



Oregon Department of Environmental Quality

25-27 Budget Presentation

Agenda

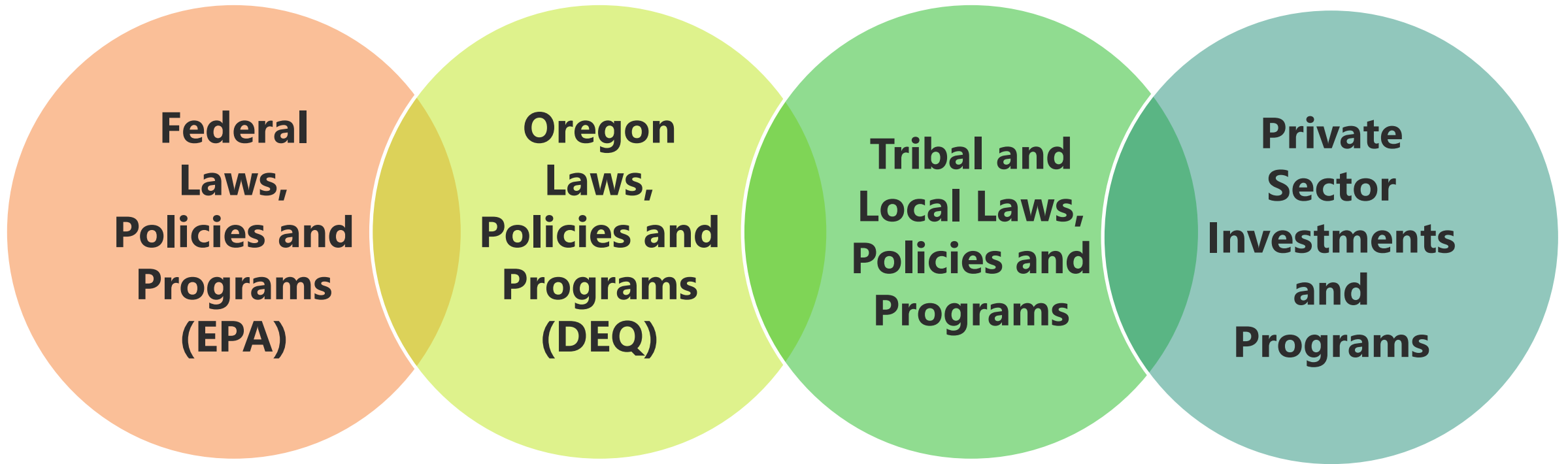
- Introduction to DEQ
- 2025-27 Budget Summary
- Agency Priorities
- DEQ Programs and Policy Option Packages



Oregon. There's a lot to protect.

DEQ's mission is to be a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water

DEQ carries out its mission working with others



Environmental Quality Commission



Matt Donegan, Chair



Karen Moynahan



Amy Schlusser



Mark Webb

DEQ Programs

Water Quality

Permitting, standards, groundwater protection, clean water loans and grants

Air Quality

Planning, permitting, vehicle inspection, clean transportation grants and rebates

