

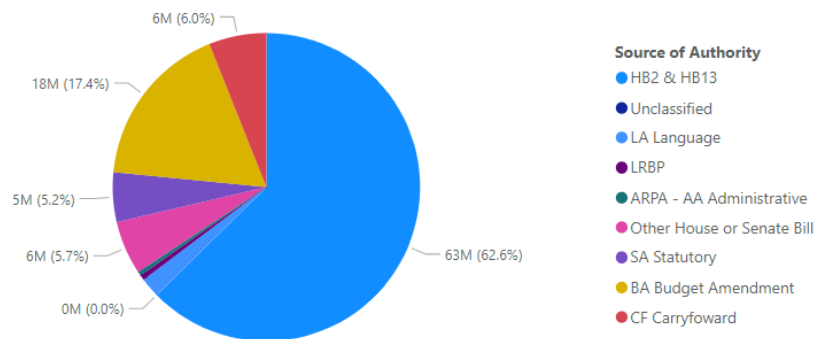
# DEPARTMENT OF ENVIRONMENTAL QUALITY

## FISCAL 2022 YEAR END REPORT

### TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the agency is shown in the pie chart below. HB 2 and HB 13 provide 62.6% 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	FYE22 Modified Budget	FYE22 Expended Budget	Percent Expended
HB2 & HB13	63,198,118	47,726,090	75.5%
BA Budget Amendment	17,551,864	4,384,297	25.0%
CF Carryforward	6,103,239	1,031,769	16.9%
LA Language	2,100,000		
LRBP	560,000	459,331	82.0%
Other House or Senate Bill	5,715,301	898,936	15.7%
SA Statutory	5,250,000	4,934,220	94.0%
Unclassified	1,953		
ARPA	400,000	70,127	17.5%
<b>Total</b>	<b>100,880,475</b>	<b>59,504,769</b>	<b>59.0%</b>

### Budget Amendments

Through budget amendments, the agency increased federal appropriations by \$17.6 million and has expended 25.0% of that amount. Budget amendments include:

- Non-point source water quality projects; \$4.0 million budgeted, \$1.2 million or 30.0% 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, \$704,900 or 8.8% expended. This authority was established for the construction of the Belt Water Treatment Plant for acid mine drainage for which construction began in October 2021
- Mine permitting and air quality programs; \$4.0 million budgeted, \$1.7 million or 42.5% 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, \$754,800 or 50.3% 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
- Information technology projects; \$35,200 budgeted, \$9,200 or 26.1% expended. This authority is restricted for integration with the Environmental Protection Agency’s Safe Drinking Water Information System (SDWIS) Prime software

## **Statutory Authority**

The agency has expended \$4.9 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 5.2% 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 \$6.1 million or 6.1% of total authority brought forward from FY 2021. This authority is primarily state special revenue budgeted for cost recovery projects and will only be expended if there are new projects that require the funding. The agency has expended \$1.0 million or 16.9% of this authority.

## **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.

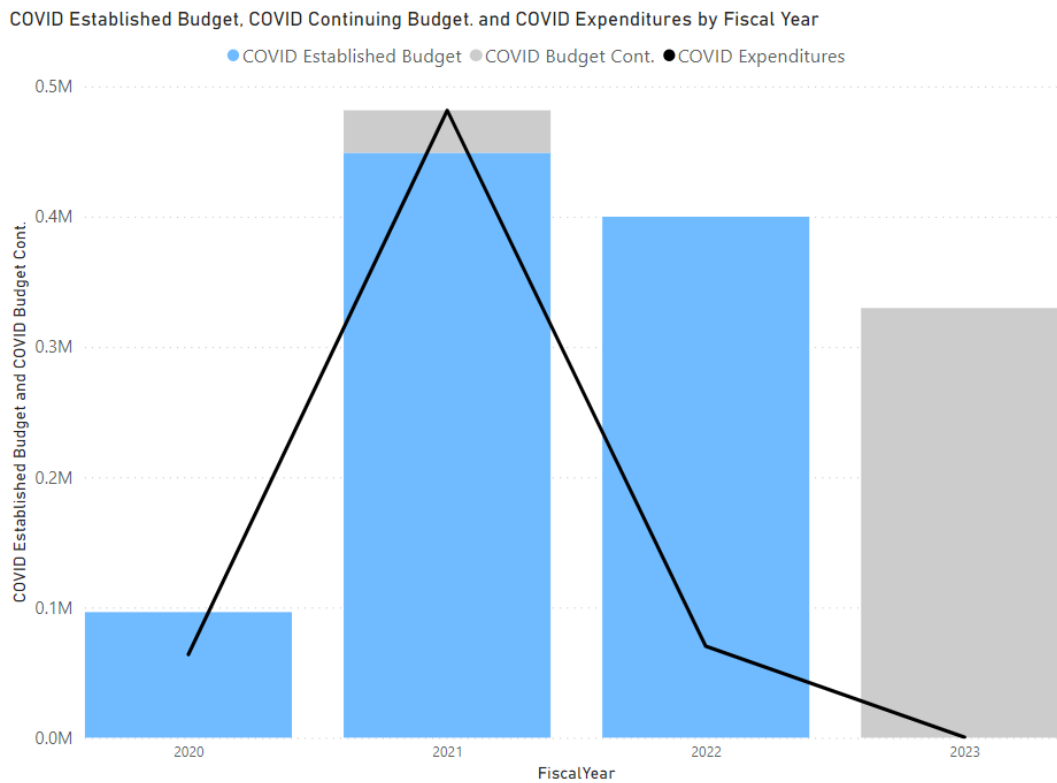
The Petroleum Board budgeted \$1.0 million from the petroleum tank cleanup fund for paying contract expenses.

