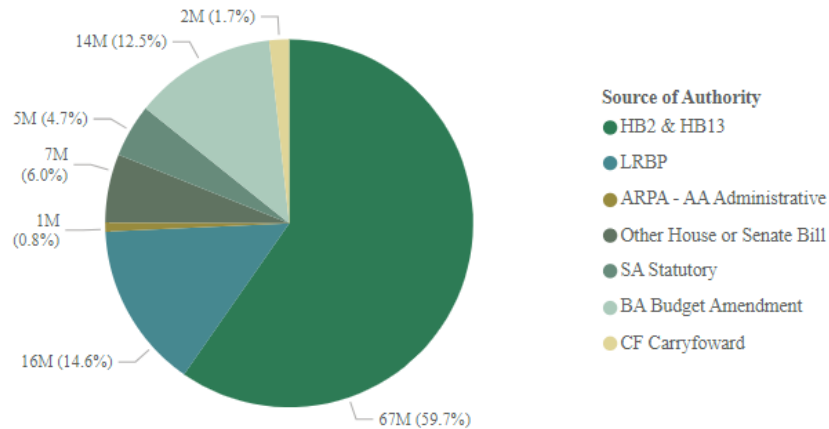


# DEPARTMENT OF ENVIRONMENTAL QUALITY

## TOTAL APPROPRIATION AUTHORITY

The total appropriation authority for the Department of Environmental Quality is shown in the pie chart below. HB 2 and HB 13 provide 59.7% 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	% Expended
HB2 & HB13	67,158,081	18,106,126	27.0%
BA Budget Amendment	14,075,823	496,396	3.5%
CF Carryforward	1,959,058	0	0.0%
LRBP	16,434,401	2,132,458	13.0%
Other House or Senate Bill	6,788,812	101,784	1.5%
SA Statutory	5,250,000	1,097,818	20.9%
ARPA	865,959	104,534	12.1%
<b>Total</b>	<b>112,532,134</b>	<b>22,039,116</b>	<b>19.6%</b>

## Budget Amendments

Statute allows agencies to amend the budget to access additional federal revenues (17-7-402(1)(a)(xii), MCA). Federal authority through budget amendments totals \$14.1 million.

Major projects funded through budget amendments include:

- Zortman and Landusky water treatment and reclamation; \$3.2 million budgeted, unexpended
- Montana Environmental Protection Agency Pollution Reduction Planning Grant; \$3.0 budgeted, unexpended

This funding is granted under the Inflation Reduction Act to the Montana Department of Environmental Quality to develop a comprehensive, economy-wide climate mitigation plan or update an existing plan in

collaboration with air pollution control districts, large and small municipalities statewide, and tribal governments.

- Nonpoint source water quality projects; \$2.9 million budgeted, 338,500 expended

Nonpoint 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.

- High Efficiency Electric Home Rebate Program; \$1.8 million budgeted, unexpended

The High-Efficiency Electric Home Rebate Act (HEEHRA) provides point-of-sale consumer rebates to enable low- and moderate-income households to electrify their homes.

- Coal E-Permitting; \$1.5 million budgeted, \$67,600 expended.

The coal e-permitting system manages new permits and modification to existing coal mining permits. The system also tracks reclamation activities.

- Air quality monitoring programs; \$650,000 budgeted, \$8,400 expended.

Funding support for the air monitoring network is to monitor, assess and provide information on statewide air quality conditions and trends.

- Lead monitoring in school drinking water; \$280,200 budgeted \$13,115 expended

This funding is to support sampling and remediation technical assistance and guidance to schools.

- Other water quality and IT grants; \$770,000 budgeted, \$68,800 expended.

## **Other Bills**

Funding from HB 5 totals \$6.8 million or 6.5% of the budget; \$101,800 or 1.5% has been expended. State special revenue for petroleum tank remediation totals \$603,300. From state building energy conservation funds for the purposes of making capital improvements, HB 5 appropriated \$6.2 million to improve energy efficiency of state buildings.

## **Long-Range Building and Planning**

The agency has expended \$2.1 million of \$16.4 million in federal special revenue authorized for long-range building.

The long-range building program (LRBP) is 15.7% of the agency's authority. For more information on long range building projects, see the infrastructure table at: [Long-Range Building Projects Map](#)

## **Carryforward Authority**

After each fiscal year, 30.0% of the unexpended and unencumbered HB 2 appropriation in the prior fiscal year for personal services, operating expenses, and equipment may be re-appropriated in the two fiscal years following (17-7-304(4)(a), MCA).