Land Quality

Materials management, cleanup, emergency response

Agency Management

Director's Office, HR, IT, budget, Compliance and Enforcement

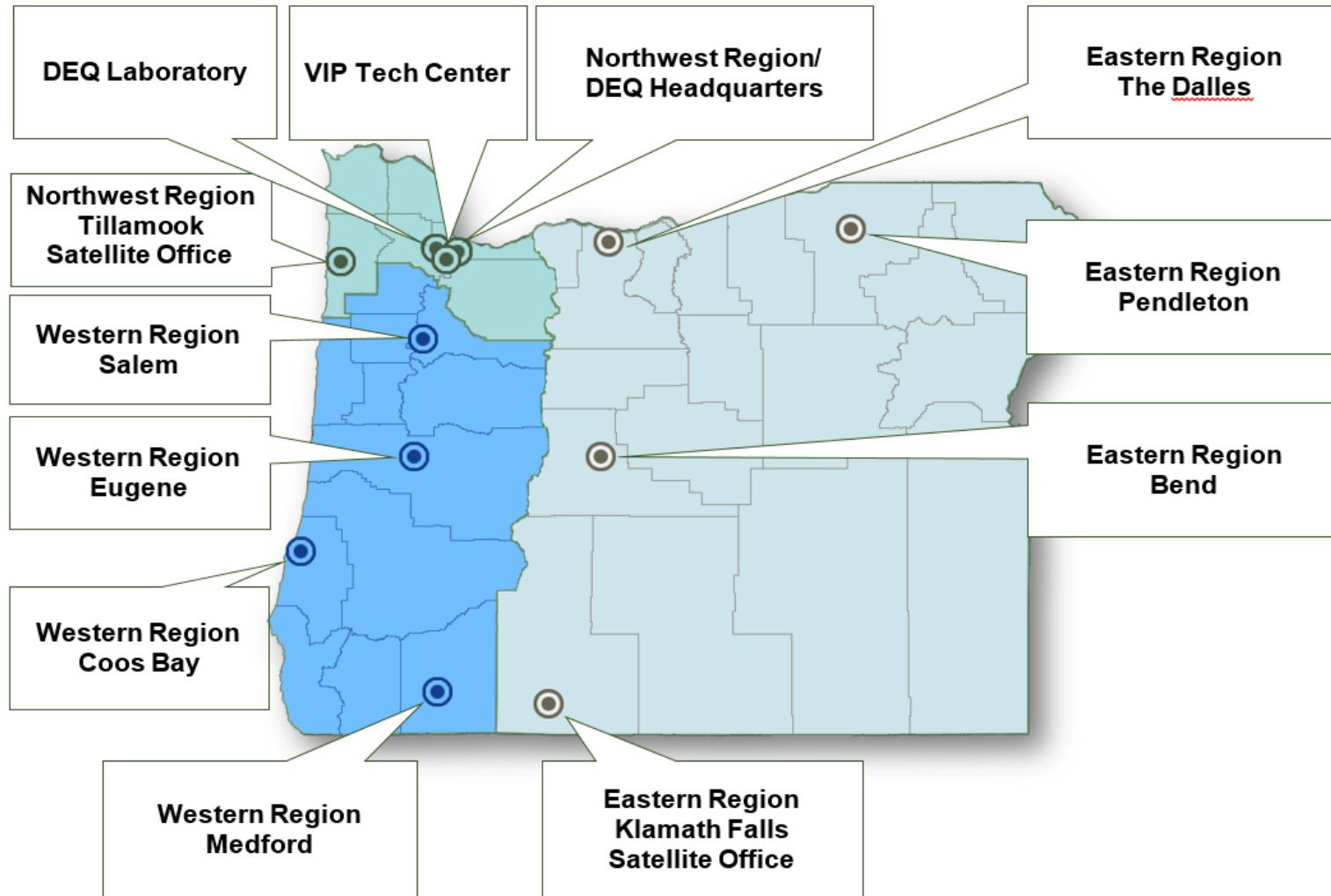
Laboratory

Monitoring, assessing and analysis of Oregon's environment

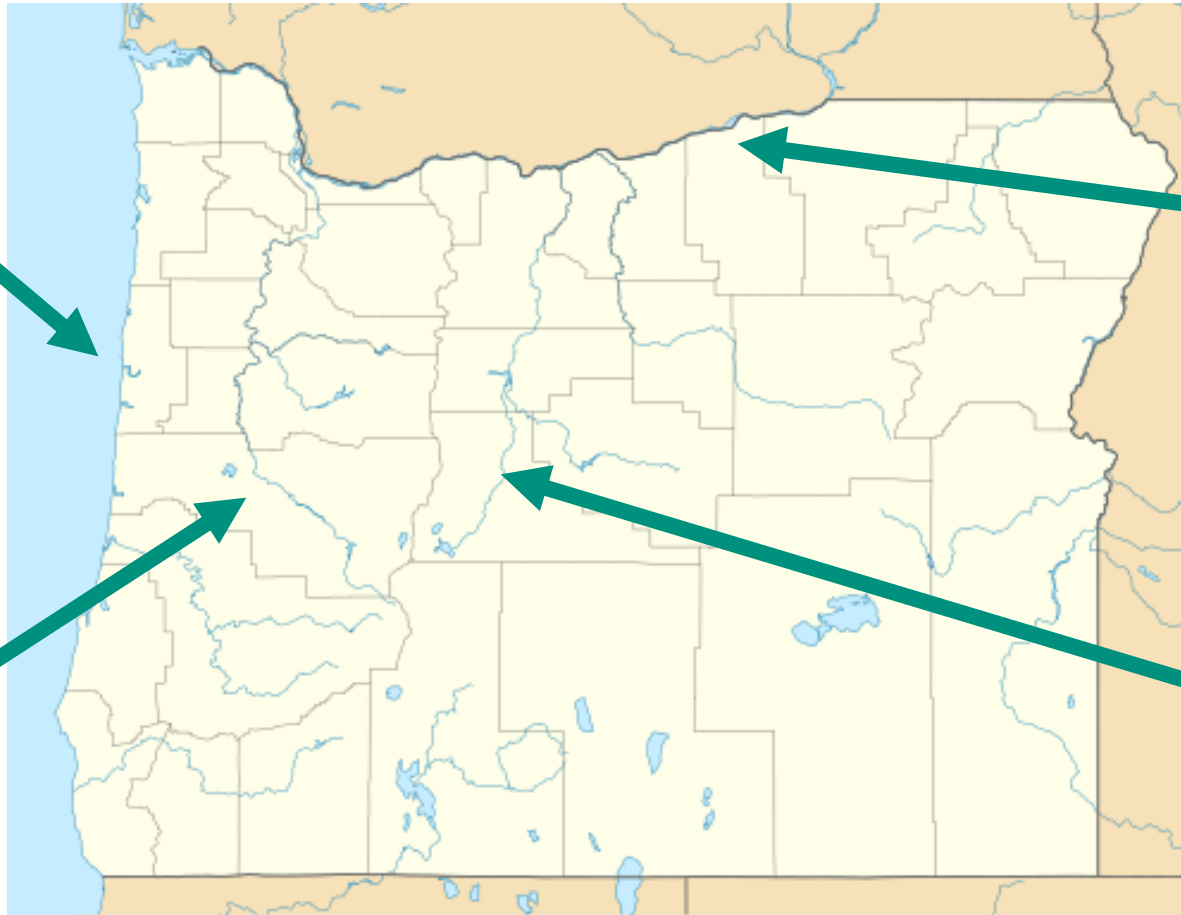
Regional Offices

Implementation of clean air, land and water programs

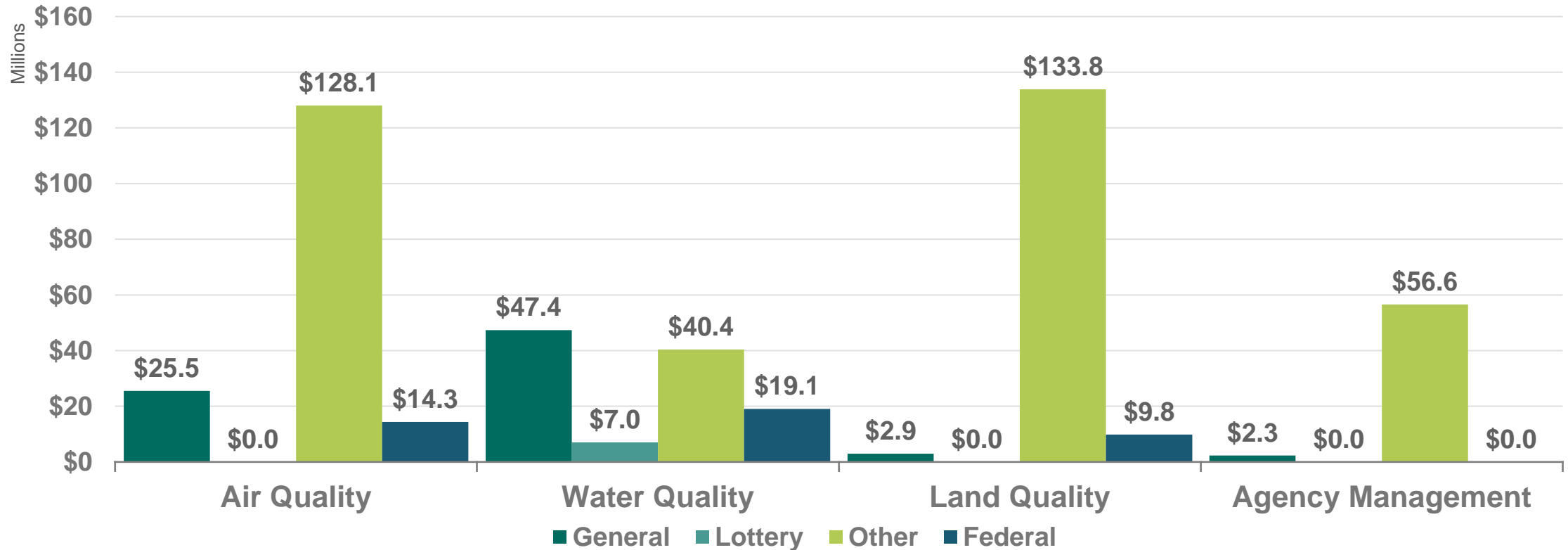
DEQ in Oregon communities



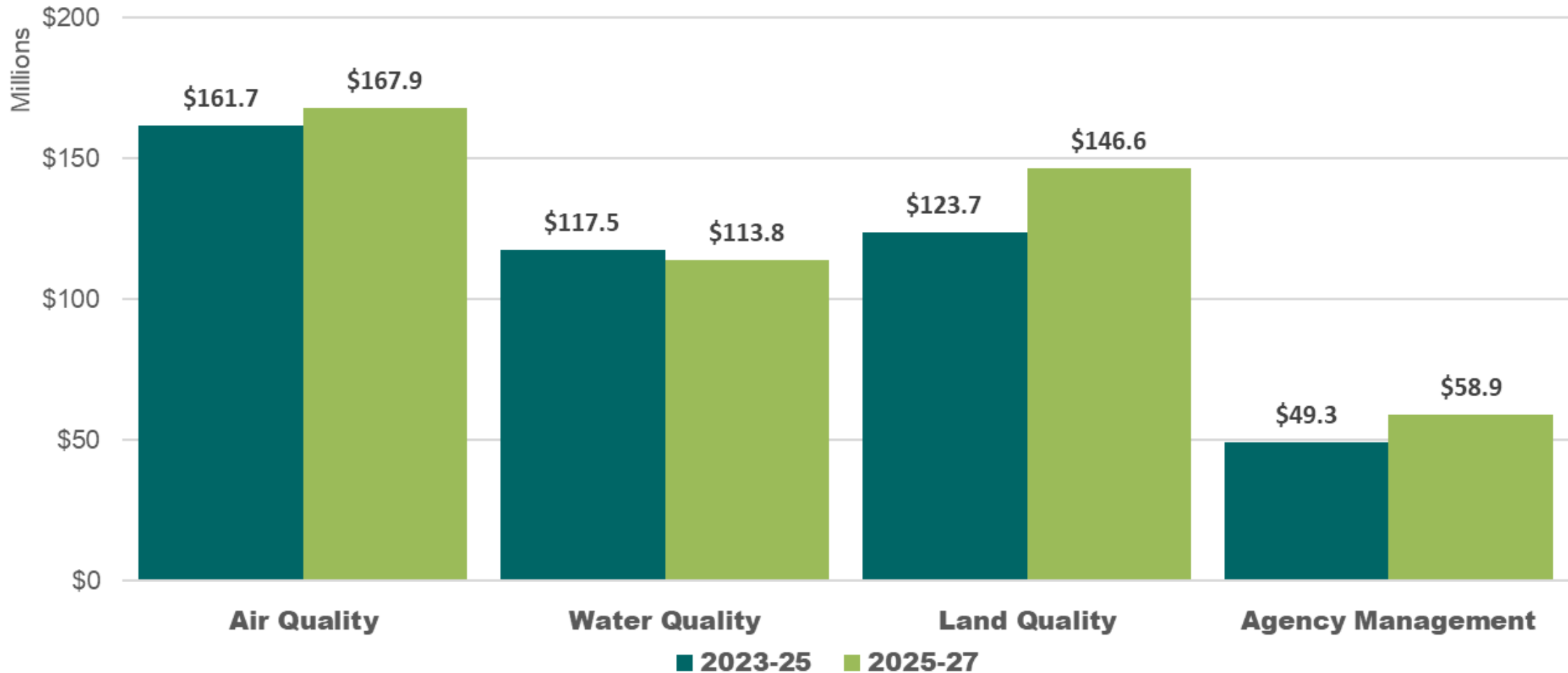
DEQ in Oregon communities



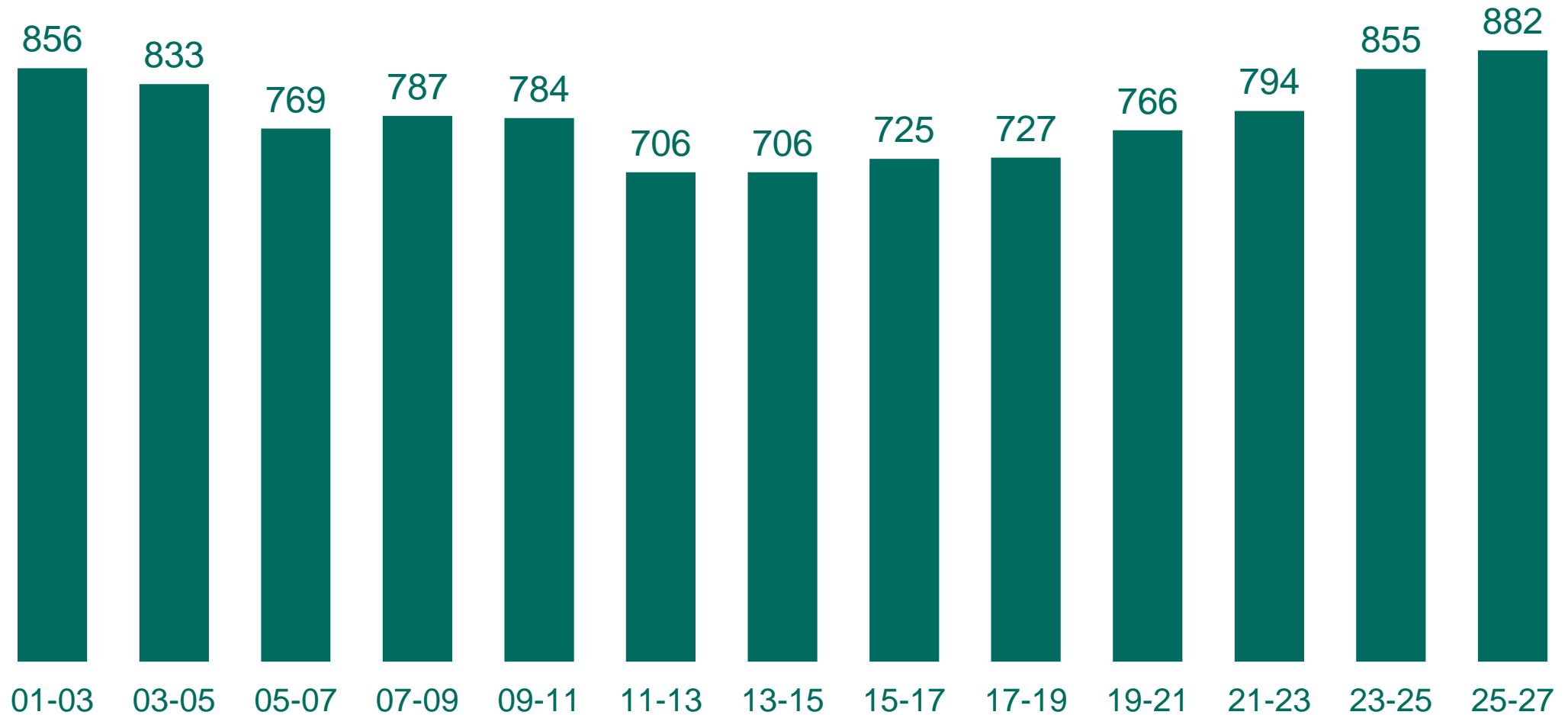
DEQ programs by revenue source (23-25 GRB)



