CHAPTER FOUR

Agency Resources

This chapter outlines the agency's workforce and financial resources.

The Texas Commission on Environmental Quality has about 2,700 full-time employees, with more than a quarter working outside of the Austin headquarters. The agency has 16 regional offices, as well as five satellite offices throughout Texas.

These field offices give the TCEQ a statewide presence, enabling its staff to communicate firsthand with municipalities, businesses and industry, and community groups in all quarters of Texas.

The TCEQ's budgetary needs are based on the demands of state and federal laws concerned with protecting human health and the environment. The operating budget totaled $367.6 million in fiscal 2015 and $473.7 million in fiscal 2016. Most of the budget is supported from revenues collected from fees.

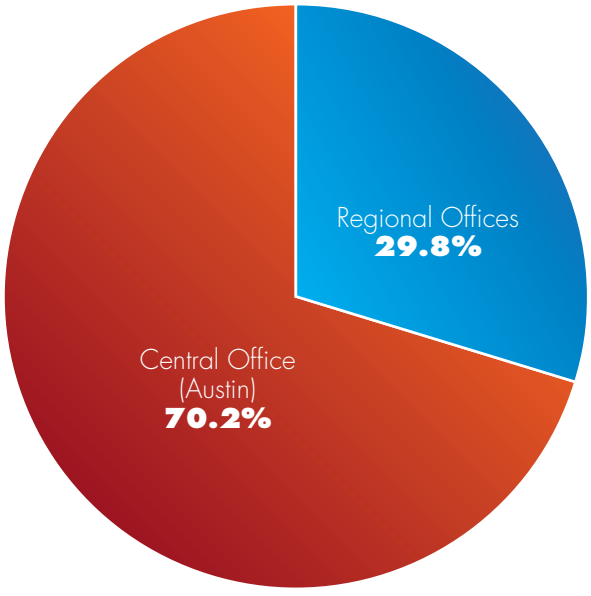
The TCEQ posts its quarterly expenditures online. The data is reported in broad categories, such as salaries, travel, utilities, and maintenance. The web page also links to an expenditure database, called "Where the Money Goes," at the state comptroller's website. These online postings are in response to the Texas Legislature's call for greater accountability in state government.

Workforce

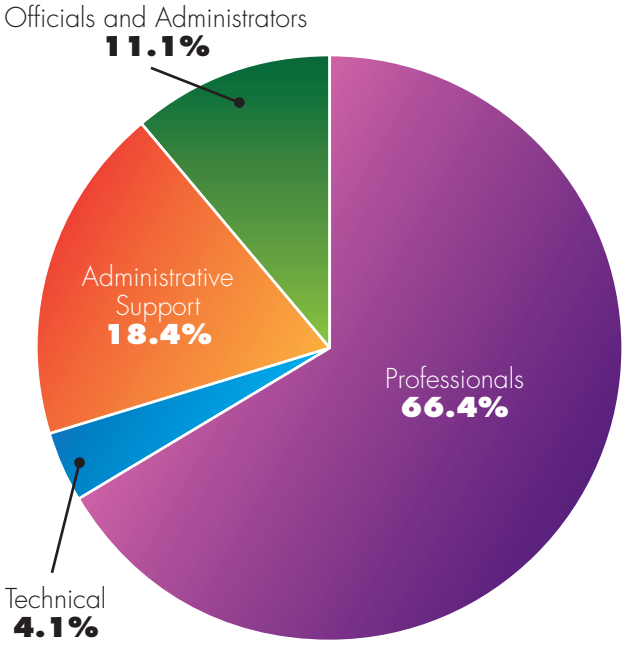
Size and Job Categories

The overall size of the TCEQ workforce remains fairly consistent. In fiscal 2015, the agency was authorized to have 2,756.2 full-time-equivalent positions, and the average number of FTEs utilized was 2,689.2. In fiscal 2016,

Locations of TCEQ Employees FY 2016



Job Categories of TCEQ Workforce FY 2016



the authorized FTEs were 2,780.2; the TCEQ averaged 2,696.9 during that time.

The TCEQ staff is composed largely of professionals trained in science, technology, engineering, computer science, and related fields. In fiscal 2016, professionals represented 66.5 percent of the workforce; technical and administrative support staff made up 22.5 percent; and officials and administrators (managers) filled 11 percent of positions. This reflects almost no change in the distribution of job categories within the agency from fiscal 2015, with professionals up only 0.2 percent, technical and administrative support staff down 0.4 percent, and officials and administrators (managers) up 0.3 percent.

