

HB 5018 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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**Department of Environmental Quality
2023-25**

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 103,797,518	\$ 66,806,877	\$ 69,159,210	\$ (34,638,308)	(33.4%)
General Fund Debt Service	\$ 6,048,591	\$ 8,529,380	\$ 8,529,380	\$ 2,480,789	41.0%
Lottery Funds	\$ 6,263,319	\$ 6,454,397	\$ 6,453,619	\$ 190,300	3.0%
Other Funds Limited	\$ 302,195,302	\$ 277,466,370	\$ 300,125,567	\$ (2,069,735)	(0.7%)
Other Funds Nonlimited	\$ 230,350,000	\$ 200,200,000	\$ 270,280,000	\$ 39,930,000	17.3%
Other Funds Nonlimited Debt Service	\$ 13,650,055	\$ 991,800	\$ 21,071,800	\$ 7,421,745	54.4%
Federal Funds Limited	\$ 30,134,046	\$ 31,420,207	\$ 41,103,911	\$ 10,969,865	36.4%
Total	\$ 692,438,831	\$ 591,869,031	\$ 716,723,487	\$ 24,284,656	3.5%

Position Summary

Authorized Positions	833	815	857	24
Full-time Equivalent (FTE) positions	814.60	809.23	848.44	33.84

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Environmental Quality (DEQ) is funded primarily with Other Funds revenue but also receives General Fund, Measure 76 Lottery Funds, and Federal Funds. When discussing revenue and expenditure limitation (budget) for DEQ, it is important to recognize a large part of both the revenues and expenditures are categorized as Other Funds Nonlimited, tied to the Clean Water State Revolving Loan Fund (CWSRF), which makes low interest loans to communities for the construction or upgrade of sewage treatment facilities. The Department's Debt Service is both Other Funds Nonlimited for CWSRF, and General Fund Debt Service for the Orphan Site program; which cleans up polluted sites where no owner can be identified or the owner is unable or unwilling to perform the cleanup. This work, and the expenditures made to support it, have environmental benefits for Oregon but do not support the day-to-day operations of DEQ. The Department carries a large ending balance in Other Funds reflecting bond proceeds to be distributed over more than one biennium.

Summary of Natural Resources Subcommittee Action

The mission of DEQ is to be a leader in restoring, maintaining, and enhancing the quality of Oregon’s air, water, and land. To achieve its mission, the Department administers laws regulating air, water, and land pollution. The United States Environmental Protection Agency (EPA) has delegated its authority to DEQ to implement federal environmental programs in Oregon. The Department regulates industrial air pollution and

works to reduce vehicle pollution through emissions testing and diesel fuel programs. It sets and enforces water quality standards, monitors river basins, measures groundwater quality, and regulates waste discharges from city sewage treatment and industrial facilities. The Department also regulates hazardous waste disposal, promotes solid waste reduction, regulates underground storage tanks, and enhances environmental cleanup. This work is done under the direction of the five-member Environmental Quality Commission. The Department is organized into the following divisions: Air Quality, which carries out federal and state laws designed to ensure healthy air, Water Quality, which carries out federal and state laws to protect Oregon's waterways, Land Quality, which focuses on materials management, solid and hazardous waste management, and remediation of contaminated lands, and Agency Management, which provides leadership, fiscal management, central services, and technical support to the Department.

The budget recommended by the Subcommittee is \$716,723,487 total funds, which is constituted of \$77,688,590 General Fund, \$6,453,619 Lottery Funds, \$300,125,567 Other Funds expenditure limitation, \$41,103,911 Federal Funds expenditure limitation, \$291,351,800 Other Funds Nonlimited, and 857 positions (848.44 FTE).

Air Quality

The Air Quality Division is responsible for air quality standards in Oregon, under the federal Clean Air Act and state statutes. The Division focuses on managing and restoring Oregon's air to protect people from breathing harmful toxins and pollution, reduce greenhouse gases, ensure visibility, and maintain the ability of business and industry to locate and thrive in our communities. The staff is responsible for regulating and monitoring air toxins, data analysis, enforcement, policy and planning, and rule development. The only area of the state not covered by DEQ is the Lane Regional Air Pollution Authority area. DEQ receives an appropriation for the Lane Regional Air Pollution Authority, which it passes on to the regional authority. The Division works to reduce air pollution posing a threat to human health and the environment, including emissions from vehicles, woodstoves, fuels, solvents, field burning, asbestos removal, power generation, industry, and other pollution sources. The Program also works closely with the Oregon Health Authority on Cleaner Air Oregon, an initiative to update industrial air toxics regulations.

