

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Natural Resources Subcommittee

From: John Terpening, Legislative Fiscal Office

Date: June 16, 2021

Subject: SB 5516 – Department of Environmental Quality
Work Session Recommendations

Department of Environmental Quality – Agency Totals

| | 2017-19 Actual | 2019-21 Legislatively Approved | 2021-23 Current Service Level | 2021-23 LFO Recommended |
|--------------------|--------------------|--------------------------------------|-------------------------------------|-------------------------------|
| General Fund | 48,700,887 | 56,479,828 | 61,606,527 | 67,339,507 |
| Lottery Funds | 4,732,711 | 5,557,353 | 6,045,171 | 6,045,171 |
| Other Funds | 146,250,637 | 229,495,350 | 236,699,507 | 247,576,621 |
| Other Funds NL | 117,587,846 | 149,843,330 | 203,830,055 | 244,000,055 |
| Federal Funds | 22,127,468 | 30,280,946 | 31,013,286 | 29,850,895 |
| Total Funds | 339,399,549 | 471,656,807 | 539,194,546 | 594,812,149 |
| Positions | 760 | 789 | 774 | 801 |
| FTE | 734.83 | 765.49 | 768.30 | 794.68 |

The LFO recommended budget for the Department of Environmental Quality represents a 26.1% increase from the 2019-21 legislatively approved budget. The budget includes continuation of funding for the Electronic Data Management System, fee increases for the hazardous waste disposal program and asbestos protection program, and funding to upgrade the Clean Water State Revolving Funds loan software.

General Fund investments include additional resources for the greenhouse gas reduction program, funding to Lane Regional Air Protection Agency, and specific water investments around clean watershed plans, harmful algal bloom, and \$2 million for the onsite septic loan program.

The budget is \$594,812,149 total funds and 801 positions (794.68 FTE). General Fund in the budget is 67,339,507 and represents a 19.2% increase from 2019-21.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Performance Measures

See attached "Legislatively Proposed 2021-23 Key Performance Measures."

Budget Notes

#1 Budget Note: Environmental Data Management System Project

The Department of Environmental Quality (DEQ) is in the process of implementing an Environmental Data Management System (EDMS) Project. The project involves the consolidation or replacement of aging, disparate agency systems within one off-the-shelf solution designed to standardize and automate key business processes across DEQ's Air, Water and Land programs. DEQ is directed to provide a comprehensive report on the status of the EDMS project to the Joint Legislative Committee on Information Management and Technology (JLCIMT) during the 2022 Legislative Session. The report shall at minimum include updated status information on:

- Project governance, management, and staffing
- Project scope, schedule, and budget
- Current or planned procurements/contracts (at the time of the report)
- Legacy system & data conversion planning/activities
- Risks and challenges
- Independent quality assurance findings
- Any other information that would inform the JLCIMT or other Legislative Committees about the status of this project/initiative.