## **Other Bills**

Funding from HB 5 totals \$5.7 million or 5.7% of the budget, of which \$898,900 or 15.7% has been expended. These funds are primarily from the orphan share, petroleum tank remediation state special revenue accounts, and capital projects account. They are for long-range projects related to environmental clean-up and energy conservation capital projects.

### 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.



No authority for Covid-19 was brought forward from FY 2021. For FY 2022, the agency received \$400,000 in American Recovery Plan Act (ARPA) funding; the agency expended \$70,100 in FY 2022. The agency’s remaining ARPA funding totaling \$329,900 will be used to cover the costs of additional engineers hired to review new water and sewer infrastructure projects in 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 in FY 2022. 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	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
<b>Dept of Environmental Quality</b>	<b>63,079,848</b>	<b>118,270</b>	<b>63,198,118</b>	<b>0</b>	<b>63,198,118</b>
AIR ENERGY & MINING DIVISION	16,494,870	-259,408	16,235,462	0	16,235,462
CENTRAL MANAGEMENT PROGRAM	4,024,411	157,420	4,181,831	0	4,181,831
LIBBY ASBESTOS SF ADVISORY TM	480,000		480,000		480,000
PETRO TANK RELEASE COMP BOARD	645,825		645,825		645,825
WASTE MGMT & REMEDIATION DIV	22,714,769	-115,305	22,599,464	0	22,599,464
WATER QUALITY DIVISION	18,719,973	335,563	19,055,536		19,055,536
<b>Total</b>	<b>63,079,848</b>	<b>118,270</b>	<b>63,198,118</b>	<b>0</b>	<b>63,198,118</b>