The budget recommended by the Subcommittee includes \$150,572,460 total funds, 279 positions (275.92 FTE), and the following packages:

Package 070, Revenue Shortfalls. This package includes reductions to General Fund and Other Fund expenditure limitation necessary to adjust current service level to the available revenue for the Title V program in the Air Quality division. Reductions are made through elimination of 11 positions (11.00 FTE), as well as the associated Services and Supplies.

Package 110, Title V Stabilization. This package restores the positions abolished in Package 070 and increases Other Funds expenditure limitation through assumption of a fee increase in House Bill 3229 (2023). The Title V program cannot legally be funded with another revenue source; it must be self-supported by fee revenue. This restoration would maintain current service levels and support effective administration of Title V requirements of the federal Clean Air Act. The Subcommittee approved the following budget notes related to the Title V program:

Budget Note: Title V Permitting Program

No later than December 31, 2023, the Department of Environmental Quality is directed to report to the Legislature, in the manner provided by ORS 192.245, on an evaluation of alternative fee structures to support Oregon’s federal air quality operating permit program, known as the Title V program. In evaluating and reporting on alternative approaches the Department shall:

- Identify fee structures that require the owners or operators of facilities subject to the federal operating permit program to pay fees that are commensurate with the regulatory complexity of the facility or permit.
- Ensure that any recommended fee structures would result in fees that are sufficient to cover all reasonable direct and indirect costs of the federal operating permit program, as required by section 502(b) of the federal Clean Air Act.
- Review the fee structures of other state and local government agencies that administer a federal operating permit program.
- Solicit and consider input from owners or operators of facilities subject to the federal operating permit program and program stakeholders.

Budget Note: Title V Staffing

Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025 the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:

- Full and partial FTE working on Title V permitting and compliance;
- The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;
- The timeliness and volume of compliance evaluations conducted by the program;
- Progress on addressing the permit renewal backlog; and
- Progress in transferring Title V administrative processes to the agency’s comprehensive data management system known as Your DEQ Online.

Package 112, Cleaner Transportation. This package provides \$0.8 million Other Funds expenditure limitation and establishes three permanent full-time positions (3.00 FTE) to provide increased capacity to respond to tailpipe pollution from the transportation sector through policy and planning work. Positions include a Natural Resource Manager 2 (1.00 FTE), a Business Operations Manager 2 (1.00 FTE), and an Operations and Policy Analyst 2 (1.00 FTE). Positions in this package are supported by a mix of Volkswagen Settlement Administration Fees, Electric Vehicle Rebate Administration Fees, Medium Heavy-Duty Electrification Administration Fees, and Vehicle Inspection Program Fees.

Package 114, Reducing GHG Emissions. This package provides \$0.3 million Other Funds expenditure limitation and establishes a permanent full-time Environmental Engineer 3 (1.00 FTE) to support greenhouse gas reduction programs, including the Climate Protection Program and the Clean Fuels Program. Other Funds revenue supporting the position comes from Air Contaminant Discharge Permit fees.

Package 115, Community Climate Investment Accountability. This package provides \$0.5 million General Fund, \$1.0 million Other Funds expenditure limitation, and establishes four permanent full-time positions (4.00 FTE), including a Program Analyst 3 (1.00 FTE), a Natural Resource Specialist 3 (1.00 FTE), and two Operations and Policy Analyst 3 positions (1.00 FTE each). These positions are necessary for implementation of the Climate Protection Program, which sets declining and enforceable limits on greenhouse gas emissions from the use of fossil fuels. This package assumes passage of the statewide Climate Package in House Bill 3409 (2023).

