



DEQ IMPLEMENTATION OF BUDGET REDUCTIONS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

Legislative Actions During the 2011 General Session

On **January 25, 2011**, the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee voted to reduce the General Fund for each of the agencies by 7% (see table below). Two of the items on the reductions list were:

- Consolidate Director Positions ERR/SHW: \$142,800. This was for the consolidation of the director positions of DEQ’s Division of Solid and Hazardous Waste and Division of Environmental Response and Remediation (both of which report to the same Board and used to be one division in the past).
- Financial Analyst/Accounting Tech: \$180,000. This was for the elimination of five positions in DEQ.

These reductions were incorporated in the FY 2012 Base Budget Bill (S.B. 8).

On **February 14, 2011**, the subcommittee prioritized a total subcommittee list with items to be funded by EAC from revenue projection increases later in the Session. The \$142,800 director consolidation item was on that list, prioritized number 20 of 28 items. The financial analyst positions were split in two groups, one prioritized number 6 (Finance Analyst/Accounting Tech Positions, \$60,000 cut) and the other was number 19 (Finance Analyst/Accounting Tech Positions, \$120,000 cut).

On **March 7, 2011**, the Executive Appropriations Committee (EAC) restored in S.B. 3 most of the items reduced in S.B. 8, however, the \$142,800 reduction for the director consolidation and the cuts for two of the financial analyst positions were never restored. The table below provides details for the legislative decisions on the cuts for DEQ during the 2011 General Session.

Legislative Reductions for DEQ, 2011 General Session				
	Reduction Item	Base Budget (SB 8)	EAC Add-Back (SB 3)	Legislature Final Amt
1	Information Specialist (Directors Office)	(48,200)	48,200	
2	Eliminate Web Development Specialist (Directors Office)	(74,500)	74,500	
3	Purchasing Agent (Directors Office)	(49,500)	49,500	
4	Slow Documentum Project (Directors Office)	(84,600)	84,600	
5	Accounting Tech (Radiation Control)	(34,000)	34,000	
6	FTE Reduction (Env. Resp. & Remed.)	(32,100)	32,100	
7	LHD Reduction (Directors Office)	(157,700)	157,700	
8	Information Specialist (Air Quality)	(48,200)	48,200	
9	Financial Analyst (Env. Resp. & Remed.)	(49,500)	60,000	10,500
10	Consolidate Director Positions ERR/SHW	(142,800)		(142,800)
11	Financial Analyst (Air Quality)	(49,500)		(49,500)
12	Financial Analyst (Water Quality)	(47,000)		(47,000)
13	Total	(817,600)	588,800	(228,800)

Agency Actions

The leadership of the Department of Environmental Quality reported to the Office of the Fiscal Analyst during the 2011 interim that they have modified the 2011 Legislature’s final decision on the budget reductions. They reduced their overall General Fund by the same amount as directed by the Legislature but made the cuts in different areas. The table below compares the Legislature’s decisions (the green columns) to DEQ’s actions (pink column), and the yellow column highlights the differences.

Implementation of Budget Reductions, Legislature's Decisions vs. DEQ's Actions							
	Reduction Item	Legislative Actions			DEQ Actions	Difference	DEQ Comments
		Base Budget (SB 8)	EAC Add-Back (SB 3)	Legislature Final Amt			
1	Information Specialist (Directors Office)	(48,200)	48,200			0	
2	Eliminate Web Development Specialist (Directors Office)	(74,500)	74,500			0	
3	Purchasing Agent (Directors Office)	(49,500)	49,500			0	
4	Slow Documentum Project (Directors Office)	(84,600)	84,600		(44,300)	(44,300)	DEQ has had an ongoing project to move from paper-based to an electronic document management system. This is being accomplished with efforts from the department, DTS, and outside contract help. We have currently dropped the contract support as part of the budget cuts.
5	Accounting Tech (Radiation Control)	(34,000)	34,000			0	
6	FTE Reduction (Env. Resp. & Remed.)	(32,100)	32,100			0	
7	LHD Reduction (Directors Office)	(157,700)	157,700			0	
8	Information Specialist (Air Quality)	(48,200)	48,200			0	
9	Financial Analyst (Env. Resp. & Remed.)	(49,500)	60,000	10,500		(10,500)	
10	Consolidate Director Positions ERR/SHW	(142,800)		(142,800)		142,800	
11	Financial Analyst (Air Quality)	(49,500)		(49,500)		49,500	
12	Financial Analyst (Water Quality)	(47,000)		(47,000)		47,000	
13	Analyst Position				(50,000)	(50,000)	This was a vacant position during last year that we will now not fill.
14	Out of State Travel				(40,000)	(40,000)	DEQ controls and monitors our OS Travel with "Travel Ceiling" or cap with periodic reporting on our status. For FY 12 we have lowered the ceiling amount from \$226,400 to \$186,400
15	Environmental Scientist				(94,500)	(94,500)	This was a scientist in our Water Quality Division that retired in March 2011. We are not replacing him and his duties have been reassigned.
16	Total	(817,600)	588,800	(228,800)	(228,800)	0	

The 2011 Legislature restored the full amount for the Documentum project (\$84,600) and implemented cuts related to the consolidation of director positions (\$142,800). Rather than consolidating the director positions and eliminating the two financial analyst positions, DEQ reduced spending on the Documentum project, eliminated vacant positions, and reduced travel expenses.

Recommendations

If the subcommittee desires to implement the cuts as specified by the 2011 Legislature, it could reduce DEQ's ongoing General Fund appropriations by \$228,800 in FY 2013. The subcommittee might consider reallocating these funds as follows:

- \$96,000 to the Division of Water Rights for an engineer position,
- \$32,000 to the Department of Agriculture and Food for an additional meat inspector, and
- the remaining \$100,800 to the Division of Wildlife Resources for big game depredation.

In order to have better oversight and increase the level of transparency of the department, the Analyst recommends the Legislature create separate line items for the divisions in the Department of Environmental Quality as follows:

- Executive Director's Office,
- Air Quality,
- Radiation Control,
- Drinking Water,
- Water Quality,
- Solid and Hazardous Waste, and
- Environmental Response and Remediation.