Program comparison (23-25 LAB) vs. (25-27 GRB)



Staffing Levels (FTE) at DEQ



10% General and Lottery Fund Reduction Options

Reduction Target (%)	Reduction Target (\$)	Impacts
-5	GF: \$3,873,476 LF: \$351,904	<ul style="list-style-type: none">• Eliminates three permit writing positions, reduces support for Lane Regional Air Protection Authority and eliminates air toxics cumulative risk pilot program.• Reduces engineering capacity for the Fuel tanks Seismic Stability Program.• Eliminates monitoring of Harmful Algal Blooms in recreational waters, eliminates data processing support position for Clean Water Plans development, reduces professional contracts for Clean Water Plan development.
-10	GF: \$7,746,952 LF: \$703,808	<p>In addition to cuts above:</p> <ul style="list-style-type: none">• Shrinks Oregon's air quality monitoring network.• Eliminates four water quality permitting and compliance positions, four Clean Water Plan development positions and two place-based integrated water resource specialists.• Eliminates biological monitoring in impaired water bodies.

Key budget and performance drivers

Complexity

Environmental challenges are becoming much more complex

Federal Uncertainty

Federal Funds and policy changes jeopardize progress and spur uncertainty

Inflation

Inflation continues to put pressure on our budget, and fee-payers

Workforce Transitions

50% of DEQ staff have been at the agency less than 5 years

Measuring performance

KPM 13: Customer Service Satisfaction

- 2024 Target: 95%
- 2024 Performance: 73% average

KPM 14: Regional Solutions Team Satisfaction

- 2024 Target: 90%
- 2024 Performance: 89%

Progress in key areas

Economic Development and Healthy Environments

- Reduced processing time for key permit modifications
- Securing significant federal funds

Customer Service and Efficiency

- Improving customer service for permit holders
- Successfully modernizing permit and information systems

Climate Protection

- Clean Fuels has reduced GHG emissions, created jobs, with little impact on prices
- Climate Protection Program successfully relaunches - with focus on working for Oregon

Laboratory and Environmental Assessment Division



Environmental monitoring

Laboratory services

Data analysis

Upgrading aging equipment

Working for Oregon

Harmful Algal Blooms



Air Toxics



Wildfire / AQI / Forecasting



Provide timely, high quality scientific information through monitoring, laboratory services, and data analysis.



Partnerships

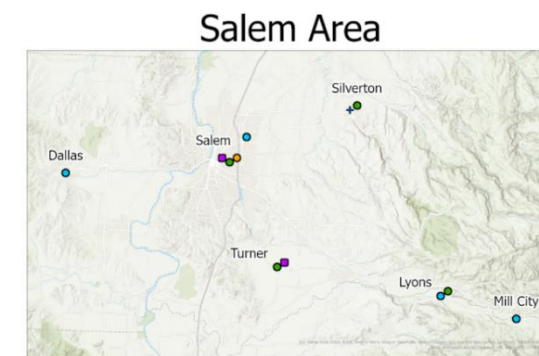
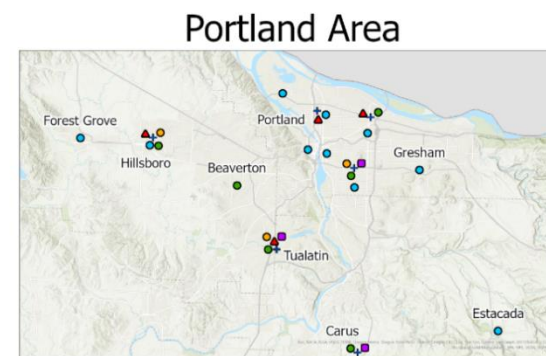
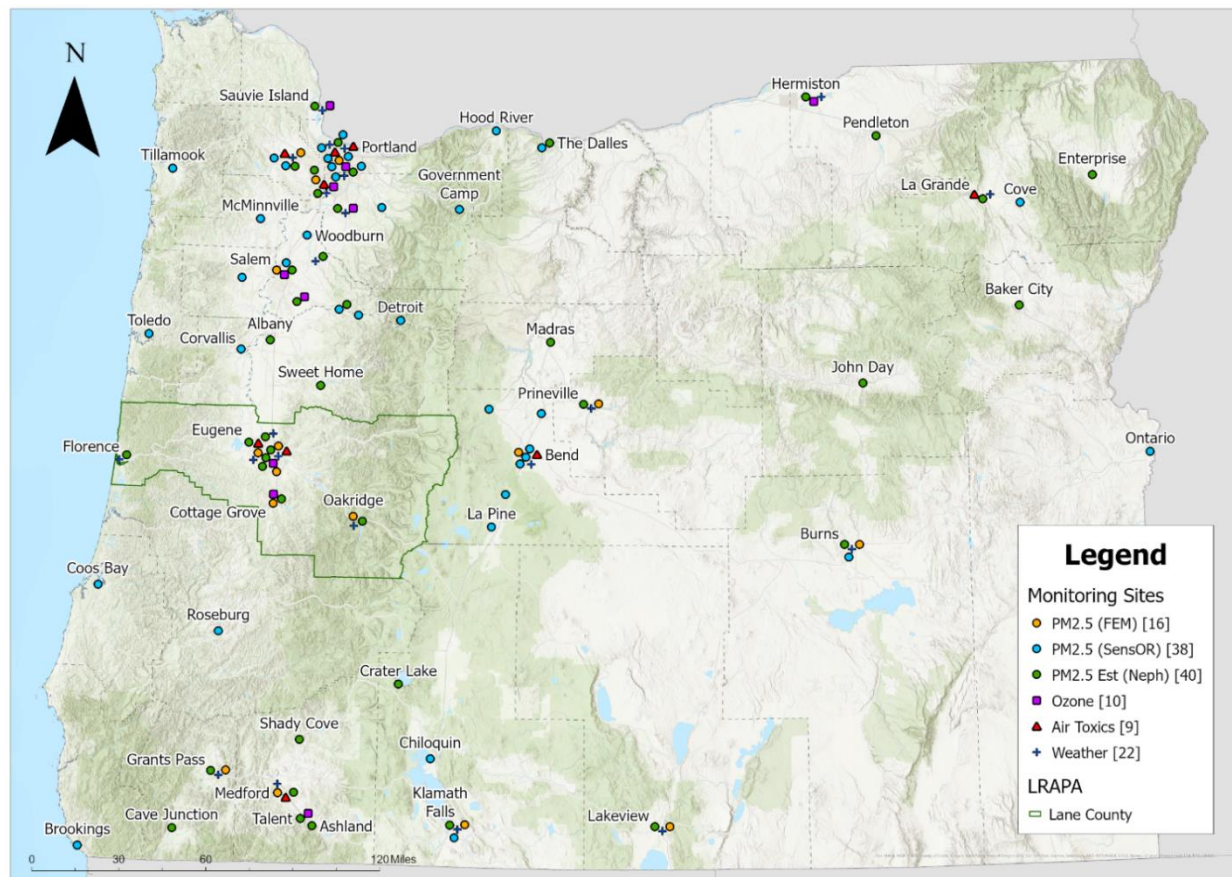
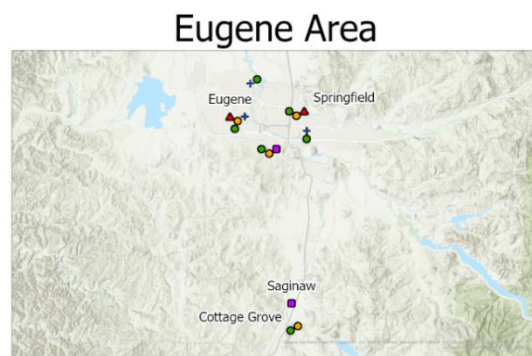
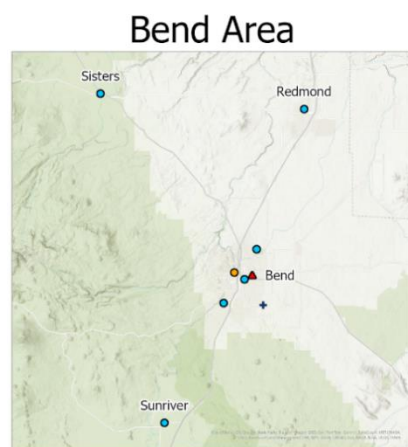
Status & Trends Monitoring

- National Air Toxics Trends Sites (NATTS)
 - KPM 3
- PM2.5/Criteria pollutants
 - Air Quality Index (AQI) - Near Real-time