Package 801, LFO Analyst Adjustments. This package includes position adjustments to better align staffing resources to funding and the body of work assigned. Additionally, this package provides \$2.2 million Federal Funds expenditure limitation and establishes a permanent full-time, federally funded Program Analyst 4 (0.88 FTE) for implementation of the Climate Pollution Reduction Planning grant from the U.S. Environmental Protection Agency. This position has been established as permanent because the planning grant has a four-year delivery period, and the body of work will likely continue from the initial planning grant into implementation grants.

Package 802, Vacant Position Reductions. This package eliminates four long-term vacancies (3.00 FTE) that have been vacant between 24 and 44 months, as well as the associated Services and Supplies. Positions include a Project Manager 2 (1.00 FTE), an Operations and Policy Analyst 2, Rules Coordinator (1.00 FTE) and two Chemist 1 positions (0.50 FTE each).

Water Quality

The Water Quality Division assesses environmental conditions through monitoring and scientific analysis. The Division sets quality standards to ensure the water is clean, develops pollution control strategies, creates clean water management plans with local communities, and regulates industrial and municipal sources of water pollution through permits, inspections, and enforcement. Much of the work is done locally; however, DEQ staff directly manage the regulation of wastewater treatment plants, septic system permitting to protect groundwater, and the regulation of industrial discharge to the state's waters. The Water Quality Program works closely with the Oregon Water Resources Department and other state agencies to achieve goals and objectives of Oregon's Integrated Water Resources Strategy.

The budget recommended by the Subcommittee includes \$109,974,878 total funds, 256 positions (249.33 FTE), and the following packages:

Package 070, Revenue Shortfalls. The package includes Federal Fund expenditures limitation reductions for decreased purchasing power of federal revenue. This package eliminates one Federal Funds-supported position (1.00 FTE) that evaluates clean watershed plan, or Total Maximum Daily Load (TMDL), implementation efforts related to nonpoint source pollution.

Package 123, Ensure Protective Onsite Septic Systems. This package provides \$0.4 million General Fund, \$0.2 million Other Funds expenditure limitation, and establishes four positions to provide regulatory oversight of onsite septic system permitting programs across the state. Positions include a permanent full-time Program Analyst 1 (0.88 FTE) and a seasonal Student Professional (0.25 FTE) supported by Other Funds revenues; as well as a permanent full-time Natural Resource Specialist 3 (0.75 FTE) and a permanent full-time Natural Resource Specialist 4 (0.75 FTE) supported by General Fund. Funding for this package is accounted for in the statewide Drought Package.

Package 126, Protect Drinking Water Sources. This package provides \$1.1 million General Fund and establishes three permanent full-time Natural Resource Specialists (2.26 FTE) for activities to protect groundwater with specific attention to areas experiencing contamination or threats to drinking water supplies, such as the Lower Umatilla Basin Groundwater Management Area. Additionally, the dedicated staff will develop management strategies to reduce harmful algal blooms.

Package 129, Effectively Administer Grants and Contracts. This package provides \$0.2 million General Fund, \$10.8 million Other Funds expenditure limitation, \$1.0 million Federal Funds expenditure limitation, and makes permanent one existing limited duration, full-time Program Analyst 2 (1.00 FTE). The Other Funds expenditure limitation is provided to continue the provision of the Onsite Septic System Financial Assistance Program (OSFAP), authorized by the Legislature in 2021, and supported by American Rescue Plan Act funding. OSFAP is a financial aid program for the repair, replacement, and evaluation of septic systems, with a priority for systems damaged by wildfire. The Federal Funds expenditure limitation is to implement the Sewer Overflow and Stormwater Reuse Municipal Grant program, which DEQ received approval to apply for in January 2022 from the Joint Committee on Ways and Means.

Package 160, Water Data Platform Implementation. This package provides \$1.2 million General Fund and establishes a limited duration Information Systems Specialist 7 (0.88 FTE) and a limited duration Project Manager (1.00 FTE) to support continued development of the Oregon Water Data Portal. Funding was accounted for in the statewide Drought Package.

