

# CHAPTER 1:

## Agency Overview

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The Nebraska Department of Environmental Quality was created pursuant to passage of the Nebraska Environmental Protection Act in 1971. Although the Department has grown and been given additional responsibilities over the years, its ongoing mission has remained the same — the protection of Nebraska's air, land and water resources. Presently, the Agency is authorized a staffing level of 216.75 full-time employees.

The Department has a total annual budget for FY15 of approximately \$67.7 million. This includes money collected from state taxes, fees and federal grants. Of that amount, approximately \$32 million is redistributed to other agencies, organizations and individuals in the form of aid (grants and loans).

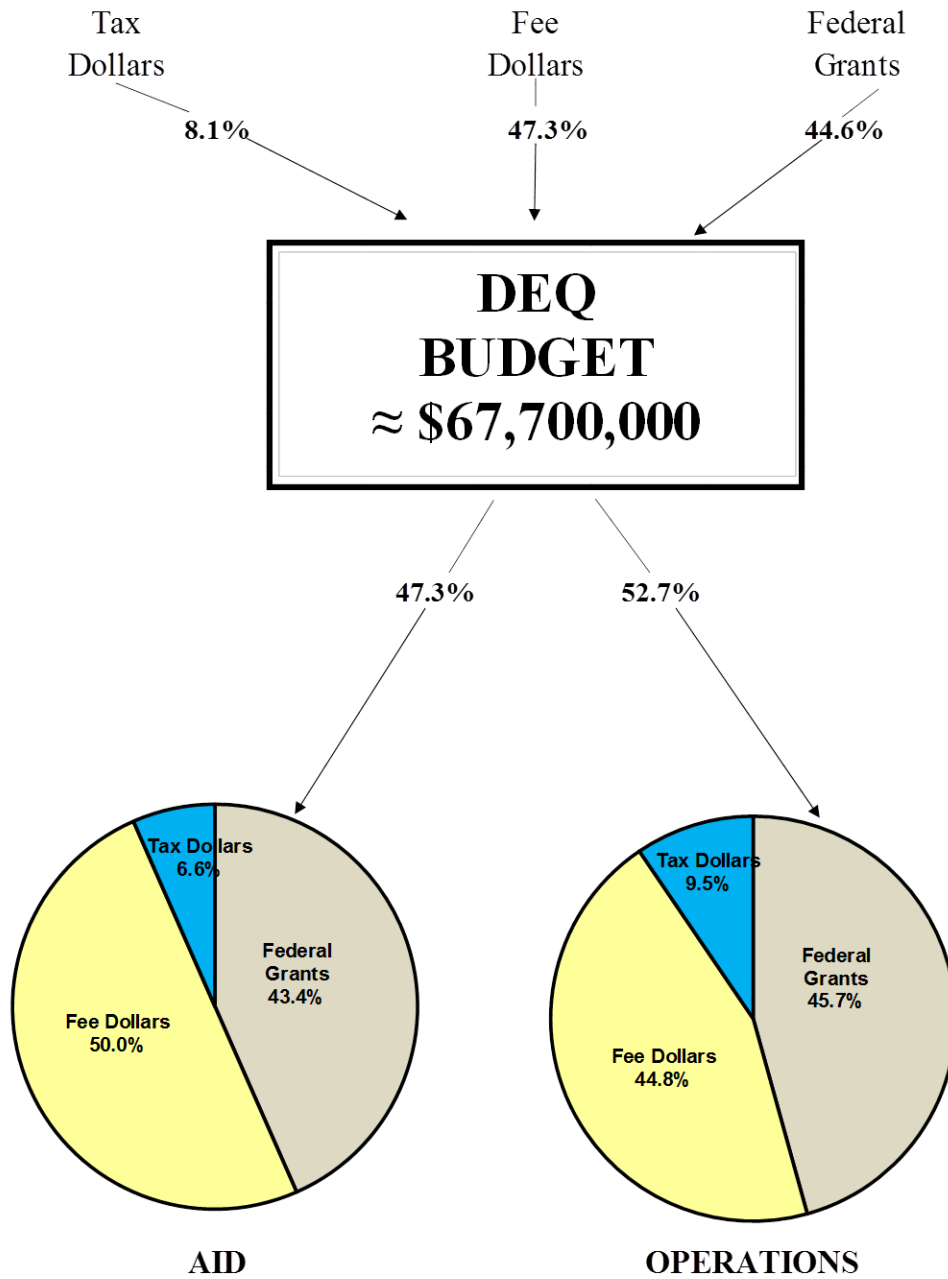
In the table below, the columns listed as aid represent the amount of the agency's budget that is redistributed to other entities as grants and loans. The operations columns represent the amounts used for the operation of the agency. However, the operations categories also include contracts where money is used on behalf of others, such as when the agency assigns a private contractor to investigate and clean up a petroleum remediation site.

