

HB 2007 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Linnea Wittekind, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

**Department of Environmental Quality
2019-21**

PRELIMINARY

Budget Summary*

	2017-19 Legislatively Approved Budget ⁽¹⁾	2019-21 Current Service Level	2019-21 Committee Recommendation	Committee Change from 2017-19 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 407,718	\$ 407,718	100.0%
Total	\$ -	\$ -	\$ 407,718	\$ 407,718	100.0%

Position Summary

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	1.66	1.66

⁽¹⁾ Includes adjustments through December 2018

* Excludes Capital Construction expenditures

Summary of Revenue Changes

House Bill 2007 appropriates \$407,718 in General Fund to the Department of Environmental Quality (DEQ) to extend the authorized use of moneys from the Volkswagen (VW) Environmental Mitigation Trust Agreement, develop a registration and titling program, and voluntary emissions labeling program.

Summary of Capital Construction Subcommittee Action

House Bill 2007 authorizes DEQ to extend the authorized use of monies to be distributed from the Volkswagen Environmental Mitigation Trust agreement. As part of the Volkswagen settlement agreement, DEQ is eligible to receive up to \$72.9 million into the Clean Diesel Engine Fund over a ten-year period. 80% of the funds must be obligated within 10 years or unobligated funds will be redistributed to other participating states. SB 1008 (2017) authorized DEQ to spend VW monies to provide grants for at least 450 diesel powered school buses to be retrofitted or replaced, which is anticipated to cost around \$18-20 million. HB 2007 would allow for an expansion of the VW monies beyond just school buses.

Additionally, the measure authorizes DEQ to adopt rule criteria for certification of approved retrofit technologies to diesel engines. The measure also directs the Department to adopt rules for a voluntary emissions control label program for pieces of construction equipment powered by nonroad diesel engines operated in Oregon and authorizes a schedule of fees to be established for participation in this program.

House Bill 2007 appropriates \$407,718 General Fund and adds two permanent positions (1.66 FTE). An Operations and Policy Analyst 3 will be responsible for leading rulemaking and program development for the registration and titling requirements and the second position, an

Operations and Policy Analyst 2 will be responsible for rulemaking efforts related to the voluntary emissions labeling program. The voluntary emissions labeling program provides for a fee schedule and allows the Department to contract with a third-party vendor to implement the program. The fee schedule and third-party contractor will be determined through the rule-making process and any fees established would need to be ratified by the Legislature. The Department does not currently require additional positions or expenditure limitation to disburse the VW settlement funds.

DEQ identified additional positions that may be required to fully implement these programs as the rulemaking process progresses. These positions would be anticipated to start in July 2020. If additional positions prove to be necessary, the Department may return to the 2020 Legislative Session for additional position authority.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Environmental Quality
 Linnea Wittekind -- 503-378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
SCR 340000-001 - Air Quality									
House Bill 2007									
Personal Services	\$ 312,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 312,056	2	1.66
Services and Supplies	\$ 95,662	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,662		
TOTAL ADJUSTMENTS	\$ 407,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,718	2	1.66
SUBCOMMITTEE RECOMMENDATION	\$ 407,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 407,718	2	1.66

PRELIMINARY