Budget Note: Oregon Water Data Portal

The Department of Environmental Quality is directed to coordinate with other water-related agencies and contracted service providers to pursue stage 2 development of the Oregon Water Data Portal project, initiated by HB 5006 in the 2021 legislative session. The Department shall prioritize the following project objectives during the 2023-25 biennium, and provide a comprehensive report including, at a minimum, the following information:

- Identifying dedicated staffing, stage 2 project cost, and contract services with third party providers necessary to develop a pilot version of the data portal;
- Establishment of an inter-agency governance structure, agreements and standard operating procedures necessary to support continuation of project development;

- Analysis of the inventory of existing state agency water data to identify state data needs, tools, and efforts necessary to acquire additional data to support water-related decision making;
- Conducting Oregon tribal and stakeholder engagement to identify data priorities and inform further project development considerations;
- Engagement with the Department of Administrative Services, Enterprise Information Services Office, including status of the Stage Gate process; and
- Identification of risks, likely impacts, and mitigation strategies.

The Department, in coordination with an inter-agency steering committee, will report to the Joint Committee on Ways and Means, during the 2024 legislative session, with the status of the Oregon Water Data Portal project.

Package 162, Modernize CWSRF Loan Management Software. This package provides \$0.6 million Other Funds expenditure limitation for procurement of a commercial off-the-shelf loan portfolio management software to replace the manual system currently used to administer the CWSRF.

Package 163, Technical Budget Alignment. This package makes technical adjustments to position alignments between fund types.

Package 801, LFO Analyst Adjustments. This package includes position adjustments to better align staffing resources to funding and the body of work assigned. Additionally, this package includes a reduction to Services and Supplies totaling \$0.7 million General Fund, comprised of elimination of change order funding for the “Your DEQ Online” project, and the Water Quality division’s portion of a 2.5 percent reduction to General Fund Services and Supplies for the Department. Lastly, this package provides \$6 million Federal Funds expenditure limitation for the Columbia River Basin Toxics Reduction Lead Grant from the U.S. Environmental Protection Agency.

Land Quality

The Land Quality Division issues permits for facilities to ensure responsible management of solid waste and works with watersheds to minimize waste disposal. The program maintains reports on the use of toxic substances and generation of hazardous waste and provides technical assistance to businesses. Its staff also provide oversight for the investigation and cleanup of contaminated properties and issues operating certificates to gas stations. The Division coordinates with federal, state, and local government partners to respond to spills of dangerous materials. The Division also contains the ballast water program, which seeks to control invasive species being introduced into Oregon water by the ballast water of ships. Because of its responsibility to address marine oil spills, this Division is responsible for coordinating with state, local, and federal partners to address emergency spills.

The budget recommended by the Subcommittee includes \$110,576,116 total funds, 215 positions (218.39 FTE), and the following packages:

Package 130, Statewide Emergency Response Capacity. This package includes establishment of a permanent full-time Office Specialist 2 (1.00 FTE) for the Emergency Response program. This position would support program efforts 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.

Package 132, Recycling Modernization Act Implementation. This package provides \$2.5 million Other Funds expenditure limitation and establishes four permanent, full-time positions (4.00 FTE) to continue implementing the Plastic Pollution and Recycling program as outlined by Senate Bill 582 (2021). This package is supported by fees paid by producers of packaging, paper products, and food service-ware.

Package 133, Strengthen Materials Management Program. This package provides \$3.5 million Other Funds expenditure limitation and establishes six positions (6.56 FTE), three permanent full-time Natural Resource Specialist 3 positions (3.00 FTE), one permanent full-time Program Analyst 3 position (1.00 FTE), one permanent full-time Operations and Policy Analyst 2 position (1.00 FTE), and one Office Specialist 2 position (1.00 FTE). The package also reclassifies and realigns one position to Program Analyst 2 and another to Program Analyst 3 for a net increase of 0.56 FTE. The increased staffing capacity will assist the Department in pursuing strategic outcomes derived from the 2050 Vision for Materials Management report.

Package 135, Stabilize Tanks Program. This package provides \$0.2 million Other Funds expenditure limitation to re-establish an existing limited duration Operations and Policy Analyst 2 as a permanent position (1.00 FTE) to continue administering the Underground Storage Tank program. This package is supported by annual per-tank compliance fees.