This funding is derived from several sources. A major source of funding is the federal government. The state also contributes significant funding through fee revenue and tax dollars for Department activities, and certain programs are funded partially or totally by fees. A breakdown of funding by fund type is shown on the following table:

<b>Funding Type</b>	<b>Operations: \$ Amount</b>	<b>Percent of Operations Budget</b>	<b>Aid: \$ Amount</b>	<b>Percent of Aid Budget</b>
<b>Federal Funds</b> (Grants)	\$16.3 million	45.7%	\$13.9 million	43.4%
<b>State General Funds</b> (Tax \$)	\$3.4 million	9.5%	\$2.1 million	6.6%
<b>Cash Funds</b> (Fees)	\$16.0 million	44.8%	\$16.0 million	50.0%
<b>Total</b>	\$35.7 million		\$32.0 million	

The following graphic depicts the department's FY15 budget by funding source and percent anticipated to be expended by fund type and activity (aid or operations).

### DEPARTMENT OF ENVIRONMENTAL QUALITY FY 2015 Budget



FTE = 216.75

Several chapters of this report give the reader a more in-depth look at Department responsibilities. Other chapters address financial issues, staffing issues, aid programs, and financial responsibility requirements. Additionally, Chapter 3 lists actions of the Environmental Quality Council during FY2014.

This chapter provides: I) a brief description of agency goals; II) significant issues in 2014; III) significant legislation in 2014 and IV) a table that identifies initiatives over the past ten years that have impacted Agency resources.

## I. Agency Goals and Related Activities

In recent years, NDEQ Administration has established a list of agency goals. Staff from all programs were asked to identify goals consistent with the agency goals. Through a series of staff meetings, goals were discussed and specific program goals and activities to be reached and reported were identified. These goals meetings have been conducted periodically since the goals were established, to evaluate our progress and develop strategies for the future. These efforts provide greater accountability regarding work that is being accomplished and help programs and management monitor whether we are achieving the identified goals.

The main goals established by the Agency are:

- 1) **Effective work force.** The agency needs to structure and train its employees to be as effective as possible to offset declining resources.
- 2) **Timely permitting process.** Permit review and issuance needs to be streamlined and simplified to meet the needs of both the agency (effective work force) and those in need of a permit.
- 3) **Balanced enforcement.** Enforcement means compliance with the law and a balanced approach between compliance assistance and traditional enforcement tools needs to be reached.
- 4) **Simplify regulations.** Persons and entities affected or protected by our regulations need to be able to understand the requirements with as little difficulty as possible.
- 5) **Community presence and relations.** NDEQ needs to be present in the community that it serves - Nebraska. The agency also needs to open communications and relationships with citizens, those we regulate, and other governmental entities.
- 6) **"Back to the Basics."** We must excel at the fundamental things that the Legislature intends for us to do -- issue permits, inspect, assure compliance, and require remediation where necessary.
- 7) **Assistance.** We need to assist those who we regulate so they can meet or exceed minimum standards. We must make such concepts as pollution prevention and compliance assistance a natural way of doing our job.
- 8) **Measure Environmental Quality.** We need to collect information that enables us to do our job and to measure Nebraska's environmental quality. Information collected by NDEQ must measure any changes in the quality of Nebraska's environment over time and provide the information we need to make sound regulatory decisions.
- 9) **Meaningful Reporting.** NDEQ has a responsibility to the citizens of Nebraska to report our findings in an understandable and useful way.

- 10) **Assess Needs.** Meaningful information about the environment should be used by NDEQ to assess the needs of the citizens and environment of the State. That information, when shared with the public, will provide input opportunities on priority issues.

Through activity tracking and followup meetings with program staff, the agency continually evaluates whether goals are being achieved, and if they need to be modified.

## II. Significant Issues: Regulatory Development Outreach Process

In 2014, the agency expanded and improved its public outreach process relating to the development of new and amended regulations. The effect has been a positive one. A number of stakeholders (those who may be impacted by or have an interest in the development of regulation) had expressed that they were interested in earlier and more meaningful input in the development of regulations. The department listened to those needs and responded by expanding the existing outreach process. The expanded outreach occurs prior to the proposed regulations being scheduled before a hearing of the Environmental Quality Council, the public body appointed by the governor to adopt environmental regulations. (Chapter 3 of this report provides more detailed information regarding the Council.)

