CHAPTER 4

AGENCY RESOURCES

FY 2021-FY 2022

This chapter outlines the agency's workforce and financial resources. The Texas Commission on Environmental Quality has over 2,800 full-time employees, with more than 30% 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 $378.3 million in fiscal 2021 and $335.2 million in fiscal 2022. Most of the budget is supported by 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

In fiscal 2021, the agency was authorized to have 2,829.3 full-time-equivalent (FTE) positions, and the average number of FTEs utilized was 2,652.2. In fiscal 2022, the authorized FTEs were 2,811.8; TCEQ averaged 2,516.3 during that time.

TCEQ staff is composed largely of professionals trained in science, technology, engineering, computer science, and related fields. In fiscal 2022, professionals represented 66.98% of the workforce; technical and administrative support staff made up 20.65%; and officials and administrators (managers) filled 12.27% of positions. These percentages reflect almost no change in the distribution of job categories within the agency from fiscal 2021, with professionals down only 0.11%, technical and administrative support staff up 0.10%, and no change in officials and administrators (managers).

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 2022 was categorized as 59.02% white, 10.60% black, 19.25% Hispanic, and 11.13% 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 55.17% of the workforce; males, 44.83%.

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 2022, TCEQ exceeded the percentage of the available black labor force in the job category of administrative support by 11.09%. The agency's female workforce exceeded the available female labor force in top management (officials and administrators/managers) by 11.75%, as well as in administrative support, by 7.61%.

Recruitment and Retention

In fiscal 2022, staff turnover was 19.26%, 7.06% above fiscal 2021. While TCEQ's turnover is below the overall statewide average for full- and part-time classified employees, the upward trend is of concern and TCEQ has worked to address it with 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 uses recruitment bonuses to attract candidates for mission critical positions.

TCEQ also manages 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 and hybrid work schedules, and retention bonuses for staff classified in mission-critical occupations experiencing significant turnover.

Another retention tool is the agency's facilitation of employee movement internally. In addition to an employee's ability to apply for posted positions, TCEQ offers a Lateral Transfer Opportunity Program. Lateral transfers facilitate career enhancement, allowing for mastery of other subject matter without impacting classification or pay.

Comal River. Credit: iStock.

As staff look toward leadership and management opportunities, the Leadership and Management Excellence Program offers training to eligible employees that promotes the alignment of their leadership and management development with TCEQ's organizational goals.

However, despite all our efforts to hire and retain staff, we ended Fiscal 2022 with over 400 vacancies (see Appendix E).

FINANCES

In fiscal 2021, the agency's approved operating budget was $378.3 million. Of that, $312.4 million was appropriated from dedicated fee revenue, $38.7 million from federal funds, and $16.4 million from general revenue. Other sources provided the remaining $10.7 million.

In fiscal 2022, the approved operating budget totaled $335.2 million. Of that, $264.3 million was appropriated from dedicated fee revenue, $39.9 million from federal funds, and $20.8 million from general revenue. Other sources supplied the remaining $10.2 million.

Pass-through funds accounted for 34% of the agency's operating budget in fiscal 2021 and 22% in fiscal 2022. Pass-through funds primarily support grants, remediation, and reimbursements for agency programs. Such programs included the Clean Rivers

Program, Municipal Solid Waste Programs, and Petroleum Storage Tank and Superfund cleanups. Compared to the 2019-2020 biennium, the share of pass-through funds decreased due to House Bill 3745 of the 86th Legislature, which amended the Health and Safety Code to establish the TERP Fund as a trust fund to be held outside of the appropriation process beginning in fiscal 2022.

Funds other than those passed through are devoted to day-to-day agency operations. Salaries accounted for 46% in fiscal 2021 and 53% in fiscal 2022. Due to the establishment of the TERP Fund, salaries represent a greater share of the agency's overall budget in fiscal 2022; however, the year-over-year change in salary budget represents a 2% increase between fiscal 2021 and fiscal 2022. The remaining operating funds support professional services, supplies, utilities, rent, travel, training, and capital needs.