The agency had \$2.0 million in total authority carried forward from FY 2023. The carryforward authority is primarily state special revenue. Funding supports the Montana Pollutant Discharge Elimination System (MPDES) permit system, subdivision plat reviews, oil and gas remediation, and the Montana Environment Policy Act (MEPA).

## **Statutory**

The agency has expended \$1.1 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 4.0% of the agency budget. Statutory funding is expended through the Petroleum Tank Release Compensation Board, which is administratively attached to the agency.

## **ARPA**

ARPA funding is available for Professional Engineer review of Drinking Water and Wastewater Projects proposed by DNRC. For fiscal year 2023 the agency has expended about \$104,500. The total administrative appropriation was \$1.1 million of which \$258,900 was expended prior to FY 2024 leaving a balance of balance of about \$761,400. Future expenditures will be dependent on the number of reviews submitted to DEQ.

## 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 from July 1, 2023 through November 30, 2023. 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.

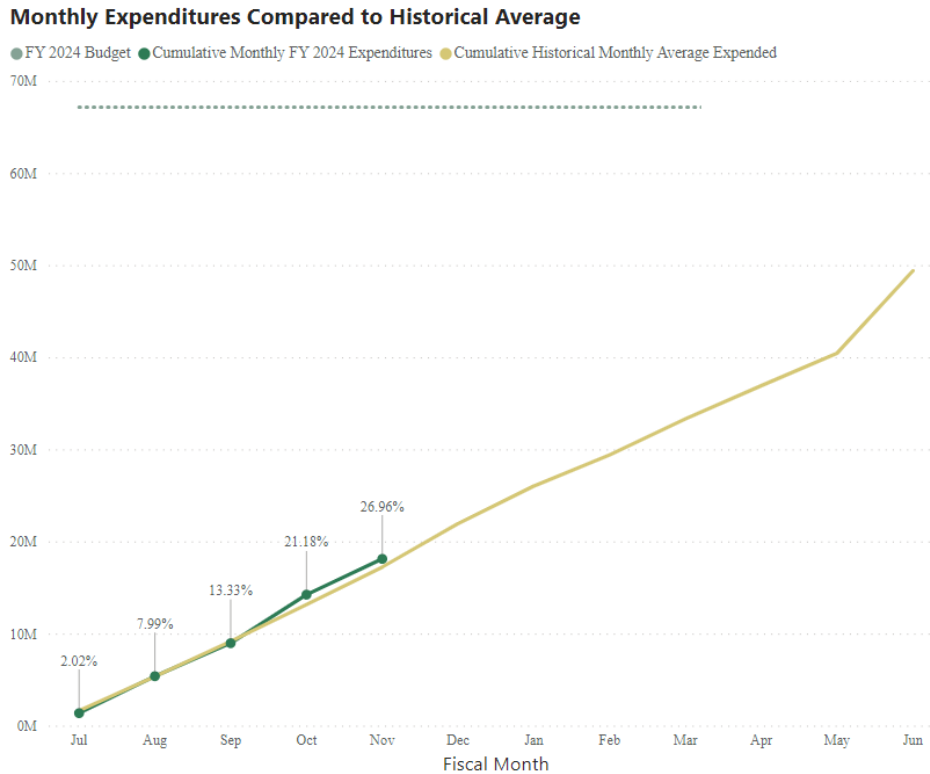
### Legislative Budget Compared to Modified Budget - HB 2 Only

