

CHAPTER 4

AGENCY RESOURCES

(FY 2019-FY 2020)



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

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 \$374.5 million in fiscal 2019 and \$400.0 million in fiscal 2020. Most of the budget is supported from revenues collected from fees.

TCEQ posts its quarterly expenditures online. The data is reported in broad categories, such as salaries, travel, utilities, and maintenance. The webpage also links to an expenditure database, called "Where the Money Goes," on 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 2019, the agency was authorized to have 2,794.8 full-time-equivalent (FTE) positions, and the average number of FTEs utilized was 2,628.0. In fiscal 2020, the authorized FTEs were 2,829.3; TCEQ averaged 2,643.5 during that time.

TCEQ staff is composed largely of professionals trained in science, technology, engineering, computer science, and related fields. In fiscal 2020, professionals represented 66.52% of the workforce; technical and

administrative support staff made up 21.62%; and officials and administrators (managers) filled 11.86% of positions. These percentages reflect almost no change in the distribution of job categories within the agency from fiscal 2019, with professionals up only 0.03%, technical and administrative support staff down 0.69%, and officials and administrators (managers) up 0.66%.

Equal Employment

TCEQ's policy is 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 2020 was categorized as 61.46% white, 10.36% black, 18.03% Hispanic, and 10.15% other ethnicities (including Asian, Pacific Islander, American Indian, and Alaskan Native). With regard to gender, women continue to be in the majority at TCEQ: female employees represented 53.65%; males, 46.35%.

Ethnicity and Gender

Each state agency must analyze its workforce by ethnicity and gender. 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 beginning 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 2020, TCEQ exceeded the percentage of the available black labor force in the job category of administrative support by 10.37%. The agency’s female workforce exceeded the available female labor force in top management (officials and administrators/managers) by 10.64%, as well as in administrative support, by 10.62%.

Recruitment and Retention

In fiscal 2020, staff turnover was 10.98%, 3.5% below fiscal 2019. TCEQ’s turnover continues to fall below the overall average for full- and part-time classified employees at state agencies, significantly due to the effectiveness of the agency’s recruitment and retention programs.

TCEQ administers multiple hiring programs tailored to meet the agency’s unique hiring needs. As an example, the Engineer Hiring Program is designed for individuals who hold a professional engineering license (P.E.). Express Hire allows supervisors to extend a conditional offer of employment at recruiting events, and Transitions Hiring expedites hiring and provides a diverse applicant pool for entry-level positions requiring a college degree.

The agency recruits widely, including at colleges and universities throughout the state. And recently it began using recruitment bonuses to attract candidates for certain positions—offered in remote locations and requiring highly technical skills.

TCEQ also administers the Mickey Leland Environmental Internship Program. MLEIP encourages the participation of minorities and women pursuing environmental, engineering, science-related, and public-administration careers in summer internship opportunities. Intern familiarity with the agency’s mission and working environment often spurs their future interest in full-time employment at the agency.

Retention strategies include employee recognition and administrative-leave awards, wellness programs, flexible schedules, and retention bonuses for staff classified in mission-critical occupations experiencing significant turnover. To retain and deepen employee expertise, TCEQ offers robust programs. The recently rolled out onboarding program offers new employees planned activities to ensure that they become fully acclimatized to TCEQ programs and personnel.

Another retention tool is the agency’s facilitation of employee movement internally. In addition to the employee’s ability to apply for posted positions, there

is the Lateral Transfer Opportunity Program. Lateral transfers facilitate career enhancement, allowing for mastery of other subject matter without impacting classification or pay. As staff look toward leadership and management opportunities, the Leadership and Management Excellence Program offers eligible employees training that promotes the alignment of their leadership and management development with TCEQ’s organizational goals.

Finances

In fiscal 2019, the agency’s approved operating budget was \$374.5 million. Of that, \$311.6 million was appropriated from dedicated fee revenue, \$37.8 million from federal funds, and \$16.2 million from general revenue. Other sources provided the remaining \$8.9 million.

In fiscal 2020, the approved operating budget totaled \$400.0 million. Of that, \$327.8 million was appropriated from dedicated fee revenue, \$36.8 million from federal funds, and \$25.9 million from general revenue. Other sources supplied the remaining \$9.5 million.



Pass-through funds accounted for 34% of the agency's operating budget in fiscal 2019 and 35% in fiscal 2020. Pass-through funds primarily support grants, remediation, and reimbursements for agency programs. Such programs included the Texas Emissions Reduction Plan (TERP), Clean Rivers, and Municipal Solid Waste Programs, and Petroleum Storage Tank and Superfund cleanups. Compared to the 2017-2018 biennium, the share of pass-through funds decreased due to the vetoed Low-Income Repair Assistance, Retrofit, and Accelerated Vehicle Retirement Program.

Funds other than those passed through are devoted to day-to-day agency operations. Salaries accounted for 45% in fiscal 2019 and 43% in fiscal 2020. The remaining operating funds support professional services, supplies, utilities, rent, travel, training, and capital needs.