Package 801, LFO Analyst Adjustments. This package provides \$0.1 million Other Funds expenditure limitation to increase an existing Natural Resource Specialist 5 position from 0.50 FTE to 1.00 FTE. This position is funded through cost recovery cleanup work. This package also provides \$0.9 million Federal Funds expenditure limitation for establishment of three permanent positions, as well as Services and Supplies, to support Infrastructure Investment and Jobs Act grants, including an Operations and Policy Analyst 2 (1.00 FTE), a Public Affairs Specialist 2 (1.00 FTE), and a Natural Resource Specialist 2 (1.00 FTE). Lastly, the package includes the Land Quality division's portion of a 2.5 percent reduction to General Fund Services and Supplies for the Department.

Agency Management

DEQ's Agency Management division provides leadership, fiscal management, central services, and technical support to the Department. The division includes: The Office of the Director, which provides leadership, policy formation and guidance, intra- and inter-agency coordination, and the review and issue of agency enforcement actions; The Central Services Division, which ensures DEQ satisfies the legal and administrative requirements relating to human resources, organizational development, policy development and implementation, health and safety, budgeting,

accounting and information and business systems; The Office of Policy and Analysis, which directs the development of the agency's legislative agenda and agency request budget, supports the Oregon Environmental Quality Commission, manages DEQ's internal and external communications, and serves as a point of contact for a legislator or other elected officials and their staff to get information about DEQ or the environment; and The Office of Compliance and Enforcement, which ensures compliance with the state's environmental laws.

The budget recommended by the Subcommittee includes \$45,718,803 total funds, 107 positions (104.80 FTE), and the following packages:

Package 140, Environmental Justice Coordinator. This package provides \$0.6 million General Fund and two permanent, full-time positions (1.50 FTE) as well as the associated services and supplies. These positions, including an Operations and Policy Analyst 3 (0.75 FTE) and a Natural Resource Protection and Sustainability Manager 2 (0.75 FTE), will work with DEQ staff, regulated entities, governments at all levels and community-based organizations on issues related to Environmental Justice across the state. The funding for this package is accounted for in the statewide Climate Package, House Bill 3409 (2023).

Package 141, Maintain Agency Support Staffing. This package provides \$1.9 million Other Funds expenditure limitation for establishment of nine permanent full-time positions (7.50 FTE), as well as associated services and supplies, to meet new demand on the Department's central services following the approval of other packages.

Budget Note: Indirect Rate Model

The Department of Environmental Quality negotiates the allowable indirect rate with the U.S. Environmental Protection Agency (EPA) based on the Department's approved budget and calculates it as a percentage of Personal Services expenditures in programs outside of the Agency Management division. The Department is directed to undertake a comprehensive review of the Department's current indirect rate model used to assess agency programs for revenue, as the primary source of funding for the Agency Management division and develop an alternative model. This assessment shall include:

- Solutions to provide a more stable funding model that mitigates the impact of agency hiring practices;
- Significant collaboration, outreach, and feedback from other agencies that utilize an indirect rate model to fund centralized services;
- Significant collaboration, outreach, and feedback from the Department of Administrative Services, Chief Financial Office, as well as the Legislative Fiscal Office;
- Collaboration with the EPA to assure compliance with federal guidelines;
- Status of the Department's plan to implement agencywide changes to the model; and
- Any other considerations that support improvements towards a more stable and functional model.

The Department shall report to the Emergency Board no later than November 30, 2024.

Package 142, Grants Management and Support. This package provides \$0.3 million Other Funds expenditure limitation, establishment of two permanent full-time positions (1.50 FTE), as well as associated Services and Supplies, to support the growing body of work related to federal and state grant administration.

Package 801, LFO Analyst Adjustments. This package includes the Agency Management division's portion of a 2.5 percent reduction to General Fund Services and Supplies for the Department.

Non-Limited

The Nonlimited Budget contains the Department's bond proceeds for its State Revolving Fund. The CWSRF provides below market interest rate loans to local municipalities for wastewater treatment facilities and upgrades, sewer replacement and rehabilitation, stormwater controls, irrigation improvements and certain types of nonpoint source projects such as animal waste management or stream restoration. The CWSRF is implemented through DEQ's Water Quality program budget. The budget recommended by the Subcommittee includes \$270,280,000 total funds, no positions, and the following package:

Package 181, Clean Water State Revolving Fund – Loans and Bonds. This package includes \$70 million Other Funds Nonlimited for CWSRF loans. The Federal Water Quality Act of 1987 created the state CWSRF. The federal act requires states to match federal dollars with state funds in an amount at least equal to 20 percent of the federal capital grant. DEQ issues General Obligation bonds for the purpose of the match, which has been authorized by the state Bond Bill each biennium. This funding ensures communities are provided with affordable financing options for wastewater treatment and other clean water projects. The cost of bond issuance is included in this package; however, the debt service is included in the PCBS Debt Service Division, Package 191.