Agency Name	HB 2 Budget	Modified Budget	Net Modifications
<b>Dept of Environmental Quality</b>	<b>67,158,081</b>	<b>67,158,081</b>	<b>0</b>
10 CENTRAL MANAGEMENT PROGRAM	4,908,229	4,908,229	
20 WATER QUALITY DIVISION	19,547,701	19,547,701	0
40 WASTE MGMT & REMEDIATION DIV	24,645,163	24,645,163	
50 AIR ENERGY & MINING DIVISION	16,693,166	16,693,166	0
80 LIBBY ASBESTOS SF ADVISORY TM	486,580	486,580	
90 PETRO TANK RELEASE COMP BOARD	877,242	877,242	
<b>Total</b>	<b>67,158,081</b>	<b>67,158,081</b>	<b>0</b>
<b>Expenditure Type</b>	<b>HB 2 Budget</b>	<b>Modified Budget</b>	<b>Net Modifications</b>
61000 Personal Services	33,697,748	33,697,748	0
62000 Operating Expenses	27,955,114	27,955,114	0
63000 Equipment & Intangible Assets	101,740	101,740	
66000 Grants	1,938,835	1,938,835	
67000 Benefits & Claims	425,000	425,000	
68000 Transfers-out	3,039,644	3,039,644	
<b>Total</b>	<b>67,158,081</b>	<b>67,158,081</b>	<b>0</b>
<b>Fund Type</b>	<b>HB 2 Budget</b>	<b>Modified Budget</b>	<b>Net Modifications</b>
01 General	6,797,524	6,797,524	
02 State/Other Spec Rev	35,111,246	35,111,246	0
03 Fed/Other Spec Rev	25,249,311	25,249,311	0
<b>Total</b>	<b>67,158,081</b>	<b>67,158,081</b>	<b>0</b>

The Department of Environmental Quality has made no modifications to the HB 2 budget.

## HB 2 APPROPRIATION AUTHORITY

The following chart shows the appropriated budget for the agency compared to expenditures through November 30, 2023.



The tables below show expenditure rates through November 2023 for the agency compared to average expenditure rates over the previous five years.

Program Name	Modified Budget	Expended Budget	% Expended	5-Year Avg
10 CENTRAL MANAGEMENT PROGRAM	4,908,229	1,253,915	25.5%	28.4%
20 WATER QUALITY DIVISION	19,547,701	5,908,587	30.2%	28.3%
40 WASTE MGMT & REMEDIATION DIV	24,645,163	6,368,868	25.8%	20.4%
50 AIR ENERGY & MINING DIVISION	16,693,166	4,269,726	25.6%	22.8%
80 LIBBY ASBESTOS SF ADVISORY TM	486,580	0	0.0%	0.0%
90 PETRO TANK RELEASE COMP BOARD	877,242	305,030	34.8%	32.7%

Expenditure Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
Personal Services	33,697,748	11,506,485	34.1%	32.0%
Operating Expenses	27,955,114	6,163,712	22.0%	20.2%
Equipment & Intangible Assets	101,740	0	0.0%	4.8%
Grants	1,938,835	413,533	21.3%	36.2%
Benefits & Claims	425,000	22,395	5.3%	9.2%
Transfers-out	3,039,644	0	0.0%	0.3%

Fund Type	Modified Budget	Expended Budget	% Expended	5-Year Avg
01 General	6,797,524	2,390,815	35.2%	30.4%
02 State/Other Spec Rev	35,111,246	8,775,822	25.0%	26.2%
03 Fed/Other Spec Rev	25,249,311	6,939,490	27.5%	22.8%
<b>Total</b>	<b>67,158,081</b>	<b>18,106,126</b>	<b>27.0%</b>	<b>25.6%</b>

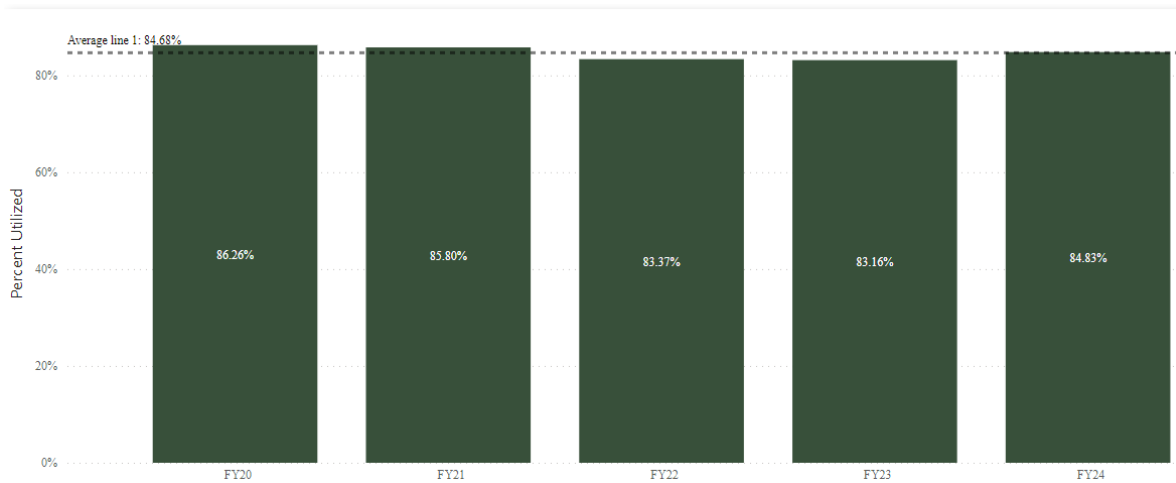
The Department of Environmental Quality has expended 27.0% of its \$67.2 million HB 2 modified budget through November 30, 2023. The agency expended \$940,200 more than would be expected based on average expenditure rate in the previous five years of 25.6%. Higher-than-expected expenditures were primarily federal funds for waste management and remediation.

