other federal support: \$340,000

Grants, Benefits & Claims

Grants, benefits and claims are primarily funded with state special revenue and were 34.7% expended. Grant expenditures represent money disbursed to counties as part of the subdivision plat review program in the water quality division, as well as the junk vehicle and septic pumper programs in the waste management and remediation division.

Personal Services

The following chart shows the filled and vacant FTE within the agency as of November 1, 2021.



Total FTE

The Department of Environmental Quality has 365.54 FTE funded in HB 2, each division is staffed as follows:

- Centralized Services Division – 20.58 FTE
- Water Quality Division – 135.67 FTE
- Waste Management & Remediation Division – 100.01 FTE
- Air Energy & Mining Division – 103.53 FTE
- Libby Asbestos Advisory Team – 0.00 FTE
- Petroleum Tank Release Compensation Board – 5.75 FTE

Utilization Rate

Of the total personal services hours available, the agency has utilized 80.3%.

Vacancies

Vacant positions total 54.6 FTE, vacant full-time positions total 54.10 FTE and part-time positions total 0.5 FTE. Positions vacant less than six months total 23.50 FTE. 12.00 FTE have been vacant between six months to a year. Positions open for more than a year total 19.1 FTE; the longest position has been open for 7.4 years.

In addition to smaller applicant pools, the agency has experienced a higher percentage of offers being rejected in recent years.

The following table lists the vacancies as of November.

Department of Environmental Quality Vacancies November 2021							
<u>Air Energy & Mining Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>	<u>Centralized Services Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>
Exploration and Small Miner	1.00	1.2	0.1	Environmental Enforcement Spc	1.00	6.36	0.53
Program Support Specialist	1.00	1.8	0.1	Environmental Enforcement Spc	1.00	29.67	2.47
Air Quality Scientist	1.00	2.0	0.2	Division Total ¹	2.00	18.02	1.50
Computer Systems Analyst	1.00	3.1	0.3	<u>Water Quality Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>
Reclamation Specialist	1.00	3.1	0.3	Environmental Engineer PE	1.00	1.5	0.1
Data Control Specialist	1.00	5.0	0.4	Env Sci Field Inspector	1.00	2.0	0.2
Reclamation Specialist	1.00	5.0	0.4	Water Quality Specialist	1.00	2.7	0.2
Program Support Specialist	1.00	5.3	0.4	Computer Systems Analyst	1.00	3.1	0.3
Air Quality Planner	1.00	5.4	0.4	Section Supervisor	1.00	3.1	0.3
Bureau Chief	1.00	5.9	0.5	Water Quality Specialist	1.00	3.1	0.3
Air Quality Assurance Manager	1.00	9.1	0.8	Water Quality Specialist	1.00	3.6	0.3
Computer Systems Analyst	1.00	9.1	0.8	License Examiner Specialist	1.00	4.1	0.3
Reclamation Specialist	1.00	9.1	0.8	Database Analyst	1.00	5.0	0.4
Permit Coordinator	1.00	10.5	0.9	Water Quality Standards Spc	1.00	5.0	0.4
Environmental Engineering Spc	1.00	16.9	1.4	Program Financial Specialist	1.00	5.4	0.5
Reclamation Specialist	1.00	19.2	1.6	Sr. Drinking Water Scientist	1.00	6.4	0.5
Air Quality Engineer	1.00	25.0	2.1	Water Quality Monitoring Spec	1.00	6.6	0.5
Air Quality Engineer	1.00	26.8	2.2	Water Quality Science Spc	1.00	7.0	0.6
GIS Analyst	1.00	33.9	2.8	Lead Water Qual & Monit Coord	1.00	9.1	0.8
Vegetation and Soil Scientist	1.00	54.1	4.5	Water Quality Monitoring Spec	1.00	11.0	0.9
Division Total ¹	20.00	12.6	1.0	Subdivision Review Sanitarian	1.00	17.4	1.4
<u>Waste Mgmt & Remediation Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Years Vacant</u>	Water Quality Modeler	1.00	24.3	2.0
Rule Expert & Coordinator	1.00	2.6	0.2	Water Quality Science Spec	1.00	28.4	2.4
Section Supervisor	1.00	2.7	0.2	Environmental Eng/Modeler	1.00	37.6	3.1
Environmental Scientist 2	0.50	5.0	0.4	Environmental Scientist 2	0.10	40.5	3.4
Hazardous Waste Specialist	1.00	7.0	0.6	Air Quality Scientist	1.00	44.5	3.7
Environmental Project Officer	1.00	11.9	1.0	Water Quality Specialist	1.00	52.3	4.4
Environmental Scientist 2	1.00	23.2	1.9	Water Quality Science Spec	1.00	60.5	5.0
Sr. Environmental Proj Officer	1.00	25.6	2.1	Senior TMDL Planner	1.00	68.3	5.7
Computer Systems Analyst	1.00	49.0	4.1	Water Quality Specialist	1.00	88.1	7.3
Division Total ¹	7.50	16.6	1.4	Division Total ¹	25.10	20.1	1.7

¹ Division Totals for months and days vacant are weighted averages

Turnover

Since July, the agency has had 5.0 FTE leave state employment, 5.0 FTE have retired, and 3.0 FTE have transferred to another agency.

OTHER ISSUES

Information Technology Projects

Coal Information Management System (CIMS)

The Coal Information Management System (CIMS) is a Coal ePermitting System funded with \$1.75 million in federal grants.

CIMS Phase I: The Office of Surface Mining Reclamation and Enforcement (OSMRE) is still determining what direction they want on the Inspection and Enforcement (INE) application. This phase of the CIMS project is on hold pending that decision.

CIMS Phase II: The current application in phase II is DEQ's Bond Reclamation Calculation Estimating Application. This web application will be built by DEQ, and once complete, given to OSMRE where they can make their modifications. Development started on 11/01/21 and DEQ expended \$736,500 during the month of November. This application is slated to be complete for DEQ by 1/31/2025 and OSMRE's version would then be completed by 6/30/2026.

Update on Decision Packages Approved by the 2021 Legislature

DP 90 - Orphan Share Expanded Use (RST/BIEN)

FY 2022 \$250,000 State Special Revenue

FY 2023 \$250,000 State Special Revenue

The legislature approved expanded use of the orphan share account to allow the Department of Environmental Quality to evaluate and take remedial actions and to respond to a release or threatened release at petroleum or hazardous substance sites. As of November, the agency has expended \$1,800 under this authority.