Recommended Changes

LFO recommends a budget of \$67,339,507 General Fund, \$6,045,171 Lottery Funds, \$247,576,521 Other Funds, \$244,000,055 Nonlimited Other Funds, and \$29,850,895 Federal Funds and 801 positions (794.68 FTE), which is reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that SB 5516, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|-------------------|------------------|--------------------|-------------------|------------------------|--------------------------|--------------------|------------|----------------------------|
| 2019-21 Agy. Leg. Adopted | 53,777,160 | 5,300,822 | 222,204,270 | 29,410,521 | 148,048,330 | - | 458,741,103 | 779 | 760.40 |
| 2019-21 Ebds, SS & Admin Act | 2,702,668 | 256,531 | 7,291,080 | 870,425 | 1,795,000 | - | 12,915,704 | 10 | 5.09 |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 56,479,828 | 5,557,353 | 229,495,350 | 30,280,946 | 149,843,330 | - | 471,656,807 | 789 | 765.49 |
| 2019-21 Leg Approved Budget (Base) | 58,777,160 | 5,300,822 | 222,204,270 | 29,410,521 | 149,843,330 | - | 465,536,103 | 789 | 765.49 |
| Summary of Base Adjustments | 4,268,779 | 515,684 | 11,748,664 | 1,667,219 | 53,986,725 | - | 72,187,071 | (15) | 2.81 |
| 2021-23 Base Budget | 63,045,939 | 5,816,506 | 233,952,934 | 31,077,740 | 203,830,055 | - | 537,723,174 | 774 | 768.30 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 543,715 | 49,792 | 1,590,740 | 201,142 | - | - | 2,385,389 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | (4,011,023) | - | (6,642,111) | - | - | - | (10,653,134) | - | - |
| 030: Inflation & Price List Adjustments | 1,994,868 | 179,947 | 7,037,739 | 526,563 | - | - | 9,739,117 | - | - |
| 050: Fundshifts and Revenue Reductions | 33,028 | (1,074) | 760,205 | (792,159) | - | - | - | - | - |
| 2021-23 Current Service Level | 61,606,527 | 6,045,171 | 236,699,507 | 31,013,286 | 203,830,055 | - | 539,194,546 | 774 | 768.30 |
| 070: Revenue Reductions/Shortfall | 1,265 | (1,543,776) | - | (1,288,067) | - | - | (2,830,578) | (7) | (7.00) |
| Adjusted 2021-23 Current Service Level | 61,607,792 | 4,501,395 | 236,699,507 | 29,725,219 | 203,830,055 | - | 536,363,968 | 767 | 761.30 |
| Total LFO Recommended Packages | 5,731,715 | 1,543,776 | 10,877,014 | 125,676 | 40,170,000 | - | 58,448,181 | 34 | 33.38 |
| 2021-23 Legislative Actions | 67,339,507 | 6,045,171 | 247,576,521 | 29,850,895 | 244,000,055 | - | 594,812,149 | 801 | 794.68 |
| Net change from 2019-21 Leg Approved Budget | 10,859,679 | 487,818 | 18,081,171 | (430,051) | 94,156,725 | - | 123,155,342 | 12 | 29.19 |
| Percent change from 2019-21 Leg Approved Budget | 19.2% | 8.8% | 7.9% | (1.4%) | 62.8% | 0.0% | 26.1% | 1.5% | 3.8% |
| Net change from 2021-23 Adj Current Service Level | 5,731,715 | 1,543,776 | 10,877,014 | 125,676 | 40,170,000 | - | 58,448,181 | 34 | 33.38 |
| Percent change from 2021-23 Adj Current Service Level | 9.3% | 34.3% | 4.6% | 0.4% | 19.7% | 0.0% | 10.9% | 4.4% | 4.4% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|---------------------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|--------------------|------------------|-----------------------------------|
| 2019-21 Agy. Leg. Adopted | 16,419,136 | - | 83,906,671 | 10,228,882 | - | - | 110,554,689 | 258 | 247.60 |
| 2019-21 Ebds, SS & Admin Act | 3,898,800 | - | 1,923,480 | 263,942 | - | - | 6,086,222 | 10 | 5.09 |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 20,317,936 | - | 85,830,151 | 10,492,824 | - | - | 116,640,911 | 268 | 252.69 |
| 2019-21 Leg Approved Budget (Base) | 21,419,136 | - | 83,906,671 | 10,228,882 | - | - | 115,554,689 | 268 | 252.69 |
| Summary of Base Adjustments | 2,029,245 | - | 4,601,542 | 362,117 | - | - | 6,992,904 | (1) | 8.59 |
| 2021-23 Base Budget | 23,448,381 | - | 88,508,213 | 10,590,999 | - | - | 122,547,593 | 267 | 261.28 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 197,029 | - | 551,164 | 61,977 | - | - | 810,170 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | (3,693,458) | - | 774,398 | - | - | - | (2,919,060) | - | - |
| 030: Inflation & Price List Adjustments | 767,703 | - | 2,093,080 | 208,957 | - | - | 3,069,740 | - | - |
| 050: Fundshifts and Revenue Reductions | 27,271 | - | (28,746) | (286) | - | - | (1,761) | - | (0.55) |
| 2021-23 Current Service Level | 20,746,926 | - | 91,898,109 | 10,861,647 | - | - | 123,506,682 | 267 | 260.73 |
| 070: Revenue Reductions/Shortfall | - | - | - | (31,850) | - | - | (31,850) | - | - |
| Adjusted 2021-23 Current Service Level | 20,746,926 | - | 91,898,109 | 10,829,797 | - | - | 123,474,832 | 267 | 260.73 |
| Total LFO Recommended Packages | 1,995,070 | - | 1,202,216 | - | - | - | 3,197,286 | 9 | 9.00 |
| 2021-23 Legislative Actions | 22,741,996 | - | 93,100,325 | 10,829,797 | - | - | 126,672,118 | 276 | 269.73 |
| Net change from 2019-21 Leg Approved Budget | 2,424,060 | - | 7,270,174 | 336,973 | - | - | 10,031,207 | 8 | 17.04 |
| Percent change from 2019-21 Leg Approved Budget | 11.9% | 0.0% | 8.5% | 3.2% | 0.0% | 0.0% | 8.6% | 3.0% | 6.7% |
| Net change from 2021-23 Adj Current Service Level | 1,995,070 | - | 1,202,216 | - | - | - | 3,197,286 | 9 | 9.00 |
| Percent change from 2021-23 Adj Current Service Level | 9.6% | 0.0% | 1.3% | 0.0% | 0.0% | 0.0% | 2.6% | 3.4% | 3.5% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 070 Revenue Shortfalls

Package Description This package includes a Federal Fund expenditure reduction to adjust current service level to available federal revenue.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|----------|---|---|----------|---|---|
| LFO Recommended | - | - | - | (31,850) | - | - | (31,850) | - | - |
|------------------------|---|---|---|----------|---|---|----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is now built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (147,872) | - | - | - | (147,872) | - | - |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 110 Maintain Effective Vehicle Inspection Services

Package Description This package includes \$1,344,336 Other Funds limitation to support the establishment of eight permanent positions (8.00 FTE) that were eliminated due to a program revenue shortfall in 2019-21. Funding for these positions comes from fee increases to be ratified in SB 5517. These fee increases had previously been approved by the Environmental Quality Commission and were approved for ratification in the 2020 Legislative Session but were not completed by sine die. The Commission has since reapproved the same fee increase.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|------|
| LFO Recommended | - | - | 1,344,336 | - | - | - | 1,344,336 | 8 | 8.00 |
|------------------------|---|---|-----------|---|---|---|-----------|---|------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 111 Implement Greenhouse Gas Reduction Programs

Package Description This package includes \$1,379,834 General Fund for additional resources to continue implementation of the greenhouse gas reduction program currently under development by the Department that was funded through the March 2020 Emergency Board and continues into the 2021-23 biennium. This package includes \$600,000 for compliance instrument software development and maintenance, \$300,000 to maintain existing contracts for public involvement and facilitation services, \$100,00 for economic and emissions forecasting associated with rulemaking, and \$379,834 for Department of Justice consultation during rule development and implementation. Of the amount provided in the package \$700,000 is considered one-time funding.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|------------------|---|---|---|---|---|------------------|---|---|
| LFO Recommended | 1,379,834 | - | - | - | - | - | 1,379,834 | - | - |
|------------------------|------------------|---|---|---|---|---|------------------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 112 Support Lane Regional Air Protection Agency