Equal Employment

It is the TCEQ's policy to afford equal-employment opportunities to all employees and qualified applicants, regardless of race, color, religion, national origin, sex, sexual orientation, age, disability, genetic information, veteran status, or other status protected by law.

The agency is committed to recruiting, selecting, and retaining a multitalented, culturally diverse workforce that is representative of the state's available labor force. In accordance with the Texas Labor Code, Chapter 21, all employees are trained on equal-employment practices to make them aware of state and federal employment laws and regulations.

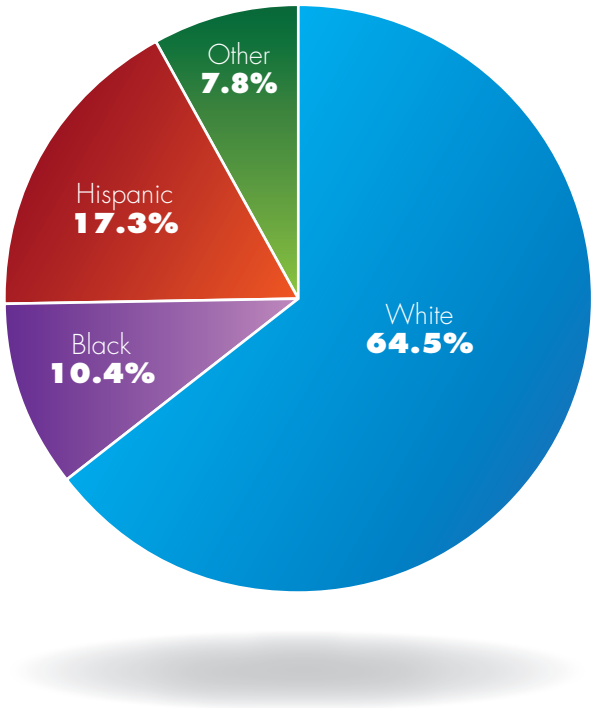
With regard to race and ethnicity, the agency's workforce composition in fiscal 2016 was 64.5 percent white, 10.4 percent black, 17.3 percent Hispanic, and 7.8 percent other (including Asian, Pacific Islander, American Indian, and Alaskan Native). With regard to gender, women continue to be in the majority at the TCEQ: female employees represented 52.1 percent; males, 47.9 percent.

Ethnicity and Gender

The Legislature requires each state agency to analyze its workforce by ethnicity and gender. The TCEQ compares its workforce to the state civilian workforce using data provided by the Civil Rights Division of the Texas Workforce Commission. The TWC's report on equal-employment-opportunity hiring practices, which is published at the start of each legislative session, uses data sets based on the percentage of blacks, Hispanics, and females—by job category—within the civilian labor force in Texas.

In fiscal 2016, the TCEQ exceeded the percentage of the available black labor force in the job category of administrative support by 8.8 percent. The agency's female workforce exceeded the available female labor force in top management (officials and administrators/managers) by 4.8 percent, as well as in administrative support, by 10.3 percent.

Ethnicities of TCEQ Workforce FY 2016



Recruitment and Retention

The TCEQ continues its recruitment and retention efforts by emphasizing employee recognition, professional development, and workforce and succession planning. The agency also uses hiring programs, such as Express Hire, at recruitment events and Transitions Hiring for entry-level positions. In addition, the agency recruits at colleges and universities and administers the Mickey Leland Environmental Internship Program. The program focuses on summer internship opportunities for minorities, women, and economically disadvantaged students pursuing environmental, engineering, science-related, and public-administration careers at colleges and universities across the United States.

In fiscal 2016, staff turnover was 12.95 percent, a slight decrease (0.5 percent) from fiscal 2015. The agency's turnover continues to fall below the overall average for full- and part-time classified employees at state agencies. The TCEQ will continue its efforts to attract and retain a qualified and diverse workforce.

Finances

In fiscal 2015, the agency's approved operating budget was $367.6 million. Of that, $309.9 million was appropriated from general revenue-dedicated (GRD) fee revenue, $39.7 million from federal funds, and $6.7 million from general revenue. Other sources provided the remaining $11.3 million.

In fiscal 2016, the approved operating budget totaled $473.7 million. Of that, $408.7 million was appropriated from GRD fee revenue, $41.2 million from federal funds, and $14.1 million from general revenue. Other sources supplied the remaining $9.7 million.

Pass-through funds accounted for 37 percent of the agency's operating budget in fiscal 2015 and 48 percent in fiscal 2016. Pass-through funds primarily support grants, remediation, and reimbursements for other agency programs, such as the Texas Emissions Reduction Plan (TERP), the Low-Income Vehicle Repair Program, the Clean Rivers Program, petroleum storage tank cleanups, Superfund cleanups, and municipal solid waste. The water and air programs also pass dollars on to local and regional units of government, but the amounts are not as significant.