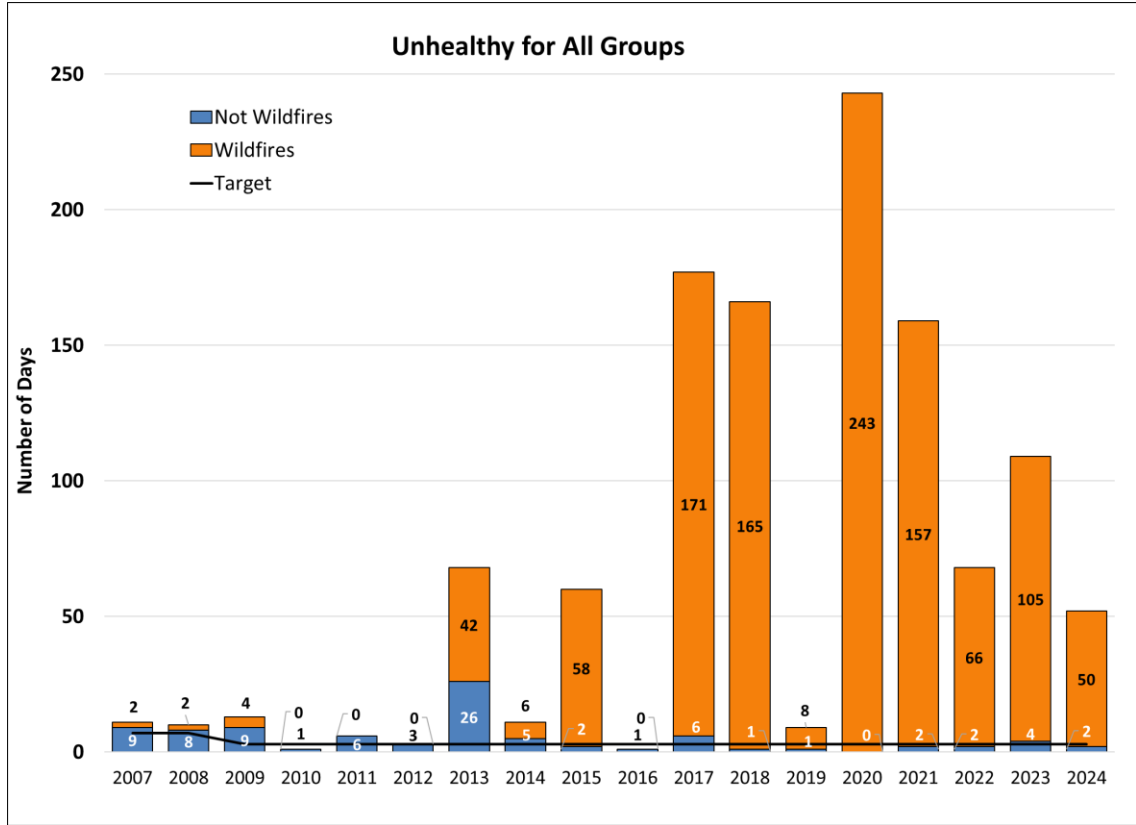
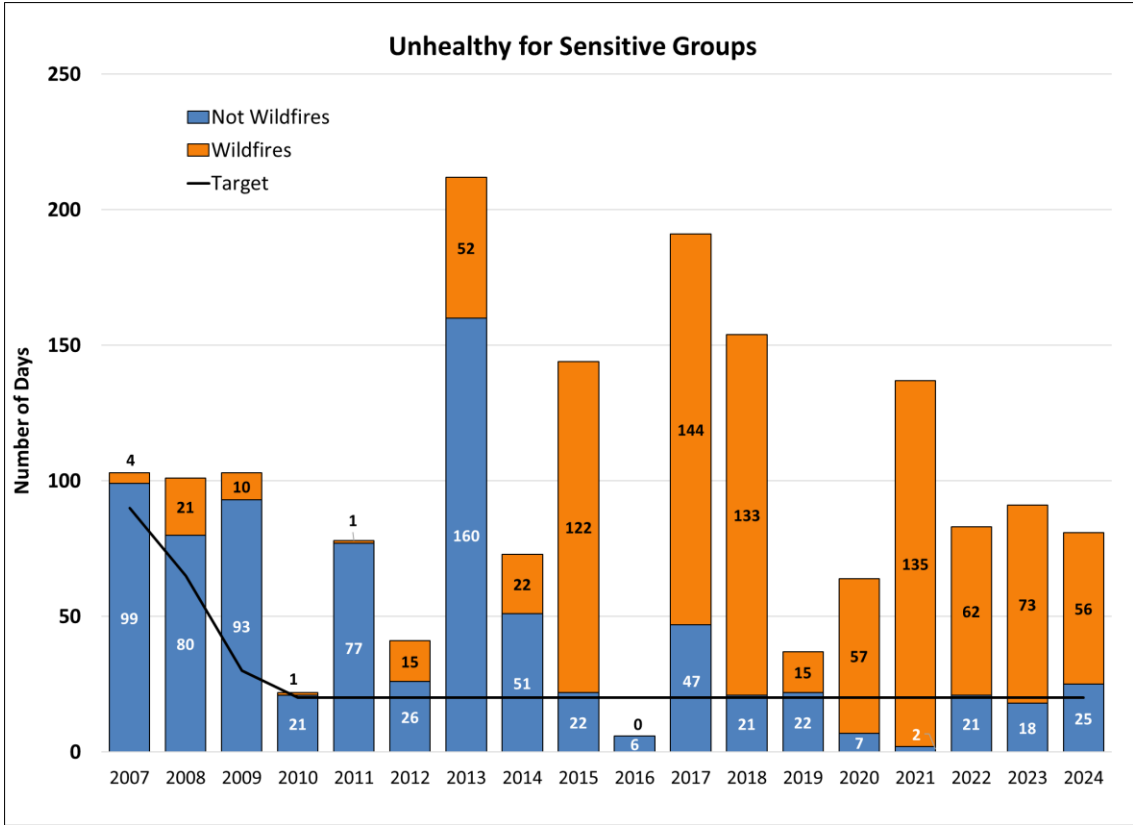
Human Health / Vulnerable Communities

- Air Toxics Community Sites
- SensOR (PM2.5)
- Forecast & Prediction

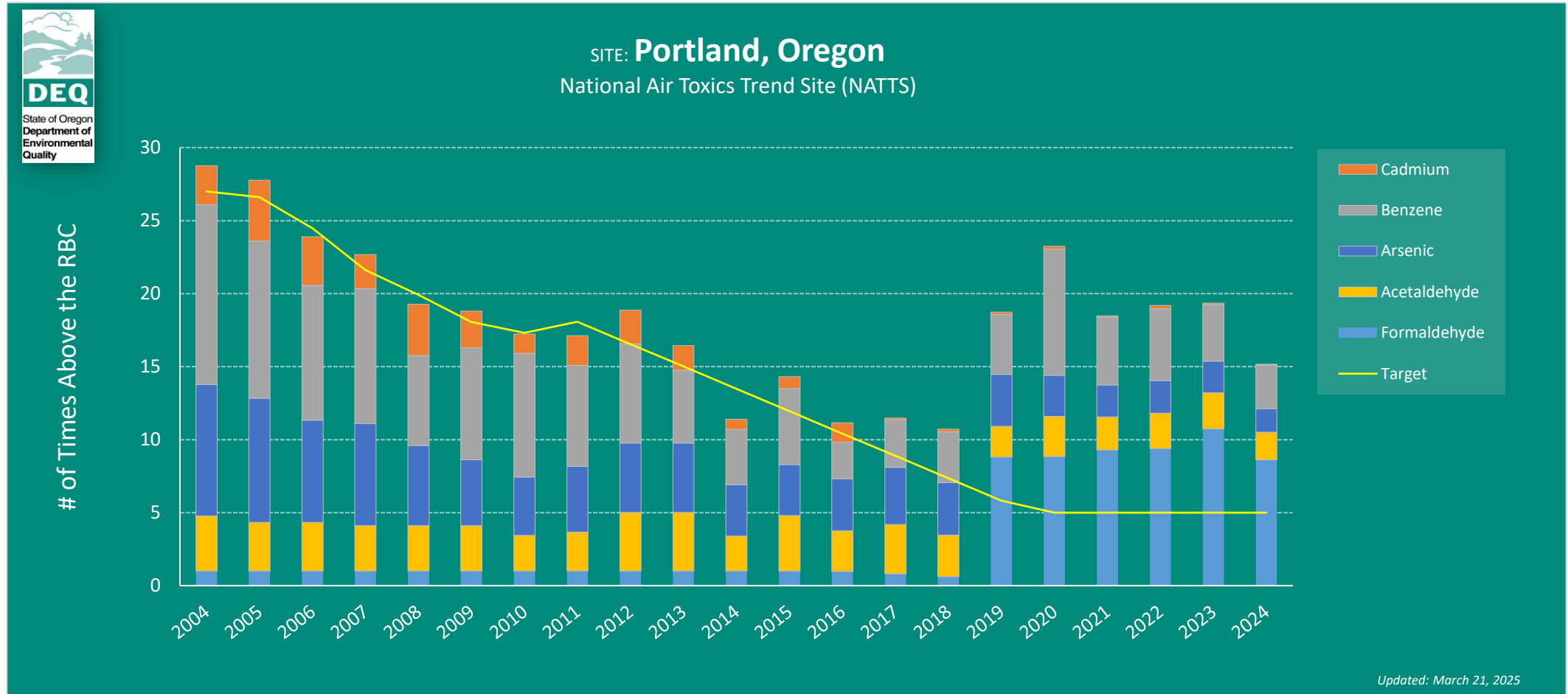
DEQ Air Quality Monitoring Sites in 2024