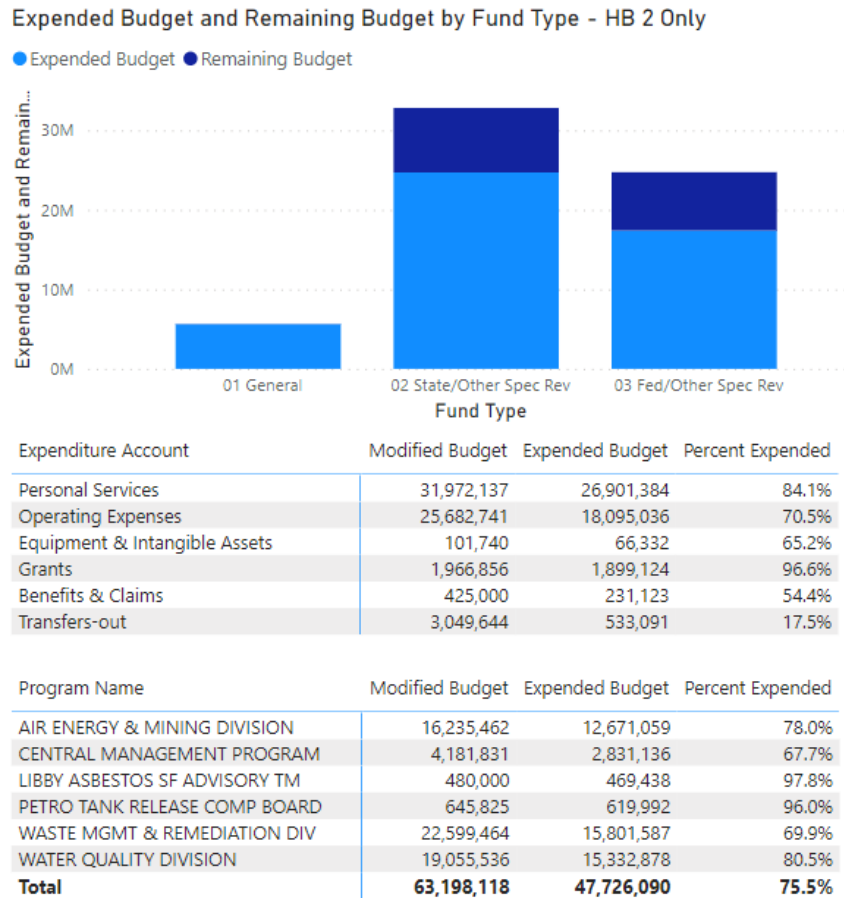
Expenditure Account	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
61000 Personal Services	32,009,435	-37,298	31,972,137		31,972,137
62000 Operating Expenses	25,728,166	-35,425	25,692,741	-10,000	25,682,741
63000 Equipment & Intangible Assets	101,740		101,740		101,740
66000 Grants	1,775,863	190,993	1,966,856		1,966,856
67000 Benefits & Claims	425,000		425,000		425,000
68000 Transfers-out	3,039,644	0	3,039,644	10,000	3,049,644

Fund Type	Starting Budget	Prior Period Modifications	Legislative Budget	Net Modifications	Modified Budget
01 General	5,524,436	119,800	5,644,236		5,644,236
02 State/Other Spec Rev	32,819,464	-957	32,818,507	0	32,818,507
03 Fed/Other Spec Rev	24,735,948	-573	24,735,375	0	24,735,375

Modifications to the budget in the last quarter moved \$10,000 of state special and federal authority from operating expenses to cover transfers to the State Library. There was one change in the total budget.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures for FY 2022.



The authority from HB 2 supports \$63.2 million or 62.6% of the agency total budget. The agency has expended 75.5% of the total appropriation for FY 2022. At 51.9% of the total budget, state special revenues support just over half of the budget, while federal sources support 39.1%. State special and federal special revenue was 73.2% expended. General fund supports only \$5.6 million or 8.9% of the agency's HB 2 budget and was 99.4% expended. General fund is used primarily to fund personal services and to match federal grant programs and operations across all programs.

### Personal Services

The agency was budgeted \$32.0 million in personal services to fund 365.5 FTE through HB 2. The agency has expended 84.1% of that appropriation in FY 2022. By comparison, in the three previous biennia, expenditure rates for personal services for the fiscal year have ranged between 96.1% and 97.7%, with an average of 96.0%. The agency has had difficulties in hiring. In the last six months of FY 2022, the agency has posted 95 job openings, of which 31 were filled, 50 are currently open, and 14 were canceled. Positions that received three or fewer applications total 16, while five positions received only one application, and one position for an attorney received no applications.

## Operations

The agency expended 70.5% of the \$25.7 million budgeted for operations, lower than the average expenditure rate of 84.0% in the previous three biennia.

## Transfers

The HB 2 budget for transfers totaled \$3.0 million and was 17.5% expended. Major components of the appropriation for transfers include:

State Special Revenue, \$343,000 budgeted, \$472,000 expended

- Libby Asbestos Team, \$307,200 budgeted, \$469,400 expended
- Other remediation programs, \$35,800 budgeted, \$2,500 expended