Package Description This package restores General Fund support to the Lane Regional Air Protection Agency (LRAPA) to pre-recession levels. Prior to 2007, the State provided some General Fund support to LRAPA which has been used to leverage local funds provided by Lane County and local governments as well as match-requirements for EPA funding. Restoration of this funding to LRAPA will help to ensure communities in the Lane County area continue to attain federal health-based standards for fine particulate matter.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|----------------|---|---|---|---|---|----------------|---|---|
| LFO Recommended | 250,000 | - | - | - | - | - | 250,000 | - | - |
|------------------------|----------------|---|---|---|---|---|----------------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 113 Implement Clean Diesel Legislation

Package Description This package includes \$365,236 General Fund to support a permanent Public Service Representative 4 position (1.00 FTE) to assist in the Department's implementation of titling and registration requirements around HB 2007 (2019). That bill established a retrofit compliance program for medium- and heavy-duty trucks registered in Clackamas, Multnomah, and Washington counties. The first deadline for compliance is in 2023. Included in this package are one-time funds of \$150,000 for DEQ to upgrade its existing IT systems for compliance with ODOT's systems in order to properly exchange relevant information.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|----------------|---|---|---|---|---|----------------|----------|-------------|
| LFO Recommended | 365,236 | - | - | - | - | - | 365,236 | 1 | 1.00 |
|------------------------|----------------|---|---|---|---|---|----------------|----------|-------------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 114 Maintain Asbestos Health Protection Program

Package Description This is a revenue-only package that assumes a fee increase for the Department's asbestos health protection program. This program works to reduce the health risks to Oregonians from exposure to asbestos during building repair, renovation, and demolition. To achieve adequate funding for the program the fee increase is anticipated to be around a 30 percent in order to generate approximately \$600,000. The last increase occurred over a decade ago. Precise fee amounts will be established by the Department by rule and would take effect in 2022.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|
| LFO Recommended | - | - | - | - | - | - | - | - | - |
|------------------------|---|---|---|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 801 LFO Analyst Adjustments

Package Description This package includes a comprehensive reclass package involving seven positions within the Air Quality Division. A similar reclass package will be included in Water Quality, Land Quality, and Agency Management. The net effect of this reclassification for the Air Quality Division is an increase in OF limitation of \$5,752.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-------|---|---|---|-------|---|---|
| LFO Recommended | - | - | 5,752 | - | - | - | 5,752 | - | - |
|------------------------|---|---|-------|---|---|---|-------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|-------------------|------------------|-------------------|-------------------|------------------------|--------------------------|-------------------|------------|----------------------------|
| 2019-21 Agy. Leg. Adopted | 29,165,603 | 5,300,822 | 27,872,315 | 11,661,399 | - | - | 74,000,139 | 241 | 231.31 |
| 2019-21 Ebds, SS & Admin Act | (833,771) | 256,531 | 1,310,647 | 344,539 | - | - | 1,077,946 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 28,331,832 | 5,557,353 | 29,182,962 | 12,005,938 | - | - | 75,078,085 | 241 | 231.31 |
| 2019-21 Leg Approved Budget (Base) | 29,165,603 | 5,300,822 | 27,872,315 | 11,661,399 | - | - | 74,000,139 | 241 | 231.31 |
| Summary of Base Adjustments | 2,839,467 | 515,684 | 2,444,783 | 762,084 | - | - | 6,562,018 | (2) | 2.95 |
| 2021-23 Base Budget | 32,005,070 | 5,816,506 | 30,317,098 | 12,423,483 | - | - | 80,562,157 | 239 | 234.26 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 331,740 | 49,792 | 300,225 | 72,353 | - | - | 754,110 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | 74,737 | - | (726,637) | - | - | - | (651,900) | - | - |
| 030: Inflation & Price List Adjustments | 1,156,623 | 179,947 | 282,551 | 204,772 | - | - | 1,823,893 | - | - |
| 050: Fundshifts and Revenue Reductions | 5,757 | (1,074) | 52,016 | (56,408) | - | - | 291 | (1) | 0.23 |
| 2021-23 Current Service Level | 33,573,927 | 6,045,171 | 30,225,253 | 12,644,200 | - | - | 82,488,551 | 238 | 234.49 |
| 070: Revenue Reductions/Shortfall | 1,265 | (1,543,776) | - | (1,256,217) | - | - | (2,798,728) | (7) | (7.00) |
| Adjusted 2021-23 Current Service Level | 33,575,192 | 4,501,395 | 30,225,253 | 11,387,983 | - | - | 79,689,823 | 231 | 227.49 |
| Total LFO Recommended Packages | 3,736,645 | 1,543,776 | 1,736,725 | 129,284 | - | - | 7,146,430 | 12 | 11.38 |
| 2021-23 Legislative Actions | 37,311,837 | 6,045,171 | 31,961,978 | 11,517,267 | - | - | 86,836,253 | 243 | 238.87 |
| Net change from 2019-21 Leg Approved Budget | 8,980,005 | 487,818 | 2,779,016 | (488,671) | - | - | 11,758,168 | 2 | 7.56 |
| Percent change from 2019-21 Leg Approved Budget | 31.7% | 8.8% | 9.5% | (4.1%) | 0.0% | 0.0% | 15.7% | 0.8% | 3.3% |
| Net change from 2021-23 Adj Current Service Level | 3,736,645 | 1,543,776 | 1,736,725 | 129,284 | - | - | 7,146,430 | 12 | 11.38 |
| Percent change from 2021-23 Adj Current Service Level | 11.1% | 34.3% | 5.8% | 1.1% | 0.0% | 0.0% | 9.0% | 5.2% | 5.0% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|---------------------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|--------------------|------------------|-----------------------------------|
|--|---------------------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|--------------------|------------------|-----------------------------------|