**Personal Services**

Appropriations for personal services in the Department of Environmental Quality total \$33.7 million and are 34.1% expended through November 30, 2023. The department has 370.04 HB 2 FTE of which 59.6 FTE are vacant. The table below summarizes the budgeted FTE for Department of Environmental Quality.

Department of Environmental Quality HB 2 FTE			
Program	Filled	Vacant	Total
Central Management Program	20.08	1.00	21.08
Water Quality Division	119.10	20.57	139.67
Waste Mgmt & Remediation Div	81.50	20.01	101.51
Air, Energy & Mining Division	84.03	17.00	101.03
Petro Tank Release Comp. Board	5.75	1.00	6.75
<b>Total</b>	<b>310.46</b>	<b>59.58</b>	<b>370.04</b>

The chart below shows the hourly utilization percentage for the Department of Environmental Quality between July 1 and November 1 for each fiscal year when compared to the available hours for the same time period. Overall, the department has utilized 84.8% of the hours budgeted for FY 2024, as shown in the chart. This is in-line with the historical utilization rate over the past four years of 84.7%.



The agency is dealing with higher than expected turnover and higher than expected rate of rejection by applicants when offers are made. The agency enters into agreements with contractors and counties for environmental cleanup in the normal course of business. Vacancies do not contribute significantly to overtime expenditures but may impact comp hours.

## **CONTRACTORS**

In the normal course of business DEQ engages in contracted services for a variety of purposes. Most contracted services are for environmental reclamation and analysis, but other categories include IT consulting & Professional Services, grants to counties/non-profits, and legal fees and court costs. Expenditures to date are \$5,167,166.

Through November 30, 2023, DEQ has not contracted for any services to cover vacant positions.

## **OVERTIME**

Due to the vacancy rate at approximately 16%, employees have worked the following excess hours; 677 overtime, 1,316 Non-Exempt Compensatory time, and 4,232 Exempt Comp time, for a total of 6,225 hours. More than 50% of these excess hours are due to the current vacancies in Environmental Science apart from Legal.

As of November 1<sup>st</sup>, the agency was advertising for five positions. The average position has been vacant for about seven months. In addition to smaller applicant pools, the agency has experienced a higher percentage of offers being rejected in recent years. Since July, sixteen agency employees have left state government, six have retired, and two transferred to another agency.

The chart on the following page shows the vacant FTE in each division, the number of months each position has been vacant, and the midpoint hourly pay rate.