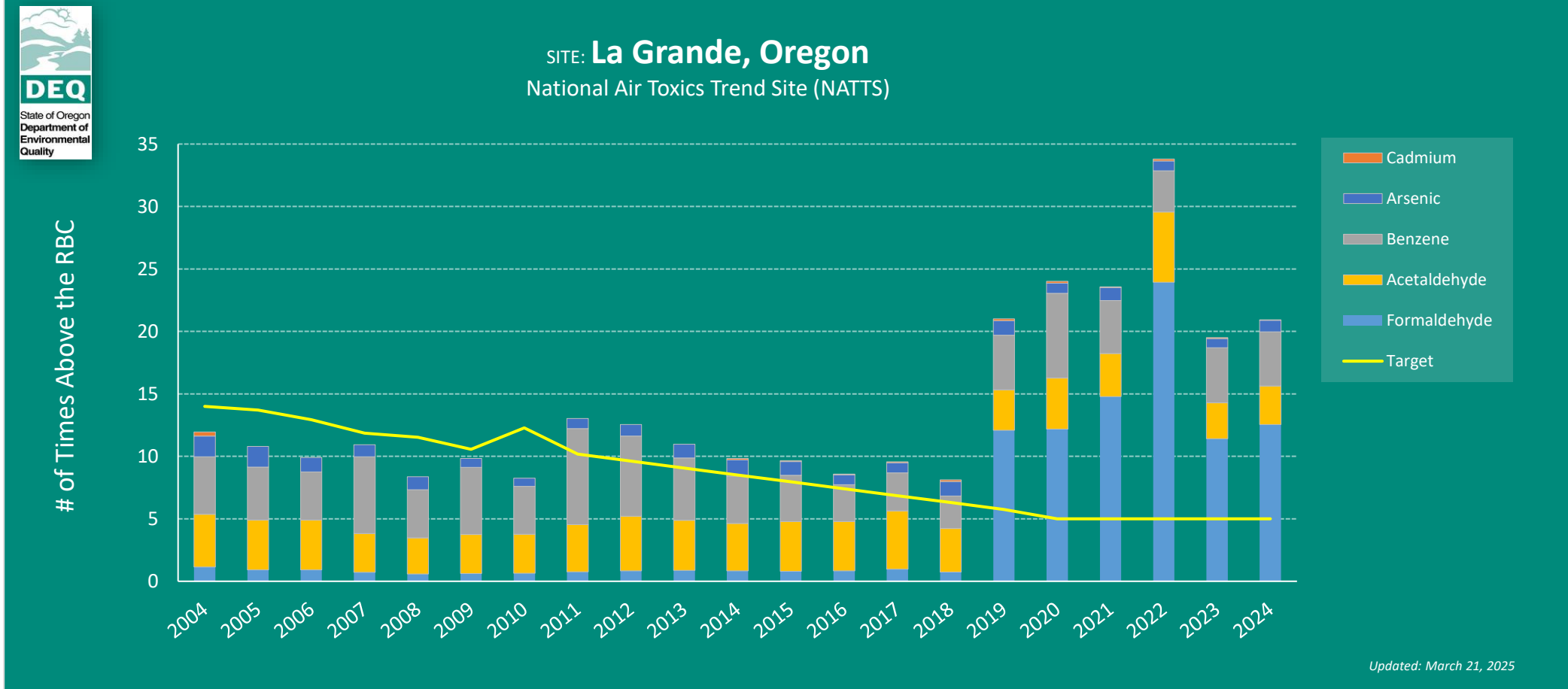
KPM 2 – Air Quality Conditions



KPM 3 – Air Toxics Trends



KPM 3 – Air Toxics Trends



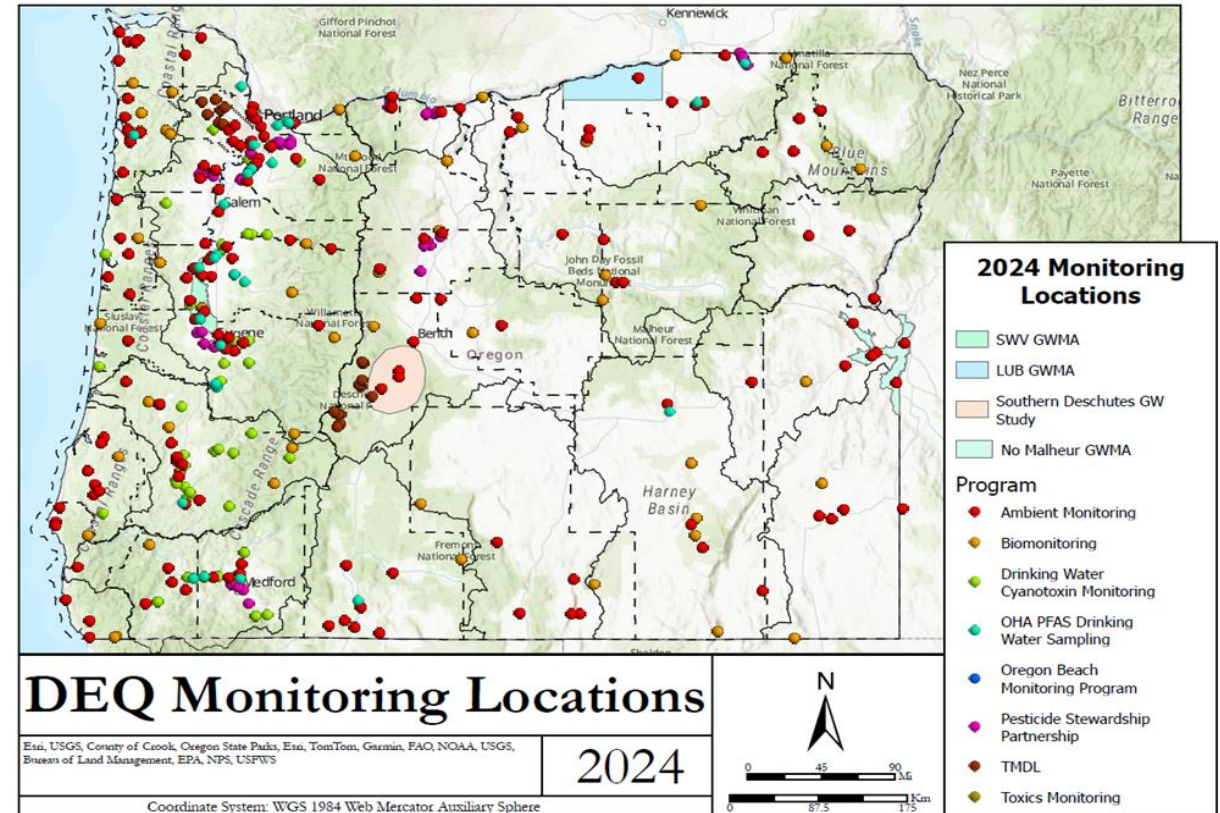
Collecting Data for Environmental Outcomes – Water Quality

Status & Trends

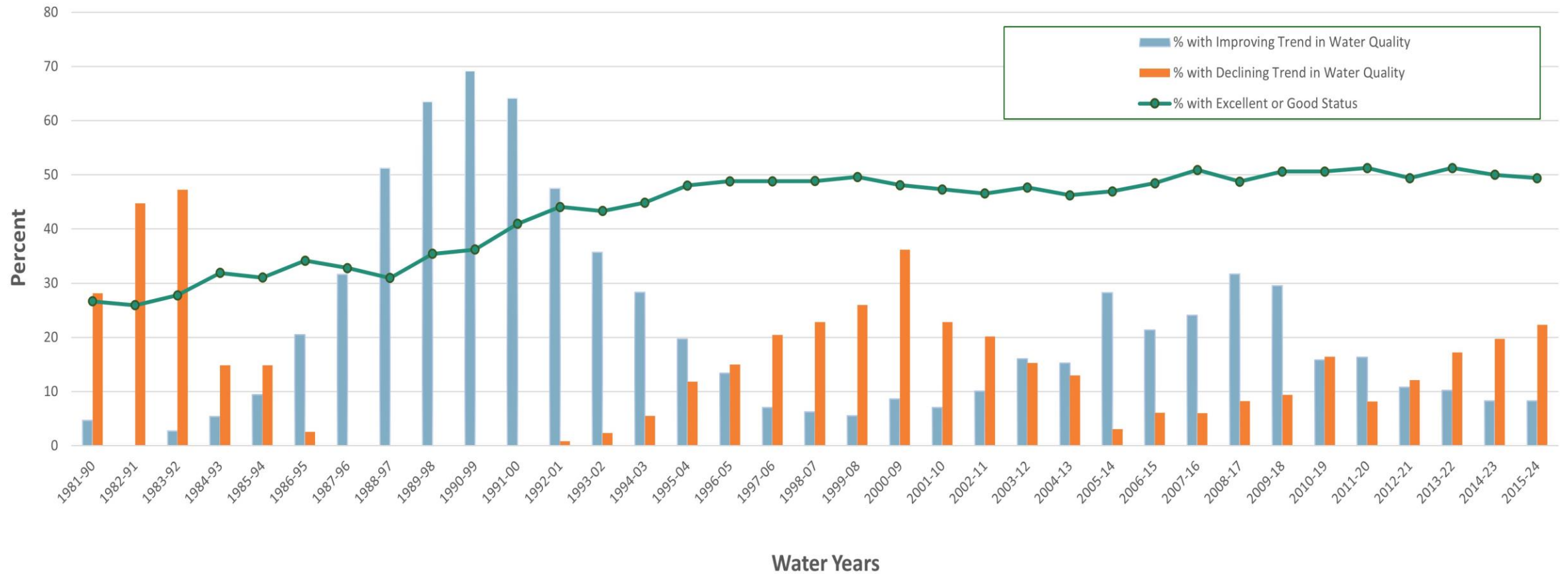
- Ambient Rivers & Streams
 - Oregon Water Quality Index (KPM 9)
- WQ Toxics Monitoring
- Biomonitoring
- TMDL

Human Health / Vulnerable Communities

- Statewide Groundwater Monitoring
- BEACH Monitoring
- Harmful Algal Bloom (DW & recreational)