Package 070 Revenue Shortfalls

Package Description This package reflects reductions in Measure 76 Lottery Funds and Federal Funds expenditure and position authority due to anticipated revenue loss. The Lottery Fund reduction reflects lower funding estimated to be sent to allocated to DEQ for Measure 76 funded activities. This reduction in funding is a result of pandemic related closures and a loss of Lottery Funds revenue in the State. The Federal Funds reduction accounts for a decline in the amount of funding to be received for Federal Clean Water Act grants.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|--------------|--------------------|----------|--------------------|----------|----------|--------------------|------------|---------------|
| LFO Recommended | 1,265 | (1,543,776) | - | (1,256,217) | - | - | (2,798,728) | (7) | (7.00) |
|------------------------|--------------|--------------------|----------|--------------------|----------|----------|--------------------|------------|---------------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is now built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (142,157) | - | - | - | (142,157) | - | - |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 121 Clean Watershed Planning and Implementation

Package Description This package includes \$1,062,146 General Fund and establishes four permanent positions to increase the Department's capacity to develop and implement clean watershed plans known as TMDLs (Total Maximum Daily Loads). TMDL's are issued as a way to improve water quality in areas that are not meeting standards. The Department has been required by court order to revise fifteen plans focused on reducing water temperature over the next seven years in addition to the regular high-priority backlog of work that already exists. Through this package, the Department will phase-in the four positions, a Natural Resource Specialist 2, two Natural Resource Specialist 3's, and a Natural Resource Specialist 4, totalling 2.88 FTE.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|------------------|---|---|---|---|---|------------------|----------|-------------|
| LFO Recommended | 1,062,146 | - | - | - | - | - | 1,062,146 | 4 | 2.88 |
|------------------------|------------------|---|---|---|---|---|------------------|----------|-------------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 124 Modernize CWSRF Loan Management Software

Package Description This package provides \$1,599,000 Other Funds limitation for the procurement of a commercial off-the-shelf loan portfolio management software to replace the current Clean Water State Revolving Fund's (CWSRF) manual and outdated system. The Department was provided limitation in HB 5017 (2019) for initial scoping and development of software requirements and is currently working with Enterprise Information Services on the Stage Gate 2 procurement submittal with a goal of full procurement of the software during the 2021-23 biennium. Revenue for this project will come from an administrative fee of 0.5 percent charged on outstanding loans and an administrative allowance on capitalization grants from the federal Environmental Protection Agency. Of the limitation provided, \$150,000 is on-going for licensing agreements and maintenance while the remainder is one-time funding.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|------------------|---|---|---|------------------|---|---|
| LFO Recommended | - | - | 1,599,000 | - | - | - | 1,599,000 | - | - |
|------------------------|---|---|------------------|---|---|---|------------------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 125 Lottery Fund Restoration

Package Description This package restores funding and positions associated with the Package 070 reductions that were taken due to projected Measure 76 Lottery Fund shortfalls for the 2021-23 biennium. However, based on the May 2021 revenue forecast, there is now projected to be sufficient M76 Lottery Fund revenue available to restore the funding. Approval of the package allows the Department to continue ongoing water quality monitoring activities and support non-point source pollution reduction efforts.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|-----------|---|---|---|---|-----------|---|------|
| LFO Recommended | - | 1,543,776 | - | - | - | - | 1,543,776 | 5 | 5.00 |
|------------------------|---|-----------|---|---|---|---|-----------|---|------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 801 LFO Analyst Adjustments

Package Description This package includes \$675,007 General Fund to reflect the roll-up costs in 2021-23 for two permanent full-time positions that were established in HB 5042 (2021) for sampling and lab testing of cyanotoxins in waterbodies. These two positions, along with associated services and supplies costs total \$625,007. Also included is \$50,000 for the purchase of a nutrient analyzer for the DEQ lab which will assist in determining what might be causing the cyanotoxins.

Additionally, this package includes \$2 million of General Fund for low cost loans to repair or replace failing septic systems. SB 1563 (2016) established this program and DEQ has received one-time funding in prior biennia. DEQ will use an outside contractor to run the program as it has done in previous biennia. Of the \$2 million, DEQ anticipates \$50,000 for administrative costs. This funding is added on a one-time basis.

This package also includes the restoration of an Environmental Engineer position (1.00 FTE) that was eliminated in Pkg 070 due to reductions in Federal Funds. While federal fund revenue is not sufficient to fully support the position, the Department can shift 60% of the position onto available Other Funds with the remaining 40% still on available federal dollars. Costs are \$174,498 OF and \$115,849 FF.