PCBF Debt Service

Pollution Control Bond Fund (PCBF) Debt Service exists as a storehouse for the Department to make debt service payments. The Division is typically used to support loans from the CWSRF and to support the Orphan Site Fund toxic waste remediation program. The Division has no programs or positions. The budget recommended by the Subcommittee includes \$29,601,180 total funds and the following package:

Package 191, Clean Water State Revolving Fund Debt Service. This package provides Debt Service for General Obligation Bonds issued to meet the state match for up to five federal capitalization grants to maintain or supplement Oregon's CWSRF. This package provides Nonlimited Other Funds expenditure limitation of \$20,080,000.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Environmental Quality
Sione Filimoehala -- 971-707-8779

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 109,846,109	\$ 6,263,319	\$ 302,195,302	\$ 244,000,055	\$ 30,134,046	\$ -	\$ 692,438,831	833	814.60
2023-25 Current Service Level (CSL)*	\$ 75,336,257	\$ 6,454,397	\$ 277,466,370	\$ 201,191,800	\$ 31,420,207	\$ -	\$ 591,869,031	815	809.23
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Air Quality									
Package 070: Revenue Shortfalls									
Personal Services	\$ (12,363)	\$ -	\$ (3,021,206)	\$ -	\$ -	\$ -	\$ (3,033,569)	(11)	(11.00)
Services and Supplies	\$ (4,469)	\$ -	\$ (383,460)	\$ -	\$ -	\$ -	\$ (387,929)		
Package 110: Title V Stabilization									
Personal Services	\$ -	\$ -	\$ 3,033,569	\$ -	\$ -	\$ -	\$ 3,033,569	11	11.00
Services and Supplies	\$ -	\$ -	\$ 385,000	\$ -	\$ -	\$ -	\$ 385,000		
Package 112: Cleaner Transportation									
Personal Services	\$ -	\$ -	\$ 728,486	\$ -	\$ -	\$ -	\$ 728,486	3	3.00
Services and Supplies	\$ -	\$ -	\$ 115,500	\$ -	\$ -	\$ -	\$ 115,500		
Package 114: Reducing GHG Emissions									
Personal Services	\$ -	\$ -	\$ 262,117	\$ -	\$ -	\$ -	\$ 262,117	1	1.00
Services and Supplies	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	\$ 38,500		
Package 115: Community Climate Investment									
Accountability									
Personal Services	\$ -	\$ -	\$ 895,039	\$ -	\$ -	\$ -	\$ 895,039	4	4.00
Services and Supplies	\$ 500,000	\$ -	\$ 154,000	\$ -	\$ -	\$ -	\$ 654,000		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ (2,300)	\$ -	\$ 11,396	\$ -	\$ 211,730	\$ -	\$ 220,826	1	0.88
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 371,970	\$ -	\$ 371,970		
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 1,582,550	\$ -	\$ 1,582,550		
Package 802: Vacant Position Reduction									
Personal Services	\$ (672,452)	\$ -	\$ -	\$ -	\$ (102,744)	\$ -	\$ (775,196)	(4)	(3.00)
Services and Supplies	\$ (154,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (154,000)		
SCR 002 - Water Quality									
Package 070: Revenue Shortfalls									
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ (214,082)	\$ -	\$ (214,082)	(1)	(1.00)
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ (49,587)	\$ -	\$ (49,587)		
Package 123: Ensure Protective Onsite Septic Systems									
Personal Services	\$ 335,511	\$ -	\$ 188,502	\$ -	\$ -	\$ -	\$ 524,013	4	2.63
Services and Supplies	\$ 105,921	\$ -	\$ 48,125	\$ -	\$ -	\$ -	\$ 154,046		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 126: Protect Drinking Water Sources										
Personal Services	\$ 506,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 506,963	3	2.26	
Services and Supplies	\$ 556,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 556,775			
Package 129: Effectively Administer Grants and										
Personal Services	\$ 206,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,802	1	1.00	