KPM 9 - Water Quality Conditions



DEQ relies on aging and outdated equipment

PFAS, groundwater,
drinking water,
emerging issues

\$450,000



PM2.5 - AQI

\$20,000



Shelters

\$5,000 -
\$55,000



Fish tissue, drinking
water, PCBs

\$500,000



POP 142– Upgrading Laboratory Equipment

Authorizes expenditure of bond sale proceeds to finance capital upgrades at our laboratory

- \$1,350,000 OF limitation
- Upgrade critical equipment for air, water quality monitoring activities
- POP 182/192 addresses bond sale expenses and debt service



Reducing greenhouse gas emissions



Reduction Targets



Programs and Policies

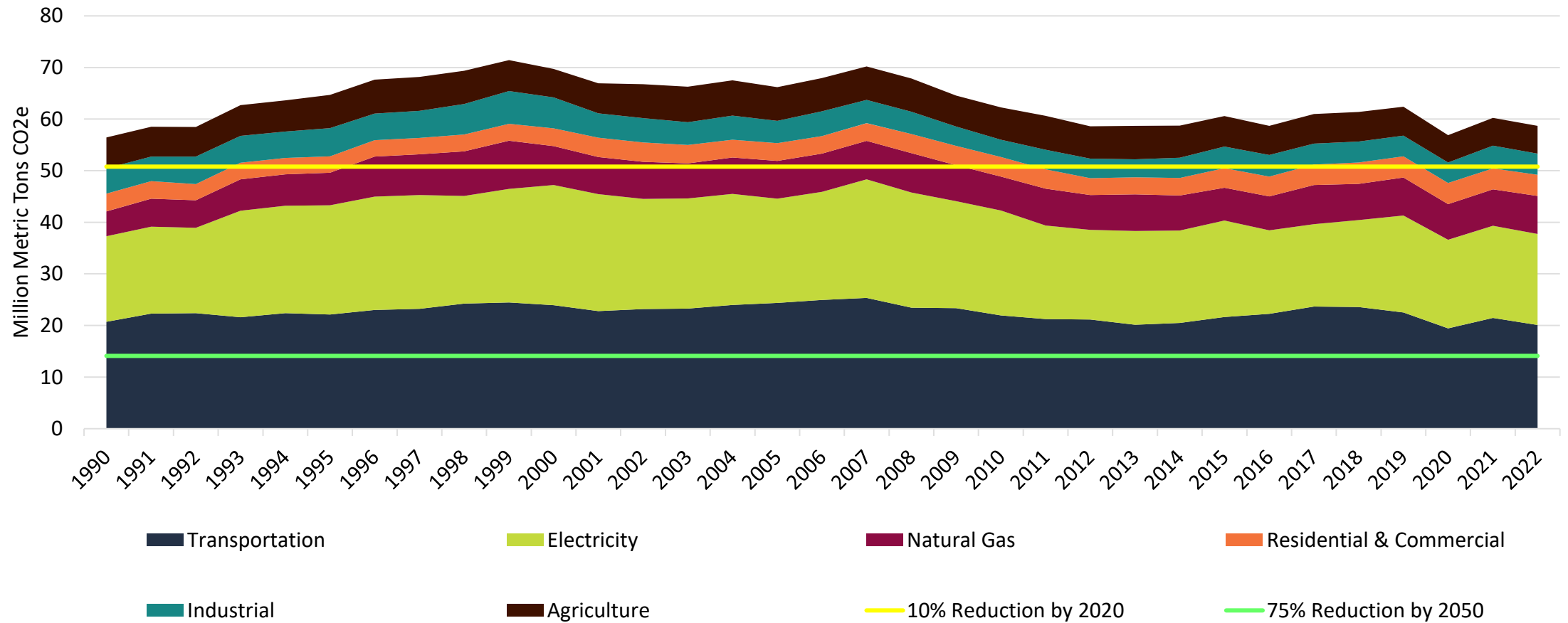


Incentives and Grants



Greenhouse Gas Reporting

Greenhouse gas emissions in Oregon



Policies and programs

- Monitor emissions statewide, annually
- Reducing emissions
 - Clean Fuels Program
 - Climate Protection Program
 - Vehicle emission standards
 - Landfill methane capture
 - HB 2021 support



Incentives and grants

Oregon awarded nearly \$200 Million to address climate pollution

- Transportation: \$66 Million
- Residential and Commercial Buildings: \$67 Million
- Materials and Waste: \$61 Million



Greenhouse gas reporting

Established by Legislature in 2009

Annual reporting from 400+ companies

- Suppliers of gasoline, diesel and other fuels
- Natural gas utilities
- Electric utilities
- Large stationary sources

Customer-service and sector-specific expertise

Improved compliance, reduced enforcement

Data-informed decision making

POP 111 – Support for Greenhouse Gas Reporting Program

Authorizes a fee increase to maintain current service level, providing essential technical assistance and oversight

- Revenue only
- Authorizes process to update fee structure and collect revenue sufficient to maintain the program
- 7-15% surcharge on applicable air quality permit holders, capped at \$4500. Cap not adjusted since 2010
- Work with representatives from regulated sectors shows clear need to moderate price impacts to capped facilities and ensure smaller entities pay their fair share



Agency management



Director's Office

Information Technology

Budget and Financial
Services

Human Resources

Agency management budget summary: \$58,893,305



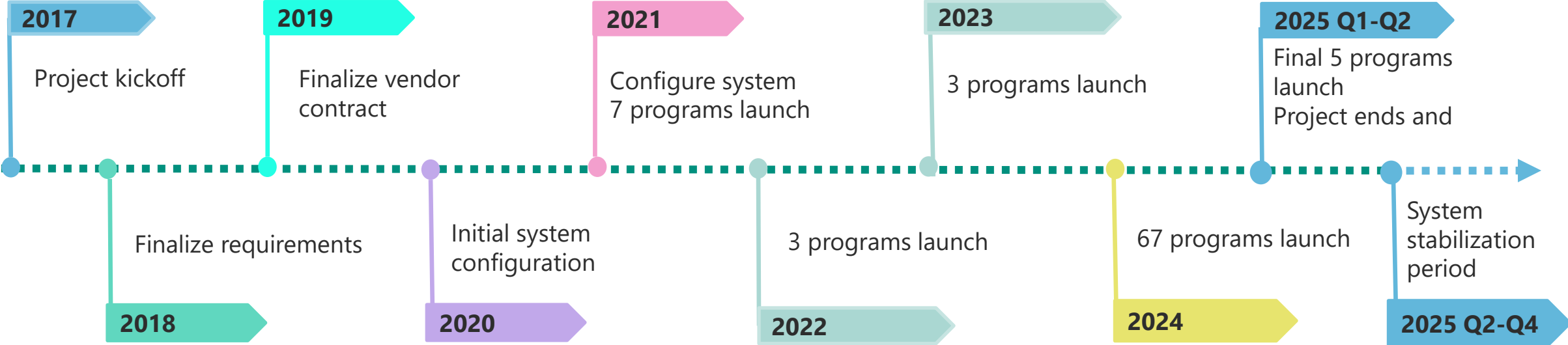
Your DEQ Online Project

Modernizing Regulated Service Administration Across DEQ

YDO is an online commercial off the shelf platform for DEQ programs to share information, receive and process forms for regulatory compliance, and accept electronic payments.

4 Programs to Launch by 2025 Q2	20 Programs Launched as of 2025 Q1	
<p>Land</p> <ul style="list-style-type: none">- Solid Waste Permits <p>Water</p> <ul style="list-style-type: none">- WPCF Onsite Certification- NPDES & WPCF General Permit- NPDES & WPCF Individual Permits	<p>Land</p> <ul style="list-style-type: none">- Underground Storage Tanks- Environmental Cleanup- Leaking Underground Storage Tanks (LUST)- Heating Oil Tanks (HOT)- Tanks Licensing- -Hazardous Waste <p>Water</p> <ul style="list-style-type: none">- Industrial & Construction Stormwater- Underground Injection Control- 401 Certification- Onsite Sewage Disposal Services- Wastewater Operator Certification	<p>Air</p> <ul style="list-style-type: none">- Greenhouse Gas Reporting for Permitted Sources- Air Contaminant Discharge Permits/Area Source Registration- Title V Permit Program- Emissions Inventory Reporting- Asbestos Program- Gasoline Transporter Permits- Greenhouse Gas Reporting for Electricity and Natural Gas Suppliers- Climate Protection Program <p>Agency-wide Service</p> <ul style="list-style-type: none">- Event Reporting (Complaints)

Your DEQ Online Timeline



Dedicated YDO Helpdesk

- Tiered support
- Partner with DEQ Programs
- Detailed user guides and training
- 4.8 out of 5 in Customer Satisfaction

User count as of 2025 Q1

476 DEQ staff accounts
13,500+ external accounts

What people are saying...