Finally, this package includes a comprehensive reclass package involving three positions within the Water Quality Division. An additional reclass package will also be included for Air Quality, Land Quality, and Agency Management. The net effect of this reclassification for the Water Quality Division is a decrease in General Fund of \$508, an increase in Other Funds limitation of \$105,384 and an increase in Federal Funds limitation of \$13,435. Included in this reclass is the increase of a position from half-time to full-time resulting in a 0.50 FTE increase.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|------------------|----------|----------------|----------------|----------|----------|------------------|----------|-------------|
| LFO Recommended | 2,674,499 | - | 279,882 | 129,284 | - | - | 3,083,665 | 3 | 3.50 |
|------------------------|------------------|----------|----------------|----------------|----------|----------|------------------|----------|-------------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|---------------------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|--------------------|------------------|-----------------------------------|
| 2019-21 Agy. Leg. Adopted | 1,120,522 | - | 73,049,252 | 7,520,240 | - | - | 81,690,014 | 191 | 193.21 |
| 2019-21 Ebds, SS & Admin Act | (131,109) | - | 1,972,949 | 261,944 | - | - | 2,103,784 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 989,413 | - | 75,022,201 | 7,782,184 | - | - | 83,793,798 | 191 | 193.21 |
| 2019-21 Leg Approved Budget (Base) | 1,120,522 | - | 73,049,252 | 7,520,240 | - | - | 81,690,014 | 191 | 193.21 |
| Summary of Base Adjustments | 264,885 | - | 3,510,032 | 543,018 | - | - | 4,317,935 | (5) | (2.75) |
| 2021-23 Base Budget | 1,385,407 | - | 76,559,284 | 8,063,258 | - | - | 86,007,949 | 186 | 190.46 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 10,584 | - | 490,757 | 66,812 | - | - | 568,153 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | - | - | (104,625) | - | - | - | (104,625) | - | - |
| 030: Inflation & Price List Adjustments | 65,572 | - | 1,920,997 | 112,834 | - | - | 2,099,403 | - | - |
| 050: Fundshifts and Revenue Reductions | - | - | 736,935 | (735,465) | - | - | 1,470 | 1 | 0.32 |
| 2021-23 Current Service Level | 1,461,563 | - | 79,603,348 | 7,507,439 | - | - | 88,572,350 | 187 | 190.78 |
| Adjusted 2021-23 Current Service Level | 1,461,563 | - | 79,603,348 | 7,507,439 | - | - | 88,572,350 | 187 | 190.78 |
| Total LFO Recommended Packages | - | - | 443,650 | (3,608) | - | - | 440,042 | 2 | 2.00 |
| 2021-23 Legislative Actions | 1,461,563 | - | 80,046,998 | 7,503,831 | - | - | 89,012,392 | 189 | 192.78 |
| Net change from 2019-21 Leg Approved Budget | 472,150 | - | 5,024,797 | (278,353) | - | - | 5,218,594 | (2) | (0.43) |
| Percent change from 2019-21 Leg Approved Budget | 47.7% | 0.0% | 6.7% | (3.6%) | 0.0% | 0.0% | 6.2% | (1.1%) | (0.2%) |
| Net change from 2021-23 Adj Current Service Level | - | - | 443,650 | (3,608) | - | - | 440,042 | 2 | 2.00 |
| Percent change from 2021-23 Adj Current Service Level | 0.0% | 0.0% | 0.6% | (0.1%) | 0.0% | 0.0% | 0.5% | 1.1% | 1.1% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is now built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (101,223) | - | - | - | (101,223) | - | - |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 133 Update Hazardous Waste Fees

Package Description This package is a revenue-only package contingent on the fee proposal in SB 57. The fee revenue would be used to fund the current program which provides oversight of hazardous waste generators and investigates clean-up sites contaminated with hazardous substances. The current disposal fees have not been updated since 2003. With the fee increase the Department anticipates an additional \$1 million Other Funds revenue per biennium to support the program.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|
| LFO Recommended | - | - | - | - | - | - | - | - | - |
|------------------------|---|---|---|---|---|---|---|---|---|

Land Quality

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 134 Authorize Solid Waste Orphan Site Positions

Package Description This package includes \$531,768 Other Funds limitation and funds two permanent positions that will continue work to facilitate and oversee cleanup of solid waste orphan sites utilizing the Solid Waste Orphan Account. These two positions were originally approved in HB 5017 (2019) as limited duration. Existing revenues are sufficient to cover the positions.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---------|---|---|---|---------|---|------|
| LFO Recommended | - | - | 531,768 | - | - | - | 531,768 | 2 | 2.00 |
|------------------------|---|---|---------|---|---|---|---------|---|------|

Land Quality

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 801 LFO Analyst Adjustments