## Department of Environmental Quality

<u>Division</u>	<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>		<u>FTE</u>	<u>Months Vacant</u>	<u>Midpoint Pay Rate</u>
<b>Air, Energy &amp; Mining Division</b>				<b>Central Management Program</b>			
Bureau Chief	1.00	2.2	\$51.21	Environmental Enforcement Spc	1.00	0.7	\$32.61
Reclamation Specialist	1.00	2.6	32.61	<b>Division Total / Average<sup>1</sup></b>	1.00	0.7	\$32.61
Program Section Supervisor	1.00	5.9	36.25	<b>Petro Tank Release Comp. Board</b>			
Reclamation Specialist	1.00	2.4	32.61	Fund Cost Specialist	1.00	16.0	\$27.86
Mining Environmental Spec	1.00	0.8	32.61	<b>Division Total / Average<sup>1</sup></b>	1.00	16.0	\$27.86
Purchaser 2	1.00	3.7	28.54	<b>Water Quality Division</b>			
Reclamation Specialist	1.00	2.7	32.61	Program Section Supervisor	1.00	2.7	\$36.25
Database Analyst	1.00	9.1	39.46	Program Section Supervisor	1.00	1.7	36.25
AQ Environmental Scientist	1.00	24.9	32.61	Water Quality Permit Writer	1.00	2.8	32.61
Program Section Supervisor	1.00	3.5	36.25	SRF Professional Engineer	1.00	15.7	24.65
Program Support Supervisor	1.00	14.1	20.74	Drinking Water Scientist	1.00	2.0	32.61
Financial Analyst	1.00	12.8	33.52	Water Quality Permit Writer	1.00	14.5	32.61
Program Support Specialist	1.00	2.7	18.15	Program Support Specialist	1.00	3.1	18.15
Program Section Supervisor	1.00	21.9	36.25	Water Quality Permit Writer	0.57	10.9	32.61
Program Section Supervisor	1.00	3.0	36.25	Water Quality Permit Writer	1.00	3.6	32.61
AQ Environmental Scientist	1.00	3.8	32.61	SRF Professional Engineer	1.00	10.5	24.65
Reclamation Specialist	1.00	8.2	32.61	Water Quality Modeler	1.00	10.5	38.50
<b>Division Total / Average<sup>1</sup></b>	17.00	7.3	\$33.23	Water Quality Scientist	1.00	14.6	32.61
<b>Waste Mgmt &amp; Remediation Div</b>				WQ Standards Scientist	1.00	27.9	38.50
Environmental Project Officer	1.00	1.8	\$32.61	Program Financial Specialist	1.00	8.2	29.57
Asbestos-Meth Environmental Sp	1.00	13.9	32.61	Program Section Supervisor	1.00	3.1	36.25
Environmental Project Officer	1.00	13.2	32.61	PWS Professional Engineer	1.00	2.0	24.65
Materials Mgmt Specialist	1.00	11.9	32.61	Program Support Specialist	1.00	17.1	18.15
Hazardous Waste Specialist	1.00	3.1	32.61	Drinking Water Scientist	1.00	0.4	32.61
Hazardous Waste Specialist	1.00	5.9	32.61	Environmental Field Inspector	1.00	9.5	32.61
Environmental Project Officer	1.00	4.0	32.61	SRF Professional Engineer	1.00	1.0	24.65
Environmental Project Officer	1.00	5.9	32.61	Subdivision Review Sanitarian	1.00	28.0	31.77
Program Section Supervisor	1.00	0.4	36.25	<b>Division Total / Average<sup>1</sup></b>	20.57	9.0	\$30.57
Program Section Supervisor	1.00	1.7	36.25				
Database Analyst	1.00	1.3	39.46				
Program Section Supervisor	1.00	0.4	36.25				
Program Support Specialist	1.00	1.6	18.15				
Waste Mgmt Specialist	1.00	7.2	32.61				
Database Administrator 2	1.00	5.4	39.46				
Environmental Project Officer	1.00	8.6	32.61				
Environmental Project Officer	0.01	21.9	32.61				
Environmental Project Officer	1.00	12.1	32.61				
Environmental Project Officer	1.00	6.8	32.61				
Environmental Project Officer	1.00	15.0	32.61				
Environmental Project Officer	1.00	3.6	32.61				
<b>Division Total / Average<sup>1</sup></b>	20.01	6.2	\$33.12	<b>Grand Total<sup>1</sup></b>	59.58	7.6	\$32.17

<sup>1</sup> Averages for months vacant and pay rate are weighted by FTE



## OTHER ISSUES

### Information Technology Project Expenditures

Large Information Technology Projects Original and Revised Budgets						
<u>Project</u>	<u>Start Date</u>	<u>Status</u>	<u>Original Budget</u>	<u>Revised Budget</u>	<u>Expended</u>	<u>Percent Expended</u>
Coal Information Management System (CIMS)	6/27/2016	On-Hold	1,750,000	1,750,000	709,043	40.5%
Coal Information Management System (CIMS): Phase II	10/22/2021	Executing	833,000	833,000	317,906	38.2%

### Status of Line-Itemed Decision Packages, 2023 Legislature

#### DP 20012 - Subdivision FTE (OTO)

FY 2024 – \$439,136 General Fund

FY 2025 – \$413,825 General Fund

The legislature approved general fund authority and 3.00 FTE to support subdivision applications. As of November, the agency has expended \$24,800 or 5.6% of the FY 2024 authority.

#### Progress Note:

Since August of 2022, the Subdivision Section has eliminated any file backlog and remained on time for review of files. Additionally, the section is almost fully staffed including a new section supervisor with 20+ years of experience in private contracting and as a county sanitarian.