Services and Supplies	\$ 16,000	\$ -	\$ 4,500,524	\$ -	\$ -	\$ -	\$ 4,516,524			
Special Payments	\$ -	\$ -	\$ 6,305,000	\$ -	\$ 1,010,000	\$ -	\$ 7,315,000			
Package 160: Water Data Platform Implementation										
Personal Services	\$ 315,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,131	2	1.88	
Services and Supplies	\$ 925,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 925,000			
Package 162: Modernize CWSRF Loan Management										
Capital Outlay	\$ -	\$ -	\$ 600,000	\$ -	\$ -	\$ -	\$ 600,000			
Package 163: Technical Budget Alignment										
Personal Services	\$ (425)	\$ (630)	\$ 1,055	\$ -	\$ -	\$ -	\$ -	0	0.00	
Services and Supplies	\$ (104)	\$ (148)	\$ -	\$ -	\$ -	\$ -	\$ (252)			
Package 801: LFO Analyst										
Personal Services	\$ (2,959)	\$ -	\$ 25,823	\$ -	\$ -	\$ -	\$ 22,864	0	0.00	
Services and Supplies	\$ (732,450)	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 5,267,550			
SCR 003- Land Quality										
Package 130: Statewide Emergency Response Capacity										
Personal Services	\$ -	\$ -	\$ 139,245	\$ -	\$ -	\$ -	\$ 139,245	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	\$ 38,500			
Package 132: Recycling Modernization Act Implementation										
Personal Services	\$ -	\$ -	\$ 843,763	\$ -	\$ -	\$ -	\$ 843,763	4	4.00	
Services and Supplies	\$ -	\$ -	\$ 1,654,000	\$ -	\$ -	\$ -	\$ 1,654,000			
Package 133: Strengthen Materials Management										
Personal Services	\$ -	\$ -	\$ 1,391,472	\$ -	\$ -	\$ -	\$ 1,391,472	6	6.56	
Services and Supplies	\$ -	\$ -	\$ 2,108,000	\$ -	\$ -	\$ -	\$ 2,108,000			
Package 135: Stabilize Tanks Program										
Personal Services	\$ -	\$ -	\$ 206,802	\$ -	\$ -	\$ -	\$ 206,802	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 38,500	\$ -	\$ -	\$ -	\$ 38,500			
Package 801: LFO Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ 130,356	\$ -	\$ 758,367	\$ -	\$ 888,723	3	3.50	
Services and Supplies	\$ (75,955)	\$ -	\$ -	\$ -	\$ 115,500	\$ -	\$ 39,545			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
SCR 004 - Agency Management									
Package 140: Environmental Justice Coordination									
Personal Services	\$ 377,935	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,935	2	1.50
Services and Supplies	\$ 184,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184,820		
Package 141: Maintain Agency Support Staffing									
Personal Services	\$ -	\$ -	\$ 1,594,729	\$ -	\$ -	\$ -	\$ 1,594,729	9	7.50
Services and Supplies	\$ -	\$ -	\$ 288,750	\$ -	\$ -	\$ -	\$ 288,750		
Package 142: Grants Management and Support									
Personal Services	\$ -	\$ -	\$ 279,360	\$ -	\$ -	\$ -	\$ 279,360	2	1.50
Services and Supplies	\$ -	\$ -	\$ 57,750	\$ -	\$ -	\$ -	\$ 57,750		
Package 801: LFO Analyst Adjustments									
Services and Supplies	\$ (21,048)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (21,048)		
SCR 008 - Non-Limited									
Package 181: Clean Water SRF - Loans and Bonds									
Services and Supplies	\$ -	\$ -	\$ -	\$ 80,000	\$ -	\$ -	\$ 80,000		
Special Payments	\$ -	\$ -	\$ -	\$ 70,000,000	\$ -	\$ -	\$ 70,000,000		
SCR 009 - PCBF Debt Service									
Package 191: Clean Water SRF - Debt Service									
Debt Service	\$ -	\$ -	\$ -	\$ 20,080,000	\$ -	\$ -	\$ 20,080,000		
TOTAL ADJUSTMENTS	\$ 2,352,333	\$ (778)	\$ 22,659,197	\$ 90,160,000	\$ 9,683,704	\$ -	\$ 124,854,456	42	39.21
SUBCOMMITTEE RECOMMENDATION *	\$ 77,688,590	\$ 6,453,619	\$ 300,125,567	\$ 291,351,800	\$ 41,103,911	\$ -	\$ 716,723,487	857	848.44
% Change from 2021-23 Leg Approved Budget	(29.3%)	3.0%	(0.7%)	19.4%	36.4%	0.0%	3.5%	2.9%	4.2%
% Change from 2023-25 Current Service Level	3.1%	(0.0%)	8.2%	44.8%	30.8%	0.0%	21.1%	5.2%	4.8%