Package Description This package includes a comprehensive reclass package involving nine positions within the Land Quality Division. Additional reclass packages will also be included for Air Quality, Water Quality, and Agency Management. The net effect of this reclassification for the Land Quality Division is an increase in Other Funds limitation of \$13,105 and a decrease in Federal Funds limitation of \$3,608.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|--------|---------|---|---|-------|---|---|
| LFO Recommended | - | - | 13,105 | (3,608) | - | - | 9,497 | - | - |
|------------------------|---|---|--------|---------|---|---|-------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|----------------|---------------|-------------------|---------------|------------------------|--------------------------|-------------------|-----------|----------------------------|
| 2019-21 Agy. Leg. Adopted | 547,017 | - | 37,376,032 | - | - | - | 37,923,049 | 89 | 88.28 |
| 2019-21 Ebds, SS & Admin Act | (75,325) | - | 2,084,004 | - | - | - | 2,008,679 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 471,692 | - | 39,460,036 | - | - | - | 39,931,728 | 89 | 88.28 |
| 2019-21 Leg Approved Budget (Base) | 547,017 | - | 37,376,032 | - | - | - | 37,923,049 | 89 | 88.28 |
| Summary of Base Adjustments | 6,503 | - | 1,192,307 | - | - | - | 1,198,810 | (7) | (5.98) |
| 2021-23 Base Budget | 553,520 | - | 38,568,339 | - | - | - | 39,121,859 | 82 | 82.30 |
| 010: Non-PICS Pers Svc/Vacancy Factor | 4,362 | - | 248,594 | - | - | - | 252,956 | - | - |
| 020: Phase In / Out Pgm & One-time Cost | (392,302) | - | (6,585,247) | - | - | - | (6,977,549) | - | - |
| 030: Inflation & Price List Adjustments | 4,970 | - | 2,741,111 | - | - | - | 2,746,081 | - | - |
| 2021-23 Current Service Level | 170,550 | - | 34,972,797 | - | - | - | 35,143,347 | 82 | 82.30 |
| Adjusted 2021-23 Current Service Level | 170,550 | - | 34,972,797 | - | - | - | 35,143,347 | 82 | 82.30 |
| Total LFO Recommended Packages | - | - | 7,494,423 | - | - | - | 7,494,423 | 11 | 11.00 |
| 2021-23 Legislative Actions | 170,550 | - | 42,467,220 | - | - | - | 42,637,770 | 93 | 93.30 |
| Net change from 2019-21 Leg Approved Budget | (301,142) | - | 3,007,184 | - | - | - | 2,706,042 | 4 | 5.02 |
| Percent change from 2019-21 Leg Approved Budget | (63.8%) | 0.0% | 7.6% | 0.0% | 0.0% | 0.0% | 6.8% | 4.5% | 5.7% |
| Net change from 2021-23 Adj Current Service Level | - | - | 7,494,423 | - | - | - | 7,494,423 | 11 | 11.00 |
| Percent change from 2021-23 Adj Current Service Level | 0.0% | 0.0% | 21.4% | 0.0% | 0.0% | 0.0% | 21.3% | 13.4% | 13.4% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 is being consolidated within the Office of the State Information Officer at the E5 level of service. This cost is now built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction to the agency base budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | (158,255) | - | - | - | (158,255) | - | - |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 140 EDMS Bond Proceeds Contract

Package Description This package provides \$3.1 million Other Funds limitation to use existing bond proceeds to cover vendor contract costs for the Environmental Data Management System (EDMS) through the end of the 2021-23 biennium. The bond funds were initially planned to be spent during the 2019-21 biennium, but to provide time to address quality assurance feedback and also due to delays experienced during the pandemic, project timelines have been re-evaluated and the project will continue in the 2021-23 biennium.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|------------------|---|---|---|------------------|---|---|
| LFO Recommended | - | - | 3,100,000 | - | - | - | 3,100,000 | - | - |
|------------------------|---|---|------------------|---|---|---|------------------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 141 EDMS Maintenance Funding

Package Description This package includes \$1.6 million of Other Funds limitation to cover the ongoing costs of the maintenance contract for the Environmental Data Management System (EDMS). The revenue for this package is contingent on passage of SB 58, which would provide DEQ with authority to implement a surcharge on all invoices generated for customers using the EDMS system. The surcharge would be capped in statute at 4% and modified depending on the volume and amounts of the invoices generated.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|
| LFO Recommended | - | - | 1,600,000 | - | - | - | 1,600,000 | - | - |
|------------------------|---|---|-----------|---|---|---|-----------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 142 Credit Card Convenience Fee

Package Description This package is contingent on passage of SB 58 which would provide DEQ the authority to pass credit card transaction fees on to customers that are choosing to use credit cards as a form of payment. These transaction fees are charged by financial institutions and are not controlled by DEQ. There is no expenditure limitation requirement with this package as these fees may be charged directly to the customer by the credit card processing company.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|-----------------|---|---|---|---|---|---|---|---|---|
| LFO Recommended | - | - | - | - | - | - | - | - | - |
|-----------------|---|---|---|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 143 Enhance Agency Support Staffing

Package Description This package includes \$2,959,689 Other Funds limitation and establishment of 11 positions to support staffing needs in the Central Services Division of Agency Management. Adding these positions would allow the Division to meet increased Department-wide demands on human resources, facilities, financial services, and ongoing support for EDMS. Six of these positions were originally slated for approval in the 2020 Legislative Session. Since that time, with the demands placed on the administration of the agency by the pandemic and expanding programs, five more positions have been identified. Of the eleven positions, two are limited duration. The positions include making the Principle Executive Manager E and the Project Manager for the EDMS project permanent; establishing a Facilities and Fleet position; adding an Accountant 4 and Accountant Tech 3 in the financial services section; a Human Resources, two Operations and Policy Analyst 3 positions (one of which is a Diversity, Equity and Inclusion coordinator and the other is limited duration to assist with budget structure realignment); two Information Services and Support positions to provide increased help desk resources; and finally a limited duration Training and Development Specialist position to help onboard staff to the EDMS system as it becomes more operational. All of these positions are funded through Other Funds via the indirect charge to each of the Department's program areas. DEQ anticipates the indirect rate to be around 20% in 2021-23.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|------------------|---|---|---|------------------|-----------|--------------|
| LFO Recommended | - | - | 2,959,689 | - | - | - | 2,959,689 | 11 | 11.00 |
|------------------------|---|---|------------------|---|---|---|------------------|-----------|--------------|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 801 LFO Analyst Adjustments