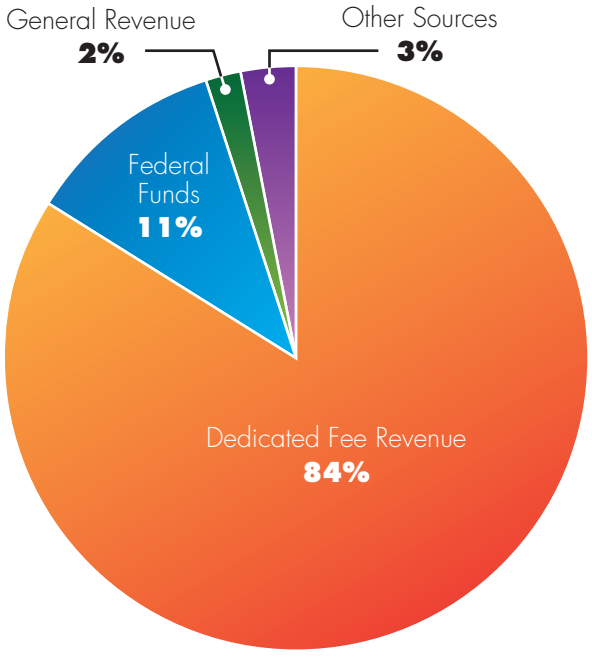
Funds other than those passed through are devoted to day-to-day agency operations. Salaries accounted for 45 percent in fiscal 2015 and 36 percent in fiscal 2016. The remaining operating funds support professional services, supplies, utilities, rent, travel, training, and capital.

Fees

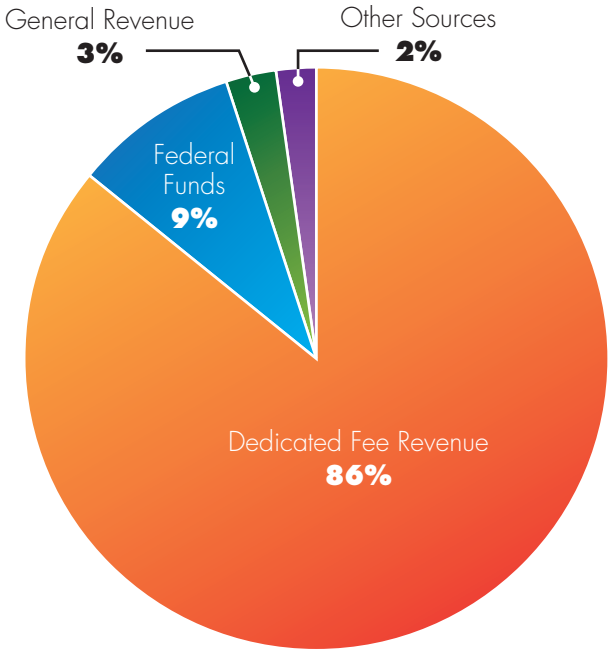
The TCEQ collects more than 100 separate fees. The following fees each generated revenue in excess of $17 million a year:

- **Texas Emissions Reduction Plan** ($232.1 million in fiscal 2015, $212.5 million in fiscal 2016). Fees are assessed on the sale, registration, and inspection of vehicles. The TERP Account (5071) draws from five separate fees and surcharges. Revenue sources for this account are collected by the Texas Department of Public Safety, the Texas Department of Motor Vehicles, and the Texas Comptroller of Public Accounts on behalf of the TCEQ. The TCEQ is the authorized manager of the account, and handles the management and transfer of funds from the account. The programs supported by TERP funding are vital to implementing the State Implementation Plan.