“Great, quick, efficient!” – DEQ Staff member

“Went great. Think I got an almost immediate response. Able to get into system and make adjustments. Thank you!” – Regulated Community member



POP 140 – Maintain Agency Support Staff

Increases staffing for critical agency support functions

- 13 positions (7.6 FTE)
- \$2,356,061 OF – limitation only
- Assures ability to deliver internal auditing, human resources, safety, procurement, accounting, and training activities



POP 143 – State Data Center Expenses

Increases expenditure limitation to cover state data center costs

- \$335,000 OF – limitation only
- Continued use of the state data center services frees up IT resources for strategic projects





Land Quality Division

Materials Management



Hazardous Waste



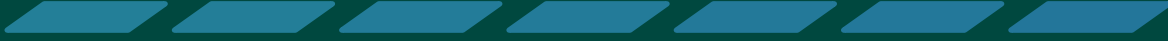
Environmental Clean Up



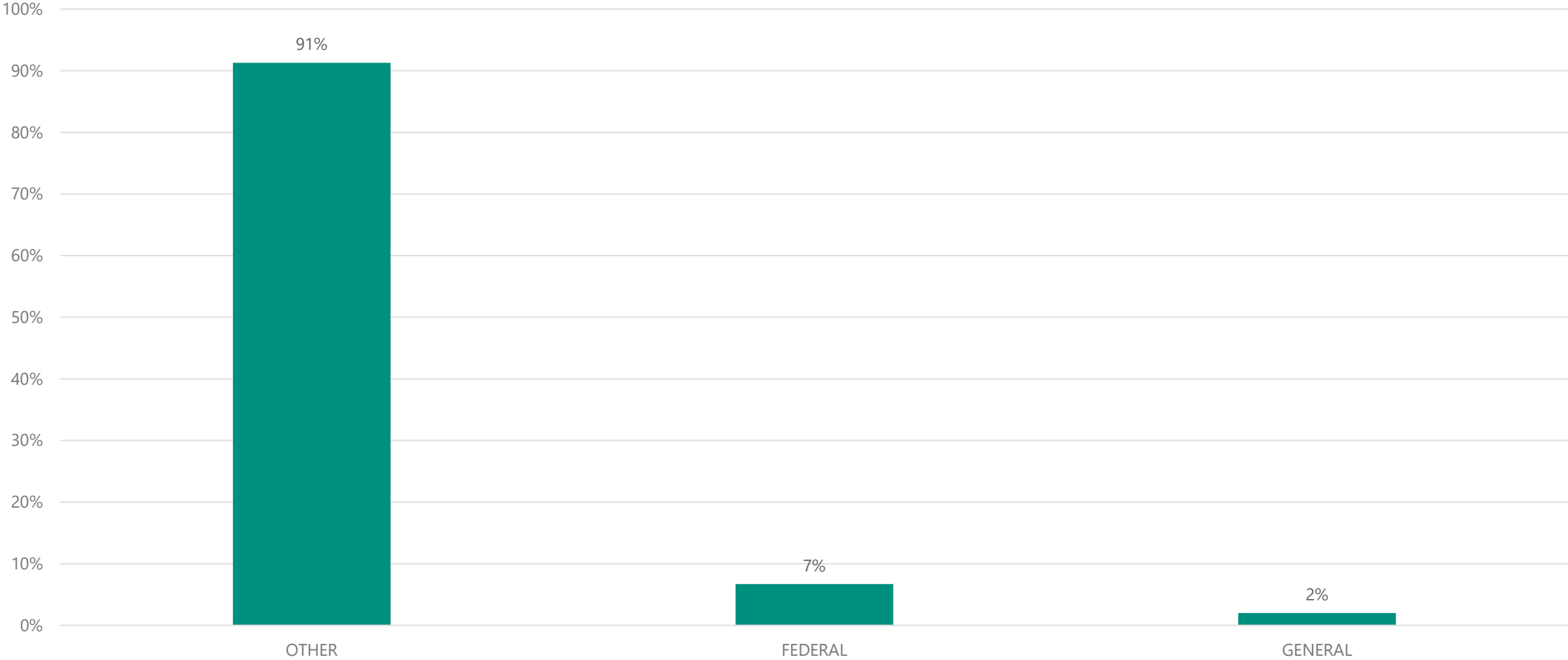
Emergency Response



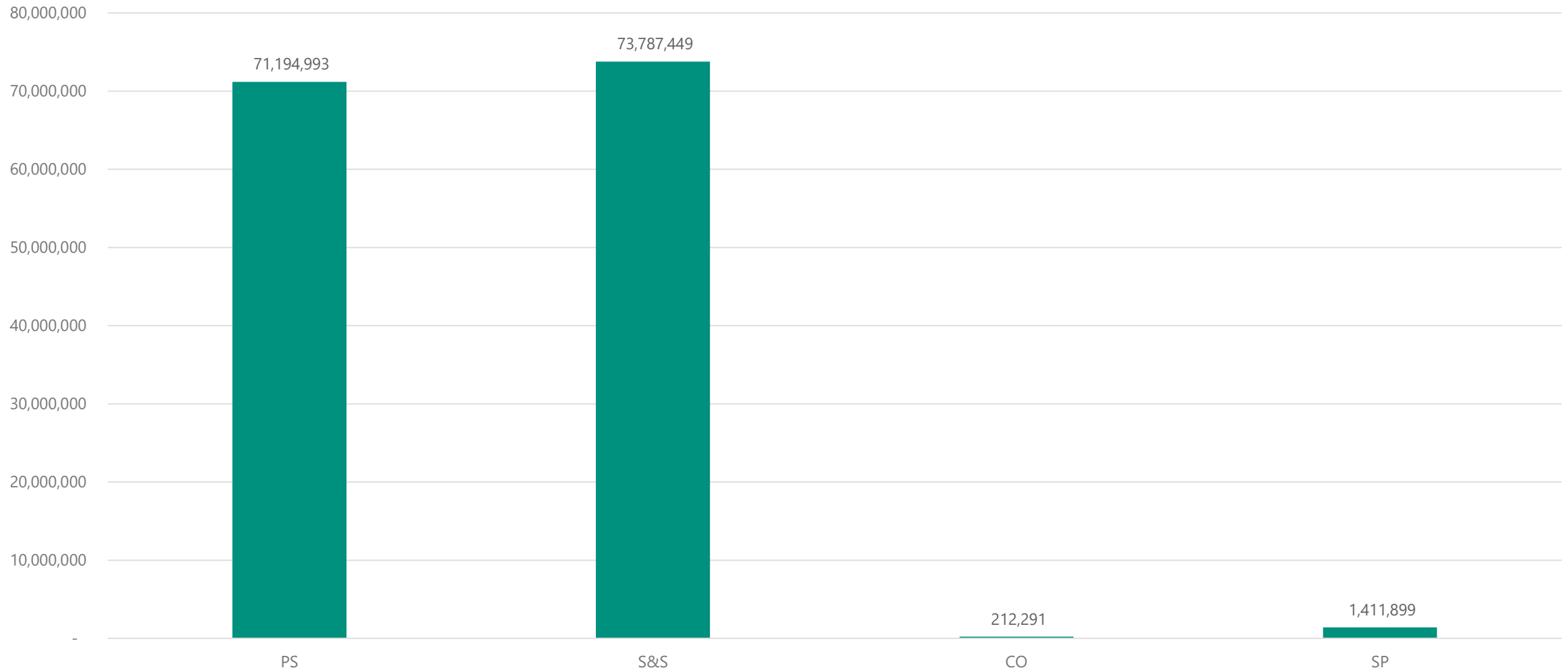
Tanks



Land Quality 25-27 GRB summary: \$146,606,632



Land Quality 25-27 GRB limitation by category



Materials Management Programs

Oregon's 2050 Vision for Materials Management:

Oregonians in 2050 produce and use materials responsibly by:

- Conserving resources
- Protecting the environment
- Enhancing well-being



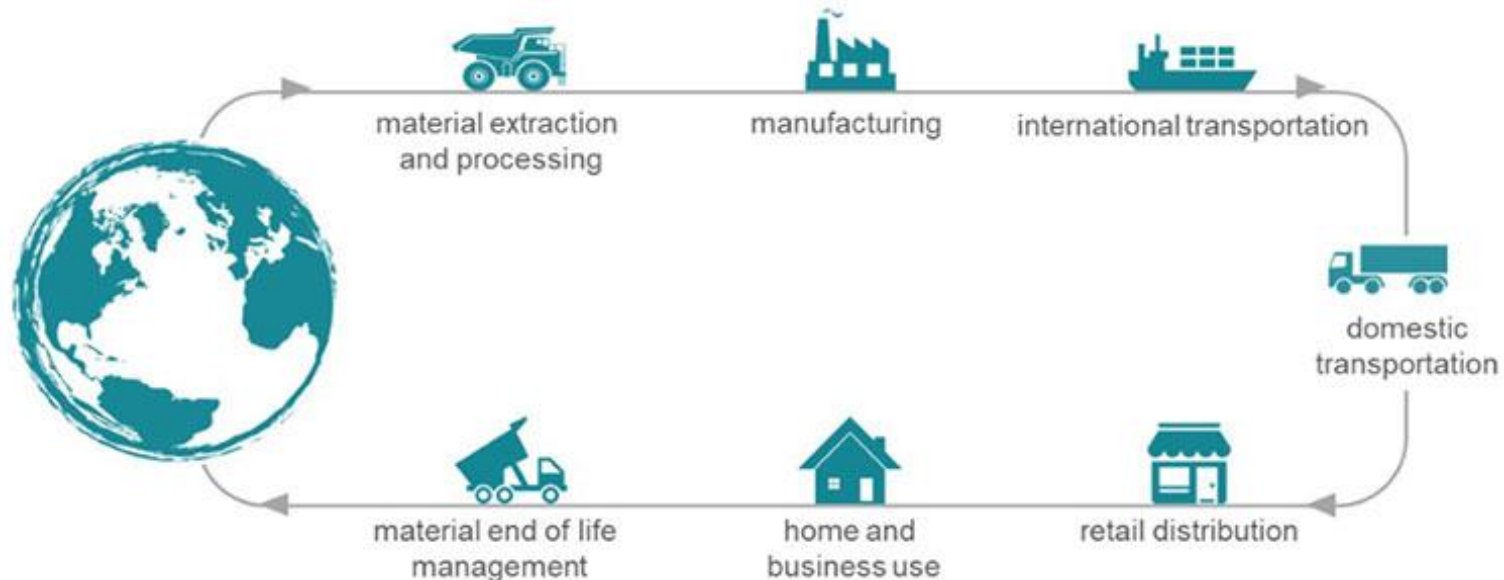
More about Materials Management

Product Stewardship

Data and Measurement

Solid Waste Management

Lifecycle Programs



Plastic Pollution and Recycling Modernization Act SB 582 (2021)

- Updates Oregon's recycling system
- Builds on local community programs
- Requires packaging producers to share responsibility for effective management of their products after use.