Federal Revenues, \$2.7 million budgeted, \$61,100 expended

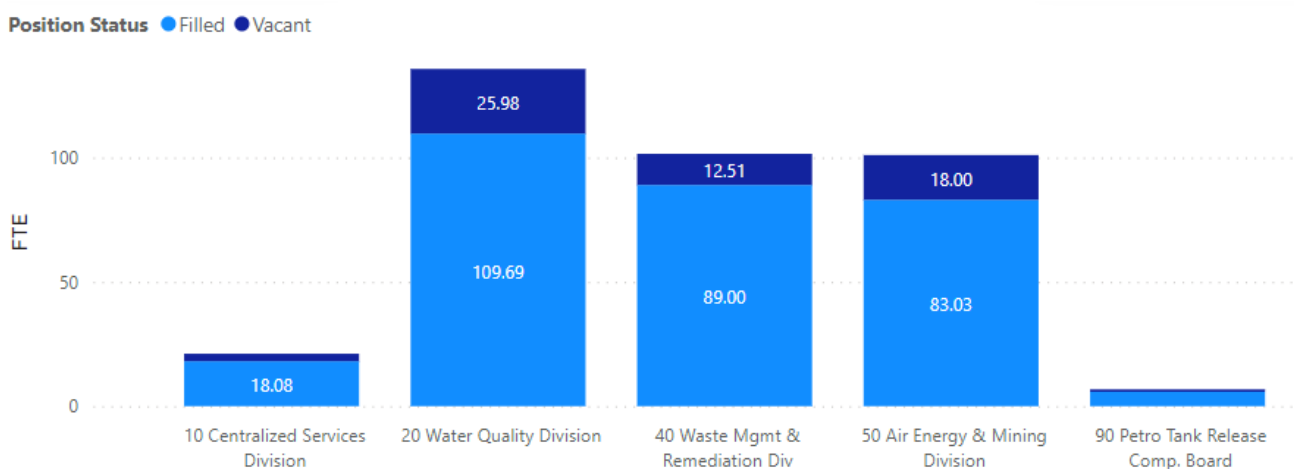
- Abandoned mines: \$2.4 million budgeted, unexpended
- Superfund sites and other remediation: \$276,000, \$49,200 expended
- Other federal support: \$9,800, \$11,900 expended

## Grants, Benefits & Claims

Grants, benefits and claims are primarily funded with state special revenue, which combined, were 89.1% 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 at fiscal year end.



**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 84.5%.

**Vacancies**

Vacant positions total 60.49 FTE, an increase of 5.00 FTE from the previous report. The average position has been vacant for about eleven months.

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 FYE 2022.

Department of Environmental Quality Vacancies FYE 2022							
<b>Air Energy &amp; Mining Division</b>	<b>FTE</b>	<b>Months Vacant</b>	<b>Years Vacant</b>	<b>Centralized Services Division</b>	<b>FTE</b>	<b>Months Vacant</b>	<b>Years Vacant</b>
Bureau Chief	1.00	13.8	1.2	MEPA-MFSA Coordinator	1.00	8.3	0.7
Mining Environmental Scientist	1.00	1.0	0.1	Attorney	1.00	0.7	0.1
Program Section Supervisor	1.00	7.0	0.6	Environmental Enforcement Spc	1.00	1.9	0.2
Program Support Specialist	1.00	2.2	0.2	<b>Division Total <sup>1</sup></b>	<b>3.00</b>	<b>3.6</b>	<b>0.3</b>
Program Support Specialist	1.00	4.0	0.3				
Computer Systems Analyst	1.00	17.0	1.4	<b>Water Quality Division</b>	<b>FTE</b>	<b>Months Vacant</b>	<b>Years Vacant</b>
Reclamation Specialist	1.00	11.1	0.9	Adaptive Mgmt Prog Scientist	1.00	52.4	4.4
Reclamation Specialist	1.00	1.0	0.1	Computer Systems Analyst	1.00	11.1	0.9
Reclamation Specialist	1.00	27.1	2.3	Water Quality Permit Writer	1.00	1.4	0.1
Energy Professional Engineer	1.00	7.9	0.7	Program Financial Specialist	1.00	1.4	0.1
Small Business Ombudsman	1.00	4.0	0.3	SRF Professional Engineer	1.00	0.8	0.1
AQ Engineering Scientist	1.00	1.0	0.1	Bureau Chief	1.00	1.9	0.2
AQ Environmental Scientist	1.00	9.9	0.8	Water Quality Scientist	1.00	68.5	5.7
AQ Environmental Scientist	1.00	1.7	0.1	Data Control Specialist	1.00	0.0	0.0
AQ Environmental Scientist	1.00	3.0	0.2	Water Quality Modeler	1.00	45.5	3.8
Program Section Supervisor	1.00	24.9	2.1	WQ Monitoring Scientist	1.00	1.0	0.1
Air Quality Meteorologist	1.00	3.3	0.3	Engineering Section Supervisor	0.98	96.0	8.0
Air Quality Monitoring Coord	1.00	1.44	0.12	Water Quality Specialist	1.00	10.6	0.9
<b>Division Total <sup>1</sup></b>	<b>18.00</b>	<b>7.85</b>	<b>0.65</b>	WQ Standards Scientist	1.00	12.9	1.1
				Water Quality Modeler	1.00	32.2	2.7
<b>Waste Management &amp; Remediation Division</b>	<b>FTE</b>	<b>Months Vacant</b>	<b>Years Vacant</b>	WQ Standards Scientist	1.00	15.0	1.2
Environmental Project Officer	1.00	13.0	1.1	WQ Monitoring Scientist	1.00	17.0	1.4
Environmental Project Officer	1.00	2.9	0.2	Database Analyst	1.00	12.9	1.1
Environmental Project Officer	0.50	7.0	0.6	Water Quality Permit Writer	1.00	0.3	0.0
Environmental Project Officer	0.51	7.4	0.6	Program Support Specialist	1.00	2.1	0.2
Program Section Supervisor	1.00	0.8	0.1	Environmental Field Inspector	1.00	2.5	0.2
Program Support Specialist	1.00	3.8	0.3	Drinking Water Scientist	1.00	8.3	0.7
Program Support Specialist	1.00	3.3	0.3	Drinking Water Scientist	1.00	1.0	0.1
Program Support Specialist	1.00	3.5	0.3	Water Quality Permit Writer	1.00	5.0	0.4
Computer Systems Analyst	1.00	57.0	4.7	Environmental Compliance Insp	1.00	1.2	0.1
Hazardous Waste Specialist	1.00	1.0	0.1	Operations Analyst	1.00	7.0	0.6
Waste Mgmt Specialist	1.00	4.2	0.3	Water Quality Scientist	1.00	36.3	3.0
Waste Mgmt Specialist	1.00	5.1	0.4	<b>Division Total <sup>1</sup></b>	<b>25.98</b>	<b>17.0</b>	<b>1.4</b>
Asbestos-Meth Environmental Sp	0.50	13.0	1.1				
Asbestos-Meth Environmental Sp	1.00	7.0	0.6				
<b>Division Total <sup>1</sup></b>	<b>12.51</b>	<b>9.2</b>	<b>0.8</b>				
<b>Petroleum Tank Release Commission</b>	<b>FTE</b>	<b>Months Vacant</b>	<b>Years Vacant</b>				
Fund Cost Specialist	1.00	1.0	0.1				
<b>Division Total <sup>1</sup></b>	<b>1.00</b>	<b>1.0</b>	<b>0.1</b>	<b>Agency Total</b>	<b>60.49</b>	<b>11.4</b>	<b>0.9</b>