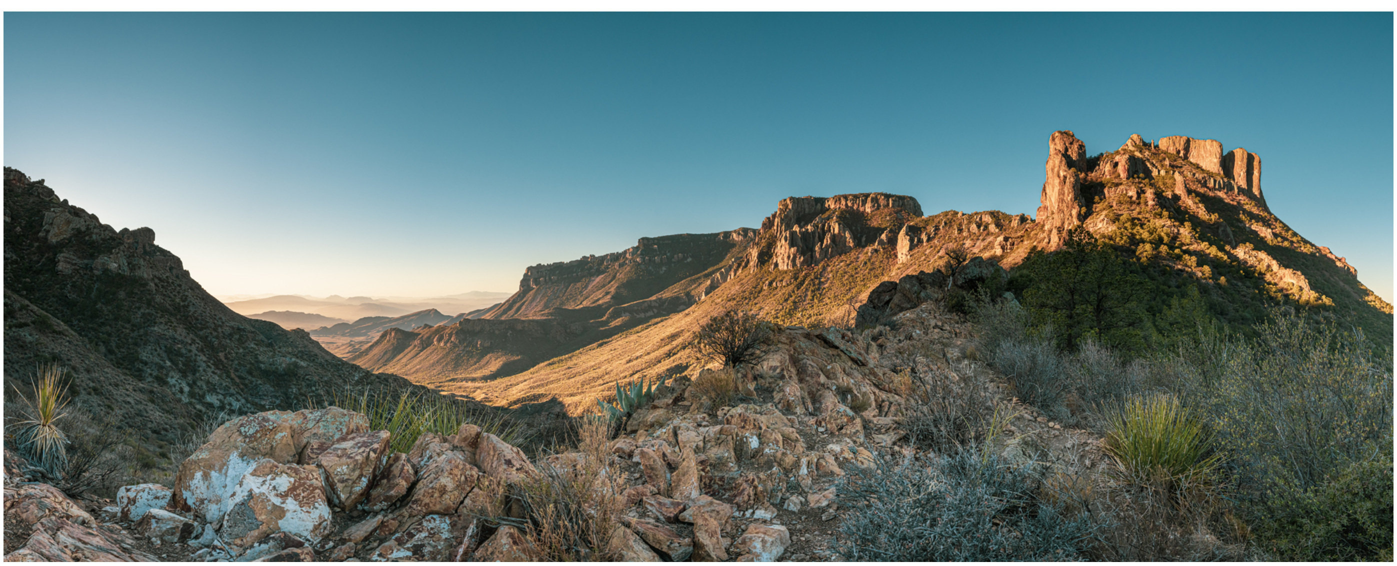
Issues

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 2021, the account's obligations, $42.1 million, exceeded annual revenues, which were approximately $36.6 million. The agency expects the account's balance, $16.5 million at the end of fiscal 2021, 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:

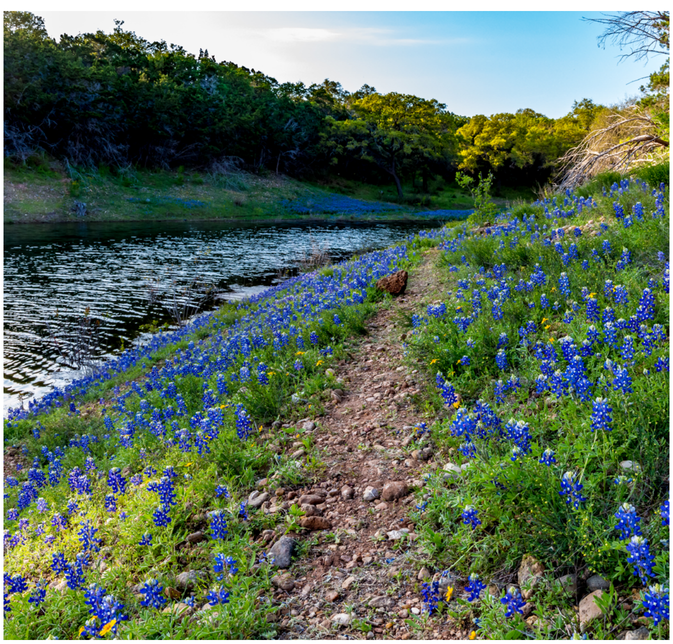
- **Texas Emissions Reduction Plan Account** ($259.4 million in fiscal 2021). The revenue deposited to the TERP Account (5071) through Aug. 31, 2021, consisted of five fees and surcharges assessed on the sale, registration, titling, and inspection of vehicles, as well as a surcharge on the rental or purchase of diesel equipment in the state. The Comptroller of Public Accounts, the Texas Department of Public Safety, and the Texas Department of Motor Vehicles collected the fees on behalf of TCEQ. The deposit of all TERP revenue was moved to the TERP Trust Fund (1201) beginning on Sept. 1, 2021.
- **Texas Emissions Reduction Plan Trust Fund** ($253.1 million in fiscal 2022). The TERP Trust Fund (1201) consists of revenue from five fees and surcharges assessed on the sale, registration, titling, and inspection of vehicles, as well as a surcharge on the rental or purchase of diesel equipment in the state. The Comptroller of Public Accounts, the Texas



Casa Grande Peak, Big Bend National Park. Credit: iStock.

Department of Public Safety, and the Texas Department of Motor Vehicles collect the fees on behalf of TCEQ.

- **Petroleum-Product Delivery Fee** ($16.4 million in fiscal 2021, $17.4 million in fiscal 2022). 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** ($35.1 million in fiscal 2021, $34.1 million in fiscal 2022). 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** ($33.2 million in fiscal 2021, $39.5 million in fiscal 2022). 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** ($47.8 million in fiscal 2021, $47.6 million in fiscal 2022). 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).



Texas Bluebonnets at Mule Shoe Bend. *Credit: iStock.*

- **Consolidated Water Quality Fee** ($28.7 million in fiscal 2021, $29.2 million in fiscal 2022). 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** ($26 million in fiscal 2021, $26.2 million in fiscal 2022). 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** ($23.5 million in fiscal 2021, $24.1 million in fiscal 2022). 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.

Fee Revisions

State legislation passed in 2021 changed TCEQ's fees and funding structure as follows:

- SB 900 created a new program for the certification of aboveground storage vessels. The bill also created a dedicated new general revenue account where the new fees will be deposited. The collection of the new fees will begin on Sept. 1, 2027.
- HB 4472 modified the allocation of revenue deposited to the TERP Trust Fund. TCEQ is now required to transfer 35% of all revenue deposited to the fund to the Texas Department of Transportation. All unexpended and unobligated funds remaining in the trust fund as of Aug. 31 of the second year of each fiscal biennium must be transferred to TxDOT within 30 days.