Issues

The Waste Management Account, primarily funded by the Solid Waste Disposal Fee, supports the Municipal Solid Waste, Industrial Hazardous Waste, Voluntary Cleanup, and Radioactive Materials programs. In 2013, the fee was reduced by 25%, and the percent allocated to the account increased from 50% to 66.7%. For fiscal 2019, the account's obligations, \$41.1 million, exceeded annual revenues, which were approximately \$36.5 million. The agency expects the account's balance, \$25.6 million at the end of fiscal 2019, to continue to decline, as revenue remains constant and expenditures rise, due to fringe and retirement costs.

Fees

TCEQ collects more than 100 separate fees. The fees listed below each generated revenue of more than \$16 million a year:

- **Texas Emissions Reduction Plan (TERP)**

(\$262.7 million in fiscal 2019, \$252.1 million in fiscal 2020). TERP funding supports programs vital to implementing the State Implementation Plan. The TERP Account (5071) draws from five fees and surcharges, assessed on the sale, registration and inspection of vehicles, as well as a surcharge on the rental or purchase of diesel equipment in the state. TCEQ, as the authorized manager of the account, handles the management and transfer of funds. The Comptroller of Public Accounts (CPA), the Texas Department of Public Safety, and the Texas Department of Motor Vehicles collect the fees on behalf of TCEQ.



- **Petroleum-Product Delivery Fee** (\$17.3 million in fiscal 2019, \$16 million in fiscal 2020). The fee is assessed on the bulk delivery of petroleum products. The CPA collects and deposits the fee to the Petroleum Storage Tank Remediation Account (0655).
- **Air Emissions Fee** (\$40.8 million in fiscal 2019, \$39.4 million in fiscal 2020). The fee recovers the costs of developing and administering the Title V Operating Permit Program. Revenue is deposited to the Operating Permit Fees Account (5094).
- **Solid-Waste Disposal Fee** (\$33.9 million in fiscal 2019, \$32.2 million in fiscal 2020). The fee is assessed on the operators of municipal solid-waste facilities for the disposal of solid waste. Account 0549 receives 66.7% of the revenue collected; Account 5000 receives 33.3%.
- **Motor-Vehicle Safety-Inspection Fee** (\$46.5 million in fiscal 2019, \$44.3 million in fiscal 2020). The fee, assessed per vehicle, is assessed on the sale of state safety-inspection stickers at inspection stations, auto dealers, and other service providers. Revenue is deposited to the Clean Air Account (0151).
- **Consolidated Water Quality Fee** (\$28.3 million in fiscal 2019, \$28.6 million in fiscal 2020). The fee is assessed against each permit, issued under the Texas Water Code, Chapter 26, authorizing the treatment and/or discharge of wastewater. It is calculated based on factors including flow volume and type, traditional pollutants, toxicity, and whether a facility is designated as major or minor. The fee revenue is deposited to Water Resource Management Account 0153.

- **Public Health Service Fee** (\$24.6 million in fiscal 2019, \$25.6 million in fiscal 2020). This fee, based on the number of connections, is assessed on owners or operators of public drinking water supply systems. Revenue is deposited to Water Resource Management Account 0153.
- **Lead Acid Battery Fee** (\$22.7 million in fiscal 2019, \$23 million in fiscal 2020). The fee is assessed on the retail sale of lead acid batteries. A fee of \$2.00 is assessed on the purchase of lead acid batteries less than 12 volts—the surcharge on batteries 12 volts and higher is \$3.00. The CPA collects and deposits the revenue to the Hazardous and Solid Waste Remediation Account (0550) on behalf of TCEQ.
- HB 2771 allows TCEQ to issue permits for the discharge of produced water, hydrostatic test water, and gas plant effluent from certain oil and gas activities. The authority to issue permits is contingent upon delegation of National Pollutant Discharge Elimination System permit authority by the U.S. Environmental Protection Agency.
- HB 3317 re-enacted the dedication of revenue for aggregate production registrations to Water Resource Management Account 0153. The original legislation, HB 571 82nd Legislative Session, excluded the fee from the funds consolidation bill. The bill also re-enacted the dedication of revenue for expedited air permit application surcharges to Clean Air Account 0151. The original legislation, SB 1756 83rd Legislative Session, excluded the fee from the funds consolidation bill.
- HB 3745 established a TERP trust fund in addition to the existing TERP account, 5071. Beginning in fiscal 2022, all TERP revenue will be deposited to the new TERP trust fund and will be available for expenditure by TCEQ during the fiscal year of receipt. All unexpended and unobligated funds remaining in the trust fund as of August 31 of each fiscal year must be transferred to Account 5071 within 30 days.

Fee Revisions

State legislation passed in 2019 changed TCEQ's fees and funding structure as follows:

- HB 907 increased the maximum annual registration fee for aggregate production facilities from \$1,000 to \$1,500. Revenue for this fee is deposited to Water Resource Management Account 0153.
- HB 1331 established a municipal solid waste facility permit fee. Revenue is deposited to General Revenue Account 0001.