<sup>1</sup> Division Totals for months and days vacant are weighted averages

Since the beginning of the calendar year, the agency has posted 72 job openings, of which 23 were filled, 40 are currently open, and 9 were canceled. Positions that received three or fewer applications total 9, one position for an attorney received no applications. Job openings are typically posted for 30 days.

### ***Turnover***

Since July, the agency has had 34.00 FTE leave state employment, 17.00 FTE have retired, and 14.00 FTE have transferred to another agency.

### **Pay Adjustments**

The agency made 210 adjustments to pay increasing annual personal services cost by \$736,800 annually. Pay adjustments include;

- Longevity – 84
- Performance Adjustment – 67
- Market Adjustment – 43
- Career Ladder Adjustment – 10
- Correct Inaccurate Pay – 5
- Reclassification – 1

## **OTHER ISSUES**

### **Information Technology Projects**

#### Coal Information Management System (CIMS)

The Coal Information Management System (CIMS) is a coal e-permitting system funded with \$1.75 million in federal grants. To date, 55.7% or \$807,800 has been expended

*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. 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.

#### Fees Application and Compliance Tracking System (FACTS)

The Montana Department of Environmental Quality (DEQ) developed the Fees, Application, and Compliance Tracking System (FACTS) for DEQ's water protection permit applications in 2018. The agency has expended \$380,600 on the project.

Phase III of the FACTS project will expand the FACTS ePermitting system to include:

- Additional DEQ permit applications
- Development of an end-to-end solution for open-cut permits
- Small miner exclusion statements
- Portable air facility registrations



- Subdivision approval process
- Replace current legacy systems in DEQ's Air, Energy, and Mining Division and DEQ's Engineering and Subdivision Bureau

The expanded FACTS system will align with state standards, include new and/or refined business functionality required by state and federal law, and meet permitting and application requirements identified in Air, Energy, and Mining's 2019 and the Subdivision Bureau's 2021 business process assessment.

### **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 FYE 2022, the agency has expended \$53,400 under this authority.