Fiscal Year 2015: $367.6 Million



Fiscal Year 2016: $473.7 Million



- **Petroleum-product delivery fee** ($24.5 million in fiscal 2015, $18.4 million in fiscal 2016). The fee is assessed on the bulk delivery of petroleum products. The CPA collects and deposits to the Petroleum Storage Tank Remediation Account (0655) on behalf of the TCEQ.
- **Air emissions fee** ($36.3 million in fiscal 2015, $36.9 million in fiscal 2016). The fee is authorized to recover the costs of developing and administering the Title V Operating Permit Program. The fee revenue is deposited to the Operating Permit Fees Account (5094).
- **Solid-waste disposal fee** ($35.2 million in fiscal 2015, $34.6 million in fiscal 2016). The fee is assessed on the operators of municipal solid-waste facilities for the disposal of solid waste. The fee revenue was deposited 50-50 between the Waste Management Account (0549) and the Solid Waste Disposal Account (5000) until June 2013. In accordance with the fee change authorized in HB 7, 83rd Legislative Session, 66.7 percent of the fee revenue is deposited to Account 0549 and 33.3 percent to Account 5000.
- **Auto-emission inspection, on-board diagnostic fee** ($26.7 million in fiscal 2015, $44.9 million in fiscal 2016). The fee provides funding for the Low-Income Repair Assistance Program (LIRAP) for counties that have opted into the program. Beginning March 1, 2015, the state converted to a single sticker for both inspection and registration. The combined sticker fee is due upon registering the vehicle. The fee revenue is deposited to the Clean Air Account (0151).
- **Motor-vehicle safety-inspection fee** ($25.0 million in fiscal 2015, $39.8 million in fiscal 2016). The fee is assessed per vehicle on the sale of state safety-inspection stickers at inspection stations, auto dealers, and other service providers. Beginning March 1, 2015, the state transferred to a single sticker for both inspection and registration. The combined sticker fee is due upon registering the vehicle. The fee revenue is deposited to the Clean Air Account (0151).
- **Consolidated water quality fee** ($24.4 million in fiscal 2015, $26.8 million in fiscal 2016). The fee is assessed against each permit authorizing the treatment and/or discharge of wastewater issued under the Texas Water Code, Chapter 26. The fee is calculated based on several factors, including flow volume and type, traditional pollutants, toxicity, and facility designation as major or minor. The fee revenue is deposited to the Water Resource Management Account (0153).
- **Public Health Service fee** ($20.6 million in fiscal 2015, $20.9 million in fiscal 2016). This fee is assessed against owners or operators of public drinking water supply systems, and is based on the number of connections. The fee revenue is deposited to the Water Resource Management Account (0153).

Fee Revisions

As a result of state legislation passed in 2015, a number of changes were made to the TCEQ's fees and funding structure, including the following:

- HB 7, Section 44, requires the agency, when setting the petroleum product delivery fee, to exclude amounts appropriated by the Legislature for monitoring or remediation of releases occurring on or before Dec. 22, 1998. This provision would cause the unexpended balance in the account ($151 million) to be used to fund monitoring and cleanup of the remaining sites with releases reported to the TCEQ on or before December 1998. The 37 percent reduction across all the various fee rates resulted in reduction of $8 million in collected revenue in fiscal 2016.
- HB 7, Section 35, reduces the assessment of the diesel surcharge on the sale, lease, or rental of certain off-road equipment from 2 to 1.5 percent. The reduction in the diesel surcharge fee decreased revenue to TERP by $13 million in fiscal 2016.
- HB 7, Section 21, required the two-year inspection fee for new vehicles be reduced to $2 instead of the $4 currently deposited to Clean Air Account 151. The remaining $2 will be deposited to the credit of the Texas Department of Public Safety. The change to the two-year inspection sticker reduced the Clean Air Account revenue by an estimated $3 million.
- HB 942 transferred the Tier II Chemical Reporting Program from the Texas Department of State Health Services to the TCEQ, effective Sept. 1, 2015. This transfer included 11 FTEs, equipment, and resources, including the balance in the Workplace Chemicals List Account (5020). In addition, the TCEQ received two additional FTEs.

- 2016-17 General Appropriations Act (GAA), Article IX, Section 18.01(c), instructed the TCEQ to conduct a study to determine the level of agency workload related to each fee payer group, and the relative benefit each fee payer group receives from agency water quality permitting, water quality regulation, and Safe Drinking Water Act programs. The study will be completed prior to the start of the 85th Legislative Session. In addition, the GAA instructed the agency to raise fee rates for the Public Health Service (PHS) Fee and the Water Quality Fee by rule, to ensure adequate revenue to support the Legislature's appropriation for the TCEQ's water programs. The TCEQ adopted a new PHS rule, because of insufficient FY 17 funds to meet appropriations. The rule allows the TCEQ to raise the fee in the future as needed to support the agency's water programs.
- SB 347 created a new account, the Environmental Radiation and Perpetual Care Account, to replace the Perpetual Care Account relating to the TCEQ. The new account was not included in the 83rd Legislative Session fund consolidation. HB 6, 84th Legislative Session, re-created the Environmental Radiation and Perpetual Care Account. Fee revenue from the 20 percent non-party surcharge and the 5 percent surcharge on radioactive license revenue is deposited to the new account.
- HB 2452 created a new watermaster for the Brazos River Basin with the authority to assess fees on water-right holders.