The department's regulatory development process now provides informal and formal outreach opportunities to the public and regulated community. At the informal outreach phase, stakeholders are involved and can provide input during the concept stage and initial development of regulatory proposals. This phase is followed by a formal outreach process where the near-final draft of the proposed regulation is discussed and suggestions received prior to completing the final regulatory package. The outreach meetings provide statewide access to accommodate in person, telephone conferencing and webinar attendance. The final regulatory package is then placed on public notice for the Environmental Quality Council hearing, in accordance with the Administrative Procedures Act. The enhanced stakeholder outreach process promotes better rulemaking, which results in positive outcomes for everyone involved.

## III. 2014 Legislative Summary

Four pieces of legislation passed in 2014 had an impact on the agency:

**LB 272** – This legislation gives each Natural Resources District the authority to set chemigation permit fees to help offset the costs of administering the permit program. The bill also changes the time period that a natural resources district has to review and decide on an emergency chemigation permit from 48 hours to two working days.

**LB 514** - Creates a linked deposit loan program under the Wastewater Treatment Facilities Construction Assistance Act to promote projects for water quality. The Department of Environmental Quality is authorized to create and regulate the linked deposit program and promote loans for the construction, rehabilitation, and enhancement of nonpoint source control systems. The bill authorizes the department to deposit a portion of the SRF loan funds with eligible financial institutions in low-yielding deposit accounts, certificates of deposit, or other agreed upon deposits per an agreement. The eligible financial institution can then make loans available at a rate lower than the prevailing rate for such loans.

Linked deposit program loans may be made to public or private owners by eligible financial institutions for the construction, rehabilitation, and enhancement of nonpoint source control systems including: (a) onsite wastewater and private septic systems; (b) local water protection projects,

including best management practices for nutrient controls; and (c) eligible nonpoint source activities under the Livestock Waste Management Act.

Finally, the legislation authorizes the department to refinance debt of municipalities for wastewater treatment works.

**LB 683** – This legislation amends the Storm Water Management Plan Program statute with an updated citation for the 2010 U.S. Census. The Storm Water Management Program provides grant funding to cities and counties in Nebraska that have duties, under the federal Clean Water Act, to manage storm water runoff. Eligible communities who apply for the grant are awarded dollars proportionally based on population and whether the census determined they are inside or outside an urbanized area.

**LB 844** - Extends the termination date of the Nebraska Litter Reduction and Recycling Act from October 30, 2015 to October 30, 2020.

#### **IV. State and Federal Actions Affecting Agency Staffing**

The following is a breakdown of legislation over the past 10 years that has affected staffing requirements at the Nebraska Department of Environmental Quality. The required programs are broken into three categories: 1) programs required by the federal government which did not require additional state legislation to adopt (Federally Mandated); 2) state legislation in response to federal requirements (State Legislation/Federally Mandated); and 3) state legislation which was not federally mandated (State Legislation/ Not Federally Mandated).

##### **2005 (217 FTE)**

###### **State Legislation/Not Federally Mandated**

- Air Emission Fees
- Petroleum Release Remedial Action Act

##### **2006 (217 FTE)**

###### **State Legislation/Federally Mandated**

- Livestock Waste Management Act
- Stormwater Grants
- Emission Trading

##### **2007 (218 FTE)**

###### **State Legislation/Not Federally Mandated**

- Drinking Water State Revolving Fund
- Livestock Waste Management Act
- Wastewater Treatment Operator Certification
- Private Onsite Wastewater Treatment System Contractors Certification and System Registration Act

##### **2008 (218 FTE)**

###### **State Legislation/Not Federally Mandated**

- Remedial Action Plan Monitoring Act
- Wastewater Treatment Facilities Construction Act
- Petroleum Release Remedial Action Act

**2009** (218 FTE)

**State Legislation/Not Federally Mandated**

- Livestock Waste Management Act
- Integrated Solid Waste Management Act (rebate fee schedule)
- Waste Reduction and Recycling Incentive Fund (deconstruction grants)
- Waste Reduction and Recycling Incentive Fund (scrap tire projects)

**2010** (215.25 FTE)

**State Legislation/Not Federally Mandated**

- LB1 Special Session

**2011** (215.25 FTE)

**State Legislation/Not Federally Mandated**

- LB28 Nebraska Chemigation Act
- LB29 Emergency Response
- LB30 Integrated Waste Management (Compost)
- LB156 Clean Air Act (Emission Fee)

**2012** (216 FTE)

**State Legislation/Not Federally Mandated**

- Deficit Funding Bill 1 FTE

**2013** (216 FTE)

**State Legislation/Not Federally Mandated**

- LB203 Integrated Solid Waste Management Act
- LB242 Administrative Procedures Act
- LB549 Waste Reduction and Recycling Act

**2014** (216.75 FTE)

**State Legislation/Not Federally Mandated**

- LB514 Clean Water State Revolving Fund