Package Description This package includes a comprehensive reclass package involving five positions within the Agency Management Division. Additional reclass packages will also be included for Air Quality, Water Quality, and Land Quality Division. The net effect of this reclassification for Agency Management is a decrease in Other Funds limitation of \$7,011.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---------|---|---|---|---------|---|---|
| LFO Recommended | - | - | (7,011) | - | - | - | (7,011) | - | - |
|------------------------|---|---|---------|---|---|---|---------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| 2019-21 Agy. Leg. Adopted | - | - | - | - | 132,200,000 | - | 132,200,000 | - | - |
| 2019-21 Ebds, SS & Admin Act | - | - | - | - | - | - | - | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | - | - | - | - | 132,200,000 | - | 132,200,000 | - | - |
| 2019-21 Leg Approved Budget (Base) | - | - | - | - | 132,200,000 | - | 132,200,000 | - | - |
| Summary of Base Adjustments | - | - | - | - | 68,000,000 | - | 68,000,000 | - | - |
| 2021-23 Base Budget | - | - | - | - | 200,200,000 | - | 200,200,000 | - | - |
| 2021-23 Current Service Level | - | - | - | - | 200,200,000 | - | 200,200,000 | - | - |
| Adjusted 2021-23 Current Service Level | - | - | - | - | 200,200,000 | - | 200,200,000 | - | - |
| Total LFO Recommended Packages | - | - | - | - | 30,150,000 | - | 30,150,000 | - | - |
| 2021-23 Legislative Actions | - | - | - | - | 230,350,000 | - | 230,350,000 | - | - |
| Net change from 2019-21 Leg Approved Budget | - | - | - | - | 98,150,000 | - | 98,150,000 | - | - |
| Percent change from 2019-21 Leg Approved Budget | 0.0% | 0.0% | 0.0% | 0.0% | 74.2% | 0.0% | 74.2% | 0.0% | 0.0% |
| Net change from 2021-23 Adj Current Service Level | - | - | - | - | 30,150,000 | - | 30,150,000 | - | - |
| Percent change from 2021-23 Adj Current Service Level | 0.0% | 0.0% | 0.0% | 0.0% | 15.1% | 0.0% | 15.1% | 0.0% | 0.0% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 181 Clean Water SRF Capitalization Grant Loans

Package Description This package includes \$30,150,000 Nonlimited Other Funds from the issuance of bonds in order to issue \$30.0 million in Clean Water State Revolving Fund (CWSRF) loans. Without the funding provided in this request, DEQ would need to decline \$15.0 million per year in federal capitalization grants. The Federal Water Quality Act of 1987 created the state CWSRF. The federal act requires states to match federal dollars with state funds in an amount at least equal to 20 percent of the federal capital grant. DEQ issues General Obligation Bonds for the purpose of the match, which has been authorized by the state Bond Bill each biennium. This funding ensures communities are provided with affordable financing options for wastewater treatment and other clean water projects.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|---|-------------------|---|-------------------|---|---|
| LFO Recommended | - | - | - | - | 30,150,000 | - | 30,150,000 | - | - |
|------------------------|---|---|---|---|-------------------|---|-------------------|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 182 Revenue Transfer – Clean Water SRF Loan Funds

Package Description This package represents a transfer of revenue totaling \$1,449,000 of Nonlimited Funds to the Water Quality Program to support the Clean Water State Revolving Fund program’s procurement of loan management software from Package 124. Without this transfer the Department will be unable to fund the software update.

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|---|---|---|---|---|---|
| LFO Recommended | - | - | - | - | - | - | - | - | - |
|------------------------|---|---|---|---|---|---|---|---|---|

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|---|---------------------|----------------------|--------------------|----------------------|-------------------------------|---------------------------------|--------------------|------------------|-----------------------------------|
| 2019-21 Agy. Leg. Adopted | 6,524,882 | - | - | - | 15,848,330 | - | 22,373,212 | - | - |
| 2019-21 Ebds, SS & Admin Act | (155,927) | - | - | - | 1,795,000 | - | 1,639,073 | - | - |
| Ways & Means Actions | - | - | - | - | - | - | - | - | - |
| 2019-21 Leg Approved Budget | 6,368,955 | - | - | - | 17,643,330 | - | 24,012,285 | - | - |
| 2019-21 Leg Approved Budget (Base) | 6,524,882 | - | - | - | 17,643,330 | - | 24,168,212 | - | - |
| Summary of Base Adjustments | (871,321) | - | - | - | (14,013,275) | - | (14,884,596) | - | - |
| 2021-23 Base Budget | 5,653,561 | - | - | - | 3,630,055 | - | 9,283,616 | - | - |
| 2021-23 Current Service Level | 5,653,561 | - | - | - | 3,630,055 | - | 9,283,616 | - | - |
| Adjusted 2021-23 Current Service Level | 5,653,561 | - | - | - | 3,630,055 | - | 9,283,616 | - | - |
| Total LFO Recommended Packages | - | - | - | - | 10,020,000 | - | 10,020,000 | - | - |
| 2021-23 Legislative Actions | 5,653,561 | - | - | - | 13,650,055 | - | 19,303,616 | - | - |
| Net change from 2019-21 Leg Approved Budget | (715,394) | - | - | - | (3,993,275) | - | (4,708,669) | - | - |
| Percent change from 2019-21 Leg Approved Budget | (11.2%) | 0.0% | 0.0% | 0.0% | (22.6%) | 0.0% | (19.6%) | 0.0% | 0.0% |
| Net change from 2021-23 Adj Current Service Level | - | - | - | - | 10,020,000 | - | 10,020,000 | - | - |
| Percent change from 2021-23 Adj Current Service Level | 0.0% | 0.0% | 0.0% | 0.0% | 276.0% | 0.0% | 107.9% | 0.0% | 0.0% |

| | General Fund | Lottery Funds | Other Funds | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds | Positions | Full-Time Equivalent (FTE) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