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

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Agency: Department of Environmental Quality

Mission Statement:

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

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. AIR QUALITY DIESEL EMISSIONS - Quantity of diesel particulate emissions (in tons).		Approved	2,394	2,100	2,100
2. AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for sensitive groups and all groups.	a) National Standards Number of days when air is unhealthy for sensitive groups	Approved	137	25	25
	b) National Standards Number of days when air is unhealthy for all groups		159	6	6
3. AIR QUALITY - AIR TOXICS - Air Toxics Trends in Larger and Smaller Communities	a) Air Toxics Trends in Large Communities	Approved	17	8	8
	b) Air Toxics Trends in Smaller Communities		21	8	8
4. Permit Timeliness - Issuance of new permits - Percentage of new air quality permits that are issued within timeliness targets.	Permit Timeliness - Issuance of new permits (Air Contaminant Discharge Permits)	Approved	46%	80%	80%
	b) Permit Timeliness - Issuance of new permits (Title V Permits)		0%	80%	80%
5. Permit Timeliness - Issuance of Permit Modifications - Percentage of air quality permit modifications issued within the target timeliness period.	Permit Timeliness - Issuance of Permit Modifications (Air Contaminant Discharge Permits)	Approved	65%	80%	80%
	b) Permit Timeliness - Issuance of Permit Modifications (Title V Permits)		79%	80%	80%
6. Permit Timeliness - Current Permits - Percent of air quality permits that are current (not on administration extension)	Permit Timeliness - Current Permits (Air Contaminant Discharge Permits)	Approved	90%	80%	80%
	Permit Timeliness - Current Permits (Title V Permits)		69%	80%	80%
7. PERMIT TIMELINESS - Percentage of individual wastewater discharge permits issued within 270 days.		Approved	34%	50%	50%
8. UPDATED PERMITS - Percent of total wastewater permits that are current.		Approved	62%	75%	75%
9. WATER QUALITY CONDITIONS - Percent of monitored stream sites with significantly increasing trends in water quality.	a) Percent of monitored stream sites with significantly improving trends in water quality	Approved	8%	20%	20%
	b) Percent of monitored stream sites with significantly declining trends in water quality		11%	15%	15%
	c) Percent of monitored stream sites with good to excellent water quality		49%	60%	60%
10. CLEANUP - Properties with known contamination cleaned up	a) Percent of heating oil tank sites cleaned up	Approved	86.60%	90%	90%
	b) Percent of regulated underground storage tank sites cleaned up		90.10%	95%	95%
	c) Percent of hazardous substance sites (non-tank) cleaned up		55.19%	65%	65%
11. MATERIALS MANAGEMENT - Waste generation		Approved	5,960,805	4,500,000	4,500,000
12. MATERIALS MANAGEMENT - Waste recovery		Approved	42.07%	50%	50%

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
13. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	a) Expertise	Approved	70%	90%	90%
	b) Availability of Information		57%	90%	90%
	c) Helpfulness		72%	90%	90%
	d) Accuracy		67%	90%	90%
	e) Timeliness		63%	90%	90%
	f) Overall		68%	90%	90%
14. ERT - Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent.		Approved	78%	90%	90%
15. BOARDS AND COMMISSIONS - Percent of total best practices met by the Environmental Quality Commission.		Approved	87%	100%	100%

LFO Recommendation:

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

SubCommittee Action:

The Natural Resources Subcommittee approved the Key Performance Measures and targets.

PRELIMINARY