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IMPACTS OF REDUCTIONS IN FY 2010 ON STATE ENVIRONMENTAL AGENCY BUDGETS

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*By Victoria Phillips, ARRA Reporting Manager, Massachusetts Department of Environmental Protection;
David Emme, Chief, Bureau of Administrative Services, Nevada Division of Environmental Protection; and
Beth Graves, Senior Project Manager, Environmental Council of the States*

BACKGROUND

Thirty-seven respondents answered the ECOS budget survey in February 2010 – 36 states and Puerto Rico, hereinafter referred to as "states."¹ (See Appendix, Table 1. List of ECOS Budget Survey Respondents.) The survey focused on budget impacts for the current fiscal year. The survey contained three sections of questions in these areas: 1) staffing impacts due to budget reductions, 2) program impacts due to budget reductions, and 3) coping strategies due to budget reductions. A number of states indicated that decisions regarding funding and staffing levels are still in flux and that additional reductions may be required either this fiscal year or next fiscal year. Reductions from previous years are not reflected in these survey results.

REPORT

I. Staffing Impacts

In total, of the agencies represented by the 37 survey respondents, 2,112 positions have been eliminated or are being held vacant due to budget limitations in the current FY 2010. Survey responses indicate:

- Five states reported having layoffs in this fiscal year (HI, MA, MI, MO, PA).
- Twenty-one states reported a reduction of more than 990 full-time equivalent (FTE) positions from the start of the current fiscal year to February 2010².

¹ AK, AR, CO, CT, HI, IA, IL, IN, KS, KY, MA, MD, ME, MI, MO, MT, NC, ND, NE, NH, NJ, NV, OH, OK, OR, PA, PR, RI, SC, TX, UT, VA, VT, WA, WI, WV, WY

² Two states (IN and NJ) noted positions that had to be reduced during the current FY and may still be in process.

- In addition to shrinkage of environmental agency staff, twenty-three states reported holding vacant more than 1,120 positions voluntarily or due to hiring freezes. (See Appendix, Table 2. Detailed State Listing of Staffing Impacts Due to Budget Reductions in FY10, Descending Order.)
- Nine states (AK, AR, CO, MD, ND, NE, TX, WA, and WV) reported no change in FTE positions from the start of the fiscal year to February 2010 and no positions held vacant. No state reported a net gain in positions.
- Fifteen states³ have some number of furlough days in place for the current fiscal year ranging from 3 days in CT to 18 days in HI.
- Several states have legislative budget sessions in Spring 2010. In regards to further staff reductions, 15 states report they anticipate further staff reductions and 12 states are uncertain.

II. Program Impacts

Twenty states indicate they reduced or eliminated programs due to budget reductions. (See Appendix, Table 3: State Agency Environmental Agency Programs Reduced or Eliminated Due to FY 2010 Budget Reductions.) Several states noted reductions in all media (air, land, and water) programs. Others noted the following:

Examples of programs reduced or eliminated include:

Air: air quality inspections, air quality minor source emission inventory, air quality partnerships with local government

Water: water monitoring (may include stormwater, surface, ground, drinking, water quality, ambient, soil and water conservation efforts, water testing lab), management of surface water quality data, determination of surface water uses, NPDES permitting, private wells

Waste: solid waste programs, solid waste compliance, recycling, pollution prevention, community cleanup, litter, environmental education, waste tire management, hazardous waste and site revitalization, waste assessments and enforcement, emerging contaminants, brownfields

Other: Grants to local governments (may include watershed planning grants to communities, hardship grants to communities for wastewater and sewage treatment, waste prevention, “Public Participation Grants”), livestock regulation, reduced frequency of oil spill prevention inspections, emergency response, reductions in complaint investigations, compliance reviews, abolishing a customer service center

“Virtually every other program area has experienced program reductions by attrition as funding sources are not adequate to sustain established levels of program operations.”— state response comment

Thirteen states indicate budget reductions have resulted in a reduced frequency of inspections, and nine more states are uncertain at this time. As examples, there are reported reductions in inspections for clean and drinking water monitoring, solid waste/open burning complaint programs, and hazardous waste programs. Three states indicated that all programs have reduced frequency of inspections. One state noted it has looked at targeted inspections in all media.