Package 191 Clean Water SRF Bond Debt Service

Package Description This package includes \$10,020,000 to obtain expenditure limitatoin to pay debt service for General Obligation Bonds issued to meet the state match for federal capitalization grants to maintain the Clean Water State Revolving Fund. This package covers \$10.02 million of debt service for bonds of short duration, which are fully redeemed during the 2021-23 biennium with no carryover into subsequent biennia. DEQ sources all debt service from interest earnings from the CWSRF program, which allows these General Obligation Bonds to seem "self-financed."

LFO Recommendation Approve the package.

| | | | | | | | | | |
|------------------------|---|---|---|---|------------|---|------------|---|---|
| LFO Recommended | - | - | - | - | 10,020,000 | - | 10,020,000 | - | - |
|------------------------|---|---|---|---|------------|---|------------|---|---|

Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 6/9/2021 7:26:04 PM

Agency: Environmental Quality, Department of

Mission Statement:

To be a leader in restoring, maintaining and enhancing the quality of Oregon's air, water and land.

| Legislatively Proposed KPMs | Metrics | Agency Request | Last Reported Result | Target 2022 | Target 2023 |
|--|---|----------------|----------------------|-------------|-------------|
| 1. AIR QUALITY DIESEL EMISSIONS - Quantity of diesel particulate emissions (in tons). | | Approved | 2,394 | 2,100 | 1,800 |
| 2. AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for sensitive groups and all groups. | a) National Standards Number of days when air is unhealthy for sensitive groups | Approved | 37 | 25 | 20 |
| | b) National Standards Number of days when air is unhealthy for all groups | | 9 | 6 | 3 |
| 3. AIR QUALITY - AIR TOXICS - Air Toxics Trends in Larger and Smaller Communities | a) Air Toxics Trends in Large Communities | Approved | 10 | 8 | 6 |
| | b) Air Toxics Trends in Smaller Communities | | 10 | 8 | 6 |
| 4. Permit Timeliness - Issuance of new permits - Percentage of new air quality permits that are issued within timeliness targets. | Permit Timeliness - Issuance of new permits (Air Contaminant Discharge Permits) | Approved | 74% | 80% | 80% |
| | b) Permit Timeliness - Issuance of new permits (Title V Permits) | | 0% | 80% | 80% |
| 5. Permit Timeliness - Issuance of Permit Modifications - Percentage of air quality permit modifications issued within the target timeliness period. | Permit Timeliness - Issuance of Permit Modifications (Air Contaminant Discharge Permits) | Approved | 71% | 80% | 80% |
| | b) Permit Timeliness - Issuance of Permit Modifications (Title V Permits) | | 67% | 80% | 80% |
| 6. Permit Timeliness - Current Permits - Percent of air quality permits that are current (not on administration extension) | Permit Timeliness - Current Permits (Air Contaminant Discharge Permits) | Approved | 70% | 80% | 80% |
| | Permit Timeliness - Current Permits (Title V Permits) | | 63% | 80% | 80% |
| 7. PERMIT TIMELINESS - Percentage of individual wastewater discharge permits issued within 270 days. | | Approved | 32% | 50% | 50% |
| 8. UPDATED PERMITS - Percent of total wastewater permits that are current. | | Approved | 66% | 75% | 75% |
| 9. WATER QUALITY CONDITIONS - Percent of monitored stream sites with significantly increasing trends in water quality. | a) Percent of monitored stream sites with significantly improving trends in water quality | Approved | 16% | 20% | 25% |
| | b) Percent of monitored stream sites with significantly declining trends in water quality | | 16% | 15% | 10% |
| | c) Percent of monitored stream sites with good to excellent water quality | | 51% | 60% | 70% |
| 10. CLEANUP - Properties with known contamination cleaned up | a) Percent of heating oil tank sites cleaned up | Approved | 86.50% | 90% | 90% |
| | b) Percent of regulated underground storage tank sites cleaned up | | 89.40% | 95% | 95% |
| | c) Percent of hazardous substance sites (non-tank) cleaned up | | 51.50% | 65% | 75% |
| 11. MATERIALS MANAGEMENT - Waste generation | | Approved | 5,529,121 | 5,000,000 | 4,800,000 |
| 12. MATERIALS MANAGEMENT - Waste recovery | | Approved | 42.10% | 50% | 50% |

| Legislatively Proposed KPMS | Metrics | Agency Request | Last Reported Result | Target 2022 | Target 2023 |
|--|--------------------------------|----------------|----------------------|-------------|-------------|
| 13. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information. | a) Expertise | Approved | 79% | 95% | 95% |
| | b) Availability of Information | | 68% | 95% | 95% |
| | c) Helpfulness | | 79% | 95% | 95% |
| | d) Accuracy | | 74% | 95% | 95% |
| | e) Timeliness | | 69% | 95% | 95% |
| | f) Overall | | 73% | 95% | 95% |
| 14. ERT - Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent. | | Approved | 89% | 90% | 90% |
| 15. BOARDS AND COMMISSIONS - Percent of total best practices met by the Environmental Quality Commission. | | Approved | 92% | 100% | 100% |

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

SubCommittee Action: