

Oregon Department of Environmental Quality



State of Oregon
Department of
Environmental
Quality

2023 Supplemental Materials Ways and Means

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Note: At the time of submittal DEQ did not yet have a final Governor's Recommended Budget

AGENCY MISSION AND OVERVIEW

MISSION STATEMENT

DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, water and land. DEQ carries out its mission in order to protect public health and the environment for all Oregonians.

STATUTORY AUTHORITY

DEQ administers federal and state laws designed to limit air, water and land pollution in order to protect public health and the environment. The U.S. Environmental Protection Agency (EPA) authorizes the agency to implement federal environmental programs in Oregon. This includes the federal Clean Air and Clean Water Acts, and the Resource Conservation and Recovery Act and Oil Pollution Act, which covers waste management and underground storage tank programs as well as spills of petroleum and hazardous substances. DEQ also works with EPA to implement the federal Superfund program – requiring cleanup of sites with significant contamination. In addition to its responsibilities under federal law, DEQ also implements state programs protecting public health and the environment including the Cleaner Air Oregon air toxics program, waste management and recycling, groundwater protection, greenhouse gas reduction programs, and environmental cleanup activities for smaller contaminated sites.

DEQ's major statutory authorities in the Oregon Revised Statutes are:

- Chapter 448 — Operator Certification for Sewage Treatment Works
- Chapter 453 — Hazardous Substances
- Chapter 454 — Sewage Treatment and Disposal Systems
- Chapter 459 — Solid Waste Control
- Chapter 459A — Reuse and Recycling
- Chapter 465 — Hazardous Waste and Hazardous Materials I
- Chapter 466 — Hazardous Waste and Hazardous Materials II
- Chapter 467 — Noise Control
- Chapter 468 — Environmental Quality Generally
- Chapter 468A — Air Quality
- Chapter 468B — Water Quality
- Chapter 475 — Illegal Drug Lab Cleanup

Federal and state laws are implemented through Oregon Administrative Rules (OARs) adopted by the Environmental Quality Commission. DEQ's rules are found in OAR Chapter 340, Divisions 11 to 180.

The EQC is a five-member citizen commission whose members are appointed by the governor, subject to confirmation by the Senate. The commissioners serve four-year terms at the pleasure of the governor. Commissioners may be reappointed but may not serve more than two consecutive terms. In addition to adopting rules, the EQC also approves the agency's request budget, establishes policy (subject to legislative mandate) and appoints the agency's director (ORS Chapter 468).

STRATEGIC GOALS

Over the next year, DEQ and the EQC are developing a new strategic plan for the agency. In the meantime, the following strategic goals guide the agency's actions, including development of its biennial budget request and reduction options, to ensure that they are in alignment with agency priorities.

- Improve the quality of Oregon's air, water and land resources over time to protect public health and the environment.
- Set standards that are protective of all Oregonians and the air, water and land resources that they depend on.
- Work with federal, state, local, private and community partners to meet standards in ways that are efficient, effective and fair and that recognize historic burdens that have been placed on communities of color and other underrepresented groups and places.
- Sustain a diverse, outcome-oriented workforce and culture.
- Provide ready access to information and services.
- Develop and maintain effective business practices.
- Support effective engagement by tribes, front line communities, business communities, and the public in policy decisions concerning Oregon's environment.

AGENCY OVERVIEW

DEQ's headquarters is in Portland, with regional administrative offices in Bend, Eugene and Portland. Field offices are located in Coos Bay, Medford, Pendleton, Salem, The Dalles, and Klamath Falls. DEQ operates Oregon's environmental laboratory located in Hillsboro. The Vehicle Inspection Program operates in the Portland metro area, and in Medford, and includes a technical center and six inspection stations in the Portland area, and one inspection station in Medford.

Air Quality Program. DEQ carries out federal and state laws designed to ensure that all Oregonians are breathing healthy air, and that air quality is not harming our environment. DEQ monitors air quality across Oregon to ensure that it meets or exceeds national health-based standards. In the few areas where national standards are not met, DEQ works with local partners to develop and implement programs that address the causes of non-attainment. The air quality program in Lane County is carried out by the Lane Regional Air Pollution Authority (LRAPA).

Pollution from motor vehicles, wood smoke and wildfires are primary sources of air pollution in Oregon. DEQ operates a vehicle inspection program in the Portland area and in the Rogue Valley that (along with vehicle emissions standards) is key to protecting public health in these areas. DEQ partners with local governments in several areas to reduce pollution from wood stoves. And, DEQ works with the Oregon Department of Forestry and the Oregon Health Authority to help limit impacts from wildfires, including prescribed burning.

In addition to its work in controlling pollution from vehicles, wood stoves and wildfires, DEQ regulates about 2,700 facilities that emit air pollutants. This is carried out through two permitting programs, one under Title V of the federal Clean Air Act, and the other under state law. Existing facilities that present the highest health risks from air toxics also are regulated under the Cleaner Air Oregon program.

DEQ also provides incentives for reducing air pollution – funding for retrofitting and replacing older diesel engines, and rebates for purchase and lease of electric vehicles.

Finally, DEQ is helping Oregonians reduce greenhouse gas emissions through several programs including emissions from landfills, and through a new program to cap and reduce greenhouse gas emissions over time from large stationary sources, fuel suppliers, and natural gas suppliers. To coordinate the work on greenhouse gas emissions reporting and reduction, along with the Clean Fuels program, DEQ has established an office of Greenhouse Gas Programs.

The Air Quality program is funded through a variety of fees, including permit fees and vehicle inspection fees, as well as federal grants and General Fund.

Water Quality Program. Federal and state laws require that Oregon’s rivers, streams, lakes and Ocean waters be clean – clean enough so that fish and other wildlife thrive, and that people can swim and drink water without harming their health. The EQC sets specific water quality standards designed to achieve these outcomes. DEQ monitors water quality across the state and, where data show that standards are not met, develops clean water plans (also known as Total Maximum Daily Loads (TMDLs)) that show what must be done to meet standards. DEQ also administers more than 3,800 permits that limit wastewater discharges, including large municipal and industrial treatment systems, and septic system and other on-site sewage treatment and disposal systems. DEQ works closely with the Oregon Department of Agriculture, the Oregon Department of Forestry, the Oregon Watershed Enhancement Board, and the Oregon Department of Fish and Wildlife, as well as the U.S. Forest Service and the federal Bureau of Land Management to control pollution from land and water uses.

The water quality program also is a major source of financing for water quality improvement projects through the Clean Water State Revolving Fund.

The Water Quality program is funded through a variety of permit fees and revenue agreements, federal grants, Lottery Fund and General Fund.

Land Quality Program. This program is a coordinated group of programs involving materials management, solid and hazardous waste management, and remediation of contaminated lands. Land Quality protects human health and the environment by helping Oregonians:

- Produce and use materials more sustainably;
- Reduce the use of toxic chemicals and safely manage the generation of waste;
- Manage materials and waste to minimize the release of toxics to the air, land and water, and to promote the recovery of valuable materials;
- Reduce the risk from exposure to contaminants already in our environment through cleanup of contaminated sites; and
- Prepare for and minimize the danger from spills and other accidental releases of hazardous substances or other emergency events

Land Quality activities touch upon all environmental issues. For example, solid waste reduction can help to reduce GHG emissions, and ensuring compliance with landfill requirements helps contain impacts to the land and prevent hazardous

substances from polluting Oregon’s rivers and groundwater supplies. Similarly, cleanup of historic pollution ensures people aren’t exposed to unhealthy concentrations of hazardous substances in the air or in the soil at specific properties, reduces runoff of harmful chemicals to our rivers and streams and protects against the contamination of drinking water supplies. The cleanup of contaminated properties also promotes economic development and increases local property tax revenue.

The Land Quality program is funded primarily through fees and other funds, including cost recovery for cleanup work. The program also receives federal funds through grant and cooperative agreements, and a small amount of General Fund.

Laboratory and Environmental Assessment Program. Oregon's environmental lab is committed to providing scientifically sound, timely, safe and efficient analytical services for assessing the quality of Oregon's environment and protecting Oregonians. The lab also has a role in homeland security, analyzing unknown chemicals associated with credible terrorist threats. DEQ works closely with the Oregon Public Health Laboratory in conducting analyses and interpreting results. Both labs are co-located in a state-owned facility in Hillsboro.

Office of Compliance and Enforcement. Budgeted in the Air, Water and Land Quality programs and managed through the Office of the Director, OCE supports programs administered in the regional and headquarters offices which work with permittees and other regulated entities to maintain compliance with environmental laws. When voluntary compliance fails, OCE conducts a formal enforcement response for the most significant violations and violators. Formal enforcement usually includes the assessment of civil penalties or issuance of enforcement orders, and can involve criminal cases in cooperation with district attorneys, federal agencies or the Oregon Attorney General.

Agency Management. Agency Management provides leadership, fiscal management, central services and technical support to accomplish DEQ’s mission. The Director’s Office provides leadership, intra- and inter-agency coordination, Environmental Quality Commission support, review and issuance of agency enforcement actions, and legislative liaison functions. The Central Services Division ensures that DEQ satisfies the legal and administrative requirements relating to human resources, organizational development, policy development and implementation, health and safety, budgeting, accounting, information technology, business systems and outcome based management. The Office of Policy and External Affairs directs the development of the agency’s legislative agenda, coordinates closely with other agencies and environmental and business stakeholders, manages DEQ’s internal and external communications, and is a point of contact for a legislator or other elected officials and their staff to get information about DEQ or the environment.

DEQ's 23-25 Governor Request Budget prioritizes public health and protecting environmental resources (that lower income and other underrepresented communities are particularly dependent on). This includes improving water and air quality, as well as improving preparedness for major spills and other accidents (such as fires) that can threaten community health. It also includes continuing to respond to the growing climate crisis through the development and implementation of programs to reduce and avoid greenhouse gas emissions. In developing its 23-25 budget, DEQ considered the following:

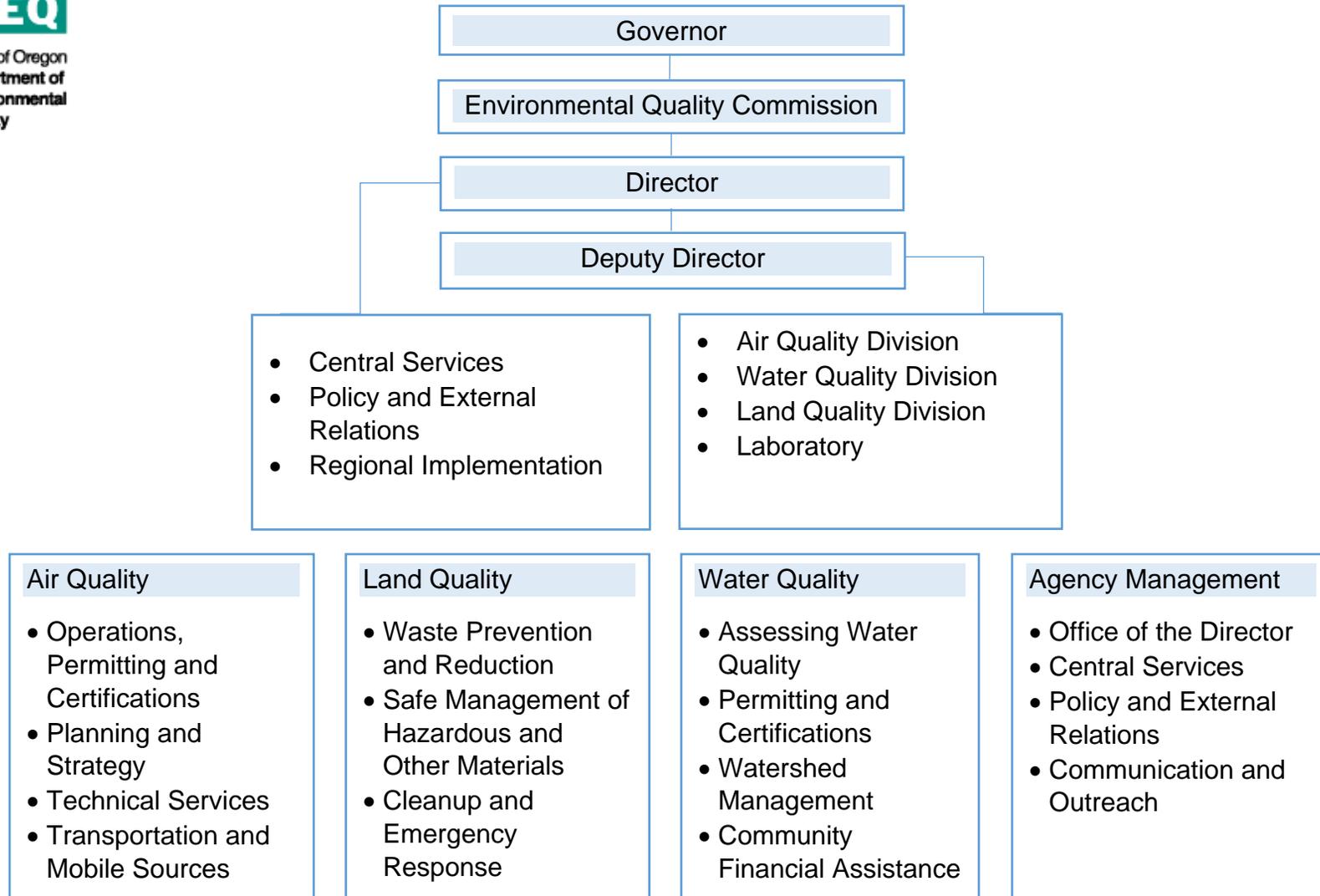
- Direction from the Environmental Quality Commission;
- Input from tribes, representatives of communities and local governments, regulated businesses; and the public;
- Changes in federal programs, and gaps created by the roll-back of federal environmental protections;
- Environmental justice, including climate justice;
- The need to balance the state's highest environmental needs with the need to maximize limited resources;
- Input from other state agencies, the Natural Resources Cabinet, and the Governor's Office;
- Revenue shortfalls, and the effect on critical work; and
- An emphasis on attaining resources necessary to fully implement existing programs



State of Oregon
Department of
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Quality

State of Oregon Department of Environmental Quality

Agency Organizational Chart



ENVIRONMENTAL QUALITY COMMISSION

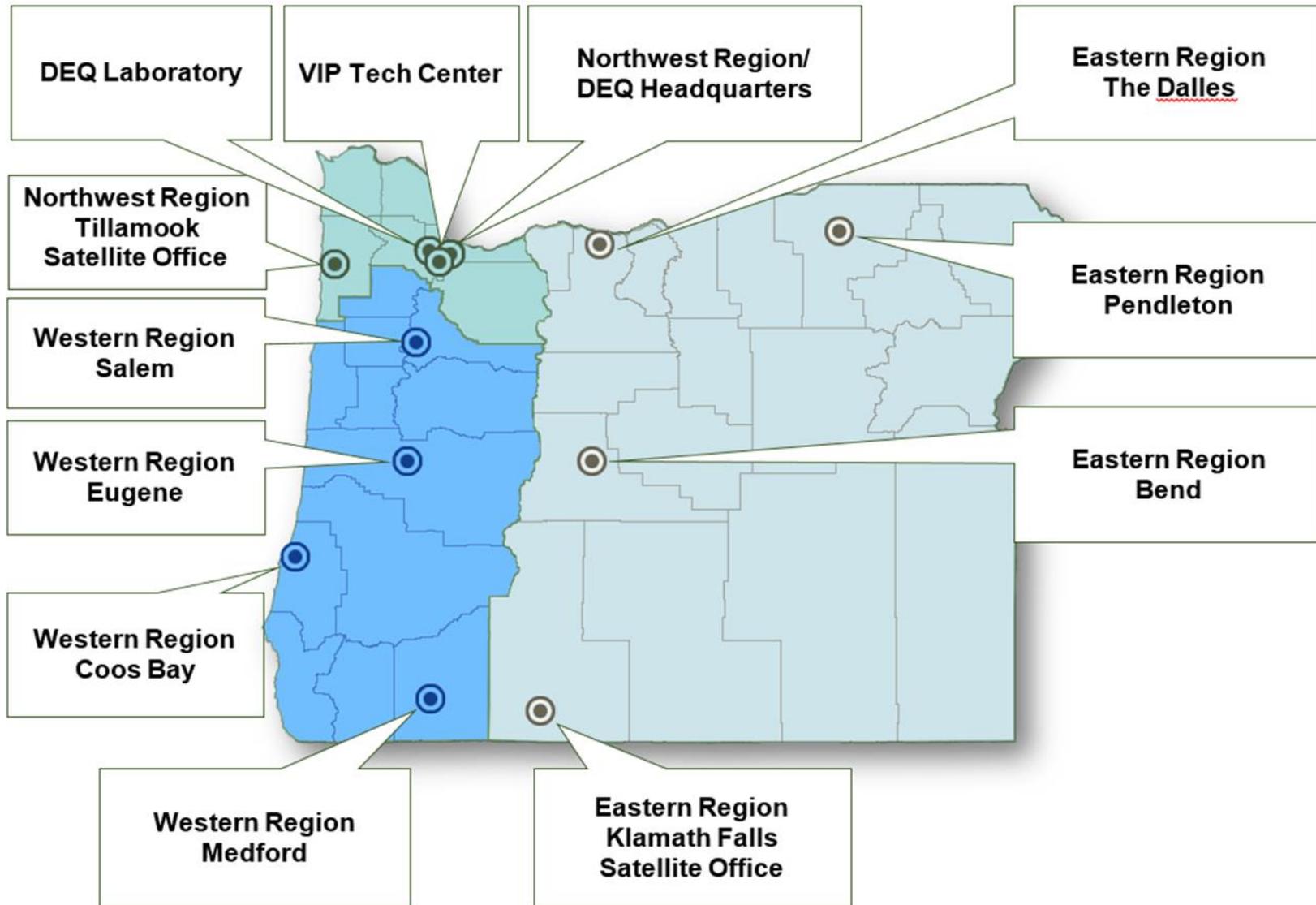
The EQC is a five-member citizen commission whose members are appointed by the Governor, subject to confirmation by the Senate. The commissioners serve four-year terms at the pleasure of the Governor. Commissioners may be reappointed but may not serve more than two consecutive terms. In addition to adopting rules, the EQC also approves the agency's request budget, establishes policy (subject to legislative mandate) and appoints the agency's director (ORS Chapter 468).



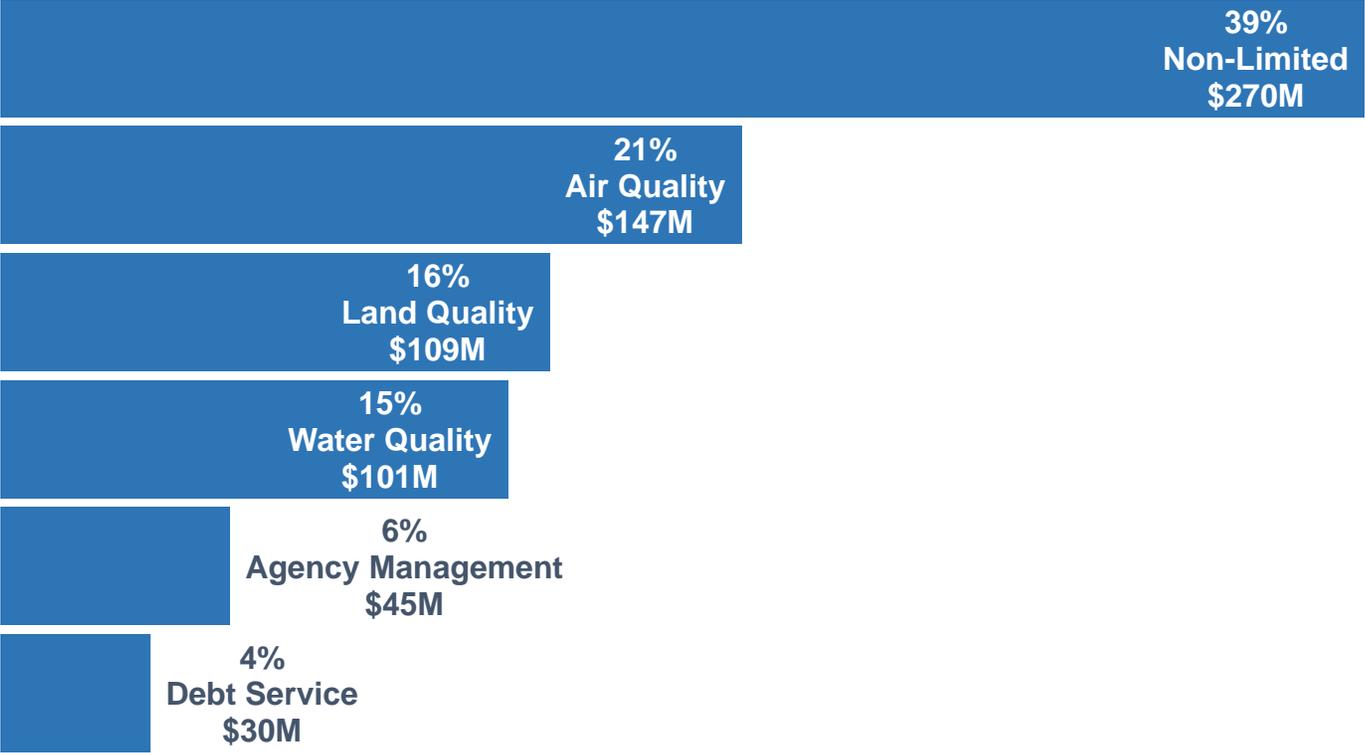
CURRENT MEMBERS (2/28/2023)

- Chair Kathleen George
- Vice-Chair Sam Baraso
- Commissioner Molly Kile
- Commissioner Amy Schlusser
- Commissioner Greg Addington

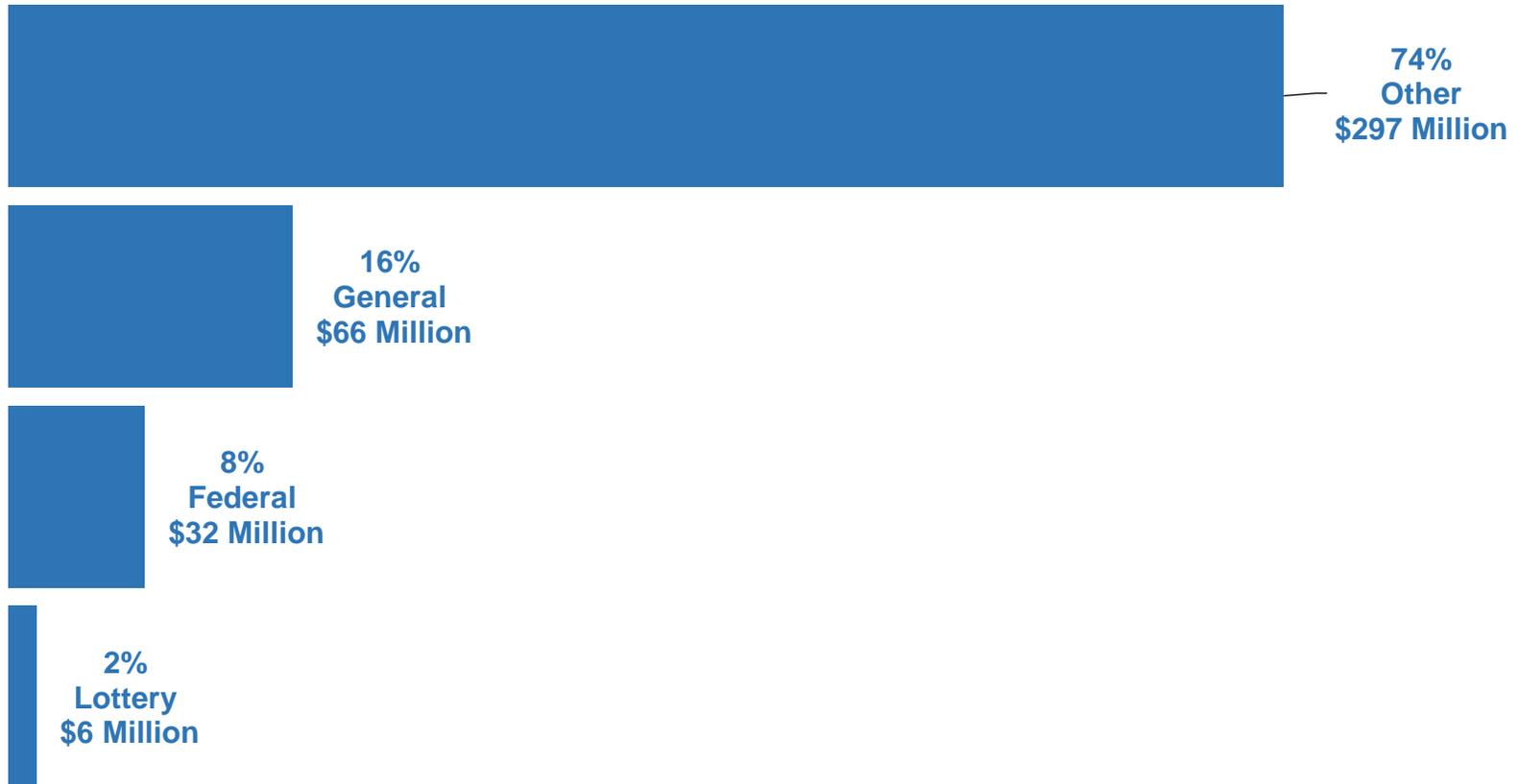
DEQ OFFICES IN COMMUNITIES



2023-2025 Total Governor's Request Budget \$701,482,188

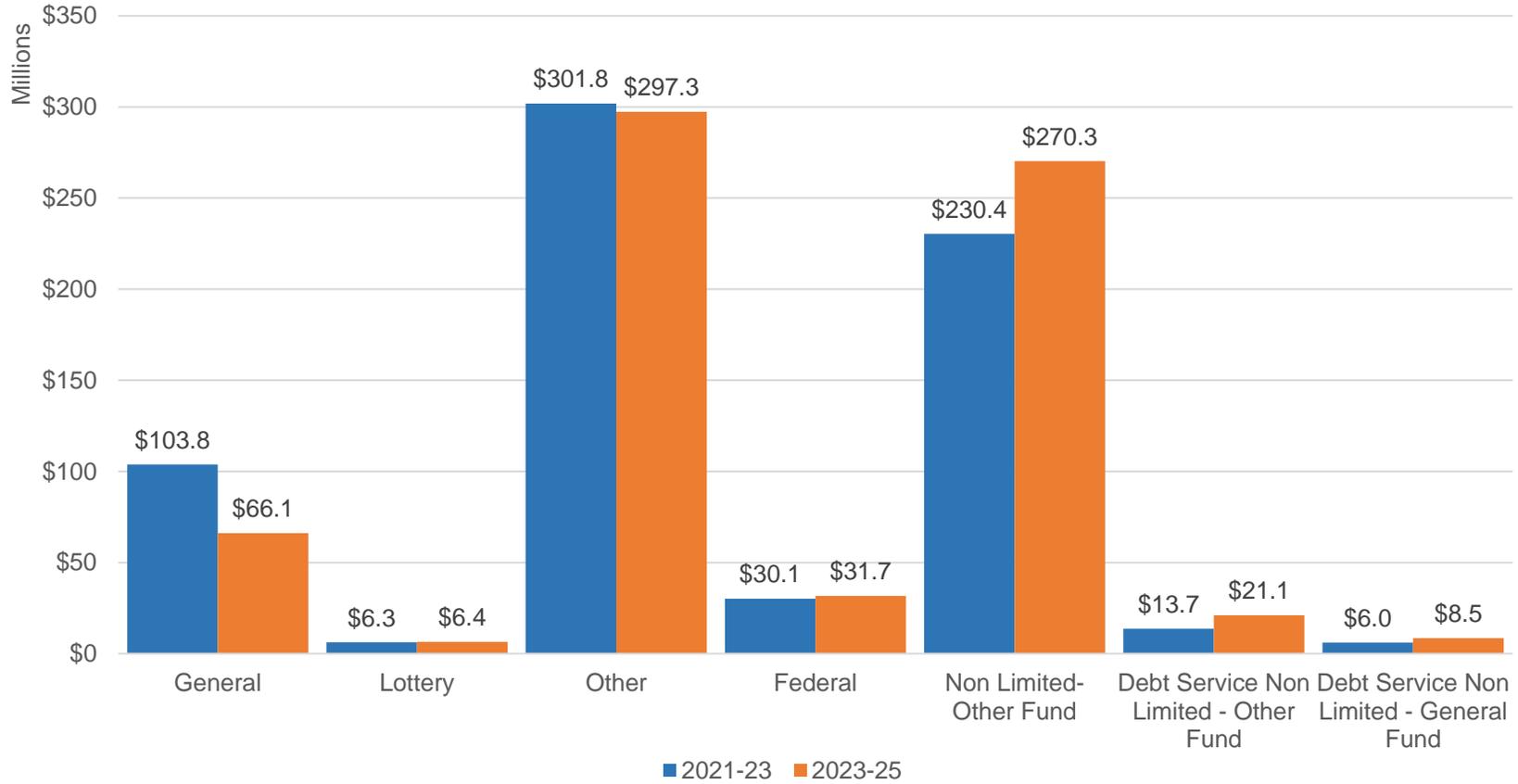


2023-2025 Governor's Request Budget for Operations - \$401,601,008



Oregon Department of Environmental Quality

Fund Type Comparison of 2021-23 LAB and 2023-25 GRB Limitation



Oregon Department of Environmental Quality Program Comparison of 2021-23 LAB and 2023-25 GRB Limitation



Oregon Department of Environmental Quality Program Comparison of 2021-23 LAB and 2023-25 GRB FTE



Oregon Department of Environmental Quality Fund Type by Program Comparison of 2023-25 GRB Limitation



5, 10 AND 15% REDUCTION OPTIONS SUMMARY

Current Service Level Reduction Targets

	General Fund	Lottery Fund
5%	\$3,339,502	\$322,720
10%	\$6,679,005	\$645,440
15%	\$10,018,507	\$968,160

General Fund Reduction Options – First 5% Increment

Division	Reductions
Air Quality	\$1,450,123
Water Quality	\$1,809,207
Land Quality	\$217,881
Total	\$3,477,211

The first increment of 5% reduction options would:

- Reduce water quality planning and water quality protection activities, including Integrated Water Resources Strategy, groundwater monitoring, Total Maximum Daily Load (i.e. water quality plan) development and implementation, nonpoint source pollution control, information system support for water quality databases, water quality standards development and interpretation, and harmful algae bloom detection and notification.
- Reduce air quality planning, monitoring and protection activities including air toxics monitoring and analysis, air quality rules coordination, information system support for air quality databases, project management for the greenhouse gas emissions program, and air quality permit writing and inspections.

- Reduce DEQ’s capacity to collaborate on the Portland Harbor Superfund Project.

General Fund Reduction Options – Second 5% Increment

Division	Reductions
Air Quality	\$1,054,892
Water Quality	\$2,026,393
Agency Management	\$120,509
Total	\$3,201,794

The second increment of 5% reduction options would:

- Reduce water quality planning and water quality protection activities, including writing state and federal water quality permits, ensuring compliance with water quality permit conditions, coordinating implementation of water quality plans (known as Total Maximum Daily Loads) and groundwater management area plans, and ensuring protection of groundwater from permitted wastewater treatment systems and facilities and aquifer storage and recovery projects.
- Reduce air quality planning, monitoring and protection activities including reducing the size of the air quality monitoring network for air toxics and wildfire smoke, reducing budget and grant development and execution support for the air quality program, and eliminating grants to communities for wood smoke reduction to comply with federal air quality standards.
- Reduce support for DEQ’s business continuity of operations preparedness to comply with HB 4068 (2022).

General Fund Reduction Options – Third 5% Increment

Division	Reductions
Air Quality	\$1,373,305
Water Quality	\$1,771,980
Land Quality	\$136,092
Agency Management	\$60,650
Total	\$3,342,027

The third increment of 5% reduction options would:

- Reduce water quality planning and water quality protection activities, including Integrated Water Resources Strategy, resources required to modernize and maintain information systems to support electronic permit application submission and transactions and public access to water quality permit information, water quality data analysis and modeling, Total Maximum Daily Load (i.e. water quality plan) development and implementation, and harmful algae bloom detection and notification.
- Reduce air quality planning, monitoring and protection activities including air toxics monitoring and analysis, the greenhouse gas emissions program, the diesel emissions reduction program, laboratory sample intake and processing.
- Reduce DEQ’s capacity to collaborate on the Portland Harbor Superfund Project.
- Reduce support for DEQ’s business continuity of operations preparedness to comply with HB 4068 (2022).

Lottery Fund Reduction Options – First 5% Increment

Water Quality \$388,041

- The first 5% increment of Lottery Fund reductions would reduce resources to assess the biological impairments of waterbodies statewide and resources to work with other state, public and non public partners to conduct water quality assessment, water quality plan development, and strategic planning activities.

Lottery Fund Reduction Options – Second 5% Increment

Water Quality \$257,398

- The second 5% increment of Lottery Fund reductions would reduce data management support and accessibility for the development of water quality plans (TMDLs) and assessment of impaired waterbodies.

Lottery Fund Reduction Options – Third 5% Increment

Water Quality \$322,721

- The third 5% increment of Lottery Fund reductions would reduce support for statewide groundwater and water quality toxics monitoring.

PROPOSED MAJOR DEQ LEGISLATION

Bill Number and Title	Fund Type/Cost
HB 3195 – Clean Water State Revolving Fund Eligibility. This concept would expand eligibility under ORS 468.423(4) to include a broader range of public agencies that may apply for and be a recipient of Clean Water State Revolving Fund loans.	No fiscal
HB 3196 – Community Climate Investment Program Funding. This concept authorizes the Environmental Quality Commission to assess a fee, up to 5%, on Community Climate Investment Entities to fund agency oversight an auditing of community climate investments.	Other Fund
HB 3207 – Domestic Well Testing Act Data Collection. This concept would revise existing real-estate transaction requirements for groundwater quality testing to improve reporting efficiency and data submittal to state public health and environmental protection agencies.	General Fund
HB 3208 – Fee Authority for Certain Water Quality Programs. Environmental Quality Commission Authority to Adjust Certain Water Quality Fees. This concept would expand range of water quality permitting fee types that the EQC may be adjust by up to 3% annually to maintain continued service levels.	No fiscal
HB 3220 – E-Cycles Program Modernization. Modifies provisions of Oregon’s electronic recycling program to assure more consistent and equitable services across the state.	No fiscal
HB 3229 – Title V Program Funding. Authorizes a statutory fee increase to maintain current service levels in the Federal Air Quality Permitting Program. Repeals statutory fees and authorizes the Environmental Quality Commission to establish Title V permit fee schedule in rule beginning 2025. Authorizes routine increase, not to exceed 3%, to other air quality program fees.	Other Fund
HB 3273 – Sunset Dry Cleaner Program. Repeals dry cleaner limited liability protections, repeals dry cleaner program fees, phases-in a statewide prohibition n certain dry-cleaner chemicals.	No fiscal

MAJOR INFORMATION TECHNOLOGY PROJECTS

To provide improved and transparent services to our stakeholders and enhanced business process and practice, DEQ continues to modernize and standardize its business systems infrastructure. We currently have two IT projects anticipated to exceed \$1 million: (1) an environmental data management system; and (2) a system for management of the Clean Water State Revolving Fund.

ENVIRONMENTAL DATA MANAGEMENT SYSTEM

DEQ manages environmental data with antiquated and inefficient systems, and as a result, staff experience numerous problems completing some of the agency's core business functions, including those related to permitting, public data requests, and federally mandated data exchange.

As demands on DEQ have increased, agency-wide and program-specific IT systems have not kept pace nor been able to leverage technology advances now available. Some of the most urgent issues and needs regarding DEQ's current portfolio of environmental data systems include aging and difficult to maintain systems; siloed systems that inhibit data sharing; lack of integrated, standardized technology across systems; and lack of support for electronic invoicing and payment. These challenges have resulted in a backlog of permits awaiting issuance, modification, or renewal, as well as DEQ non-compliance with federal electronic reporting requirements.

Modernizing DEQ's core environmental data systems has been a steady process of careful analysis and planning. DEQ has been coordinating closely with the Oregon Department of Administrative Services, Enterprise Information Services, Cyber Security Services, and Department of Justice.

DEQ created a high-level business case and achieved Stage Gate 1 for an environmental data management system (EDMS) from Oregon State Chief Information Officer in February of 2017. The 2017 Legislature provided \$750,000 General Fund, and 2018 Legislature provided \$1,083,217 General Fund and \$5,017,357 bonding authority that support DEQ's work on the project work through Stage Gate 3. DEQ achieved Stage Gate 3 on April 25, 2019.

DEQ has named the environmental data management system "Your DEQ Online" (YDO). The agency began launching programs in YDO in May of 2021. As of February 16, 2023, 10 of the 22 in-scope programs have successfully launched and are actively used daily by DEQ employees, the regulated community, and the public.

Continued investment in Your DEQ Online will meet DEQ's need for a scalable modern technical platform for data management and business process management across the agency. A more up-to-date, integrated system will streamline data sharing and workflows and increase staff productivity. As a result, DEQ will more easily meet regulations, decrease permit backlogs, and provide quicker and more meaningful communication with external stakeholders.

CLEAN WATER STATE REVOLVING FUND SYSTEM

DEQ implements the federal Clean Water State Revolving Fund (CWSRF) loan program, which provides below-market rate loans for the planning, design and construction of various water pollution control activities. Eligible borrowers must be public agencies, which includes tribal nations, cities, counties, sanitary districts, soil, water conservation, irrigation and various special districts, and certain intergovernmental entities. In Oregon, the CWSRF program has assisted 194 communities, financing over \$1.26 billion for pollution control projects since 1989.

DEQ's CWSRF program currently has 15 FTE who manage \$80M to \$100M in loan agreements annually and a portfolio of close to \$900 million. The program's two loan specialists rely on 36 spreadsheets and two Microsoft Access databases to manage the financial data and ensure that the program meets federal requirements.

Managing the portfolio with spreadsheets and databases is inefficient, complex and labor intensive. The business processes result in a redundant data entry for many data fields, high potential for data entry errors and data security concerns. The use of spreadsheets and databases slows down the loan process, meaning that public agencies don't receive funding as quickly as needed.

DEQ seeks a commercial off-the-shelf system to manage the CWSRF portfolio and meet business needs. The goals are to implement a reliable system that will accurately manage program financial data, improve data security, increase efficiency, interact with State of Oregon and DEQ accounting systems, allow for customers to access data, and improve overall customer service.

This project supports the Governor's housing priority as the CWSRF program provides funding for wastewater infrastructure that is needed for housing and development. This project supports DEQ priorities to efficiently and responsibly meet environmental standards and emerging needs, and to enhance information security for the agency.

DEQ achieved Stage Gate 1 from Enterprise Information Services on July of 2019 and Stage Gate 2 in December of 2021. DEQ has completed the RFP process and selected Technology Partner Group (TechPG) based in Indianapolis, IN. Currently in final contract negotiations and EIS & DOJ reviews.

Pursuing modern CWSRF software supports many of DEQ's values and IT strategic goals. The CWSRF program has funds for the procurement and maintenance of a COTS system in their administrative fund, which is funded by loan fees. DEQ does not need General Fund for this project.

Audit Result Summaries 21-23

- **Environmental Quality, Department of** Clean Water State Revolving Fund Loan Program For the Fiscal Year Ended June 30, 2021
[Report No. 2022-31](#), Financial
November 2022
- **Environmental Quality, Department of** Selected Financial Accounts For the Year Ended June 30, 2021, Financial
Management Letter [340-2022-02-01](#)
July 2022
- **Environmental Quality, Department of** Selected Financial Accounts For the Year Ended June 30, 2020
Management Letter [340-2020-12-01](#)
May 2021
- **Environmental Quality, Department of** Clean Water State Revolving Fund Loan Program For the Fiscal Year Ended June 30, 2020
[Report No. 2021-15](#), Financial
May 2021
- **Environmental Quality, Department of** Statewide Single Audit of Selected Federal Programs For the Year Ended June 30, 2020
Management Letter [340-2021-03-01](#)
May 2021

Department of Environmental Quality																					
2023 - 2025 Biennium																					
Department-Wide Priorities for 2023-25 Biennium																			Agency Number: 34000		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Dept	Prgm/ Div																				
1	1	DEQ	Air Quality - Climate and Toxics	DEQ monitors the air to identify areas that exceed or are close to exceeding federal standards for particulate, ozone, air toxics and the state's greenhouse gas that cause serious health problems. Air pollutants come from small sources (such as woodstoves, open burning, fuel distribution and combustion, consumer product use, commercial solvent use and asbestos) as well as industrial sources. These sources also emit greenhouse gases that contribute to climate change. DEQ develops and implements clean air plans and programs to address all forms of pollution. Currently, DEQ, in coordination with Oregon Health Authority, is implementing new regulations known as Cleaner Air Oregon that will set limits on air emissions from industrial sources based on risks to human health. The department is also in the process of developing a new program to cap, regulate and reduce greenhouse gas emissions from large stationary sources, transportation fuels, natural gas and other fuels. Collectively these program address local and global air quality challenges.	34000-08,09,10 (OBM#75,76)	9	30,209,804	-	70,845,072	-	10,933,487	\$ 111,988,363	137	119.84	Y	Y	FM	Federal Clean Air Act, 42 USC sections 7401 et seq; ORS 468A	Under the Clean Air Act, EPA sets air quality standards to protect public health. States are required to monitor air quality within their jurisdictions and use the data to determine if areas meet the standards. If standards are not met, states are required to develop State Implementation Plans to attain and maintain air quality standards. SIPs must include programs to enforce the state's air quality rules and must be continuously updated to address new requirements and reflect current air quality conditions. Oregon has delegated authority from EPA, and the Environmental Quality Commission formally approves each SIP.	GRB Reductions: None. GRB Additions (Policy Pkgs): General and Other Fund: PP#115 , which is connected to LC 410, requests a new revenue stream from monies paid into the Community Climate Investment Fund the amounts of 5% to DEQ to administer the program. The package also requests 4 new FTEs to support the program and \$500,000 in GF to cover start up costs. Policy Packages not recommended in GRB General and Other Fund PP#112 requests 3 additional FTE, 2 on general fund and 1 on other funds. One of the general fund requests is to make permanent and LD positions the agency received in the 2022 short session to implement medium-heavy duty diesel infrastructure. General Fund: PP#113 requests 7 LD positions received in the 2022 session be made permanent to continue work on Wildfire and Smoke Response. It also requests \$1.5 million dollars in grant money to distribute to communities for smoke management and \$230,000 for supplies and services for DEQ's laboratory to keep equipment running. PP#116 adds \$250,000 to fund pass thru dollars to LRAPA to support core work related to Air Quality. General, Federal and Other Fund: PP#114 requests 3 new FTE (2 on GF, 1 on OTH) and reclasses 2 existing positions upward for Greenhouse Gas Reduction work. It also requests \$500,000 in GF for contracting dollars.	
2	1	DEQ	Land Quality - Emergency Response	Under Oregon's Emergency Management Plan, DEQ is the lead state agency for responding to incidents involving spills of hazardous chemicals and oil. We also work with other agencies and industry to plan for and prevent spills of oil and hazardous chemicals.	0	8	1,846,948	-	5,126,561	-	62,367	\$ 7,035,876	20	17.17	Y	N	S	ORS 466.605-680 (hazardous materials) and ORS 468B.300-500 (oil)	GRB Reductions: none Policy Package(s) not recommended in GRB: Package 130 requests general fund to maintain current service level and add four new positions (4.0 FTE) to mitigate, prepare, respond to and recover from releases of oil and hazardous materials from commercial vessels, trains, pipelines, trucks and industrial facilities located along navigable waterways and inland waters of the state and other culturally, economically or ecologically sensitive environments.		
3	5	DEQ	Water Quality - TMDLs	DEQ develops and carries out clean water plans (known as "Total Maximum Daily Loads" or "TMDLs" under the federal Clean Water Act) to reduce water pollution and meet clean water standards	34000-5 (HLO#1)	9	13,693,550	1,456,635	2,868,942	-	3,991,107	\$ 22,010,234	57	51.29	Y	Y	FM, S	Section 303(d) of the federal Clean Water Act; 33 USC §1313; ORS 468B	33 USC §1313 requires states to establish total maximum daily loads for waters that do not meet water quality standards and which do not assure protection of beneficial uses, including fish and drinking water.	GRB Reduction/Restoration: Revenue shortfall package 070 eliminates one positions (1.0 FTE) that evaluates TMDL implementation efforts related to nonpoint source pollution, but that is no longer affordable due to federal fund revenue shortfalls anticipated in the 2023-25 biennium. DEQ requested to restore this position in policy option package 124, but it is not recommended in the GRB. GRB Additions (Policy Packages): Package 126 would add one new position (0.63 FTE) to develop management strategies that reduce harmful algal blooms (HABs) caused by toxin-producing cyanobacteria. Policy Packages Not Recommended in GRB: Package 124 would establish four new permanent positions (2.63 FTE) and restore one position (1.00 FTE) to improve watershed restoration and non-point source pollution control efforts across the state by enhancing DEQ capacity to provide coordination support and technical assistance for designated management agencies with TMDL implementation responsibilities. Package 125 would establish two new positions (1.63 FTE) to improve DEQ's capacity to support regional, place-based planning and other initiatives that promote the Integrated Water Resource Strategy and protect against WQ impacts resulting from emerging climate threats.	
4	6	DEQ	Water Quality - Nonpoint Source	Rainwater washing over driveways, streets, roofs, lawns, rural lands and construction sites picks up soil, garbage and toxics. Surface water runoff is the largest source of pollution to Oregon's waters. This program controls pollution from surface water runoff and works with communities on projects to improve water quality.	34000-10 (OBM 79)	9	1,026,629	-	501,691	-	2,270,762	\$ 3,799,082	7	6.66	N	Y	FM, S	Federal Clean Water Act; 33 USC §1329; ORS 468B	33 USC §1329 requires the governor of each state to prepare and submit to EPA for approval a management program for controlling pollution added from nonpoint sources to the navigable waters within the state and improving the quality of such waters.	GRB Reduction/Restoration: None. GRB Additions (Policy Packages): None.	

Department of Environmental Quality
2023 - 2025 Biennium

Agency Number: 34000

Department-Wide Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL- FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
5	2	DEQ	Air Quality - Permitting	Industrial facilities emit air pollutants that can impact human health and the environment, and contribute to climate change. DEQ issues air quality permits to regulate air pollution from industrial facilities and ensures compliance with permit requirements. Industrial air permits help to provide clean and healthy air for Oregonians. Includes implementation of planned Cleaner Air Oregon rules.	34000-01,02,12 (OBM#10a,75,76)	9	4,365,221	-	25,068,964	-	559,102	-	\$ 29,993,287	92	185.00	Y	Y	FM	Federal Clean Air Act, 42 USC sections 7401 et seq; ORS 468 and 468A	The Title V Permit program is required by the federal Clean Air Act for operating major sources of "traditional" criteria or hazardous air pollutants. The Air Contaminant Discharge Permit program applies to construction of new and modified point sources of all sizes as well as operation of medium sized point sources that are not subject to Title V. ACDPs are used to approve construction of major new sources of air pollution as required by the federal Clean Air Act. ACDPs are also used to meet requirements of the State Implementation Plan and to assure that a source does not inadvertently exceed Title V permitting thresholds. Oregon has delegated authority from EPA.	GRB Reductions: Revenue Shortfall Package 70 eliminates 11 FTE that do implementation work in the Title V permitting program. DEQ is requesting the restoration of these FTE in POP 110. GRB Additions (Policy Packages): <u>Other Fund</u> POP 110 is requesting the restoration of 11 FTE eliminated in a revenue shortfall package (pkg 70) as well as authorization for a fee increase to increase revenue to cover current service levels plus the restored FTE. Policy Packages not recommended in GRB: <u>General Fund</u> - POP 111 is requesting 7 permanent FTE to add to the Air Contaminant Discharge permitting program.
6	3	DEQ	Water Quality - Permitting & Certifications	DEQ issues water quality permits to protect Oregon's waterways. These permits regulate discharges from sewage treatment plants and industrial facilities, and stormwater runoff from industrial and construction activities. This program also certifies wastewater treatment plant operators, and controls pollution from in-water work such as dredging and filling activities and placement and operation of hydroelectric facilities.	34000-3 (OBM 10(b)); 34000-4	9	16,444,851	924,097	28,120,170	-	2,747,780	-	\$ 48,236,898	132	119.19	Y	Y	FM, S	33 USC §1342; 33 USC §1341; ORS 468B	DEQ is delegated authority to administer the National Pollutant Discharge Elimination System Program. Any applicant for a Federal license or permit to conduct any activity including but not limited to, the construction or operation of facilities, which may result in any discharge into the navigable waters, shall provide the licensing or permitting agency a certification from the State.	GRB Reductions: Revenue shortfall package 070 reduces professional services limitation that is budgeted on Federal Fund due to flat or declining federal funding. GRB package 090 recommends reducing 1.70 FTE of long-term vacant positions. GRB Additions (Policy Packages): Package 129 authorizes \$1 million in special payment limitation for DEQ to make sub-grants from the Sewer Overflow and Stormwater Reuse Municipal Grants program. Policy Packages Not Recommended in GRB: Package 121 would establish twelve new permanent positions (8.19 FTE) to improve capacity for water quality permit development and compliance assurance, as well as subject matter expertise related to hydrology, water reuse, and data management activities. Package 122 would authorize three new positions (1.75 FTE) to improve capacity for DEQ's construction and industrial stormwater permitting program. Package 123 would establish three positions (2.00 FTE) to fulfill DEQ's permitting and compliance assurance responsibilities for large onsite septic systems. Package 125 would establish a new position (1.00 FTE) dedicated to cross-program coordination for natural infrastructure project development.
7	2	DEQ	Land Quality - Solid Waste	DEQ regulates solid waste disposal and promotes waste reduction, reuse and recycling.	34000-09 (OBM 84)	9	2,000,985	-	40,643,436	-	-	-	\$ 42,644,421	97	84.83	Y	Y	FM, S	Federal Resource Conservation and Recovery Act, 42 USC sections 6941-6949a; ORS 459 and ORS 459a	RCRA Subtitle D regulates landfills at the state level. Through EPA's "determination of state adequacy," DEQ is responsible for municipal solid waste landfill permit program. Includes permit issuance, compliance oversight, groundwater monitoring, facility closure and post closure care.	GRB reductions: None GRB additions (Policy Packages): Policy package 132 and 133 request authorization to spend existing resources (10 FTE) to strengthen the program and to implement the requirements of Recycling Modernization Act

Department of Environmental Quality
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Department-Wide Priorities for 2023-25 Biennium

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL- FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
8	4	DEQ	Water Quality - Monitoring	DEQ monitors rivers, streams, lakes, groundwater areas and beaches. Data is analyzed to identify water quality pollution problems, identify causes and sources of pollution, develop effective pollution control strategies, and evaluate how programs are working to restore and maintain clean water. DEQ makes data available to the public through web-based resources, and exchanges data with permittees and EPA.	34000-10 (OBM 79)	9	9,643,470	4,074,073	3,365,696	-	2,728,712	\$ 19,811,951	44	39.47	Y	Y	FM, S	Federal Clean Water Act; 33 USC §1313; ORS 468	33 USC §1313 requires each state to identify waters within its boundaries for which effluent limitations are not stringent enough to implement any water quality standard applicable to those waters, and to identify waters or parts thereof within its boundaries for which controls on thermal discharges are not stringent enough to assure protection of beneficial uses.	GRB Reduction: GRB package 090 recommends reducing 0.80 FTE of long-term vacant positions. Policy Packages Not Recommended in GRB: Package 170 would establish two positions (1.02 FT in Water Quality) to support laboratory operations, and would fund the maintenance, repair and replacement of analytical equipment and technology at the laboratory on an established schedule to facilitate on-going laboratory operations while advancing technology in response to emerging demands from new threats to public health and the environment.	
9	3	DEQ	Air Quality - Vehicle Inspection Program	Vehicles are the number one source of air pollution in Oregon's metropolitan areas. DEQ controls air pollution from vehicles through a Vehicle Inspection Program in the Portland and Rogue Valley areas.	34000-01,09,10 (OBM#75)	9	593,033	-	33,482,522	-	-	\$ 34,075,555	93	104.13	N	N	FM	Federal Clean Air Act, 42 USC sections 7401 et seq; ORS 468A	Vehicle inspection is a key part of Portland and Medford's clean air plans that are required by the federal Clean Air Act and approved by EPA as part of Oregon's State Implementation Plan. Oregon has delegated authority from EPA.	GRB Reductions: None GRB Additions (Policy Package): None	
10	7	DEQ	Water Quality - Standards	DEQ develops clean water standards as benchmarks to protect Oregon's water. Clean water standards tell us if we can allow more growth (and the pollution that comes with growth) in a watershed and still maintain waters that are safe for drinking, swimming, irrigation, fish consumption and other beneficial uses.	34000-10 (OBM 79)	9	3,863,990	-	697,208	-	512,306	\$ 5,073,504	14	12.38	Y	Y	FM, S	Federal Clean Water Act; 33 USC §1313; 33 USC §1315; ORS 468B	33 USC §1313 requires the governor of a state or the state water pollution control agency of a state to periodically (but at least once each three year period) review applicable water quality standards and, as appropriate, modifying and adopting standards.	GRB Reductions: None. Policy Packages Not Recommended in GRB: Package 120 would establish four new positions (3.00 FTE) to increase staffing capacity and technical expertise needed to meet water quality standards and assessment program requirements.	
11	2	DEQ	Water Quality - Onsite sewerage	DEQ protects people's health from untreated sewage. (1) Set standards for proper design and installation of septic systems. (2) Issue permits for proper septic system installation.	0	10	1,102,401	-	14,389,874	-	54,711	\$ 15,546,986	17	17.62	Y	Y	S	ORS 454		GRB Reduction/Restoration: None. GRB Additions (Policy Packages): Package 129 continues a limited duration position (1.0 FTE) on General Fund and authorizes \$9.5 million Other Fund limitation to implement the Onsite Financial Assistance Program funded by the American Reinvestment Plan Act. The package also authorizes a permanent position to establish capacity for water quality programs to explore, develop and administer new grant or other funding opportunities that would support water quality improvements statewide, including expanded improvements for disadvantaged communities and meeting environmental justice goals. Policy Packages Not Recommended in GRB: Package 123 would establish two permanent positions and a recurring summer student internship (2.13 FTE) to support program activities related to small onsite systems.	

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1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
12	1	DEQ	Water Quality - Groundwater & Drinking Water Protection	Help Oregon citizens and communities protect their public drinking water by: helping communities develop local Drinking Water Protection Plans to prevent pollution of their public water systems; working with communities to improve the groundwater management areas; and regulating underground injection control systems.	0	10	3,881,289	-	2,794,127	-	365,331	\$ 7,040,747	18	16.34	Y	Y	FM, S	42 USC §300j-13; 42 USC §300h-1; ORS 468B	Oregon has primacy for implementing some parts of the Safe Drinking Water Act, including Underground Injection Control program.	GRB Reductions: None. GRB Additions (Policy Packages): Package 126 would phase in two positions (1.64 FTE) to improve DEQ staffing and resource capacity dedicated to protecting drinking water sources, with specific attention to areas experiencing contamination or threats to drinking water supplies, including the Lower Umatilla Basin Groundwater Management Area. Policy Packages Not Recommended in GRB: Package 121 would phase in a position budgeted 50% (0.19 FTE) in Groundwater to provide consistent and timely review of potential impacts to groundwater from DEQ's NPDES and WPCF permitting activities throughout the state and identify requirements for DEQ permittees to prevent impacts. Package 127 would provide contract services funding to support an evaluation of the effectiveness of the Groundwater Quality Protection Act (Act). Package 128 would authorize a limited duration position (0.88 FTE) and phase in a permanent, part-time position (0.13 FTE) and provide necessary funding for DEQ associated with receiving groundwater quality test results from real-estate transaction testing requirements and processing the data for inclusion into the agency's database and for public availability.		
13	3	DEQ	Land Quality - Clean Up	DEQ oversees environmental cleanup of sites contaminated by toxic substances.	34000-07 (OBM 85)	9	7,899,306	-	57,231,803	1,141,800	5,984,706	\$ 72,257,615	99	79.21	Y	Y	D, FM, FO, S	26 U.S.C. 9508; ORS 465.101 - 992	FM: For Superfund sites, pay match (10% of EPA's remedial action costs) and long-term O&M costs. FO: Ensure that UST leaks are reported and cleaned up per federal and DEQ requirements. Other	GRB Reduction/Restoration: None. Policy Package(s) not recommended in GRB: Policy package 134 requests authorization to issue \$10 million in Bonds to fund the Industrial Orphan Account so we can better prioritize, and provide cleanup at qualified industrial orphan sites over the next two biennia.		
14	8	DEQ	Water Quality - Clean Water State Revolving Fund	DEQ provides low-interest loans to help communities finance clean water projects.	34000-10 (OBM 79)	9	395,454	-	7,817,272	292,501,500	58,486	\$ 300,772,712	19	16.65	Y	N	F, O, D, S	Federal Clean Water Act; 33 USC §1383; ORS 468	A state must establish a water pollution control revolving loan fund that complies with all of the appropriate federal requirements before it may receive a capitalization grant.	GRB Reduction: None. GRB Additions (Policy Packages): Package 129 would authorize \$1.3 million in contract limitation to provide technical assistance to communities seeking clean water loans. Package 162 seeks \$600,000 in limitation for the procurement of off-the-shelf loan management software to replace DEQ's manual and outdated systems with a secure system that will increase efficiency, improve customer service and reduce risk for material errors. Package 181 seeks limitation to provide \$70 million of additional CWSRF loans using federal grant monies. Also, establishes non-limited expenditure approval to fund \$80,000 of bond issuance costs associated with bonds issued to provide the state match for three federal capitalization grants to maintain Oregon's CWSRF. Package 191 seeks approval to issue up to \$20 million worth of bonds during the 2023-25 biennium to meet the twenty percent state match requirement for federal capitalization grants and to pay bond issuance costs.		
15	4	DEQ	Land Quality - Hazardous Waste	DEQ regulates hazardous waste generators and facilities to prevent contamination from toxic chemicals.	34000-08	9	712,004	-	8,901,211	-	1,417,793	\$ 11,031,008	33	26.47	N	Y	FM, S	Federal Resource Conservation and Recovery Act, 42 U.S.C. sections 6921 et seq.; ORS 465.003 - .037; ORS 466.005 - .530	To maintain delegation to conduct federal program in Oregon DEQ must: Inspect Large Quantity Generators at least once every 5 years; permit Treatment, Storage and Disposal facilities; require generators to manage and transport hazardous waste according to DEQ and federal	GRB Reduction/Restoration: None. GRB Additions (Policy Packages) There are no policy packages for this program.		
16	5	DEQ	Land Quality - Tanks	DEQ regulates storage of hazardous materials in underground tanks to prevent leaks and contamination. Includes larger tanks regulated under federal law as well as heating oil tanks.	0	9	108,810	-	4,898,875	-	518,387	\$ 5,526,073	17	16.74	Y	N	FM, S	Federal Resource Conservation and Recovery Act, Title 42 sections 6991 et seq; ORS 466.706 - .995	To maintain state program authorization, DEQ must ensure compliance with federal and DEQ standards for UST installation and operation and financial responsibility requirements (providing resources for cleanups should leaks occur) and inspect every facility at least once every 3 years.	GRB Reduction/Restoration: None. GRB Additions (Policy Packages) Policy Package 135 will spend existing resources to make one limited duration position permanent. This will allow DEQ to provide adequate oversight and auditing of licensed contractors who clean up leaking tanks.		
						97,787,745	6,454,805	306,753,424	293,643,300	32,205,038	-	\$ 736,844,312	896	913.00								
						97,787,745	(6,454,805)	(306,753,424)	(293,643,300)	(32,205,038)												

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development

19. Legal Requirement Code

- C Constitutional
- F Federal
- D Debt Service

Prioritize each program activity for the Department as a whole

Document criteria used to prioritize activities:

- Protection of public health and safety
- Fulfilling federal mandates for which we have delegation from US EPA

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Priority (ranked with highest priority first)	Dept. Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL- FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request		
Dept	Prgm/ Div																					

- Programs that address pollution from many small sources
- Programs that provide incentives and support for economic growth
- Services that don't need to be provided by DEQ

- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support



Fact Sheet

HB 3195—Clean Water State Revolving Fund Eligibility

This concept would expand eligibility under ORS 468.423(4) to include a broader range of potential entities that may apply for and be a recipient of Clean Water State Revolving Fund loans.

Oregon law defines eligible recipients for Clean Water State Revolving Fund (CWSRF) loan program funding in a manner that is more restrictive than what is allowable under federal CWSRF program regulations. The Oregon definition of eligible recipient excludes some public agencies, such as domestic water supply districts, and does not include other entities that may be interested in pursuing CWSRF eligible projects. The exclusion of some entities, which may otherwise have a strong interest in accessing these funds, may be hindering otherwise viable projects for drinking water protection.

Proposed Solution

This concept would seek to broaden the range of entities that may apply for CWSRF loans, as defined under ORS 468.423(4). A key objective of the concept would be to provide public water systems (not just those with wastewater system authority) the ability to access CWSRF nonpoint source loan options for drinking water protection projects like watershed and source water protection projects, restoration, easements, and fee title land acquisition.

Extending CWSRF opportunities to a broader range of potential recipients could benefit a range of underserved and under-resourced communities in Oregon. Water supply districts tend to provide services to smaller, sometimes unincorporated areas that may have limited access to funding and resources to carry out projects that may have water quality benefits.

Anticipated Fiscal Impact/POP Information

Not Applicable

Contact: *Rian Hooff*
Phone: *971-255-7267*



Fact Sheet

HB 3196—Community Climate Investment Program

This bill would authorize the Environmental Quality Commission (EQC) to create a funding mechanism for the administration and oversight of the Community Climate Investment (CCI) portion of the Climate Protection Program (CPP).

Background

As climate change and ocean acidification caused by greenhouse gas (GHG) emissions create significant detrimental effects on public health and on Oregon’s environment, DEQ is implementing several programs to reduce greenhouse gas emissions, including the CPP, which sets declining and enforceable limits on greenhouse gas emissions from the use of fossil fuels.

The CCI portion of the CPP provides a voluntary compliance option for covered fuel suppliers that will allow them to earn compliance credits by contributing funds to third-party entities designated by DEQ. These entities will use those funds to implement projects that reduce greenhouse gas emissions in Oregon. The CCI component is designed to help ensure a more equitable energy transition by requiring that investments be prioritized to directly benefit environmental justice communities. DEQ will play a significant oversight role of the CCI program to ensure projects are financially feasible and effect at reducing GHGs. Because the CPP is a market-based program and not a permit, we lack a funding mechanism for oversight.

Proposed Solution

This bill would:

- Authorize the EQC to establish, by rule, an annual administrative fee,
 - paid by authorized CCI entities to DEQ for administration and oversight
 - capped at five percent of monies a CCI receives from regulated fuel suppliers choosing to participate in the program.
- Provide an additional compliance mechanism for fuel suppliers
- Positively impact frontline communities by prioritize environmental Justice Projects.

Anticipated Fiscal Impact/Related POP Information

This action will help achieve significant reductions in GHG emissions and support projects to benefit environmental justice communities.

Contact: *Aeron Teverbaugh*
Phone: *503.388.2962*

Contact: *Colin McConnaha*
Phone: *971.239.2804*



Fact Sheet

HB 3207—Domestic Well Testing Data Collection

This concept would revise existing real-estate transaction requirements for groundwater quality testing to improve reporting efficiency and data submittal to state public health and environmental protection agencies.

Background

Nearly one quarter of Oregonians rely on domestic wells as their primary source of drinking water. Contamination of wells by bacteria, nitrates, arsenic or other pollutants can pose a serious health threat, particularly in underserved communities that lack resources to conduct independent testing.

Currently, a seller is required to test a domestic well and report its quality within 90 days of a real estate transaction to the buyer and OHA. These testing results are intended to provide the state with information that may be used in support of in the administration of ORS 468B.150 to 468B.190, which may include identifying areas of groundwater concern and to support decision making on where to devote limited state resources for more comprehensive groundwater monitoring assessments. Recent estimates indicate testing results are only reported to the state in fewer than 10% of applicable transactions. Evidence suggests that test sampling and subsequent submittal of data to the potential buyer may be occurring at a much higher rate, but that transmittal of data to the state could be vastly improved by making modest changes to the law.

Proposed Solution

This concept would amend ORS 448.271 to revise existing real-estate transaction requirements for groundwater quality testing and reporting to state with the goal of increasing the amount of information reported. Rather than requiring a seller to transmit the data, the concept would require the labs performing the testing to transmit results to DEQ at the same time they release the information to the seller. The concept would also provide staffing and data infrastructure support at DEQ for data processing and making the data accessible to the public.

Variations of this concept have been considered in prior sessions, most recently HB 4077 of 2020, but the concept DEQ is proposing would not include the more controversial elements of that bill, such as requiring new testing requirements. OHA is a co-sponsor of this legislative concept.

Anticipated Fiscal Impact

There would be a minor fiscal impact at DEQ (0.88 FTE, limited-duration; 0.5 FTE ongoing) associated with developing reporting templates, conducting outreach to labs, receiving groundwater quality test results from and processing the data for inclusion into the agency's database and for public availability.

Contact: Rian Hooff
Phone: 971-255-7267



Fact Sheet

HB 3208—EQC Authority to Adjust Water Quality Fees

This concept would provide the Environmental Quality Commission (EQC) with the authority to annually adjust water quality (WQ) fees for certain programs in a manner consistent with its other water quality permitting programs.

Background

Many of DEQ WQ program activities are fully or partially dependent upon revenue generated from permit or certification fees. To maintain these program service levels, fees must keep pace with the increasing cost to administer the program due to inflation. Some of these fees are in statute and when adjustments are not made on a routine basis programs may lack sufficient revenue to support their work. Adjusting fees infrequently results in more substantial increases and as a result, may be more burdensome for many fee-paying entities than smaller and more regular increases.

The EQC may already adjust the fees for DEQ wastewater permits (NPDES and WPCF) by rule but does not have the same authority for certain other water quality programs, such as those supporting onsite septic permitting and inspections; CWA Section 401 dredge and fill certifications; underground injection control permits, and wastewater operator certifications.

Proposed Solution

This concept would provide the EQC with the authority to annually adjust WQ fees for certain DEQ programs, such as those supporting onsite septic permitting and inspections; CWA Section 401 dredge and fill certifications; underground injection control permits, and wastewater operator certification. The adjustment could be up to a maximum amount of 3% per calendar year, based on assessment of the revenue required to maintain current program service levels. This concept would streamline the relatively routine administrative process of adjusting the specified fee categories in order to sustain current program service levels. Moreover, the concept would enable small fee increases that are easier for the regulated community to implement rather than larger fee increases that become necessary when adopted infrequently.

Anticipated Fiscal Impact/POP Information

This legislative concept will not have a fiscal impact.

Contact: Rian Hooff
Phone: 971-255-7267

Fact Sheet



Oregon E-Cycles: Why Modernization is Needed

What is the Oregon E-Cycles Program?

Created in 2007 by Oregon's Electronics Recycling Law, Oregon E-Cycles is a statewide program that requires electronics manufacturers to provide responsible recycling for computers, monitors, TVs, printers, keyboards and mice. The program is an example of a producer responsibility program, a waste management strategy that requires producers to share in the responsibility for the end-of-life management of their products and materials.

Oregon E-Cycles launched in 2009 and the legislature added printers, keyboards and mice to the program in 2011. Since its inception, Oregon E-Cycles has significantly expanded opportunities for Oregon residents to recycle electronic wastes, preventing toxins from entering Oregon's landfills and recovering precious and rare earth metals for new electronics, which can reduce the need for mining more resources from the earth. In 2022 alone, the program collected 12.4 million pounds of devices for recycling and 39,131 devices for reuse.

Why does Oregon E-Cycles need to be modernized?

Oregon E-Cycles is one of Oregon's first producer responsibility programs and one of the oldest statewide producer-funded electronics recycling programs in the nation. Despite the program's success, in 2022, sites providing collection services faced instability because of how the program is structured under Oregon's Electronics Recycling Law.

HB 3220-2 will remove the source for the potential instability, include additional protections and make other changes to ensure the program's success for years to come. These changes include expanding the list of covered devices that residents can bring in for recycling and ensuring the program provides equitable service and allows for reuse.

How does the current Program work?

Oregon's Electronics Recycling Law requires electronics manufacturers to provide free, convenient and statewide recycling for covered devices that are sold in or into Oregon. Manufacturers must register their brands with DEQ and join either the state contractor recycling program or a private manufacturer-run recycling program, referred to as a Producer Responsibility Organization, or PRO. Anyone can take seven or fewer devices at a time to participating collection sites for free recycling. These programs are funded by manufacturers of devices covered under the Law.

PROs must provide at least one collection site in every county and in every city with a population of at least 10,000. PROs provide additional collection sites to meet annual collection goals [set by DEQ](#). Each year, DEQ consults with interested parties to determine the total weight of devices to be collected among participating

Translation or other formats

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manufacturers. However, if collection goals are met, a PRO can remove such additional sites, leading to potential instability.

What caused the potential instability in services in 2022?

For several years, the program's two PROs exceeded the set collection goal. In late 2021, one PRO announced plans to remove several collection sites to align the volume it collects with its collection requirements under the program. Impacted collection site operators expressed concern. Through collaborative discussions and legislation in 2022, an agreement was reached to maintain collection at many sites initially slated to be removed. An agreement was also made to seek a more permanent solution.

How was HB 3220-2 developed?

From July 2022 to January 2023, DEQ engaged interested parties to develop options for modernizing Oregon E-Cycles. Working with the Product Stewardship Institute, a national non-profit specializing in product stewardship and producer responsibility policy in the US, DEQ held five public workshops and received input from the electronics industry, PROs, local governments, recyclers and current and past collection site operators about how to improve the program. The -2 amendment to HB 3022 reflects the agreements reached in the process.

How will HB 3220-2 stabilize program services?

HB 3220-2 helps stabilize the E-cycles collection network in several ways. The bill will eliminate DEQ's annual process to set collection goals, which was a source of the instability, and increase the minimum number of collection sites required. Specifically, HB 3220-2 will:

- Require a PRO to ensure that 95% of residents are within 15 miles of a collection site;
- Increase the number of sites required in cities with a population of 10,000 or more, with more sites required based on population density; and
- Ensure that any willing permitted transfer station, landfill or material recovery facility can participate as a collection site.

How else will HB 3220-2 improve Oregon E-Cycles?

- Increase the list of covered devices to include DVD players, gaming consoles and other electronics;
- Streamline administration by eliminating the state contractor program, while allowing multiple PROs to operate in Oregon with DEQ oversight;
- Require a PRO to provide equitable service throughout Oregon; and
- To support reuse, require a PRO to coordinate activities with recycling and reuse programs and allow collection sites to recover devices for reuse.

How will HB 3220-2 impact the public?

Oregon E-Cycles will continue to be free and easy to use. The public will be able to recycle more types of electronics at a collection site, with more stability in the number of collection sites available throughout the year. DEQ will continue the necessary agency oversight to ensure PROs comply with applicable laws and manages collected electronics responsibly.

Need more information?

To find your nearest site, visit oregonecycles.org or call the Oregon E-Cycles Hotline at 1-888-532-9253. For questions about HB 3220-2, please contact Abby Boudouris (Abby.BOUDDOURIS@deq.oregon.gov).

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age or sex in administration of its programs or activities.

Visit DEQ's [Civil Rights and Environmental Justice page](#).



Fact Sheet

HB 3229—Title V Program Fee Increase

This Bill provides for a fee increase for 2023, 2024, and would authorize the Environmental Quality Commission (EQC) to thereafter establish and routinely adjust a fee schedule for program expenses.

Background

Title V of the federal Clean Air Act (CAA) regulates emissions from the largest and most complex sources of air pollution. Oregon DEQ permits approximately 102 “Title V” sources in Oregon ranging from power plants to pulp & paper mills. The CAA requires states to establish and collect sufficient fees from Title V Facilities to fund all reasonable program costs. State law mirrors this requirement

DEQ has not significantly adjusted its fees in over a decade, despite the increase in complexity in federal regulations and oversight requirements for the program. Additionally, although the program statute allows for an annual fee adjustment to account for inflation, the actual rate of inflation has outpaced the rate authorized for years. At current levels, fee revenue is insufficient to maintain staffing levels in the 2023-25 biennium and beyond. The resulting deficit will result in the loss of about 1/3 of program staff.

Proposed Solution

Adjusting fees infrequently results in more substantial increases and is more burdensome for many fee-paying entities than smaller and more regular increases. This concept would help to provide regulated entities with more certainty.

This bill would:

- set new Title V fees in statute, for the next two years, providing certainty.
- authorize the EQC to establish a new program fee schedule, through rule, going forward.
 - stakeholders and the EQC can develop a sustainable fee structure.
 - EQC could adjust fees annually based cost of administering the program, but, no more than 3%.
 - enables smaller fee increases easier for the regulated community to implement rather than larger fee increases that become necessary when the statute is amended infrequently.

Anticipated Fiscal Impact/POP Information

DEQ is seeking \$5.659 million in Other Funds to support the implementation of the Title V program. The agency is not requesting new positions or general funds. This funding level is needed to address existing revenue shortfalls.

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Phone: 503-388-2962

Contact: Matt Davis
Phone: 503-509-6704



HB 3273 Fact Sheet

DEQ Dry Cleaner Program Sunset

[House Bill 3273](#) proposes to:

1. Sunset, i.e., end, all aspects of the DEQ Dry Cleaner Program by January 1, 2024.
2. Prohibit the use of perc and n-propyl bromide as dry cleaning solvents by January 1, 2027.

Background

In 1995, the Oregon Legislature created the [DEQ Dry Cleaner Environmental Program](#) to create a \$1 million fund paid solely by the dry cleaning industry to fund the cleanup of contamination resulting from the use of toxic solvent at dry cleaning facilities and to exempt dry cleaning owners and operators from environmental cleanup liability. The program never reached the \$1 million benchmark nor the envisioned financial capacity.

Oregon Revised Statute 465.500 to 465.545 requires dry cleaners to comply with measures designed to prevent dry cleaning solvent from being leaked into the soil, groundwater, or air. Statute also requires dry cleaners to pay fees into a fund to be used for program administration, compliance inspections, and cleanups at eligible current and former dry cleaners. Fee amounts are set in statute and depend on a dry cleaner's use of solvent, both current and historical usage, and revenue from dry cleaning.

In 2016, the program determined it was unable to establish adequate revenue to ensure a financially sustainable program beyond 2021. After numerous meetings with the [Dry Cleaner Advisory Committee](#), attempts to develop a proposal to fund the program were unsuccessful.

Dry Cleaning Solvents: It's Time to Move On

Dry cleaners use fluids called solvents to clean clothes and other fabrics. These solvents are harmful to people and the environment, causing soil and groundwater contamination that can last a long time, with vapors seeping into neighboring buildings. Even a small quantity of dry cleaning solvent can threaten humans by contaminating indoor air or drinking water.

The U.S. Environmental Protection Agency has found that a common dry cleaning solvent, perchloroethylene, also called perc, presents an unreasonable risk of injury to human health. Symptoms associated with exposure to perc include depression of the central nervous system, damage to the liver and kidneys, impaired memory, confusion, dizziness, headache, drowsiness, and skin, eye, nose, and throat irritation. It is also a possible carcinogen. Perc is the number one reason that a dry cleaner site would require an environmental clean up. EPA's Risk Evaluation for perchloroethylene can be found [here](#). Fortunately, use of this solvent by Oregon dry cleaners has greatly declined and HB 3273 proposes to prohibit the use of this solvent in dry cleaning.

EPA also found that another common dry cleaning solvent, n-propyl bromide, also called nPB or 1-BP, presents an unreasonable risk of injury to humans, including adverse effects to skin, lungs and the neurological system. EPA's Risk Evaluation for n-propyl bromide can be found [here](#). Currently, no dry cleaners in Oregon use n-propyl bromide, however, it is often billed as a perc alternative. To avoid a regrettable substitution, HB 3273 proposes to prohibit the use of this solvent in dry cleaning.

Current State of the Dry Cleaner Program

The program has had environmental successes in the 28 years of its operation. Over 50 contaminated dry cleaner sites have been cleaned up at a total cost of over \$8.4 million dollars. In addition, fewer dry cleaners use harmful solvents – there are currently only about 35 dry cleaners in Oregon that still use perc.

The dry cleaning industry has declined over time and program fee revenue has declined with it. There are now fewer active dry cleaners statewide. There were approximately 350 dry cleaning establishments in 1999, 200 in 2017, and 140 in 2023. Over the years, dry cleaners have invested in more efficient machines that recover and reuse solvent, another environmental success that has also reduced program fee revenue. Fee revenue for 2022 totaled about \$200,000 and is not projected to increase in future years.

The DEQ Dry Cleaner Program is no longer financially viable. Fees no longer cover program administration and no longer provide sufficient revenue to clean up additional contaminated properties. DEQ does not anticipate the account will increase in the future as the number of contributing dry cleaning businesses and annual fee revenues continue to decline.

Alternate formats

[Español](#) | [한국어](#) | [繁體中文](#) | [Русский](#) | [Tiếng Việt](#) | [العربية](#)

Contact: 800-452-4011 | TTY: 711 | deqinfo@deq.state.or.us

DEQ does not discriminate based on race, color, national origin, disability, age or sex in the administration of its programs or activities.

Visit DEQ's [Civil Rights and Environmental Justice page](#).

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2021-23 & 2023-25 BIENNIA

Agency: DEQ
 Contact Person (Name & Phone #):

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2021-23 Ending Balance		(g) 2023-25 Ending Balance		(j) Comments	
					In LAB	Revised	In CSL	Revised		
OF Limited	001-AQ	1110-ACDP Fees	Operations	Air Contaminant Discharge Fees (ORS468.065)	1,264,764	1,626,097	1,030,255		The Air Contaminant Discharge permitting program has a slight decrease in staffing in the 21-23 biennium due to manager turnover and the inability to quickly onboard multiple staff. The program also needs to carry a sufficient ending balance to cover expenses until invoicing occurs in fall of 2023 (annual	OAQP
OF Limited	001-AQ	1120-AQ Indirect Sources	Operations	Oregon Low Emission Vehicle Fees (ORS 468.065)	221,128	750,000	588,254		This permitting program has seen some efficiencies since its inception with the way annual reports are received and processed (electronically vs manually) resulting in fewer staff hours necessary to administer the program. The department is currently investing opportunities to use revenue for related projects. Vacancies are being held due to a revenue shortfall in	OLEV
OF Limited	001-AQ	1130-AQ Emissions Title V Fees	Operations	Title V Permit Fees (ORS 468.065)	(200,908)	923,806	(3,930,502)		23-25 pending passage of POP 110 and in order to have enough ending balance/beginning balance to cover expenses for the program prior to the first invoicing cycle in fall of 2023 (annual invoicing cycle).	OEFP
OF Limited	001-AQ	1140-Asbestos Cert Fees	Operations	Asbestos Certification Fees (ORS 468A.750)	712,988	1,976,901	1,124,718		The Asbestos program is seeing a slight increase in revenue due to a fee increase this biennium as well as vacancies in the program due to recruitment	OASB
OF Limited	001-AQ	1310-Vehicle Inspection Program	Operations	Vehicle Inspection Certification Fees (ORS 468A.400)	(537,500)	4,899,000	145,311		The Vehicle Inspection Program is expecting a larger than anticipated ending balance in 21-23 primarily due to vacancies in the program. The program is currently working on recruitments to more fully staff the program now that COVID related delays are resolving. Additionally, the program expenditures average around \$1 million per month, so a larger ending balance is necessary to ensure enough cash to cover regular and one-time expenses that the	OVIP
OF Limited	001-AQ	1400 - AQ Receipts Authority	Operations	AQ Receipts Authority (ORS 468.065)(2)	54,036	19,867	1,191		This fund is primarily reimbursable expenses related to smoke monitoring agreements and tends to vary/is not always predictable depending on smoke related activities.	OAQO
OF Limited	001-AQ	1420- Gas Vapor Recovery	Operations	Gas Vapor Recovery (ORS 468.065)(2)	(1,420)	75,000	10,137		This fund is expecting a slightly larger than expected ending balance in 21-23 due to staffing turnover and vacancy savings.	OGMF
OF Limited	001-AQ	1430-Greenhouse Gas	Operations	Greenhouse Gas Reporting Fees 468A.050(4)	268,299	936,240	118,559		The GHG Reporting program had a larger than anticipated beginning balance in 21-23 due to vacancies. The program also needs to have a sufficient ending balance to cover expenses until invoicing occurs in fall of 2023 (annual invoicing	OCLC
OF Limited	001-AQ	1460-Clean Diesel/VW	Operations	Volkswagen Mitigation Trust ORS 468A.801 - 805	20,801,070	10,000,000	20,599,139	10,000,000	The timing of revenues and expenditures for this fund are not always predictable due to the trust approving revenue transfers as well as contracting/grant completion time. The program is attempting to move all of the incoming revenue as quickly as possible and to keep funding as many replacement projects as possible to match the revenue. Approximately 90% of revenue in this category is granted out directly to businesses, governments, and individuals in Oregon for diesel emission reduction projects. DEQ carries revenue in this account sufficient to cover outstanding grant obligations and for administrative costs. While COVID related supply chain issues are resolving many of DEQ's diesel grant funding obligations are delayed while we wait for medium and heavy duty vehicles and equipment to be delivered by multinational vendors at the request of our grantees. Additionally, a revenue transfer from the Department of Transportation did not end up coming to fruition (for	ODSL

OF Limited	001-AQ	1470-Zero Emission Incentive	Operations	Zero Emissions and Electronic Vehicle Rebates OAR 340-270-0010	1,652,326	1,500,000	21,523,141	1,500,000	The revised ending balance for 21-23 reflects a change in the programs ability to process rebates at an expedited pace, which dramatically decreased the projected ending balance. The change in the 21-23 ending balance affected the beginning balance for 23-25, which is reflected in column (I) revised estimated 23-25 ending balance. The fund does need to maintain an ending balance to cover FTE and contracting costs related to administration of the	OZEI		
OF Limited	001-AQ	1480-Cleaner Air Oregon	Operations	Cleaner Air Oregon Fees OAR 340-216-0060; 340-220-0050(4); 340-220-0090	6,820,761	2,675,924	2,216,778		An error in the 21-23 ending balance in the LAB was made - revenue and beginning balance did not align with actual projected beginning balance and revenue estimates making the number in column (F) false.	OCAO		
OF Limited	001-AQ	1510 - Field Burning	Operations	Field Burning (ORS 468.065)	122,560	118,094	109,904			OFLB		
OF Limited	001-AQ	1520 - Backyard Burning Fees	Operations	Backyard Burning Fees (ORS 468.065)	2,443	2,443	1,761			OBYB		
OF Limited	002 - WQ	2010/2020/2030 Wastewater Permit Fees	Operations	ORS 468.065	893,138	6,000,000	6,607,723		The pandemic had a less significant impact on 2019-21 revenue, and therefore on the 2021-23 beginning balance, than anticipated. Uncertainty in the fee revenue and General Fund revenue outlook at the start of the pandemic also forced a slowdown in hiring. As the revenue outlook improved, the program accelerated the pace of hiring, but continues to experience high turnover like many employers in the current economic environment. 2021-23 revenue is on pace to come in slightly higher than forecasted in the 2021-23 budget, which was developed during the start of the pandemic. These conditions helped the program avoid a revenue shortfall package in 2023-25 that seemed inevitable during 2021-23 budget development. As the program has grown and costs have increased, the program needs a larger fund balance for cash management and to cover	OWWP	PROG	002
OF Limited	002 - WQ	2040 Onsite Subsurface Fees	Operations	ORS 454.662; ORS 454.745; 454.755	505,893	1,787,000	1,201,462		The pandemic had a less significant impact on 2019-21 revenue than anticipated, and therefore on the 2021-23 beginning balance. 2021-23 revenue is on pace to be marginally higher than anticipated in the Legislatively Adopted Budget. The program has experienced some turnover and vacancy savings, but is nearly fully staffed as of December 2022.	OSUR and OSTP	CLS	(Multiple Items)
OF Limited	002 - WQ	2050 Sewage Works Operator Certification and Program Support Fees	Operations	ORS 448.405 -448.430 & 448.992	352,093	440,000	275,358		This program last increased fees in March 2013 and its fund balance has been declining for a few years. The program will need a fee increase in the next two to four years to cover cost increases and to maintain an adequate fund balance.	OOCF	MAJCAT2	(All)
OF Limited	002 - WQ	2410 401 Dredge and Fill Fees	Operations	ORS 468B.047	798,978	150,000	319,198		The program included revenue from two anticipated large projects in its 2021-23 revenue estimate that did not generate the expected amount of revenue. The 2023-25 revenue estimate includes a more modest forecast of revenue from large projects.	OD&F	FUND_TYPE	OTHER
OF Limited	002 - WQ	2090 401 Hydroelectric Fees	Operations	ORS 536.015, 543.078, 543.080, 543.710, 543A.415, and 468.065(3)	631,520	375,000	791,439		The 2023-25 ending fund balance presented here reflects the budgeted CSL ending balance. The program spends more on certain costs, such as attorney general, than are budgeted, so the actual ending balance will be likely be \$100,000 to \$200,000 lower. This program had a fee increase (collected by Water Resources Department) in the 2021-23 biennium, which will increase the fund balance for one or two biennia before the increasing cost of expenditures overtake the growth in fee revenue. The program receives the majority of its revenue around December and January of each year, so the ending fund balance needs to be large enough to cover approximately six months or more of program expenses.	OWCP	OBJ_CLASS_DESC	Beginning Balance

										The program used the 4% administrative allowance for the 2020 and 2021 capitalization grants to pay for administrative expenditures in lieu of loan fee revenue to restore the fee fund balance, which had begun to decline.
OF Limited	002 - WQ	2520 Water Pollution Control Administrative Fund State Revolving Loan Fund Fee 2600	Operations	CWA Title VI and ORS 468.440	1,273,512	2,216,000	4,924,554			Revenue transfers are included in the 2023-25 CSL budget in anticipation of the procurement of loan management software at the beginning of the 2023-25 biennium and distributing capitalization grant dollars to provide technical assistance to prospective loan fund borrowers. Limitation for the technical assistance expenditures is included in POP 129; limitation for the software expenditures is included in POP 162. If the POPs are approved, the ending fund balance will be less than \$3 million.
OF Limited	002 - WQ	WQ Enterprise Agreements 2060 (shared)	Operations	ORS 468.035	54,238	0	0			If the fee fund balance grows too large, the program would forego the administrative allowance to make more of the capitalization grants available for loans.
OF Limited	002 - WQ	Lab Certification Funds (Transferred from Oregon Department of Human Services)	Operations	Chapter 1063, 1999 Session Laws	71,196	31,548	63,986			
OF Limited	002 - WQ	2130 Subsurface Injection Fluids Account - Underground Injection Control Fees	Operations	ORS 468B.195 and ORS 468B.196	48,401	101,000	83,978			
OF Limited	003 - LQ	3030 Waste Tire Fees	Operations	Waste Tire Fees (ORS 459.730, 459.750, 459.765, 459.775)	5,549	0	(7)	0		This program is insolvent and agency is working towards sunseting.
OF Limited	003 - LQ	3050 Product Stewardship Fund	Operations	Product Stewardship Fund (Paint stewardship fees) (ORS 459A.820-.855)	53,878	75,000	94,786			
OF Limited	003 - LQ	3010 Solid Waste Permit Fees	Operations	Solid Waste Permit Fees (ORS 459.235)	5,216,176	5,000,000	7,507,244			
OF Limited	003 - LQ	3020 Solid Waste Disposal Fees	Operations	Solid Waste Disposal Fees (ORS 459A.110, 459A.115, 459A.120)	4,219,551	4,500,000	(278,142)	3,500,000		CSL assumes 100% of S&S expenditure, when in reality a large portion of S&S is contracted professional services and can be throttled for cash management purposes. This is the primary driver of the large difference in the revised figure.
OF Limited	003 - LQ	3040 Electronic Waste Registration & Recycling Fees	Operations	Electronic Waste Manufacturer Registration Fee (ORS 459A.315) and Recycling Fee (ORS 459A.325)	4,126,533	1,500,000	1,463,905			
OF Limited	003 - LQ	3060 Secure Drug Take-Back Fees	Operations		140,017	0	94,786.00			
OF Limited	003 - LQ	3110 Hazardous Waste Treatment Storage & Disposal (TSD) Fees	Operations	Hazardous Waste Treatment Storage & Disposal (TSD) Fees (ORS 466.045, 466.160, 466.215, 466.350)	178,614	500,000	630,331			
OF Limited	003 - LQ	3120 Hazardous Waste Generator Fees	Operations	Hazardous Waste Generator Fees (ORS 466.077, 466.165)	467,751	1,200,000	1,020,554			
OF Limited	003 - LQ	3130 Hazardous Substance Possession Fee (HSPF) – Toxics Use Reduction	Operations	Hazardous Substance Possession Fee – Toxics Use Reduction (ORS 453.400, 453.402)	(26,321)	700,000	194,712			
OF Limited	003 - LQ	3140/3150 Hazardous Waste Disposal Fees	Operations	Hazardous Waste Disposal Fees (ORS 465.375 - .376)	988,423	650,000	147,777			
OF Limited	003 - LQ	3210 Underground Storage Tank (UST) Fees	Operations	Underground Storage Tank (UST) Fees (ORS 466.783 & 466.785)	3,039,227	2,000,000	2,429,708			
OF Limited	003 - LQ	3220 UST/LUST Contractor Licensing Fees	Operations	UST/LUST Contractor Licensing Fees (ORS 466.750 & 466.787)	34,942	250,000	245,856			
OF Limited	003 - LQ	3230/3240 UST Compliance and Corrective Action Fund	Operations	UST Compliance and Corrective Action Fund (ORS 466.791, 466.994)	80,067	400,000	381,271			

OLAF
OENT
OLAB
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OWTS
OPSF
OSWP
OSWT
OEWR & OEWM
OPPS
OHWP
OGEN
OHST
OHWD
OTPF
OSLF
OUCC

Sum of AMOUNT		
OP_SUBPROG	CODE	Total
401CERTS D&F	OD&F	150,000
401CERTS D&F Total		150,000
401CERTSH	OWCP	375,000
401CERTSH Total		375,000
CWSRFAD	OLAF	2,216,000
CWSRFAD Total		2,216,000
LABCERTS	OLAB	31,548
LABCERTS Total		31,548
ONSITE	OSUL	9,455,000
	OSUR	1,787,000
ONSITE Total		11,242,000
OPCERT	OOCF	440,000
OPCERT Total		440,000
RAUTH	OENT	-

OF Limited	003 - LQ	3310/3340 Spill Penalty funds	Operations	Oil Spillage Control Fund (ORS 468B.450, 468B.455); Oil and Hazardous Materials Emergency Response and Remedial Action Fund (ORS 466.670, 466.675, 466.990)	46,617	158,389	13,892		No specified balance; funds are used to support program as they become available. Difficult to forecast this fund - revenues vary greatly with number and type of violation and violators' ability to pay.	OOSC & OMRF
OF Limited	003 - LQ	3320 Oil Spill Prevention Fund	Operations	Oil Spill Prevention Fees (ORS 468B.405, 468B.410) and spill penalties (466.670.	755,414	1,300,000	2,387,738			OOSP
OF Limited	003 - LQ	3330 Highway Spill Fund	Operations	Petroleum Product Withdrawal Delivery Fees (ORS 465.ORS 465.101 – 465.131)	132,126	200,000	260,986		Costs and revenue dependent on widely varying number and extent of spills; revenues vary with ability to pay, extent of insurance coverage.	OBPW
OF Limited	003 - LQ	3350/3360 Illegal Drug Lab Fund	Operations	Illegal Drug Lab Funds (ORS 475.405 - 475.495, 475A.120, 475A.126)	718,900	525,000	599,398		Usage depends on needs of local law enforcement units and Oregon Health Authority	ODLC & ODAF
OF Limited	003 - LQ	3370 Ballast Water Vessel Fund	Operations	Ballast Water Vessel Fund	271,280	500,000	513,070	350,000	General Fund Reduction is causing larger reduction in Other Funds	OBWF
OF Limited	003 - LQ	3400/3410/3430 Hazardous Substance Remedial Action Fund (HSRAF)	Operations	Hazardous Substance Remedial Action Fund (ORS 465.381)	8,169,798	91,000,000	90,000,000	95,000,000	Difficult to forecast due to unpredictable cash flow, timing of expenditures, and revenues. Large, unexpected spills cost more and collection from responsible parties is often delayed.	OCER, OCES
OF Limited	003 - LQ	3430 Hazardous Substance Remedial Action Fund - Escrow	Trust (dedicated by legal agreement with responsible parties)	Hazardous Substance Remedial Action Fund (ORS 465.381)	(2,783,871)	350,000	(1,317,322)	500,000	Funds are committed by legal agreement to be spent for cleanup or investigation of specific contaminated sites. Sites with the largest balances are expected to take several biennia to complete. Fund balances are difficult to predict due to infrequency of agreements and large variations in amounts.	OCER, OCES & OOSO
OF Limited	003 - LQ	3440 LUST Cost Recovery	Operations	LUST Cost Recovery (ORS 465.210)	170,780	2,090,721	9,791		This fund is federal program income and spending is controlled by EPA.	OLCR
OF Limited	003 - LQ	3450/3470 Heating Oil Filing and Licensing Fees	Operations	Heating Oil Filing and Licensing Fees (ORS 466.868, 466.872)	688,355	95,000	4,052		Revenue is dependent on home sales, making revenue erratic at times and fund balance difficult to predict.	OOHL
OF Limited	003 - LQ	3460 Dry Cleaner Environmental Response	Operations	Dry Cleaner Environmental Response (465.510; 465.517 - .525)	57,993	6,000	(693,193)		This program is insolvent and agency is seeking a legislative sunset.	ODER
OF Limited	003 - LQ	3920/3990/8080 Orphan Site Account - Industrial Sites	Operations	Orphan Site Bond Proceeds & Cost Recoveries (ORS 468.195 - .220; 465.381); Hazardous Substance Possession Fee – Orphan Site Program (ORS 453.400, 453.402, 465.381)	11,857	0	0	0	Revenue stream is irregular and fees are the only funding source for this work.	OOSA
OF Limited	003 - LQ	3930 Orphan Site Account - Solid Waste Disposal Sites	Operations	Solid Waste Fees – Orphan Site Program (ORS 459.236; 465.381)	2,469,145	6,000,000	2,888,444	6,000,000	Fund balance has grown due to conservative interpretation of statutory uses. Clarification from DOJ is allowing DEQ to use these funds on a broader set of sites. The fund balance is expected to start declining as the program undertakes this cleanup	OOSW
OF Limited	004 - AM	4100/4200 Agency Management	Operations	SB 5516 section 2 subsection 4	3,667,180	2,008,914	6,994,012	5,494,012	Agency has been notified by DAS that the DAS Assessments will be billed annually. Agency is reviewing cashflow in order for Agency Management to have sufficient balance to pay the \$4M per FY DAS Assessment. The rules that apply to Federal Funds extend to Indirect Funds, and hence revenues cannot be used for any other purpose in accordance with DEQ annual indirect rate agreements with EPA. Revenues cannot be removed from this fund IAW provisions of Office of Management and Budget (OMB) Circular A-87. \$12,000 = 2 month minimum	Indirect
OF Limited	004 - AM	4990 Bond Fund Admin	Operations	Bond Fund Administration (ORS 468.230)	39,955	75,167	46,587		Revenue derived from bond proceeds, which are transferred into this fund, with limitations on use related to bond transactions.	OBFF
OF Limited	004 - AM	4070 Tax Credits	Operations	Pollution Control Tax Credit Fees (ORS 468.165)	199,747		199,666		DEQ has decided to maintain bond proceeds in the bond proceeds account and shift revenues as expenditures in the bond fund admin fund dictate, effectively maintaining a zero balance.	OTXZ
OF Limited	004 - AM	4180 EDMS Bond Proceeds	Operations	HB 5050 section 127	0		500,000		This program has sunset. The balance was to cover any ongoing administrative costs.	OEDC
									This is not in the 23-25 budget, but we will need to ask for limitation for the final invoices at a later date.	

RAUTH Total		-
UIC	OUIC	101,000
UIC Total		101,000
WWPTG	OWWP	6,000,000
WWPTG Total		6,000,000
Grand Total		20,555,548

		2900/2910/2990/2980 State Revolving Funds							
OF Non Limited	008 - NL	2810/2890 SADLP Program	Loan Program	State Revolving Loan and Sewer Assessment Deferral Loan Program Fund	205,908,950	206,880,784	216,719,140	216,542,831	
OF Debt Service, Non Limited	009 - DS	9000 Pollution Ctrl Debt Svc	Operations	Debt Service Sinking	8,813,057	8,813,057	12,431,062	12,431,062	

ORFL

DSNLSRF

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2023-25 legislatively adopted budget.

Instructions:

- Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.
- Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2021-23 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (j)).
- Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).
- Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.
- Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.
- Columns (f) and (h): Use the appropriate, audited amount from the 2021-23 Legislatively Approved Budget and the 2023-25 Current Service Level at the Agency Request Budget level.
- Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2023-25 Current Service Level expenditures, considering the updated 2021-23 ending balance and any updated 2023-25 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).
- Column (j): **Please note any reasons for significant changes in balances previously reported during the 2021 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.

2021-23 ARPA ENDING BALANCES

Agency:
Contact Person (Name & Phone #):

(a) SCR	(b) Program Description	(c) 2021-23 LAB	(d) 2021-23		(e) 2023-25 POP		(h) Comments
			Ending Balance	Amount Obligated	Y/N	POP #	
002	WQ OF Onsite Financial Assistance Program	15,000,000	9,455,000		Y	129	committed \$7.4 million in grant awards for wildfire recovery projects. Of those, one agreement is fully executed and the remaining four are in the process of final signatures. An additional \$6 million for five additional awards was recently approved for funding and DEQ is in the process of notifying the applicants and setting up grant agreements. DEQ expects to have all of these

Department of Environmental Quality

2023 - 2025 Biennium

Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
		1	002-WQ	Integrated Water Resources Strategy (IWRS)	249,270	\$ 249,270	1	1.00	This is one of two positions at DEQ to support IWRS coordination and local place-based planning efforts. The primary purpose of this position is to support the agency in achieving the goals of the Integrated Water Resources Strategy across Western Oregon by providing technical assistance and water quality information as needed during the development of local water planning efforts. This position also reviews water rights applications in coordination with ODFW and OWRD to ensure compliance with Division 33 rules. Without this position, DEQ will have limited capacity to review water rights applications subject to Division 33 rules and will severely limit DEQ's ability to participate in watershed place-based planning efforts. Elimination of this position would reduce capacity for DEQ to ensure WQ considerations are being incorporated into planning efforts and would limit DEQ participation in multi-agency coordination on water transfer application reviews.
		2	002-WQ	Groundwater Monitoring	249,271	\$ 249,271	1	1.00	This position acts as project manager for groundwater monitoring in three groundwater management areas (GWMA's) in Oregon. The water quality data collected in these areas is used to identify trends in previously identified groundwater contaminants and to understand the effectiveness of groundwater protection measures being implemented to mitigate contamination problems. Without this position, GWMA and statewide groundwater monitoring program activities will be further reduced, as will water quality toxics monitoring program efforts.
		3	002-WQ	Total Maximum Daily Load (TMDL)/Nonpoint Source Pollution Control	200,034	\$ 200,034	1	1.00	This position develops the Nonpoint Source (NPS) Annual Report to EPA and provides statewide NPS and TMDL implementation evaluations of agricultural, forestry and urban nonpoint sources. The loss of this position would require shifting this work to higher level positions in the TMDL/NPS Program which would slow the issuance of TMDLs, development of the water quality status and trend report, and reduce or eliminate capacity for program coordination and completion of NPS and TMDL implementation evaluations.

Department of Environmental Quality

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Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
	4	001-AQ	Air Toxics	150,113	\$ 150,113	1	1.00	Reduces the maintenance of air quality monitoring stations that provide smoke (PM2.5) data in areas commonly impacted by agricultural field burning. DEQ has an agreement with ODA to conduct this work. Without this position the work must be covered by other air monitoring staff, reducing our capacity to maintain and improve the PM2.5 air quality monitoring network.	
	5	001-AQ	Rules Coordinator	256,956	\$ 256,956	1	1.00	This is the sole air quality position responsible for tracking and filing air quality rules for ODEQ. The position provides timeline and process support to rule writers. In 2019, the ODEQ air program filed 5 rules. In 2018, air program filed 7 rules. This position tracked the progress during development and filed the rules with the Secretary of State Office.	
	6	001-AQ, 002-WQ	Laboratory Information System Support	362,088	\$ 362,088	1	1.00	This position provides support to lab databases, updates databases as needed and communicates with headquarters and subject matter experts about database maintenance and needs. These lab databases support agency decision making by maintaining environmental data in a secure, accessible and modern format. Without this position, this work would shift to existing IT staff at HQ, and detract from other work priorities.	
	7	002-WQ	Water Quality Standards	303,267	\$ 303,267	1	1.00	This position was approved by the Legislature in the 2019-21 session and is a key member of the water quality standard team. Without this position, several high priority projects in the triennial review workplan cannot be accomplished or will be significantly delayed, including development of: (1) Numeric nutrient water quality standard development for priority waters and narrative nutrient criteria implementation; (2) excessive algae criteria implementation procedure; (3) biocriteria application procedure; (4) sedimentation application procedure. Loss of this position would also reduce GIS capacity for the Water Quality Standards and Assessment programs which is needed to make data accessible for WQ users and the public.	
	8	001-AQ	Greenhouse Gas Program	288,782	\$ 288,782	1	1.00	Eliminates project management for the Office of Greenhouse Gasses and other projects for the division.	

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Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
	9	002-WQ	Groundwater Monitoring	357,113	\$ 357,113	1	1.00	This position prepares of Statewide Groundwater samples for metals analysis and also contributes to sample preparation and analysis of low volume air toxics samples for metals analysis by ICPMS. Cutting this position would reduce the Inorganic Chemistry Section's capacity to report groundwater and air toxics metals results in a timely manner. Data quality may suffer if samples cannot be analyzed within established holding times.	
	10	003-LQ	Portland Harbor	217,881	\$ 217,881	1	1.00	This would reduce DEQ's capacity to collaborate on the Portland Harbor Superfund Project.	
	11	001-AQ	Laboratory Chemist	325,624	\$ 325,624	1	1.00	The work of this position includes pre-deployment filter preparation, sample preparation, and sample analysis for air toxics hexavalent chromium analysis. Moreover, the position performs sample preparation for high volume air toxics samples that are to be analyzed for metals. Cutting this position would reduce or eliminate the Inorganic Chemistry Section's ability to analyze hexavalent chromium in support of the air toxics monitoring program and would reduce the section's capacity for reporting air toxics metals results in a timely manner. Data quality may suffer if samples cannot be analyzed within established holding times.	
	12	001-AQ	ACDP Permitting and Inspections	247,604	\$ 247,604	1	1.00	The NRS 3 Air Quality Permit Writer and Inspector position currently writes permits for more-complex Simple and Standard ACDP's, and serves as a technical resource (both externally and internal to DEQ) for more-complex General ACDP's. The work of the incumbent includes new facility permitting, renewals and modifications. The position also conducts compliance inspections and develops referrals for formal enforcement where indicated. Finally, this position serves as the regional SME for metal fabrication and welding facility types. Loss of this position would result in reductions of new, renewal and modification permitting actions, decreased capacity to address permitting backlog, and a reduction in capacity to conduct inspections. Workload, facility and metal fab SME responsibility would be shifted to another permit writer to add to their existing portfolio.	

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1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
	13	002-WQ	Harmful Algae Blooms	269,208	\$ 269,208	1	1.00	This position was approved by the 2019 Legislature to provide increased capacity for monitoring harmful algal blooms in Oregon's ambient waters. Without this position, testing capacity will be limited to required drinking water monitoring and minimal recreational waterbody monitoring.	
5% Reduction above this line - \$3,340,344 target, \$3,477,211 total reductions									
	14	002-WQ	Water Quality Permit Compliance	372,442	\$ 372,442	1	1.00	This position is a compliance specialist for National Pollutant Discharge Elimination System permits and performs activities that include reviewing discharge monitoring reports, conducting permit inspections, investigating complaints, and issuing warning letters and pre-enforcement notices for permit noncompliance and violations of Oregon's water quality regulations. Losing this position will result in a reduction of compliance activities and water quality will be negatively impacted. Specifically, the agency will be unable to meet its performance partnership agreement with EPA to inspect major permittees every two years and minor permittees every five years to ensure permit compliance. In addition, there will be a significant delay in discovering and responding to permit violations and complaints in a timely manner.	
	15	001-AQ	Fiscal Analyst	254,144	\$ 254,144	1	1.00	Eliminates fiscal support to the Air Quality division. This position is responsible for technical budget tasks as well as managing cash, submitting federal grant applications, and forecasting revenue and expenditures for the division.	
	16	001-AQ	Air Toxics	229,465	\$ 229,465	1	1.00	Eliminates support for implementation and maintenance of DEQ's air toxics monitoring network. Without this position, DEQ will have to reduce the number of locations where we monitor for air toxics by approximately 3 out of a current network of 10 locations.	
	17	001-AQ	Air Toxics	300,623	\$ 300,623	1	1.00	Eliminates support of the building and siting of DEQ's PM2.5 SensORs for the Air Quality Index. Without this position, DEQ will not be able to expand the wildfire smoke (PM2.5) monitoring network as planned under SB 762 and in coordination with the Governor's Council on Wildfire Response.	

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1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/Div								
		18	002-WQ	Watershed Basin Plan Implementation	249,270	\$ 249,270	1	1.00	This position works primarily in the Willamette basin to support implementation of TMDL and NPS work. This position also implements all elements of the Southern Willamette Valley Groundwater Management Area (SWVGWMA). Following approval of the Willamette Mercury TMDL the Willamette now has more than 150 regulated designated management agencies (DMAs). Without this position, review of implementation plans from many of these DMAs will be delayed or not be completed and pollution complaint response will also be hindered. In addition, support for the SWVGWMA will need to be shifted to other staff resulting in less support for implementing TMDLs and NPS work in the Umpqua and Rogue.
		19	002-WQ	Groundwater Protection	386,343	\$ 386,343	1	1.00	This position provides hydrogeologist subject matter expertise for groundwater protection and other multi program multi region hydrogeologic support for DEQ. Elimination of this position would further reduce DEQ capacity for groundwater management and protection efforts. Primary roles include providing SW/MM hydro support for Eastern Region landfills, providing WQ permitting hydro support for NPDES, WPCF, Onsite septic system, and CAFO permits, lead DEQ hydro for AS/ASR projects, and lead DEQ hydro for the LUB and NM GWMA. Elimination of this position would further reduce DEQ capacity for statewide and regional groundwater management and protection efforts across various WQ and LQ programs.
		20	001-AQ	Mission Related Grants and Agreements – Community Woodsmoke Grants	270,660	\$ 270,660			Eliminates grants to communities for wood smoke reduction that support communities to comply with federal Air Quality Standards.

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1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
		21	002-WQ	Water Quality Permitting	328,728	\$ 328,728	1	1.00	This position specializes in renewing National Pollutant Discharge Elimination System (NPDES) individual permits for wastewater discharges to Oregon's waterways. Losing this position will result in the agency's inability to reduce the backlog of expired permits. The agency's permit backlog is of concern to EPA and the agency because expired permits do not include the most recent water quality standards needed to protect aquatic life and human health. In addition, the agency entered into a settlement agreement in 2018 that commits the agency to timely permit renewals to reduce the backlog. The reduction of this position would jeopardize the agreement as well as bring further EPA scrutiny on Oregon's NPDES permit program.
		22	002-WQ	Water Quality Permitting	303,267	\$ 303,267	1	1.00	This position plans, leads, and implements the development of large, complex NPDES permits, including many of the long expired general permits. Without this position, re-issuance of expired general permits and NPDES individual permits will be delayed slowing DEQ's ability to decrease our permit backlog.
		23	002-WQ	Water Quality (002) – Water Quality Permitting	386,343	\$ 386,343	1	1.00	This position provides high level of expertise on complex wastewater and water quality permitting projects in eastern regions of the state. Elimination of this position would reduce capacity for WPCF and WPCF-Onsite permit review and evaluation.
		24	004-AM	Agency Management/business continuity of operations	120,509	\$ 120,509	1	0.50	Eliminates capacity for DEQ to implement the requirements of H.B. 4068 (2022) including completion of introductory incident command training by the agency director and management service employees; developing and completing an internal exercise that tests the agency's emergency preparedness; and writing and submitting an annual report about the agency's internal exercise to the Oregon Department of Emergency Management. Also reduces the agency's readiness for an emergency and the capacity to develop and maintain a continuity of operations plan.
10% Reduction above this line - \$6,680,688 target, \$6,679,005 total reductions									
	2	30	002-WQ	IT Support for Water Quality Permitting	269,294	\$ 269,294			This IT Professional Services budget is used by the WQ Permitting program to fund enhancements to Your DEQ Online (YDO) to meet reporting and business process requirements, and improve efficiency and effectiveness.

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Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
		25	003-LQ	Land Quality - Cleanup	136,092	\$ 136,092	1	0.33	This position reports to the Director and works on special projects such as Portland Harbor Superfund.
		26	004-AM	Agency Management/business continuity of operations	60,650	\$ 60,650	1	0.25	Eliminates capacity for DEQ to implement the requirements of H.B. 4068 (2022) including completion of introductory incident command training by the agency director and management service employees; developing and completing an internal exercise that tests the agency's emergency preparedness; and writing and submitting an annual report about the agency's internal exercise to the Oregon Department of Emergency Management. Also reduces the agency's readiness for an emergency and the capacity to develop and maintain a continuity of operations plan.
1		27	002-WQ	Pesticide Stewardship Partnership/Nonpoint Source	145,817	\$ 145,817	1	0.50	This is the General Fund half of the Pesticide Stewardship Partnership coordinator position; the other half is budgeted on a revenue transfer from Oregon Department of Agriculture, which we expect ODA to propose as one of its reduction options. The position provides water quality data analysis, water quality evaluation and assessment, and technical modeling of complex pesticide and water quality data requiring technical expertise to implement the Pesticide Stewardship Partnerships, the Nonpoint Source and TMDL Programs. This position produces the NPS Annual Report that is a requirement for receiving 319 funds from EPA, if this position is taken it will have a direct impact on the temperature TMDL replacement projects that are required by court order, because the lead TMDL/NPS analyst would need to produce the NPS Annual Report, taking time away from temperature TMDL development.
1		28	002-WQ	Laboratory - Recreational HABs Monitoring	200,034	\$ 200,034	1	1.00	This position provides field support for recreational harmful algal bloom (HABs) monitoring that was funded during the 2021 session. This eliminates our ability to expand field work and sample collection support services in association with recreational HABs response.
1.1		29	001-AQ	GHG Reporting Program	259,039	\$ 259,039	1	1.00	This would eliminate DEQ's subject expert on GHG emissions in the electricity sector, a key role in measuring those emissions and implementing DEQ's role in HB 2021 (from the 2021 session).

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1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
	5	31	001-AQ	Laboratory - Air Toxics	111,164	\$ 111,164	1	0.50	This seasonal chemist supports special projects and surge capacity for the monitoring programs. Loss of this would reduce our ability to quickly increase capacity for air toxics work.
	4	32	002-WQ	Integrated Water Resources Strategy	269,208	\$ 269,208	1	1.00	If both the IWRS position in the 10% reduction options list and this IWRS position in the 10-15% options were taken, DEQ would have no remaining staff resources to participate in the state's Integrated Water Resources Strategy project. The positions provide statewide water quality expertise and inter-agency coordination including: reviewing water right permits and developing conditions to ensure water quality standards are met; supporting Placed Based Planning; working on Water Supply Development Fund Grants; and contributing to interagency process and coordination improvements with Oregon Water Resources and ODFW.
	3	33	001-AQ	Laboratory - Air Toxics	240,199	\$ 240,199	1	1.00	This monitoring specialist supports on-going air toxics monitoring and special air toxics activities across the state. This reduction would further reduce the capacity for state funded air toxics monitoring and special air toxics projects.
	5	34	002-WQ	Total Maximum Daily Load Basin Specialist	328,723	\$ 328,723	1	1.00	Basin coordinators provide technical expertise and support for TMDL development and implementation efforts, as well as technical assistance, compliance assurance, data collection, event response and stakeholder engagement for projects in the regions. (This reduction option would require a fund shift to implement. See Table 2 on the "Fund Shift Drafts" worksheet.)
	4	35	001-AQ	Laboratory - Air Toxics	249,272	\$ 249,272	1	1.00	This project manager conducts the review and data reporting of air toxics sites around the state. Reduction of this position will reduce the state funded air toxics sites to two.
	7	36	001-AQ	Diesel Reduction Support	249,449	\$ 249,449	1	1.00	Proposes to remove the general fund support and shift onto fees the Diesel Retrofit Compliance Coordinator whose role serves as the primary public point of contact in support of HB2007 (2019), and reviews retrofit applications, approves/denies certificate of compliance for approved retrofit technology as a requirement of registering or titling heavy-duty diesel vehicles. Loss of the diesel position (without a fund shift) would result in significant delays for the approval/denial of retrofit applications, leaving vehicle owners unable to renew registrations or re-title affected vehicles with ODOT. (This reduction option would require a fund shift to implement. See Table 3 on the "Fund Shift Drafts" worksheet.)

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1	2	3	4	5	6	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	GF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
	3	37	002-WQ	Laboratory - Laboratory Operations	186,460	\$ 186,460	1	1.00	This position supports the overall work of the laboratory through sample receipt, processing and login. Loss of this position would reduce our sample receiving staff to one and limit support of the laboratory in all monitoring efforts.
	6	38	002-WQ	Water Quality Permit Compliance	372,444	\$ 372,444	1	1.00	This position provides statewide guidance for compliance activities related to the water quality permitting program. This position is responsible for completing and submitting various water quality federal reports and assuring the quality of compliance and enforcement data sent to EPA. Additionally, this position is the technical and compliance assistance expert for mining in the state's waters. The reduction of this position would primarily impact the agency's technical capacity informing mining in the state's waters. (This reduction option would require a fund shift to implement. See Table 1 on the "Fund Shift Drafts" worksheet.)
	1	39	001-AQ	Agency Toxics Coordination	264,182	\$ 264,182	1	0.68	This would eliminate the agency's ability to provide agency wide toxics coordination.
15% Reduction above this line - \$10,021,032 target, \$10,021,032 total reduction									
				3,072,733	\$ 10,021,032	37	33.76		

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Detail of Reductions to 2023-25 Current Service Level Budget

1	2	3	4	5	7	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	LF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
		1	002-WQ	Professional Services Limitation	73,099	\$ 73,099	0	0.00	This option would reduce limitation for professional services, which pays for activities that support TMDL development, such as macroinvertebrate analyses, advisory committee facilitation, peer reviews of water quality modeling, and interagency strategic planning.
		2	002-WQ	Biomonitoring	314,942	\$ 314,942	1	1.00	This position collects aquatic biological data to assess biological impairments statewide. These data are used for assessing the conditions of Oregon's waters as required by the federal Clean Water Act sections 305(b) and 303(d) collectively known and the "Integrated Report". This position collects water quality, biological and physical habitat data to identify water quality impairment and the potential factors that cause those impairments so the water quality plans can be developed to mitigate impairments. Without this position, biomonitoring related
5% Reduction above this line - \$322,720 target, \$388,041 total reductions									
		3	002-WQ	Laboratory Data Management and Data Support	257,398	\$ 257,398	1	1.00	This position supports TMDL data needs by acting as a data steward and liaison to the TMDL water quality program and supports lab data needs. Without this position, TMDL water quality data would not be available for use in the integrated report or TMDL studies and modeling efforts. This would not allow TMDL data to be used in a timely fashion and this data would not be accessible to the public through the agency public facing water quality database, AWQMS.
10% Reduction above this line - \$645,440 target, \$645,439 total reductions									
		4	002-WQ	Laboratory - Water Quality Monitoring	322,721	\$ 322,721	1	1.00	This position supports the statewide groundwater monitoring and WQ toxics monitoring. Loss of this position would reduce statewide groundwater and toxics monitoring efforts to a single effort per year and would farther limit our ability to investigate vulnerable groundwater areas around the state in a timely manner.
15% Reduction above this line - \$968,160 target, \$955,473 total reductions									

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1	2	3	4	5	7	12	13	14	16
Priority (ranked most to least preferred)	Agency	SCR or Activity Initials	Program Unit/Activity Description	LF	TOTAL FUNDS	Pos.	FTE	Impact of Reduction on Services and Outcomes	
Dept	Prgm/ Div								
				968,160	\$ 968,160	3	3.00		



PROPOSED SUPERVISORY SPAN OF CONTROL REPORT

In accordance with the requirements of ORS 291.227, the Department of Environmental Quality presents this report to the Joint Ways and Means Committee regarding the agency's Proposed Maximum Supervisory Ratio for the 2023-2025 biennium.

Supervisory Ratio based CHRO data

The agency's actual supervisory ratio as of 3/15/2023 is 1: 10.75 (Enter ratio from last Published DAS CHRO Supervisory Ratio)

The Agency actual supervisory ratio is calculated using the following calculation;

$$\frac{76}{\text{(Total supervisors)}} = \frac{62}{\text{(Employee in a supervisory role)}} + \frac{14}{\text{(Vacancies that if filled would perform a supervisory role)}} - \frac{1}{\text{(Agency head)}}$$

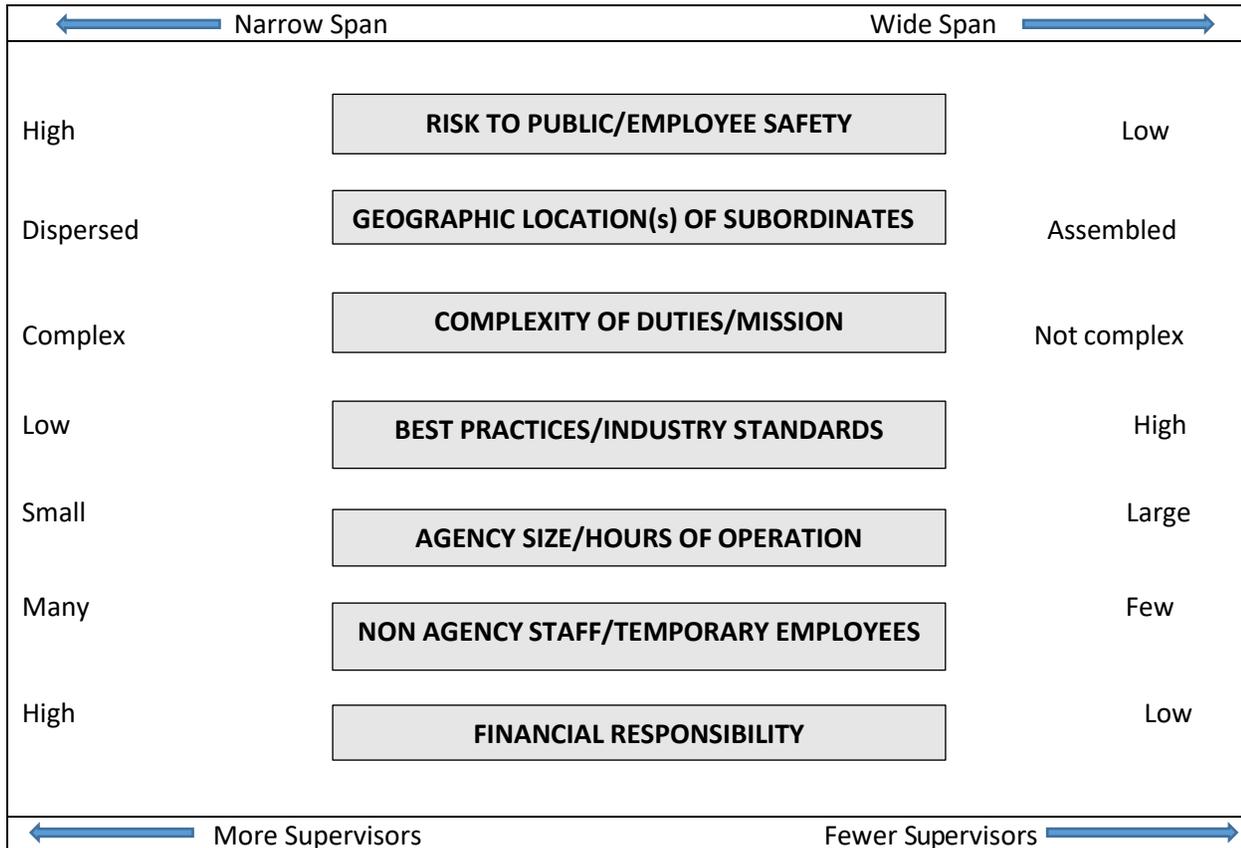
$$\frac{817}{\text{(Total non-supervisors)}} = \frac{694}{\text{(Employee in a non-supervisory role)}} + \frac{123}{\text{(Vacancies that if filled would perform a non-supervisory role)}}$$

The agency has a current actual supervisory ratio of-

$$1: 10.75 = \frac{817}{76}$$

(Actual span of control) (Total non - Supervisors) (Total Supervisors)

When determining an agency's maximum supervisory ratio all agencies shall begin with a baseline supervisory ratio of 1:11 and based upon some or all of the following factors may adjust the ratio up or down to fit the needs of the agency.



Ratio Adjustment Factors

Is the safety of the public or of State employees a factor to be considered in determining the agency's maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency's maximum supervisory ratio upwards or downward from 1:11.

DEQ has a variety of programs that impact the safety of the public and risk the safety of DEQ employees who conduct that work in the Air Quality, Land Quality, and Water Quality programs.

DEQ responds to emergency situations involving the release of pollutants and dangerous substances. Spills, leakages, and major environmental events can occur at any time and at any location in Oregon. Once onsite, DEQ activates an appropriate response to mitigate risks to human health and the environment. Staff responds from the nearest DEQ office equipped to handle the size and nature of the event. Managers must also respond in a timely manner, so having trained managers in the near vicinity is important to public health and safety oversight for employees responding as well.

DEQ staff are distributed throughout the state in offices, laboratory, and VIP Clean Air Stations. Ensuring adequate managerial oversight to oversee emergency response situations and day-to-day oversight at the office makes a supervisory ratio of 1:11 difficult to maintain.

DEQ has not changed the manager-to-staff ratio target for a couple of biennia. Though additional programs being added in prior legislative sessions along with several Policy Options Packages under consideration this biennium, is affecting the supervisory to staff recommendation. This impact will be discussed at the conclusion of this document.

Is the geographical location of the agency's employees a factor to be considered in determining the agency's maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency's maximum supervisory ratio upwards or downward from 1:11-

DEQ has seven VIP Clean Air Stations located throughout the Portland Metro area, one Clean Air Station in Medford, three regional offices (Eugene, Bend, and Portland), a laboratory in Hillsboro, and seven smaller offices statewide. Supervisors must travel long distances to interact with their staff in the smaller offices. Managerial oversight and emergency response requirements noted above necessitate having managers onsite or within a reasonable distance of these smaller offices.

The smaller DEQ offices are geographically dispersed with six offices/facilities having ten staff members or fewer. Ensuring adequate managerial oversight to oversee emergency response situations and day-to-day oversight at the office makes a supervisory ratio of 1:11 difficult to maintain.

DEQ has not changed the manager-to-staff ratio target for a couple of biennia. Additional programs being added in prior legislative sessions along with several Policy Options Packages under consideration this biennium is affecting the supervisory to staff recommendation. This impact will be discussed at the conclusion of this document.

Is the

complexity of the agency's duties a factor to be considered in determining the agency's maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency's maximum supervisory ratio upwards or downward from 1:11-

DEQ has four major programs (Air Quality, Water Quality, Land Quality, and Agency Management). Each major program area has multiple sub-programs, each with its own set of complexities. Specialized managerial knowledge of each program is critical to ensure DEQ is operating within the legal framework established for DEQ for this highly technical work. This includes fiduciary responsibility for multiple fund types including state funding, fee funds, federal grants, and grant reporting. In recent biennia the legislature has established multiple new grant and rebate programs within the department, requiring robust managerial oversight to assure disbursements are made in a timely well while all fiduciary and quality assurance controls are adequately monitored.

Each of DEQ's programs isn't mutually exclusive and the work in one program may have environmental impacts on another. The level of interaction and overlapping responsibilities increases the complexity of DEQ. DEQ supervisors are responsible for the management of staff and understanding broader DEQ work to manage overlapping policy and procedure questions and providing final guidance for how an Air issue, Water issue, or Land issue should be resolved. Most DEQ supervisors must be technically competent in their area of responsibility to accomplish the policy or technical work in addition to their supervisory duties.

DEQ employs professional and scientific staff, relying on technical and scientific data to determine appropriate actions to take. Supervising these staff requires a specific skill set and the ability to review highly technical information takes more time than reviewing other types of documents.

Are there industry best practices and standards that should be a factor when determining the agency's maximum supervisory ratio? **No**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Is the size and hours of operation of the agency a factor to be considered in determining the agency's maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Although much of DEQ operates during standard business hours, some DEQ staff must be ready to respond to emergency situations 24 x 7, not only in the metropolitan areas, but to the remotest regions of the state. This results in DEQ having staff on call 24 hours per day, 7 days per week, 52 weeks per year. This is a relatively minor impact on the span of control but is important to understand.

Additionally, DEQ has Vehicle Inspection stations, whose operating hours are as follows:

Portland Metro:

Tues, Thurs, Fri: 8:30 a.m. - 5:30 p.m., Wed: 8:30 a.m. - 7 p.m., Sat: 8:30 a.m. - 1 p.m.

Scappoose:

Fri: 8:30 a.m. - 5:30 p.m., Sat: 8:30 a.m. - 1 p.m., Closed: Sunday - Thursday and holidays.

Medford:

Mon-Fri: 8:30 a.m. to 5:30 p.m.

These hours of operation, combined with the locations and size of the offices suggest a higher ratio than 1:11.

Are there unique personnel needs of the agency, including the agency's use of volunteers or seasonal or temporary employees, or exercise of supervisory authority by agency supervisory employees over personnel who are not agency employees a factor to be considered in determining the agency's maximum supervisory ratio? **No**

Explain how and why this factor impacts the agency maximum supervisory ratio upwards or downward from 1:11-

Is the financial scope and responsibility of the agency a factor to be considered in determining the agency's maximum supervisory ratio? **Yes**

Explain how and why this factor impacts the agency's maximum supervisory ratio upwards or downward from 1:11-

DEQ is responsible for serving every Oregonian every day of the year. The budget structure includes more than 140 funding streams each with its own limitations, rules, and reporting requirements. There are four major program areas with more than 50 Operating Subprograms. Within each program are multiple sub-programs each with its own rules, funding sources, and complexities. Employees must know each separate sub-program and their supervisor must also be able to guide the employee or answer questions they may have as to how to apply the appropriate funding to the appropriate programs and operating subprograms, as well as determine if the funding is legally authorized for specific instances.

In recent biennia the legislature has established multiple new grant and rebate programs within the department, requiring robust managerial oversight to assure disbursements are made in a timely well while all fiduciary and quality assurance controls are adequately monitored. The scope and breadth of our various granting programs are wide, including loans and grants to local governments, point-of-sale rebates for the general public, and infrastructure grants made to businesses and other organizations.

In addition, the central office staff for each program must keep up with ever-changing federal regulations as well as track and report on numerous grants. This suggests a lower ratio than 1:11.

Based upon the described factors above the agency proposes a Maximum Supervisory Ratio of 1:9.

Unions Requiring Notification: AFSCME

Date unions notified 3/20/2023 _____

Submitted by: Brian Boling _____ **Date: 3/19/2023** _____

Signature Line  _____ **Date 3/19/2023** _____

Signature Line _____ **Date** _____

Signature Line _____ **Date** _____

Signature Line _____ **Date** _____

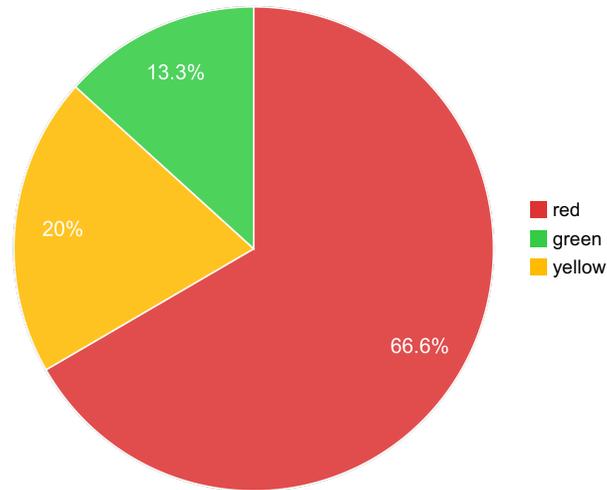
Department of Environmental Quality

Annual Performance Progress Report

Reporting Year 2022

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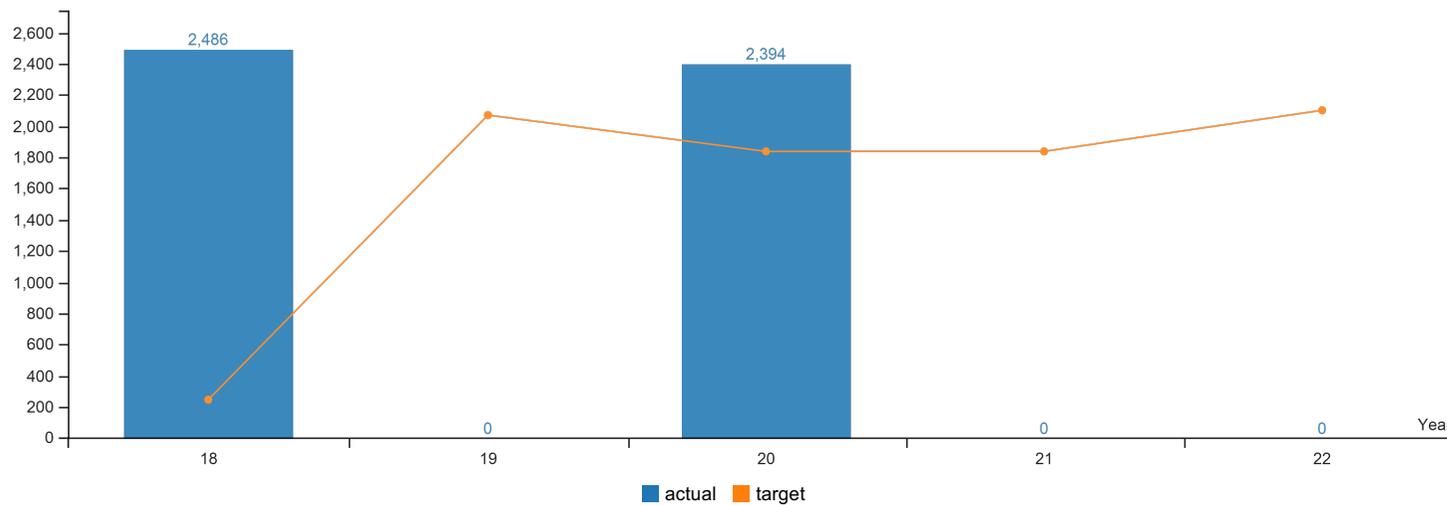
KPM #	Approved Key Performance Measures (KPMs)
1	AIR QUALITY DIESEL EMISSIONS - Quantity of diesel particulate emissions (in tons).
2	AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for sensitive groups and all groups.
3	AIR QUALITY - AIR TOXICS - Air Toxics Trends in Larger and Smaller Communities
4	Permit Timeliness - Issuance of new permits - Percentage of new air quality permits that are issued within timeliness targets.
5	Permit Timeliness - Issuance of Permit Modifications - Percentage of air quality permit modifications issued within the target timeliness period.
6	Permit Timeliness - Current Permits - Percent of air quality permits that are current (not on administration extension)
7	PERMIT TIMELINESS - Percentage of individual wastewater discharge permits issued within 270 days.
8	UPDATED PERMITS - Percent of total wastewater permits that are current.
9	WATER QUALITY CONDITIONS - Percent of monitored stream sites with significantly increasing trends in water quality.
10	CLEANUP - Properties with known contamination cleaned up
11	MATERIALS MANAGEMENT - Waste generation
12	MATERIALS MANAGEMENT - Waste recovery
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.
14	ERT - Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent.
15	BOARDS AND COMMISSIONS - Percent of total best practices met by the Environmental Quality Commission.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -5% to -15%	= Target > -15%
Summary Stats:	13.33%	20%	66.67%

KPM #1	AIR QUALITY DIESEL EMISSIONS - Quantity of diesel particulate emissions (in tons).
	Data Collection Period: Jan 01 - Jan 01

* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
Quantity of diesel particulate emissions (in tons)					
Actual	2,486		2,394		
Target	250	2,069	1,837	1,837	2,100

How Are We Doing

Diesel particulate matter is a known human carcinogen. Although there is a particular health risk for those exposed to diesel particulate in the workplace, about 92 percent of Oregon's population face an exposure health risk of some kind, based on the 2011 U.S. Environmental Protection Agency (EPA) National Air Toxics Assessment, the most recent data available.

The measure reflects the anticipated decline in diesel engine emissions over time attributable to following factors:

1. The natural turnover of older, higher emitting trucks and equipment
2. The early replacement and retrofitting of older diesel trucks and equipment that occur because of policy and funding programs implemented by the department.

Diesel engine emissions in Oregon remain slightly above the target. DEQ derives the data for this measure from an assessment of all air pollutants from all sources in the state that EPA compiles every three years called the National Emissions Inventory (NEI).

The 2017 calendar year is the latest data available for this report, that data was released in 2020. DEQ will use the 2017 value (reported in 2020) until the next assessment is completed (2020 calendar year data reported in 2023).

Factors Affecting Results

In 2019 the legislature adopted HB 2007. The legislation aims to further reduce diesel engine emissions through a variety of regulations and incentives. Major elements of the bill include:

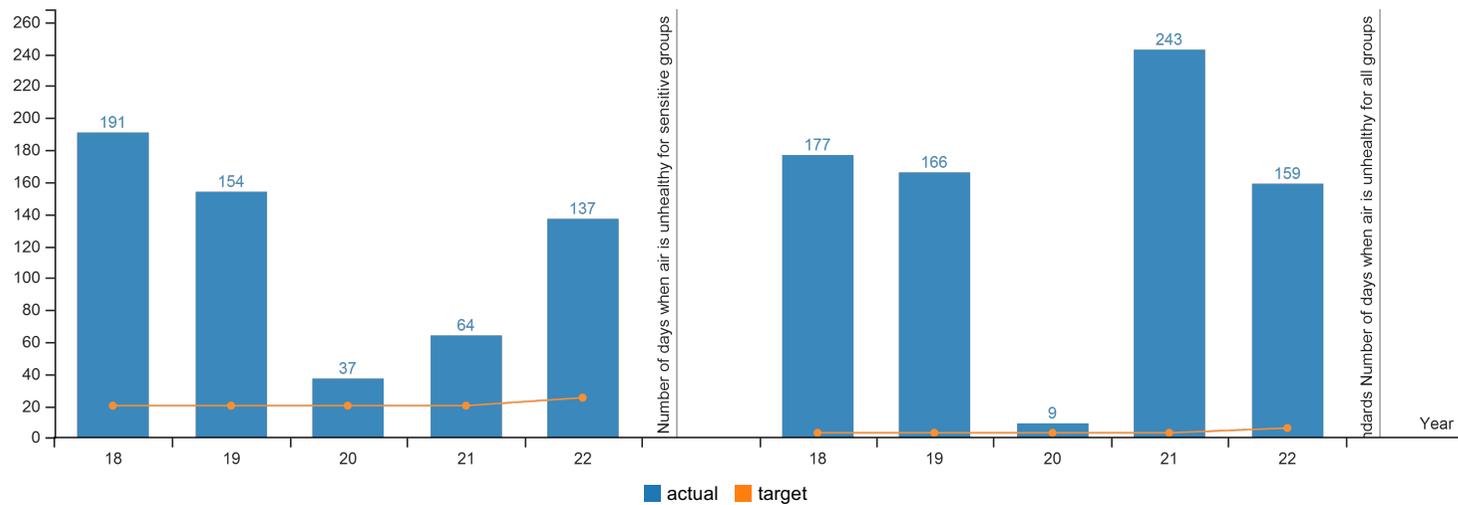
- A requirement that certain medium and heavy-duty diesel trucks registered or titled in Clackamas, Multnomah and Washington counties be 'clean diesel' (defined as model year 2007 or 2010)

by 2029.

- Direction to DEQ to disburse remaining Volkswagen settlement funds through a competitive grant program for replacing or retrofitting older diesel trucks.
- A requirement that clean diesel construction equipment be used on public works projects valued above \$20 Million in Clackamas, Multnomah and Washington Counties.
- This bill will not be fully implemented until 2029. The extent to which the legislation reduces diesel engine emissions will be measured through this Key Performance Measure after that time.

In 2021, the Environmental Quality Commission adopted the Advanced Clean Truck Rule that will gradually require medium and heavy truck manufacturers to meet zero emission vehicle sales targets, which is designed to accelerate the development of cleaner vehicles and fleets. The Commission also adopted rules to strengthen emission standards for new diesel engines. These rules become effective in 2024.

KPM #2	AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for sensitive groups and all groups.
	Data Collection Period: Jan 01 - Jan 01



Report Year	2018	2019	2020	2021	2022
a. National Standards Number of days when air is unhealthy for sensitive groups					
Actual	191	154	37	64	137
Target	20	20	20	20	25
b. National Standards Number of days when air is unhealthy for all groups					
Actual	177	166	9	243	159
Target	3	3	3	3	6

How Are We Doing

NOTE: The 2022 report is based on data from calendar year 2021

This measure was developed in 2006 to reflect the annual trend in actual air quality for the general population. The measure indicates that air quality is unhealthy for sensitive populations on some days in some places. The majority of the unhealthy for sensitive groups air days are caused by elevated fine particulate levels resulting from wildfires, forestry burning, woodstoves, and other combustion sources.

National Standards Number of Days When Air in Unhealthy for Sensitive Groups

Oregon's number of days when air was unhealthy for sensitive groups (based on the criteria pollutants) went up from 64 in 2021 to 137 in the 2022 reporting year. Of the 137 days, 135 were from wildfire smoke.

National Standards Number of days when air is unhealthy for all groups

In 2022, Oregon recorded 159 days when air was unhealthy for all groups or worse. This is an improvement from 2021, when there were 243 days of unhealthy air. All of those days were from wildfire smoke, which was significantly worse in 2021 (2020 calendar year) due to multiple sustained wildfire events throughout the state and region. The unhealthy or worse air days occurred statewide.

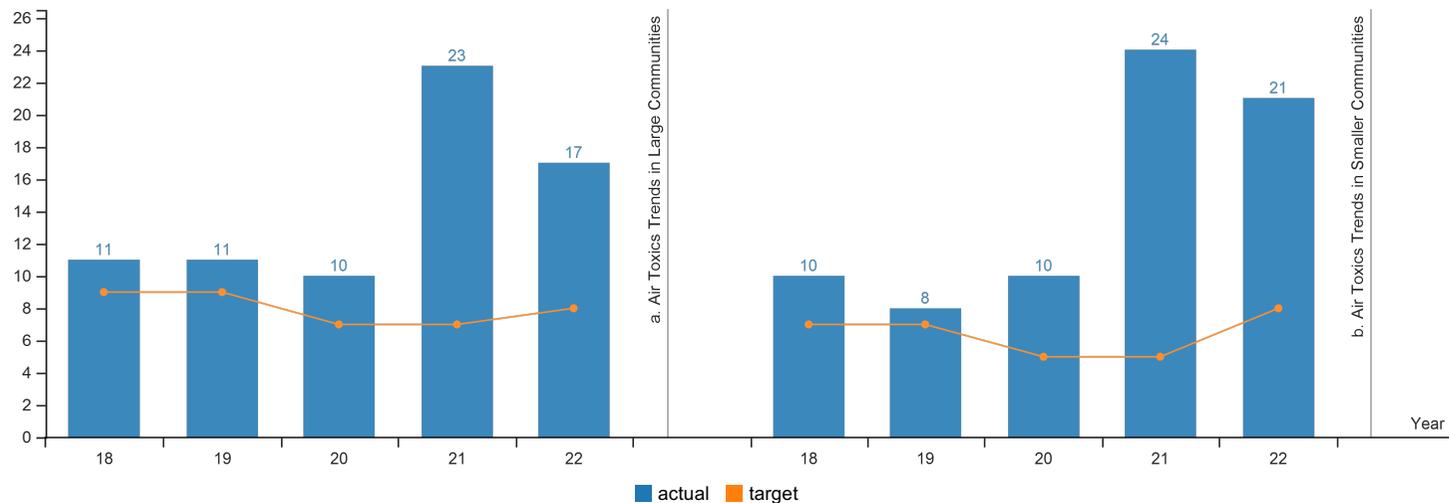
Factors Affecting Results**National Standards Number of Days When Air is Unhealthy for Sensitive Groups**

The primary driver for the worsening trends in unhealthy air days over the past five years is the impacts of wildfire smoke. The worst years have been 2017, 2018, and 2020. Out of the 137 unhealthy for sensitive group days in 2022, 135 were from wildfire smoke. The remaining two days were primarily from particulate matter during fall and winter stagnation events or from prescribed burning.

National Standards Number of days when air is unhealthy for all groups

In 2022, the primary factor for the worsening trends in unhealthy air days was wildfire smoke impacts.

KPM #3	AIR QUALITY - AIR TOXICS - Air Toxics Trends in Larger and Smaller Communities
	Data Collection Period: Jan 01 - Jan 01



Report Year	2018	2019	2020	2021	2022
a. Air Toxics Trends in Large Communities					
Actual	11	11	10	23	17
Target	9	9	7	7	8
b. Air Toxics Trends in Smaller Communities					
Actual	10	8	10	24	21
Target	7	7	5	5	8

How Are We Doing

NOTE: 2022 report year will be based on data from calendar year 2021.

Air toxics are chemicals in the air we breathe that are known or suspected to cause cancer or other detrimental health effects in people. Using current medical studies, DEQ has established threshold levels (i.e. air toxic benchmarks) for a variety of airborne toxic chemicals that represent levels of acceptable risk to the public. DEQ's KPM goal is to reduce monitored levels of five representative toxics - benzene, acetaldehyde, formaldehyde, arsenic and cadmium - down to the slight risk level one time above the benchmark for each pollutant. Meeting the air toxics KPM goals would be a partial indication of reduced risk to public health from the chemicals tracked. There are many other air toxics that can cause risk to public health. The benchmarks serve as clean air goals rather than regulatory standards. They are very protective and based on concentrations at which sensitive members of the population would experience a negligible increase in risk of additional cancers or other health effects. The values for this measure are obtained by dividing the average annual monitored concentrations by DEQ benchmark values for each pollutant.

The spike in risk (i.e. poorer performance) in 2020 is driven by two issues: First, the catastrophic wildfire led to a significant increase in detected levels of benzene, an air toxic attributable to combustion. Secondly, new data on the health risks associated with exposure to formaldehyde led DEQ to update our health benchmark. This means the same concentration of formaldehyde in the air leads to a higher risk than previously thought.

Factors Affecting Results

Large Communities: In an urban area like Portland, air toxics are most influenced by emissions from cars and trucks, with additional influence from residential wood burning and, on a neighborhood

level, emissions from industry and commercial activities. Portland is an ozone maintenance area in which industry has been required to control volatile organic compounds, many of which are also air toxics. Weather patterns, such as winter-time stagnation, high summer-time temperatures, and natural events, such as wildfires, can be significant factors resulting in elevated air toxics concentrations.

Smaller Communities: Of the five tracked pollutants in La Grande, benzene and acetaldehyde pose the most potential risk to public health. Benzene is 4 times the benchmark and acetaldehyde is 3 times the benchmark. Sources of benzene in La Grande are residential wood combustion, cars and trucks, leaks in the gasoline distribution system, fossil fuel combustion for heat and energy, industrial emissions, wildfires and background levels that presumably come from other developed areas.

Sources of the five pollutants in the KPM:

Benzene

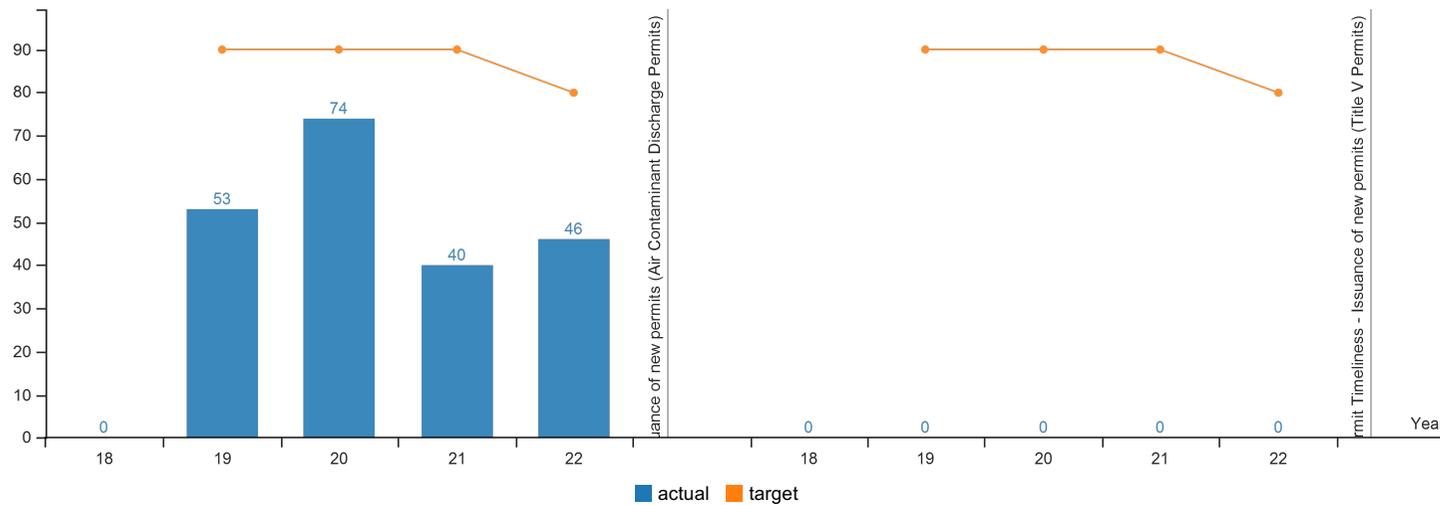
Sources of benzene are cars and trucks, leaks in the gasoline distribution system, residential wood combustion, fossil fuel combustion for heat and energy, industrial emissions, wildfires, and background levels that presumably come from other developed areas. Decreases in benzene are largely attributable to cleaner vehicle engines with improved fuel economy and federally mandated reduction of benzene in gasoline that took effect in 2011 and 2012. However, reductions may be offset by local increases in driving and additional vehicles related to population growth.

Acetaldehyde and formaldehyde are produced by wood and fossil fuel combustion, but the largest quantities of these pollutants are produced through chemical formation in the atmosphere. Precursors in the chemical formation process are volatile organic compounds emitted from wood and fossil fuel combustion and vegetation. Acetaldehyde and formaldehyde values have not changed significantly since 2004. Pollutants formed through a complex secondary process are more difficult to decrease through emission reduction strategies than pollutants controlled at their primary sources.

Arsenic is predominantly from engines burning fossil fuels, natural gas and other petroleum products, and glass and metals industries. Arsenic values have dropped from a high of nine times above the benchmark in 2004 to levels fluctuating around four or five times above the benchmark for the last six years in Portland. DEQ expects that arsenic levels in Portland will decrease as the vehicle fleet continues to turn over to new and cleaner vehicles and fuel efficiency improves. Arsenic in Portland is also influenced by background concentrations because arsenic is present in local volcanic soils that become airborne as dust. Arsenic levels in La Grande have remained at the clean air goal of one time above the benchmark for the past ten years.

Levels of cadmium have ranged from four times above the benchmark in 2005 to levels fluctuating between one and two times above the benchmark since 2010. In 2017, cadmium was below the benchmark for the first time since air toxics trend monitoring began in Portland. Between 2012 and 2016, DEQ investigated unidentified sources of cadmium in the Portland area. In 2016, DEQ in collaboration with federal moss researchers, identified art glass manufacturers as a significant source of cadmium in Portland. The agency has since adopted rules which controlled cadmium emissions from those sources. There is no cadmium measured in La Grande.

KPM #4	Permit Timeliness - Issuance of new permits - Percentage of new air quality permits that are issued within timeliness targets.
	Data Collection Period: Jan 01 - Dec 31



Report Year	2018	2019	2020	2021	2022
Permit Timeliness - Issuance of new permits (Air Contaminant Discharge Permits)					
Actual		53%	74%	40%	46%
Target		90%	90%	90%	80%
b. Permit Timeliness - Issuance of new permits (Title V Permits)					
Actual			0%	0%	0%
Target		90%	90%	90%	80%

How Are We Doing

Note: The 2022 report is based on 2021 calendar year data.

DEQ requires Air Contaminant Discharge Permits (ACDP) when sources, of any size, construct or modify their facilities. These permits are also required for the operation of medium-sized point sources and the operation of some smaller-sized point sources that emit specified hazardous air pollutants. DEQ also operates the Title V Permit program, which is required by the federal Clean Air Act for major sources emitting traditional "criteria" or hazardous air pollutants. Oregon's largest industrial facilities tend to be the source of these emissions.

In 2021, 46% of ACDP new permits were issued on time. This is an increase from last year's reported value of 40% from 2020 data. In 2020, DEQ updated and automated the KPM data-pulling process and determined that the incorrect permit type (i.e., AQGP Assignment Update) had been included for KPM reporting in previous years. Adjusting for this error, the timeliness of new ACDP would have been 49% for 2019.

DEQ received 3 applications for new Title V permits with 33% issued on time. DEQ sets processing targets for the different types of permits, with a range from 30 days for the simplest permits to 365 days for the most complex permits.

Factors Affecting Results

Note: In 2020, DEQ updated and automated the KPM data-pulling process and determined that an incorrect permit type (i.e., AQGP Assignment Update) had been included for KPM reporting in

previous years. Adjusting for this error accounts for the change in KPM value. For example, the timeliness of new ACDP would have been 49% for 2019, if that permit type were removed from the total.

In 2018, the Oregon Secretary of State's performance audit revealed a permit renewal backlog. Auditors identified a number of root causes, including the following primary factors:

- Pre-application guidance and tools available for the regulated community are outdated or not easy to use
- Competing demands such as compliance inspections and responding to complaints take away time from permit writing
- Position cuts due to revenue shortfalls have led to unmanageable workloads

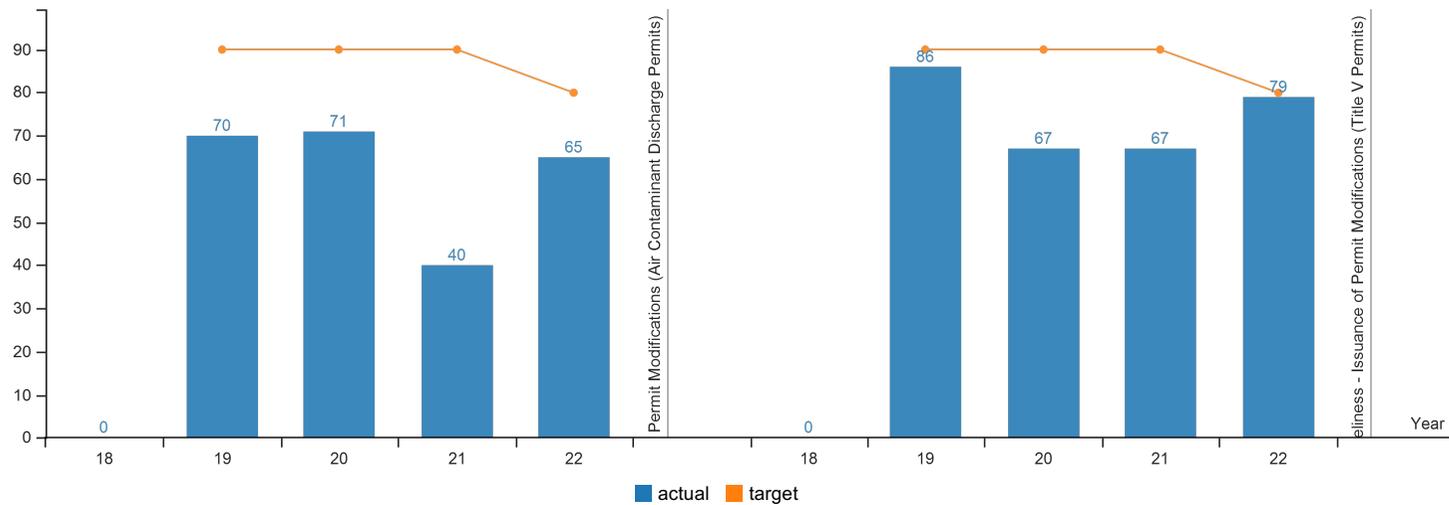
DEQ agreed with the results of the audit and has been working to address its findings since early 2019. Key initiatives currently underway include:

- A comprehensive process improvement effort to develop more efficient internal processes
- Redesigning the permitting program webpage for improved usability
- Updating key guidance documents that assist permit writers and sources interpret rules and requirements

DEQ permitting staff each balance their time between issuing new permits, ensuring permits are current (i.e., permit renewals) and performing compliance inspections. The relatively low performance on this measure; issuance of new permits within timeliness targets is attributable to several factors:

- As discussed above, DEQ staff are intentionally prioritizing the backlog of permit renewals.
- In 2020, the issuance of new permits requires implementation of a risk-based screening approach; additional requirements incorporated into the permits are reasonable and necessary to ensure the sources remain appropriately regulated through the permit. The additional screening adds a layer of complexity, impacting the issuance time.
- In 2019 the legislature authorized a new fee increase and six new permitting positions to meet increasing staff demands. However, DEQ delayed implementation of the fee increase and hiring of new positions in recognition and response to the economic impacts of the COVID-19 pandemic. This resulted in operating at a lower staffing level.
- In 2020, DEQ transitioned to working primarily remotely in response to the COVID-19 pandemic. This transition caused temporary delays in the workflow for permit issuance, which further impacted workflow in 2021.

KPM #5	Permit Timeliness - Issuance of Permit Modifications - Percentage of air quality permit modifications issued within the target timeliness period.
	Data Collection Period: Jan 01 - Dec 31



Report Year	2018	2019	2020	2021	2022
Permit Timeliness - Issuance of Permit Modifications (Air Contaminant Discharge Permits)					
Actual		70%	71%	40%	65%
Target		90%	90%	90%	80%
b. Permit Timeliness - Issuance of Permit Modifications (Title V Permits)					
Actual		86%	67%	67%	79%
Target		90%	90%	90%	80%

How Are We Doing

Note: The 2022 report is based on 2021 calendar year data.

DEQ requires Air Contaminant Discharge Permits (ACDP) when sources, of any size, construct or modify their facilities. These permits are also required for the operation of medium-sized point sources and the operation of some smaller-sized point sources that emit specified hazardous air pollutants. DEQ also operates the Title V Permit (TV) program, which is required by the federal Clean Air Act for major sources emitting traditional "criteria" or hazardous air pollutants. Oregon's largest industrial facilities tend to be the source of these emissions.

In 2021, 65% of ACDP sources, an increase from the previously reported 40% for 2020 data, and 79% of TV permit modifications were issued on time, a 12% increase from last year's reporting. DEQ sets processing targets for the different types of permits, with a range from 30 days for the simplest permits to 365 days for the most complex permits.

DEQ's goal is that 90% of ACDP and TV permits are current. A recent performance audit conducted by the Secretary of State identified several key factors contributing to DEQ's inability to complete permit activities within timeliness targets. These factors are discussed in the "Factors Affecting Results" section.

Factors Affecting Results

As mentioned above, the Oregon Secretary of State's recent performance audit discussed a permit renewal backlog. Auditors identified a number of root causes, including the following primary factors:

- Pre-application guidance and tools available for the regulated community are outdated or not easy to use
- Competing demands such as compliance inspections and responding to complaints take away time from permit writing
- Position cuts due to revenue shortfalls have led to unmanageable workloads

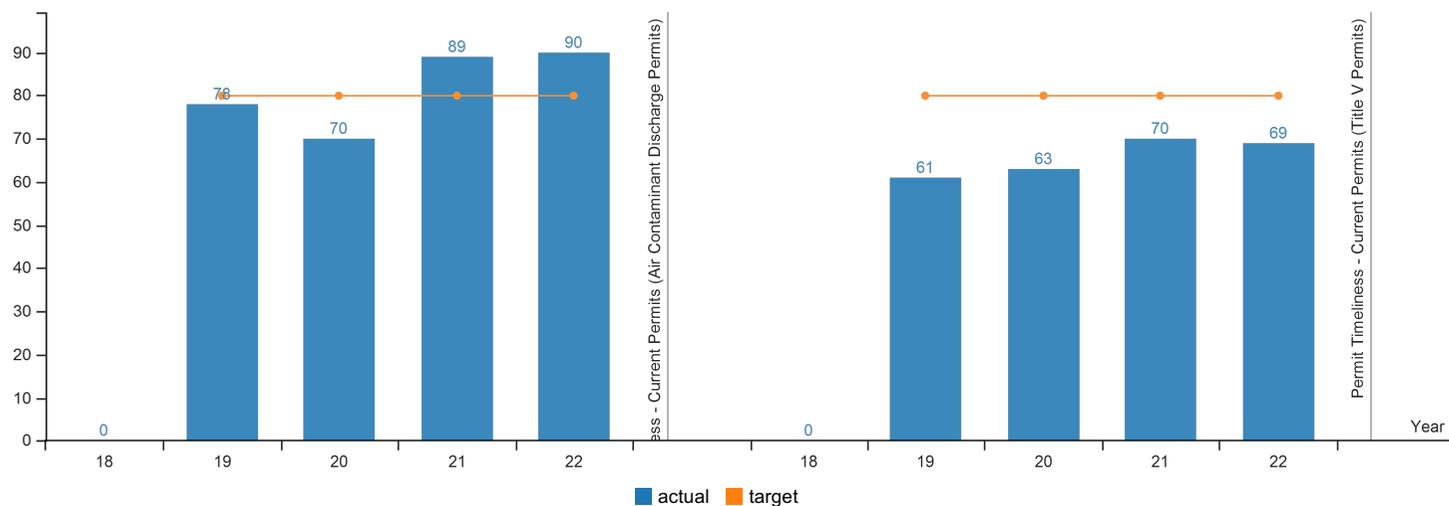
DEQ agreed with the results of the audit and has been working to address its findings since early 2019. Key initiatives currently underway include:

- A comprehensive process improvement effort to develop more efficient internal processes
- Redesigning the permitting program webpage for improved usability
- Updating key guidance documents that assist permit writers and sources interpret rules and requirements

DEQ permitting staff each balance their time between issuing new permits, ensuring permits are current (i.e. permit renewals) and performing compliance inspections. The relatively low performance on this measure; issuance of new permits within timeliness targets is attributable to several factors:

- As discussed above, DEQ staff are intentionally prioritizing addressing the backlog of permit renewals.
- In 2019 the legislature authorized a new fee increase and six new permitting positions to meet increasing staff demands. However, DEQ delayed implementation of the fee increase and hiring of new positions in recognition and response to the economic impacts of the COVID-19 pandemic. This resulted in operating at a lower staffing level for more of 2020 than previously anticipated.
- In 2020, the issuance of new permits required implementation of a risk-based screening approach; additional requirements incorporated into the permits are reasonable and necessary to ensure the sources remain appropriately regulated through the permit. The additional screening adds a layer of complexity, impacting the issuance time.
- In 2020, DEQ transitioned to working primarily remotely in response to the COVID-19 pandemic. This transition caused temporary delays in the workflow for permit issuance, which further impacted workflow in 2021.

KPM #6	Permit Timeliness - Current Permits - Percent of air quality permits that are current (not on administration extension)
	Data Collection Period: Jan 01 - Dec 31



Report Year	2018	2019	2020	2021	2022
Permit Timeliness - Current Permits (Air Contaminant Discharge Permits)					
Actual		78%	70%	89%	90%
Target		80%	80%	80%	80%
Permit Timeliness - Current Permits (Title V Permits)					
Actual		61%	63%	70%	69%
Target		80%	80%	80%	80%

How Are We Doing

Note: The 2022 report is based on 2021 calendar year data.

DEQ requires Air Contaminant Discharge Permits (ACDP) when sources, of any size, construct or modify their facilities. These permits are also required for the operation of medium-sized point sources and the operation of some smaller-sized point sources that emit specified hazardous air pollutants. DEQ also operates the Title V Permit program (TV), which is required by the federal Clean Air Act for major sources emitting traditional "criteria" or hazardous air pollutants. Oregon's largest industrial facilities tend to be the source of these emissions.

In 2021, 90% of ACDP sources and 69% of TV sources were operating under a current permit. The remaining sources were operating under a permit on administrative extension. Sources are allowed to operate with an expired permit (i.e., permit on administrative extension) so long as the source submits a permit renewal application before it expires.

DEQ's goal is that 80% of ACDP and TV permits are current. A recent performance audit conducted by the Secretary of State identified several key factors contributing to DEQ's inability to renew existing permits in a timely fashion. These factors are discussed in the "Factors Affecting Results" section.

Factors Affecting Results

As mentioned above, the Oregon Secretary of State's recent performance audit revealed a permit renewal backlog. Auditors identified a number of root causes, including the following primary factors:

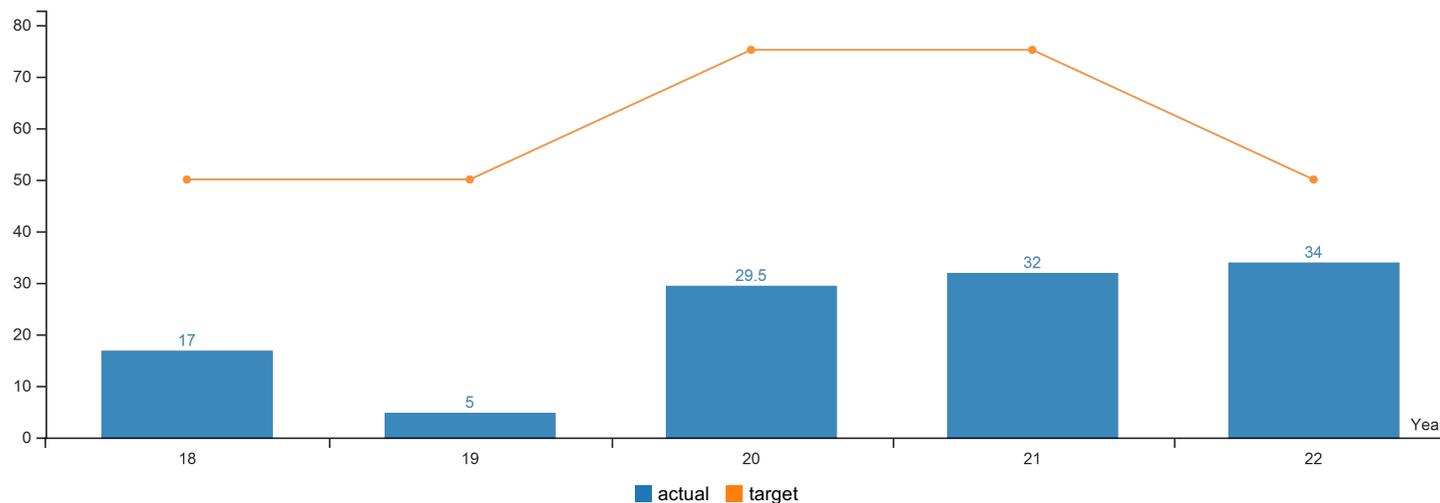
- Pre-application guidance and tools available for the regulated community are outdated or not easy to use
- Competing demands such as compliance inspections and responding to complaints take away time from permit writing
- Position cuts due to revenue shortfalls have led to unmanageable workloads

DEQ agreed with the results of the audit and has been working to address its findings since early 2019. Key initiatives currently underway include:

- A comprehensive process improvement effort to develop more efficient internal processes
- Redesigning the permitting program webpage for improved usability
- Updating key guidance documents that assist permit writers and sources interpret rules and requirements

KPM #7	PERMIT TIMELINESS - Percentage of individual wastewater discharge permits issued within 270 days.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percentage of individual wastewater discharge permits issued within 270 days					
Actual	17%	5%	29.50%	32%	34%
Target	50%	50%	75%	75%	50%

How Are We Doing

This measure requires data that is not available until October of the year following the reporting year period. This report has been updated following receipt of the full data set.

DEQ did not meet its timeliness target in 2022. For new or renewal permit applications submitted in 2021, DEQ issued 34 percent of individual and onsite wastewater discharge permits within 270 days of receiving the initial application. This is a minor improvement compared to 2020 and maintains the significant improvement compared to prior year's results.

Factors Affecting Results

Although DEQ is not yet meeting the target for this metric, the significant improvement compared to prior years reflects process improvements and program efficiencies that have been implemented over the past few years. These improvements indicate that the program is headed in the positive direction and on track for improving various program metrics, including this KPM, in the coming years.

DEQ's inability to meet this target for the 2021 calendar year was the result of several current and historical factors, but continues to be impacted by the program's decision to prioritize National Pollutant Discharge Elimination System permit program development and renewal of administratively continued individual permits until the program has achieved a significant reduction in backlog of these permits. Over the past few years, DEQ has achieved over a 40 percent reduction in the number of backlogged individual NPDES permits.

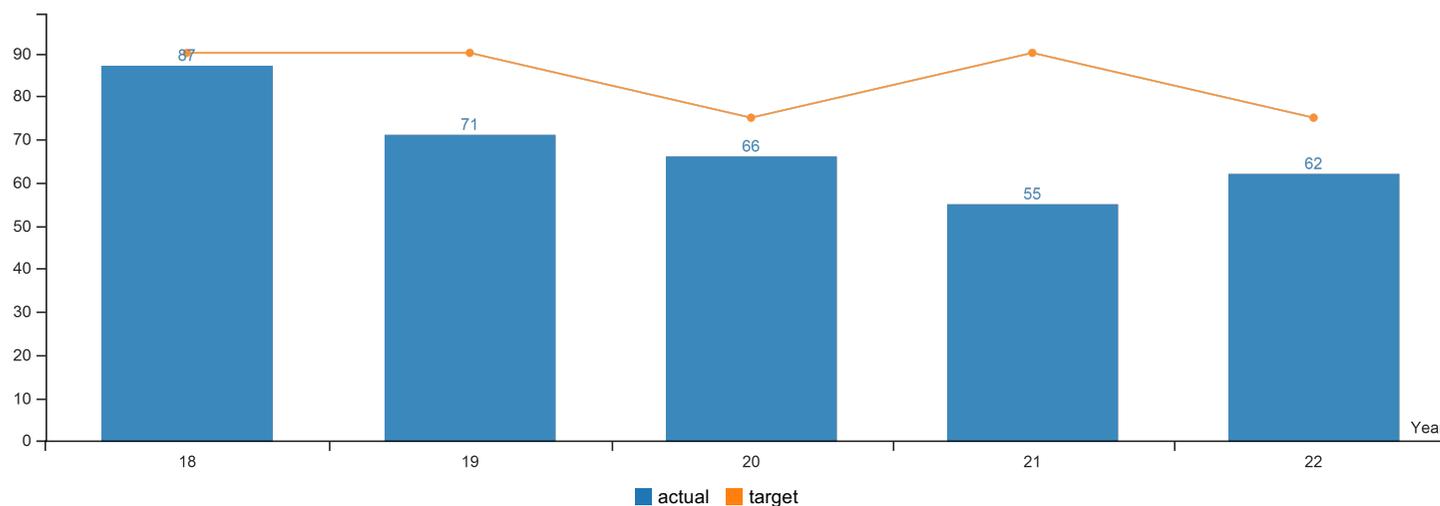
Evolving federal water quality criteria and standards contribute to delays as demands for enough data to write permits increases. Thus, the recent implementation of a data gap analysis for all individual permits scheduled for issuance has significantly reduced the time required for development of individual permits. Monitoring and sampling to provide enough data to evaluate a permittee's discharge and develop mathematical, science-based standards to protect water quality requires time to complete, often over several seasonal cycles. Additionally, DEQ's progress in previous years

renewing administratively continued permits will allow the permitting program to continue its focus on prioritizing and issuing NPDES individual permits prior to expiration.

Up to date permit issuance plans for NPDES individual and general permits, as well as a complete review of the NPDES individual and general permit programs are available at the DEQ website and are covered in the annual report: <https://www.oregon.gov/deq/wq/wqpermits/Pages/default.aspx>

KPM #8	UPDATED PERMITS - Percent of total wastewater permits that are current.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of total wastewater permits that are current					
Actual	87%	71%	66%	55%	62%
Target	90%	90%	75%	90%	75%

How Are We Doing

At the end of December 2021, DEQ had 62 percent of permitted sources assigned to current general and individual permits, which falls short of the 75 percent target established for the 2022 reporting period. This metric includes National Permit Discharge Elimination System permits (NPDES) and Water Pollution Control Facility (WPCF) permits, both individual and general, but excludes onsite septic system permits.

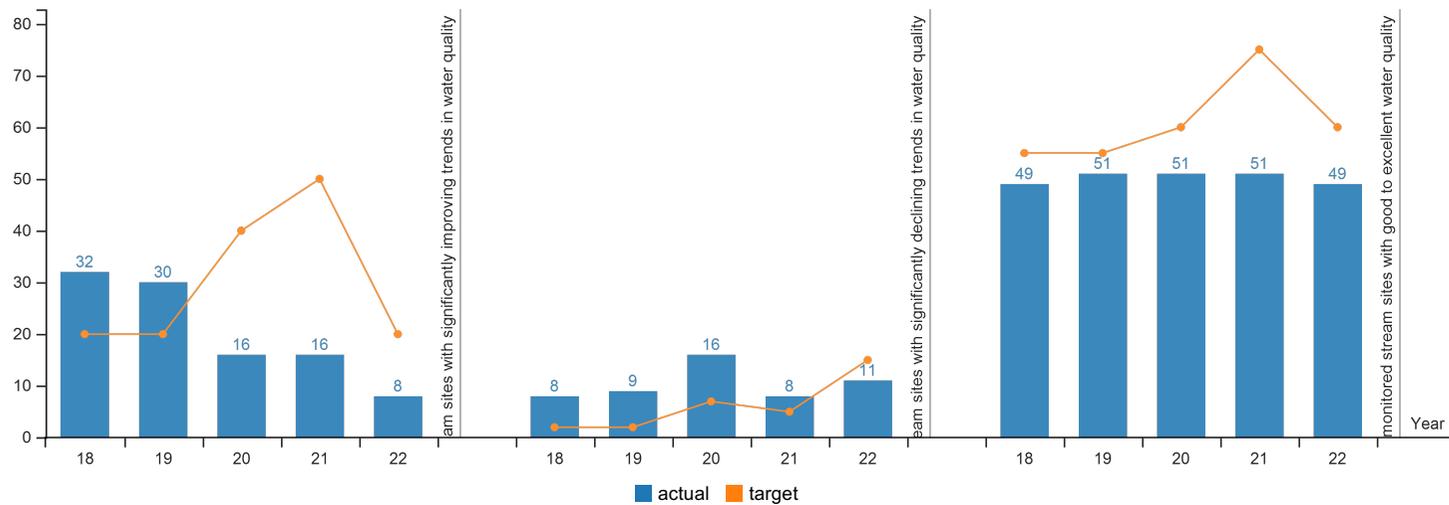
Ongoing process improvements and programmatic efforts to renew a large backlog of individual NPDES permits and multiple general permits remain a critical focus for the permitting program. DEQ has made significant progress on both fronts, including the reduction of individual NPDES backlog by over 20%, and renewal of several general permits, including the 1500-A Wastewater from clean-up of petroleum products, 1200-Z Industrial stormwater, 1200-C Construction stormwater, 900-J Seafood processing effluent discharge, 2000-J Irrigation system pesticide. As a result of devoting additional resources to this challenge, the NPDES Individual permit backlog that had been increasing for many years, has been reduced from over 80% in 2018 to under 65% by the end of 2021, and continues to decline. New resources authorized by the 2019 Legislature for the permitting program have contributed to these improvements.

Factors Affecting Results

The complexities of technical and legal issues encountered during permit development continue to affect DEQ's ability to issue permits in a timely manner. Moreover, DEQ's focus on implementing the recommendations for improvements to the individual NPDES program has resulted in prioritization of that goal over issuing some other permit types, such as WPCF. Permitting program process improvements continue to support the program goal of backlog reduction for individual permits. The program has established several key process improvement changes, including implementation of subject matter expert review process, streamlined quality assurance practices, and full implementation of data gap analysis for anticipated permit applications and renewals. DEQ is looking at how to adopt and apply relevant best practices into other aspects of the permitting program.

Changes in water quality standards and criteria for Total Maximum Daily Loads (clean water plans) also delay permitting efforts when the changes require additional water quality monitoring or create program uncertainty. Revisions to water quality standards have also increased the use of compliance schedules and other complex regulatory tools that must be incorporated into the permit development process. However, the data gap analysis process has allowed the permit program to better anticipate permit needs based on existing and revised standards and TMDLs, which will contribute to further improvements towards meeting targets for this performance metric.

KPM #9	WATER QUALITY CONDITIONS - Percent of monitored stream sites with significantly increasing trends in water quality.
	Data Collection Period: Oct 01 - Sep 30



Report Year	2018	2019	2020	2021	2022
a. Percent of monitored stream sites with significantly improving trends in water quality					
Actual	32%	30%	16%	16%	8%
Target	20%	20%	40%	50%	20%
b. Percent of monitored stream sites with significantly declining trends in water quality					
Actual	8%	9%	16%	8%	11%
Target	2%	2%	7%	5%	15%
c. Percent of monitored stream sites with good to excellent water quality					
Actual	49%	51%	51%	51%	49%
Target	55%	55%	60%	75%	60%

How Are We Doing

Data analyzed for the 2021 water year indicates that Oregon surface waters met one of the three new targets established for KPM 9.

KPM 9A

The percent of monitored sites with a significantly improving trend in water quality dropped to 8% from water year 2020 to water year 2021. This percentage is below the target of 20% for sub-measure 9a. This metric is expected to decline as water quality improves in the state; as a larger number of water bodies improve and remain in good quality, their quality metric will ideally hold steady. The largest improvement occurred at a site on the Owyhee River. The average improving trend magnitude was higher at sites in fair to very poor status than at sites in good or excellent status indicating that the largest gains in water quality occurred at sites most in need of improvement.

KPM 9B

The percent of monitored sites with a significantly declining trend in water quality was 11%, achieving the goal of being below the target value of 15%. Nearly half of the sites with declining trends are

declining for the first time. Three of these sites were in watersheds affected by the 2020 wildfires (Bear Creek, McKenzie River and Rogue River). The site with the steepest decline in water quality was in the Umatilla River.

KPM 9C

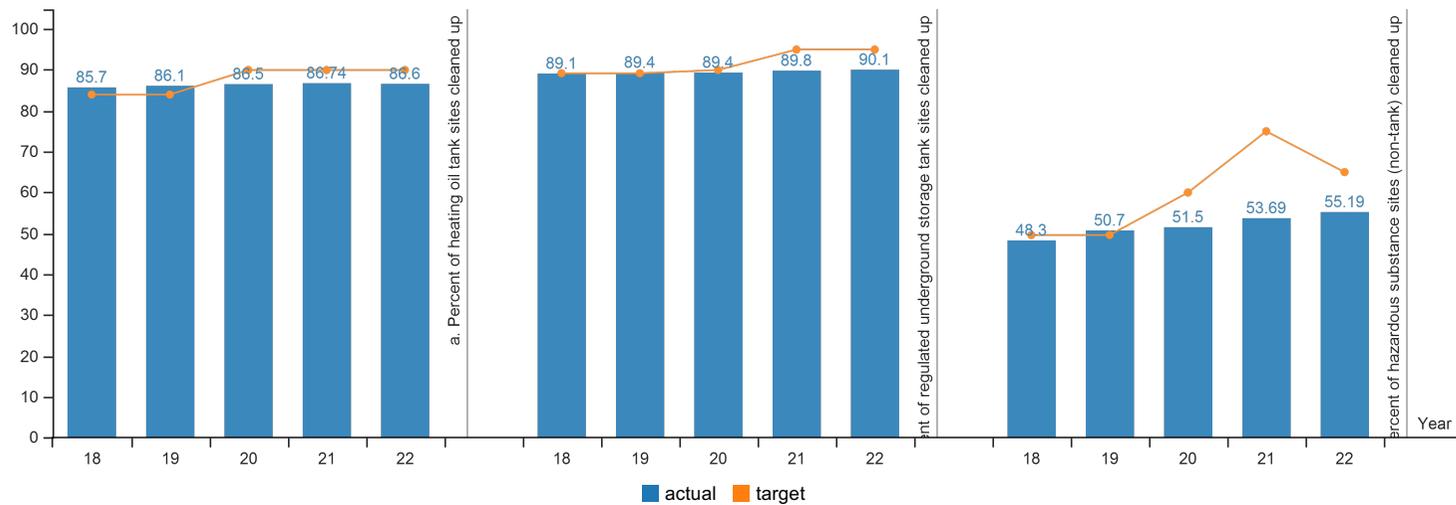
The percentage of monitored stream sites with good to excellent water quality has remained relatively constant for the past several years, though dropped slightly from 51% in 2020 to 49% in 2021, and fell short of the target of 60%.

Factors Affecting Results

There are various factors contributing to water quality improvements in some parts of the state, including restoration efforts in many basins and the continued implementation of agricultural best management practices. Other factors contributing to improved water quality were better irrigation practices, reduced livestock influence, and the implementation of watershed restoration plans (aka Total Maximum Daily Loads (TMDLs)). TMDL implementation projects to reduce point and non-point source pollution in basins around Oregon will have significant impact on the water quality in the coming years. Additionally, a statewide pattern of reduced phosphorus concentrations has had a beneficial impact on water quality index scores in state waters.

Reducing the percent of streams with declining water quality remains difficult. Various factors including natural conditions (drought, sedimentation, fire affected areas), agricultural practices (agricultural runoff, lack of riparian vegetation) and inadequate stormwater treatment continue to present challenges in some areas. Some of these factors can be easily mitigated while others are long term or natural occurrences. The data also show that sedimentation and stormwater runoff are contributing to the changes observed in sub-measures 9a and 9b. DEQ continues to work with partner agencies and stakeholders to make progress in the management of non-point source areas, including agricultural and forest lands, particularly in areas where voluntary actions are a significant element in achieving water quality improvements. It is important to communicate water quality outcomes, both successes and failures, with other management organizations so they can help target actions and focus activities on the improvement of Oregon's waters.

KPM #10	CLEANUP - Properties with known contamination cleaned up
	Data Collection Period: Jan 01 - Jan 01



Report Year	2018	2019	2020	2021	2022
a. Percent of heating oil tank sites cleaned up					
Actual	85.70%	86.10%	86.50%	86.74%	86.60%
Target	84%	84%	90%	90%	90%
b. Percent of regulated underground storage tank sites cleaned up					
Actual	89.10%	89.40%	89.40%	89.80%	90.10%
Target	89.20%	89.20%	90%	95%	95%
c. Percent of hazardous substance sites (non-tank) cleaned up					
Actual	48.30%	50.70%	51.50%	53.69%	55.19%
Target	49.60%	49.60%	60%	75%	65%

How Are We Doing

This measure tracks the total number of sites cleaned up as a percentage of contaminated sites in DEQ's hazardous substance cleanup and tanks databases. Tank sites include heating oil tanks (HOTs) and regulated commercial underground storage tanks (USTs), both of which involve releases of fuel. Hazardous substance sites include a variety of industrial/commercial facilities with known releases of metals, chlorinated solvents, PCBs and other hazardous chemicals. The higher the cleanup percentage, the better we are doing.

The targets for Heating Oil Tanks and hazardous substance sites were raised in 2020 over previous years, and the targets for USTs and hazardous substance sites were raised again in 2021. Overall percentages for HOT and UST closure remained virtually static last year, with a small uptick in the closure of hazardous substance sites. DEQ did not meet the new ambitious targets. As of Dec. 31, 2021, DEQ's Heating Oil Tanks program had overseen and/or approved the cleanup of 86.60 percent of reported HOT releases, slightly below the target of 90 percent. For regulated tanks, DEQ has completed cleanup at 90.10 percent of reported UST releases, approaching the target of 95 percent. The Cleanup program had made no-further-action decisions at 55.19 percent of known hazardous substance sites, which is below this year's target of 75 percent, but above results for previous years.

Factors Affecting Results

Each year DEQ identifies additional sites that need cleanup, creating a "moving target" as the total number of sites increases. This number is hard to project into the future because it depends as much, or more on, economic activity as on agency actions. Nevertheless, DEQ has completed enough cleanups to increase the cleanup percentage. This is especially true for HOT cleanups, which typically occur during residential property sales.

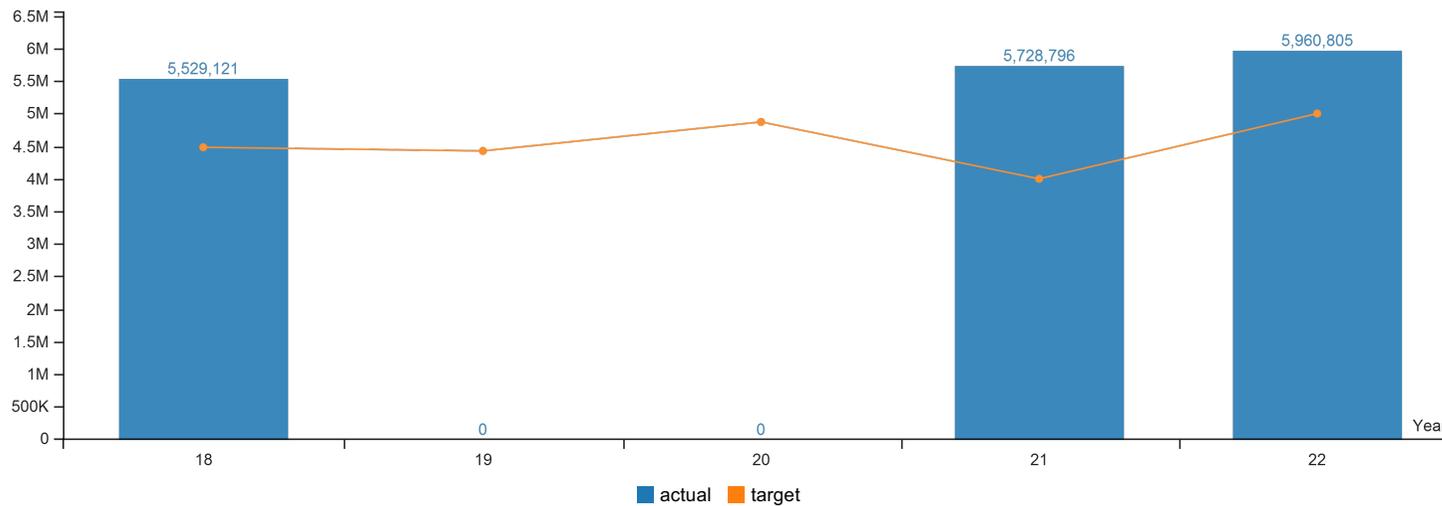
Hazardous substance sites may include a range of contaminants and are often more challenging than petroleum cleanups. State law requires property owners to report and clean up spills of oil or hazardous substances that exceed a reportable quantity, as well as any releases from USTs. State law also requires disclosure of HOTs during a property sale and releases exceeding a reportable quantity to be reported to DEQ. Many hazardous-substance sites come to DEQ's attention during due-diligence investigations by prospective purchasers, following the discovery of past releases (which did not require reporting to DEQ when they occurred). Over the years, contamination from these properties may have migrated significantly in soil, surface water or groundwater, sometimes beyond property lines. In contrast, required reporting at UST sites typically leads to quicker and simpler cleanups than at hazardous-substance sites, where contamination may have been present long before DEQ became aware of it.

DEQ works collaboratively with responsible parties to clean up contaminated properties in a timely and cost effective manner. The cleanup program uses risk-based guidance to aid cleanup decisions, targets hot spots of contamination, uses settlements to fund additional cleanups, and partners with Business Oregon to assist parties in funding investigation and cleanup actions. DEQ's Prospective Purchaser Agreement program encourages cleanup and redevelopment by providing liability relief for those wanting to buy contaminated property. In addition, DEQ has promoted Heating Oil Tank cleanups by allowing contractors registered with DEQ to certify that cleanups meet Oregon standards.

Note: Data shown in report year 2022 reflects cleanup efforts as of December 31, 2021.

KPM #11	MATERIALS MANAGEMENT - Waste generation
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
Waste generation					
Actual	5,529,121			5,728,796	5,960,805
Target	4,482,885	4,427,312	4,871,739	4,000,000	5,000,000

How Are We Doing

Waste generation is the total amount of material in the waste stream whether disposed, recycled or otherwise recovered. It can be seen as an index reflecting Oregon's consumption of materials and products, but does not include industrial or agricultural materials.

Oregon Revised Statute 459A.010 sets goals related to this metric: For calendar years 2025 through 2049, total general solid waste generation shall be 15 percent below the total general solid waste generation for calendar year 2012. For calendar year 2050 and subsequent years, total general solid waste generation shall be 40 percent below total general solid waste generation for calendar year 2012. The targets for this measure are based on reducing the total general solid waste generation from the actual generation as measured in 2012 to 15 percent less by 2025 and 40 percent less by 2050.

From 1993 through 2006, total waste generation rose steadily. For the next three years, waste generation fell sharply, but leveled off and then began increasing slowly. Waste generation has been increasing quickly again since 2015, in contrast to legislated goals calling for reductions in generation.

NOTE: It takes a year or longer for DEQ to take the data submitted by recyclers, resolve difference in what different recycler report collecting and sending off to other recyclers, and calculate the recovery rate for a year, so results for calendar year 2021 are not yet complete. The figure of 5,960,805 tons of solid waste generation is for calendar year 2020.

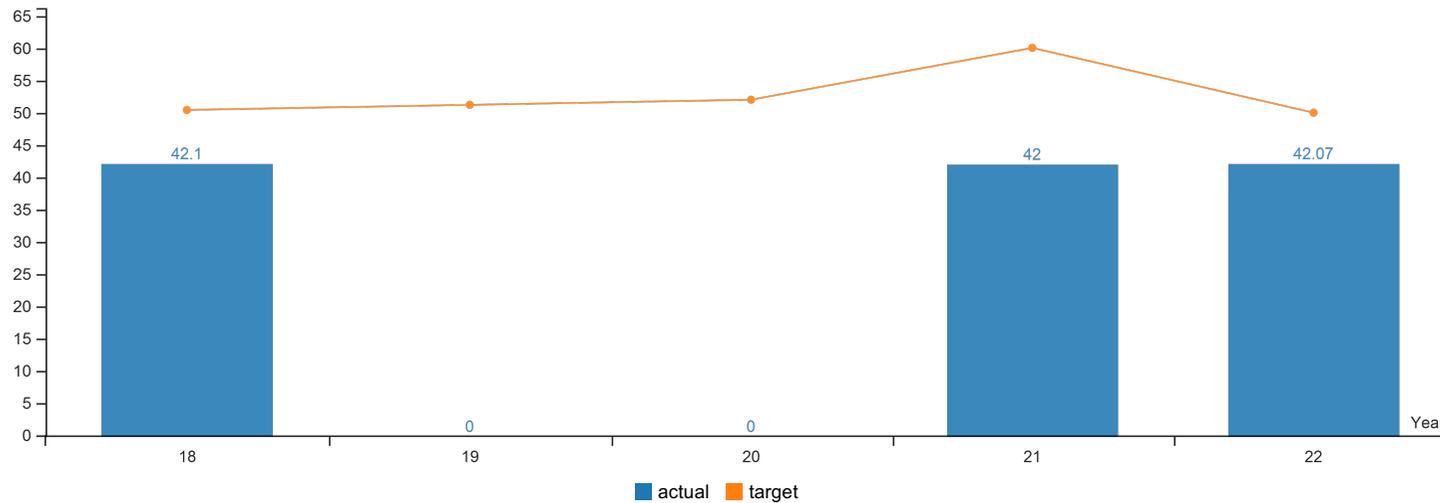
Factors Affecting Results

Waste generation is tied to the economy, as increased income leads to increased construction and increased purchase of goods. Generally, population increases also increase the generation of solid

waste, and other such factors can also play a role. The decline of Oregon waste generation in 2006-2009 was likely related mainly to the recession and steep decline in building construction and employment from 2007 through 2010. Another major factor playing a role was the decline in newspapers, magazines and other printed material as people moved more to the Internet as a source of information and advertising. Since 2010, however, the Oregon economy has been more active, leading to increased consumption and increased waste generation.

KPM #12	MATERIALS MANAGEMENT - Waste recovery
	Data Collection Period: Jan 01 - Jan 01

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of waste recovered					
Actual	42.10%			42%	42.07%
Target	50.42%	51.21%	52%	60%	50%

How Are We Doing

The waste recovery rate is the percentage of material in the municipal waste stream which is recycled or otherwise recovered. Recycling and other recovery have environmental benefits when it prevents the extraction and processing of virgin material, though individual materials differ greatly in these benefits. Oregon Revised Statue 459A.010 sets goals that by 2020, the recovery rate of material from general solid waste shall be at least 52 percent, and by 2025, it shall be at least 55 percent. As discussed below though, recovery rates are much lower now than they were in 2015 when the new statewide recovery goals took effect.

It takes a year or longer for DEQ to take the data submitted by recyclers, resolve difference in what different recycler report collecting and sending off to other recyclers, and calculate the recovery rate for a year, so results for calendar year 2021 are not yet complete. The recovery rate of 42.07% reported here is for calendar year 2020.

Factors Affecting Results

In 2015 the Legislature established the same measure for recovery goals as later adopted as KPM 12. At that time it was not anticipated that by the end of the year, the paper mill that was the largest user of mixed residential paper and of recovered wood waste would close, and that other large users of wood waste would switch to natural gas. Thus, at a time when construction activities were again taking off in Oregon, the largest markets for using the wood waste generated by that construction disappeared, likely leading to increased disposal of wood waste as well and decreased recovery. Oregon's recovery rate declined nearly 4 percentage points in 2016 as a result. Paper recycling was not much affected at the time, as Chinese buyers purchased the paper that had been going to the now-closed Oregon paper mill.

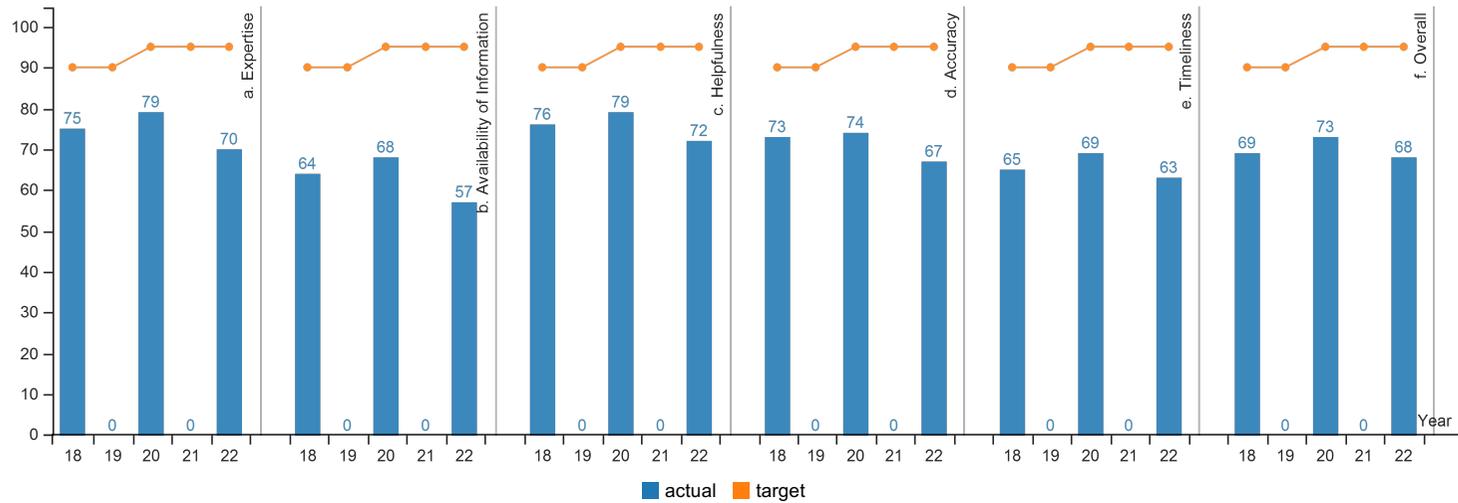
The situation changed further in late 2017, and 2018 with China announcing and implementing increased inspections and strong restrictions on the importation of recyclable material. Since China was

by far the largest importer of these materials in the world, this caused a huge drop in the recycling price paid for mixed paper and mixed plastic worldwide, and in Oregon directly lead to the disposal of approximately 16,000 tons of collected mixed paper and plastic over a 2-year period, and a reduction in the types of plastic recycled in many parts of the state. Partially offsetting this, recycling under the Oregon Bottle Bill increased substantially due to the doubling of the refund value from 5 to 10 cents in 2017 and the addition of juices, teas, and many other beverages to the bottle bill in 2018. Plastics recycling under the Bottle Bill nearly doubled between 2016 and 2019, and aluminum and glass redemptions also increased. Bottle Bill redemption fell only slightly in 2020 in spite of the fact that many grocery stores discontinued redemming containers from much of the years as allowed by OLCC (due to Covid concerns). Data from OLCC shows that bottle bill recycling bounced back strongly in 2021.

For plastics, the decline in collection through curbside and other programs resulted in an overall drop in all types of plastics recycled. Recycling of rigid plastics increased in 2019 and 2020 back to nearly the levels of 2016 and 2017, but film plastic tonnage recycled decreased further in 2019 to its lowest level since 2005 only showing a light recovery in 2020 inspite of high market prices for recycled plastic that year.

Note: The Oregon legislature passed the Recycling Modernization Act (Senate Bill 582) during the 2021 legislative session. Recycling program changes will not begin until July 2025, so the impacts of that legislation on this KPM will not be seen until after that time.

KPM #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.
 Data Collection Period: Jan 01 - Jan 01



Report Year	2018	2019	2020	2021	2022
a. Expertise					
Actual	75%		79%		70%
Target	90%	90%	95%	95%	95%
b. Availability of Information					
Actual	64%		68%		57%
Target	90%	90%	95%	95%	95%
c. Helpfulness					
Actual	76%		79%		72%
Target	90%	90%	95%	95%	95%
d. Accuracy					
Actual	73%		74%		67%
Target	90%	90%	95%	95%	95%
e. Timeliness					
Actual	65%		69%		63%
Target	90%	90%	95%	95%	95%
f. Overall					
Actual	69%		73%		68%
Target	90%	90%	95%	95%	95%

How Are We Doing

DEQ surveys its air and water quality permit holders biennially, as required by the 2005 Legislature of all state agencies, and uses the results to inform improvements to overall customer service. The measure identifies the percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" in the following service categories: overall service, timeliness, accuracy, helpfulness, expertise/knowledge and availability of information. The target is 95 percent of customers rating service as "good" or "excellent" in all categories.

The 2022 survey yielded ratings that are similar those from the 2020 survey, though scores in all categories decreased slightly. Ratings in all categories are below the 95 percent target. The survey instrument also gathers comments that provide some insight into what our customers think of our services. The majority of comments reflect satisfaction with the helpfulness, responsiveness and expertise of agency staff. A number of DEQ staff were mentioned by name as being helpful resources. The most frequently cited concerns related to permit timeliness and permittees navigating the switch to the Your DEQ Online platform.

Factors Affecting Results

DEQ's survey results remain consistent over time, with the majority of our customers rating services as good to excellent for all service categories, though ratings fall below of the 95 percent goal. DEQ's issues with permit timeliness and the roll-out of Your DEQ Online (YDO) affect our overall customer score.

DEQ recognizes the need to improve permit timeliness. In 2016, DEQ hired an independent consultant to review the water quality permit program. The consultant's review highlighted some reasons for permitting delays, including implementing new water quality standards or clean water plans, compliance schedules and facility plans. The consultant made recommendations related to permitting process improvement, workload analysis, organizational structure and policy development. DEQ directed resources toward implementing recommendations including better defining the permitting process. Progress on permit backlogs is being made, but there is still ongoing work in this regard.

The Oregon Secretary of State audited DEQ's air quality permitting process to determine how DEQ can improve its air quality permitting process. The audit report cited a number of factors that affect timely permit development including competing priorities, position cuts, inconsistent guidance for staff and applicants, and increased time for the public engagement process. Recommendations in the report included evaluating permit writer workloads and staffing, clarifying the public engagement process, providing better guidance to permit writers and businesses, and conducting a process improvement effort.

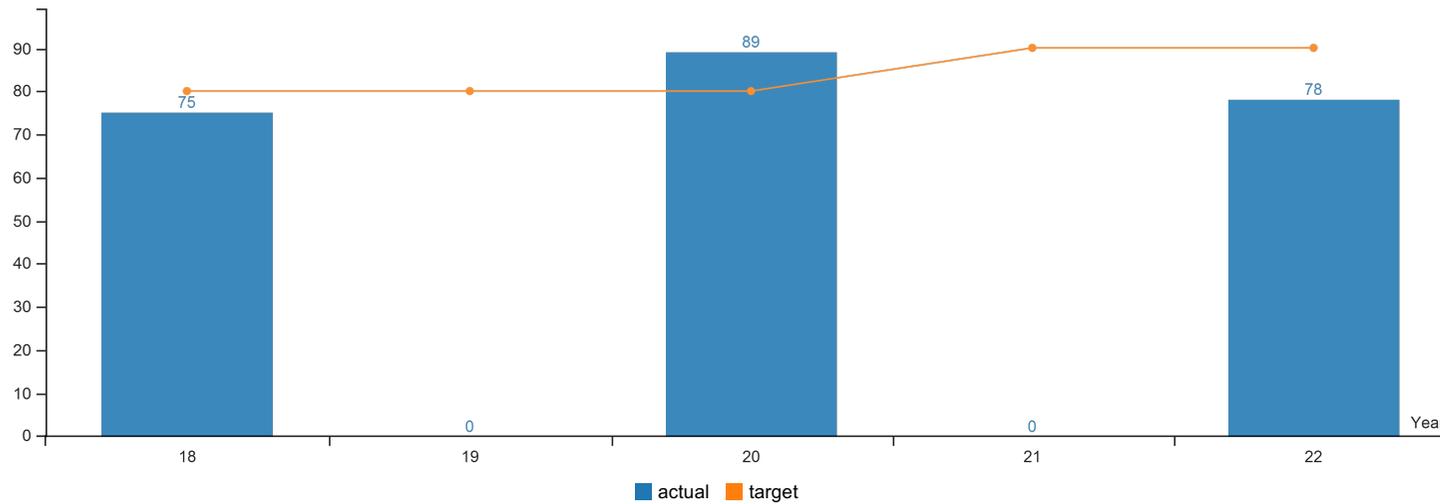
Some survey respondents expressed frustration with the new environmental data management system, called Your DEQ Online (YDO). YDO is a cloud-based platform shared across DEQ programs to streamline and standardize business processes that support DEQ's regulated services. The goals for the project are:

- To make our services more accessible to our stakeholders and the public
- To save applicants time and resources on application submissions
- To streamline DEQ processes and reduce the ongoing costs of collecting and maintaining submission data
- To provide faster turnaround time for issuing licenses/certifications/permits
- To meet federal electronic reporting standards
- To improve transparency and management of publicly available environmental data

Over the past year, the first phase of migration of program platforms has been completed. DEQ has conducted a number of trainings, answered questions, and posted videos to support regulated entities and other members of the public with this transition. As more users become familiar with the YDO system, we anticipate that satisfaction with the system modernization will grow.

KPM #14	ERT - Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent.
	Data Collection Period: Jan 01 - Jan 01

* Upward Trend = negative result



Report Year	2018	2019	2020	2021	2022
Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent					
Actual	75%		89%		78%
Target	80%	80%	80%	90%	90%

How Are We Doing

The Regional Solutions Team (RST) conducts a biennial survey to measure customer satisfaction with RST services. The most recent survey was completed in February 2022, and the next survey will be conducted by the Governor’s Office in 2024. There were 222 respondents (compared to 188 in 2018 and 250 in 2020). Most respondents were from the primary targets: local elected leaders, local government staff, and local/regional economic development practitioners. Other respondents included state and federal staff and a few private sector representatives. This survey included additional questions about RST member agencies performance in the regional solution process. The agencies mentioned in the survey were Business Oregon, Department of Land Conservation and Development, Department of Transportation and Department of Environmental Quality.

DEQ is committed to Governor’s Regional Solution Program. DEQ’s RST staff serves as points of connection for communities navigating DEQ’s policies and permitting requirements. Staff serve on committees addressing fire and other disasters recover programs prioritizing permit applications as people build back. They also participate in team meetings to address business recruitment/retention issues, permitting complications or coordination, emerging technology needs, and city/county capacity needs. Examples of key projects are Grassy Mountain Gold Project in Malheur County, Astoria breweries wastewater treatment options, and Amazon distribution center in Woodburn.

DEQ was slightly below the target goal of receiving 80 percent good to excellent ratings. This year we received a 77.8 percent rating. DEQ’s range of percent favorable ranking for the past four biennial surveys has been between 75 and 89. This demonstrates that DEQ continues to be a strong member of the RST providing good customer service to local communities, business, and our state and federal agencies partners.

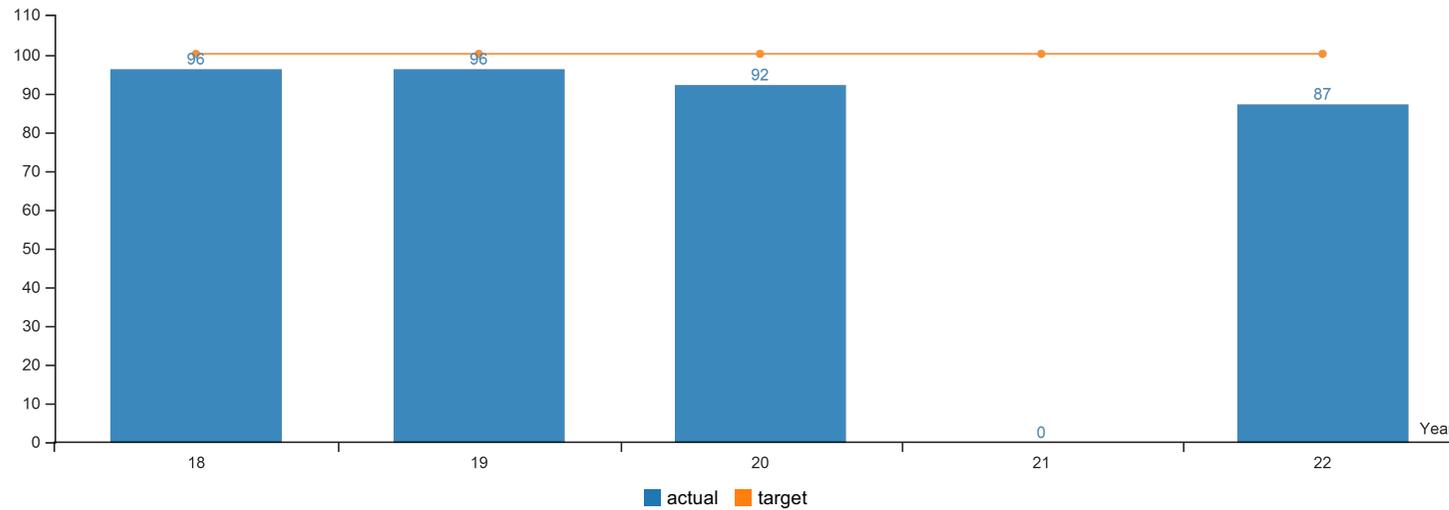
Factors Affecting Results

The quantitative question about DEQ's performance as a member of the RST for the Governor's RST survey was modified in 2022. Past respondents were asked to rank DEQ's performance "excellent, good, fair, or poor." One of these options was selected by 118 of the respondents. This year, an additional option of "I don't know" was included and selected by 28 of 222 respondents. The remaining 104 respondents skipped the question because they had not worked with DEQ on permitting or other environment issues during the survey period. There were 28 respondents out of 118 who had work with DEQ but gave the ranking of "I don't know." Since this measure is supposed to represent opinions of work, DEQ did not include the ranking of "I don't know" in evaluation of our performance as an RST member.

During the survey period from 2021 – 2022 the RST continued to work remotely due to Covid-19 pandemic health restrictions. Using virtual meeting programs, the RST increased connections with local, state, and federal partners to assist communities. We found it was easier to include more people across county boundaries with various expertise to respond quickly to problems faced by communities such as disaster recovery, supply chain issues, and business retention.

KPM #15	BOARDS AND COMMISSIONS - Percent of total best practices met by the Environmental Quality Commission.
	Data Collection Period: Jan 01 - Dec 31

* Upward Trend = positive result



Report Year	2018	2019	2020	2021	2022
Percent of total best practices met by the Environmental Quality Commission					
Actual	96%	96%	92%		87%
Target	100%	100%	100%	100%	100%

How Are We Doing

In 2022, the members of the Environmental Quality Commission were asked to consider all EQC meetings from Jan. 1, 2021 through June 30, 2022. Prior years were based on a January-December calendar year entry, but DEQ adjusted this assessment to reflect a 2020/21 reporting year in order to allow commissioners to respond based on the agency's fiscal year. This will align this metric with other agency measures.

Factors Affecting Results

Department of Environmental Quality

Vacant Position Information

Vacancies as of December 31, 2022

Agency Initial	SCR	DCR	Pos No	Position Class Comp	Position Title	Pos Type	GF Fund Split	LF Fund Split	OF Fund Split	FF Fund Split	FTE	2023-25 GF PS Total	2023-25 LF PS Total	2023-25 OF PS Total	2023-25 FF PS Total	2023-25 Total Bien PS BUDGET	Vacant Date	Position eliminated in GRB? Y/N	Reason for vacancy
DEQ	003	003-32-00-00000	0000424	C8504	BP	NRS 4 Hydro				1.00	1.00				241,018	241,018	3/31/2020	N	Position is actively in recruitment and is a high priority for the program to fill
DEQ	004	004-41-00-00000	0000803	C1485	IP	ISS 5			1.00		1.00			215,624		215,624		N	Being held vacant to finance unbudgeted position that has LD appointment for completion of Your DEQ Online project. Currently in recruitment que
DEQ	003	003-32-00-00000	0001328	C8502	AP	NRS 2			1.00		1.00			183,969		183,969	8/3/2020	N	Historically held vacant due to affordability. This is no longer the case, and this position is in the recruitment pipeline
DEQ	003	003-31-00-00000	0001378	C8505	BP	NRS 5 Hydro			0.50		0.50			130,356		130,356		N	Position is being downclassified to accommodate program needs. Will hire immediately after reclassification.
DEQ	003	003-31-00-00000	0003152	C0872	AP	OPA 3			1.00		1.00			231,526		231,526		N	Position is actively in recruitment and is a high priority for the program to fill
DEQ	001	001-13-00-00000	0001417	C0323	VP	PSR 3			1.00		1.00			142,702		142,702	8/12/2021	N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all vehicle testing positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all PSR 3 positions
DEQ	001	001-13-00-00000	0001853	C4339	AP	SIT			1.00		1.00			165,317		165,317	8/31/2021	N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all support positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all positions during 2023.
DEQ	003	003-31-00-00000	0004058	C0872	AP	OPA 3			0.75		0.75					-		Y	Position is being phased out 6/30/2023
DEQ	001	001-13-00-00000	0002315	C0323	VP	PSR 3			1.00		1.00			142,702		142,702	6/6/2020	N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all vehicle testing positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all PSR 3 positions
DEQ	002	002-21-00-00000	0001355	C3412	AP	EE 3			1.00		1.00			261,064		261,064	7/1/2020	N	Agency has conducted multiple, unsuccessful recruitments, and is having difficulty finding qualified candidates. Position is actively in recruitment and is a high priority for the program to fill.
DEQ	001	001-11-00-00000	0002650	C0871	AP	OPA 2		1.00			1.00	206,010				206,010	12/1/2020	N	The Air Quality Division is currently assessing needs and roles and this position is being held vacant until a suitable use is identified.
DEQ	002	002-29-00-00000	0001911	C8504	AP	NRS 4				1.00	1.00			231,526		231,526	1/22/2019	N	Position acts as the agency's quality assurance officer. Was held vacant pending review of organizational placement, but is a priority for the agency to fill to comply with federal grant requirements.
DEQ	002	002-29-00-00000	0002413	C1485	IP	ISS 5			0.70	0.30	1.00			150,936	64,688	215,624	1/31/2020	N	Recruitment complete. Start date Jan 17, 2023.
DEQ	002	002-29-00-00000	0002960	C3715	AP	Chem 1			0.50		0.50			91,871		91,871		N	Funding used to support permanent positions in 2021-23 operating budget to address structural Services & Supplies budget shortfalls.
DEQ	002	002-29-00-00000	0002962	C8501	AP	NRS 1				0.50	0.50			82,558		82,558	12/30/2019	N	This position provides seasonal monitoring support for federal monitoring programs. These programs occur on a 5 year cycle and each effort requires different levels of staffing. Therefore these positions are filled on a rolling basis, dependent on the workload associated with each effort. Funding used to support permanent positions in 2021-23 operating budget to address structural Services & Supplies budget shortfalls. Position to be recruited for
DEQ	001	001-19-00-00000	0003282	C3715	AP	Chem 1		0.50			0.50	91,871				91,871	10/19/2021	N	This position is a seasonally used position to support DEQ's laboratory chemistry section during times of surges in sample receiving and processing.

DEQ	001	001-19-00-00000	0003283	C3715	AP	Chem 1	SF	0.50		0.50	91,871			91,871	N	This position is a seasonally used position to support DEQ's laboratory chemistry section during times of surges in sample receiving and processing.	
DEQ	001	001-14-00-00000	0003881	C0855	AP	PM 2	PF	1.00		1.00	231,526			231,526	N	The Air Quality Division is currently assessing needs and roles and this position is being held vacant until a suitable use is identified.	
DEQ	002	002-29-00-00000	0002963	C8501	AP	NRS 1	SF		0.50	0.50		82,558	82,558	2/28/2019	N	This position provides seasonal monitoring support for federal monitoring programs. These programs occur on a 5 year cycle and each effort requires different levels of staffing. Therefore these positions are filled on a rolling basis, dependent on the workload associated with each effort. Funding used to hire temps during the 2022	
DEQ	001	001-13-00-00000	0004034	C0323	VP	PSR 3	PF		1.00	1.00		142,702	142,702		N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all vehicle testing positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all PSR 3 positions	
DEQ	001	001-13-00-00000	0004035	C0323	VP	PSR 3	PF		1.00	1.00		142,702	142,702		N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all vehicle testing positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all PSR 3 positions	
DEQ	001	001-13-00-00000	0004036	C0323	VP	PSR 3	PF		1.00	1.00		142,702	142,702		N	The Vehicle Inspection Program experienced a slow down in volume during the pandemic resulting in not filling all vehicle testing positions. Testing volume is slowly started to reach pre-pandemic levels and we anticipate filling all PSR 3 positions	
DEQ	002	002-29-00-00000	0004017	C8502	AP	NRS 2	PF	-	1.00	1.00	(687)	184,656		183,969	N	New position that phased in during 2021-23. Delayed recruitment to address operating budget shortfalls, but the recruitment process has commenced.	
Total							Pos	GF	LF	OF	FF	FTE	GF	LF	OF	FF	AF
							22	3.00	1.00	12.45	2.30	18.75	620,591	184,656	2,144,173	461,330	3,410,750