While 11 states indicate budget reductions have resulted in an increase in permit backlogs, 15 states said they have not experienced permit backlogs, and another 10 states said it was uncertain

³ CO, CT, HI, IA, IL, MA, MD, ME, MI, NJ, NV, OH, OR, RI, WI

at this time. For some states, with the downturn in the economy, the number of permits submitted has also decreased so permit backlogs have not yet materialized.

Other program impacts due to budget shortfalls included:

- Delays in data collection/data entry (17 states)
- Delays in developing/updating standards(12 states)
- Slower or reduced number of cleanups (11 states)
- Delays in rulemaking (8 states)
- Reduced number of enforcement actions taken (8 states)
- Increased workload on existing staff
- Increasingly difficult to meet EPA requirements and expectations
- Delays in the amount of time to resolve actions

III. Coping Strategies

States were asked to identify any listed strategies their agency has implemented to cope with budget reductions or to list other approaches their agency has implemented to cope with budget reductions. States were asked to rate the importance of each strategy, ranging from “most important” to “least important;” the same rating could be applied to more than one strategy.

Strategies offered as responses were:

- Fee increases
- Delays in rulemaking
- Shifting resources between programs
- Job sharing internally or with EPA
- Using Performance Partnership Grants/Agreements (PPGs/PPAs) to shift grant matching funds between programs
- Technology improvements
- Business process improvements

“Business process improvements” was ranked highest, with 32 states selecting this as "most important" or "important." Several states specifically cited Lean/Kaizen activities as a mechanism they are using to achieve process efficiencies. Efficiencies range from redesigning programs to improved contract management and better alignment with agency strategic priorities.

"Shifting resources between programs" ranked next, with 28 states selecting this as "most important" or "important." Organizations are focusing on core functions and shifting resources between programs to ensure key needs are met. One state noted that its most important strategy has been managing vacancies to avoid staff reductions. Several states noted trust fund balance shifting. Another state noted identifying state general funded programs and positions not directly tied to a statutory requirement and targeting these for reduction or elimination to allow the state to protect state grant fund dollars used to match federal grant funds.

"Technology improvements" ranked third, with 27 states selecting this as "most important" or "important."

Regarding using "fee increases" as a coping strategy, 18 states list this as "most important" or "important. However, a number of responses were similar to this one: "Attempts at raising fees to maintain program viability, and which require legislation, have either been very difficult or have been unsuccessful. Another noted, "We are prohibited from asking for any fee increases." While 16 states selected "Using PPG/PPA to shift grant matching funds between programs" as an important coping strategy, another 12 states said this was least important. As insight, one state noted that it "[a]lready utilize[s] PPG/PPA flexibility, so no further benefits derived." "Job sharing internally or with EPA" was ranked by 12 states as "most important" and "important."

Finally, no respondent ranked "delays in rulemaking" as a coping strategy at all.

Several states note as "other" coping strategies that they are also turning to cutting overall expenses to preserve programs and staff. States have consolidated office space, developed a department motor pool, reduced agency vehicle fleets, changed phone systems, reduced travel, eliminated some temporary staff and all summer students, reorganized to eliminate management positions, delayed computer equipment replacements, and reduced office supply orders.

APPENDIX

Table 1. List of ECOS Budget Survey Respondents

State	Agency
AK	State of Alaska, Dept. of Environmental Conservation
AR	Arkansas Dept. of Environmental Quality
CO	Colorado Dept. of Public Health and Environment
CT	Connecticut Dept. of Environmental Protection
HI	Hawaii Dept. of Health
IA	Iowa Dept. of Natural Resources
IL	Illinois Environmental Protection Agency
IN	Indiana Dept. of Environmental Management
KS	Kansas Dept. of Health & Environment
KY	Kentucky Dept. for Environmental Protection
MA	Massachusetts Dept. of Environmental Protection
MD	Maryland Dept. of the Environment
ME	Maine Dept. of Environmental Protection
MI	Michigan Dept. of Natural Resources and Environment
MO	Missouri Dept. of Natural Resources
MT	Montana Dept. of Environmental Quality
NC	North Carolina Dept. of Environment and Natural Resources
ND	North Dakota Dept. of Health
NE	Nebraska Dept. of Environmental Quality
NH	New Hampshire Dept of Environmental Services
NJ	New Jersey Dept. of Environmental Protection
NV	Nevada Division of Environmental Protection
OH	Ohio Environmental Protection Agency
OK	Oklahoma Dept. of Environmental Quality
OR	Oregon Dept. of Environmental Quality
PA	Pennsylvania Dept. of Environmental Protection
PR	Puerto Rico Environmental Quality Board
RI	Rhode Island Dept. of Environmental Management
SC	South Carolina Dept. of Health and Environmental Control
TX	Texas Commission on Environmental Quality
UT	Utah Dept. of Environmental Quality
VA	Virginia Dept. of Environmental Quality
VT	Vermont Dept. Environmental Conservation
WA	Washington State Dept. of Ecology
WI	Wisconsin Dept. of Natural Resources
WV	West Virginia Dept. of Environmental Protection
WY	Wyoming Dept. of Environmental Quality

Table 2. Detailed State Listing of Staffing Impacts Due to Budget Reductions in FY10, Descending Order

No.	Abbr.	Agency:	Full-Time Equivalent (FTE) from Start of Fiscal Year to FTE at Time of Survey –Net Losses	Positions Held Vacant	Total of Net Losses and Positions Held Vacant
1	PA	Pennsylvania Dept. of Environmental Protection	251	0	251
2	NC	North Carolina Dept. of Environment and Natural Resources	129	100	229
3	PR	Puerto Rico Environmental Quality Board	7	198	205
4	WI	Wisconsin Dept. of Natural Resources	6	138	144
5	MO	Missouri Dept. of Natural Resources ⁴	134.7	0	134.7
6	IL	Illinois EPA	42	76	118
7	CT	Connecticut Dept. of Environmental Protection	67	45	112
8	IN	Indiana Dept. of Environmental Mgt. ⁵	26	74	100
9	MA	Massachusetts Dept. of Environmental Protection	93	0	93
10	OR	Oregon Dept. of Environmental Quality ⁶	0	90	90
11	MI	Michigan Dept. of Natural Resources and Environment	14	64	78
12	HI	Hawaii Dept. of Health	76	0	76
13	SC	South Carolina Dept. of Health and Environmental Control	29	45	74
14	OH	Ohio Environmental Protection Agency	36	36	72
15	VA	Virginia Dept. of Environmental Quality	17	50	67

⁴ State reports zero positions held vacant as state has not implemented hiring freezes but notes it is voluntarily holding positions open.

⁵ State reports at 912 currently with a goal of 902 positions. Reviewers used 902 for purposes of calculating net loss as this is current FY goal.

⁶ State reported approximately 90 – 100 positions held vacant. Reviewers used the lower number to calculate positions held vacant.

(Continued) **Table 2. Detailed State Listing of Staffing Impacts Due to Budget Reductions in FY10, Descending Order**

No.	Abbr.	Agency:	Full-Time Equivalent (FTE) from Start of Fiscal Year to FTE at Time of Survey –Net Losses	Positions Held Vacant	Total of Net Losses and Positions Held Vacant
16	NJ	New Jersey Dept. of Environmental Protection ⁷	19	40	59
17	KY	Kentucky Dept. for Environmental Protection	21	27	48
18	MT	Montana Dept. of Environmental Quality	0	30	30
19	NH	New Hampshire Dept. of Environmental Services	0	24	24
20	VT	Vermont Dept. Environmental Conservation	11	11	22
21	ME	Maine Dept. of Environmental Protection ⁸	0	20	20
22	OK	Oklahoma Dept. of Environmental Quality	0	17	17
23	RI	Rhode Island Dept. of Environmental Management	5	9	14
24	KS	Kansas Dept. of Health & Environment ⁹	0	12	12
25	UT	Utah Dept. of Environmental Quality	0	8.5	8.5
26	WY	Wyoming Dept. of Environmental Quality	5	3	8
27	NV	Nevada Division of Environmental Protection	1	4	5
28	IA	Iowa Department of Natural Resources ¹⁰	1	0	1
Totals			990.7	1,121.5	2,112.2

⁷ States checked "no change" in the differences between the authorized and current FTE levels. Reviewers show loss of 19 as the state must take reductions in current FY compared to FTE count at end of previous FY.

⁸ State reported 20-30 positions held vacant at varying times. Reviewers used the lower number to calculate positions held vacant.

⁹ Reviewers note that state comments it had a 9% cut from FY08 to 11. However, as there are no current FY position losses, net change is zero for current FY.

¹⁰ Reviewers listed one net position loss for IA based on its raw position counts. However, state notes loss of staff resources for existing programs due to new program creation. Twenty-one positions were added to the staffing plan for purposes of dealing with flood plain management; an issue that is not related to EPA programs. Taking those out, the state lost 22 positions from last year.

Table 3. State Agency Environmental Agency Programs Reduced or Eliminated Due to FY2010 Budget Reductions

State	Agency:	Has any program(s) been eliminated or reduced due to budget reductions? If yes, please provide program name(s) or area(s) or Other Comment.
HI	Hawaii Dept. of Health	Vector Control Branch; Oahu clean water monitoring; drinking water monitoring; environmental microbiology; food chemistry; emergency response; hazard evaluation; environmental planning
IA	Iowa Dept. of Natural Resources	AQ minor source emission inventory, livestock regulation, groundwater and geology bureaus, NPDES permitting, solid waste compliance
IL	Illinois Environmental Protection Agency	Waste programs
IN	Indiana Dept. of Environmental Management	Several recycling grant and loan programs
KS	Kansas Dept. of Health & Environment	Use Attainability Analysis Section (determination of surface water uses) and Data Support Section (management of surface water quality data).
MD	Maryland Dept. of the Environment	Reductions in recycling program; customer service center abolished and positions reallocated; reductions in outreach and education
MI	Michigan Dept. of Natural Resources and Environment	The Air Emissions Title V Renewable Operating Permit program has been reduced by 14 positions in the current fiscal year. In addition, four positions have been eliminated from the water testing lab. Virtually every other program area has experienced program reductions by attrition, as funding sources are not adequate to sustain established levels of program operations.
MO	Missouri Dept. of Natural Resources	Our State Parks and Historic Preservation Program budgets have been reduced. In addition, we consolidated our Field Services Division and our Division of Environmental Quality. Expenditure restrictions also exist for our Soil and Water Conservation, Water Resources, and Water Protection programs.
NC	North Carolina Dept. of Environment and Natural Resources	Programs were reduced by the General Assembly and also by lack of receipts.
NE	Nebraska Department of Environmental Quality	Waste Reduction grants, RCRA will be reduced in 2011. Stormwater grants.
OH	Ohio Environmental Protection Agency	Through December 2009 staffing has been reduced in Surface Water, Emergency and Remedial Response, Air Pollution Control, and Drinking and Groundwater programs.

(Continued) **Table 3. State Agency Environmental Agency Programs Reduced or Eliminated Due to FY10 Budget Reductions**

State	Agency:	Has any program(s) been eliminated or reduced due to budget reductions? If yes, please provide program name(s) or area(s) or Other Comment.
OR	Oregon Dept. of Environmental Quality	No programs have been eliminated; the largest reduced efforts are in the stormwater and solid waste programs.
PA	Pennsylvania Dept. of Environmental Protection	Vector Management, Community Cleanup, Recycling Markets, Wastewater Operator Outreach, Environ. Library, Highland Action Program
PR	Puerto Rico Environmental Quality Board	UST, SRF, Point Sources, Non-Point Sources, LUST, PPG, Beach Monitoring, Air Pollution PM 2.5, TSCA (AHEERA), RCRA, Superfund Core, among others
RI	Rhode Island. Dept. of Environmental Management	Across the board
SC	South Carolina Dept. of Health and Environmental Control	Although significant reductions in all media programs – air, land and water – water has had largest reduction due to greater amount of state appropriations. In particular, stormwater, ambient water quality monitoring, fish tissue monitoring, laboratory capabilities, private wells, air quality partnerships with local government, emergency response, hazardous waste, and site revitalization have seen greatest reductions.
VA	Virginia Dept. of Environmental Quality	Reductions include water quality monitoring, air quality inspections, pollution prevention, environmental education, waste tire management, financial assistance.
VT	Vermont Dept. of Environmental Conservation	We have had cuts in general funded programs across the board.
WA	Washington State Dept. of Ecology	The 2009-11 Enacted Budget reduced water rights processing, litter pick up, oil spill prevention inspections, Public Participation Grants, watershed planning, flood control activities, water quality loan oversight, and agency administration.
WI	Wisconsin Dept. of Natural Resources	All programs received some portion of an across the board operations reduction – most are offset through vacancy savings. Funding for some Local Assistance Programs has lapsed on a one-time basis.