POP 133: Support Materials Management implementation

Staff resources to conduct existing work to implement the *2050 Vision for Materials Management in Oregon*

- Four positions
- Existing Other Fund Revenue
- \$1.2 million Limitation
- Without package 133 DEQ will be limited in ability to achieve outcomes in the 2050 Vision



Materials Management Performance (KPM 11-12)

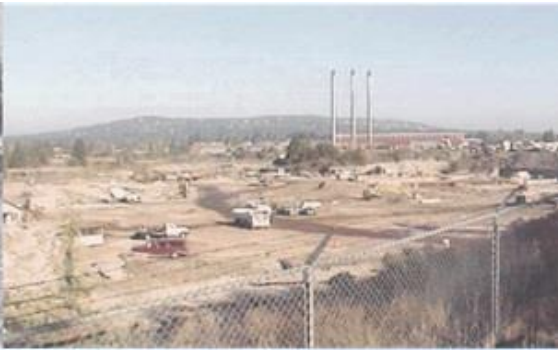
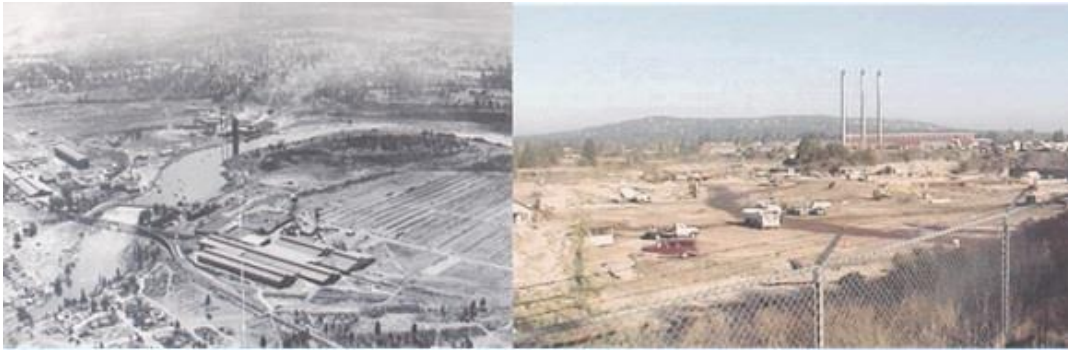
Waste generation	2024 Target: 4,500,000 tons of waste generated	2024 Performance: 6,091,756 tons of waste generated
Waste Recovery	2024 Target: 50% of municipal waste recovered	2024 Performance: 39.4% of municipal waste recovered

Hazardous Waste Program

Reducing hazardous waste generation, and ensuring its safe management



Environmental Cleanup Program



Voluntary Cleanup

Industrial Orphans

Brownfields

POP 131: Environmental Cleanup staff needs

Staff resources to conduct work on two high priority cleanup sites

- Three Positions
- Existing Other Fund Revenue
- \$873,762 Limitation
- Without package 131 DEQ will not be able to complete the work in a timely manner



POP 134: Orphan Fund – Loans and Bonds

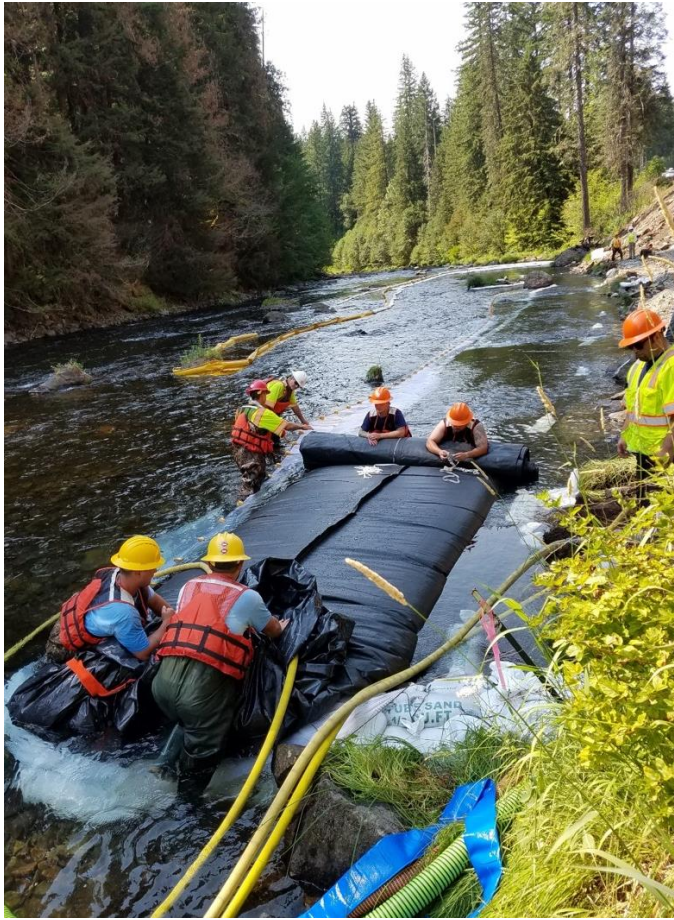
Cleanup of contaminated properties where responsible parties are unknown, unable or unwilling to perform cleanup

- \$10 million limitation for funds secured in 2023 (HB 5005)
- Without package 134 DEQ will be unable to use bond funds to cleanup sites



Emergency Response Program

- Oil Spill Contingency Planning
- 24/7 Response and Cleanup
- Emergency Preparedness
- High Hazard Rail Program

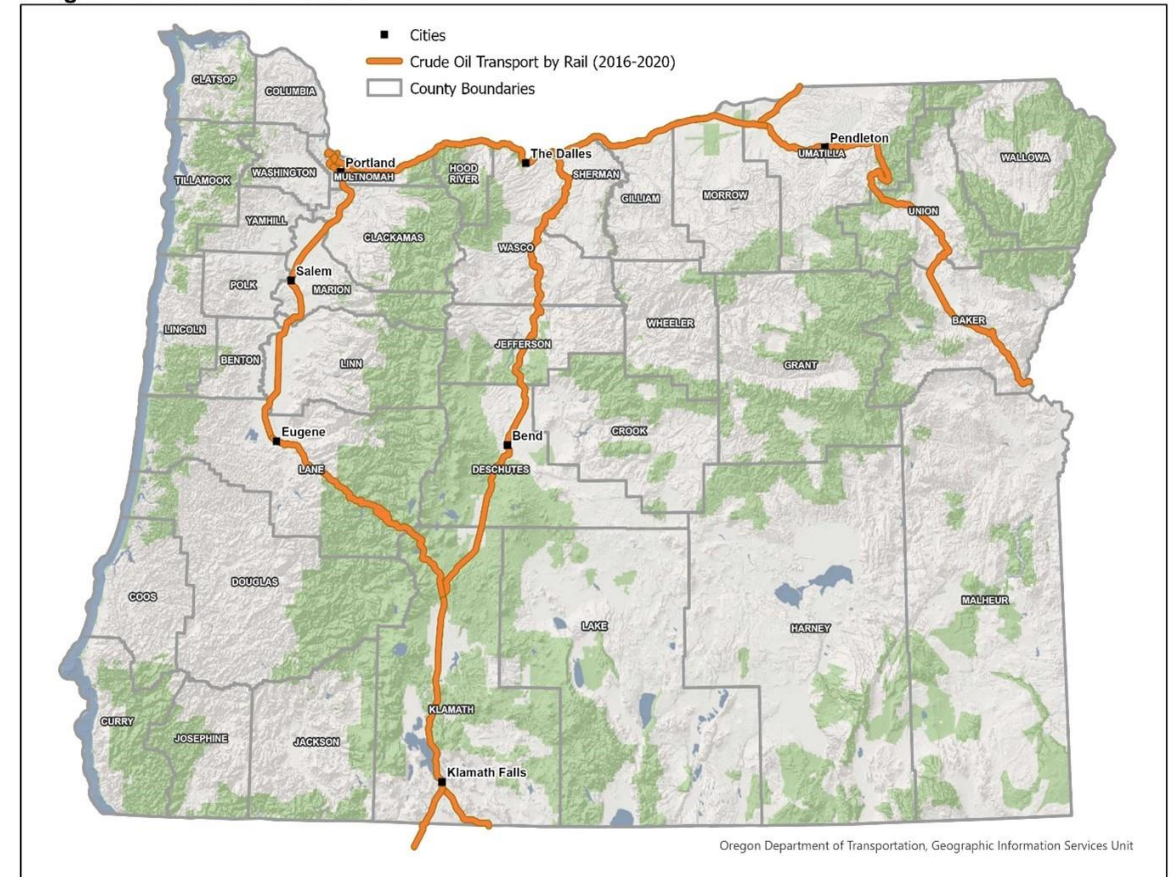


High Hazard Rail Program

- Requires contingency planning along High Hazard Rail Routes
- HB 2569 would remove sunset of program funding.



Oregon Crude Oil Rail Routes



Oregon DEQ | Emergency Response

March 2023

Tank programs

Fuel Tank Seismic Stability Program

Heating Oil Tank Program

Underground Storage Tank Program



POP 130: Stabilize Leaking Underground Storage Tank Program

Staff resources to cleanup contaminated sites from leaking underground storage tanks

- Two positions
- Existing Other Fund Revenue
- \$768,546 limitation
- Without package 130 the program will be unable to meet federal requirements and cleanup sites in a timely manner



POP 132: Fuel Tank Seismic Stability staff needs

Staff resources to implement SB 1567 (2022)

- One position
- Existing Other Fund Revenue
- \$388,451 Limitation
- Without package 132 the program will be unable to minimize risk to communities and the environment



KPM 10: Properties with known contamination cleaned up

Heating Oil Tanks Cleaned up	Target: 90%	2024 Performance: 87.6%
Regulated Underground Storage Tanks Cleaned up	Target: 95%	2024 Performance: 90.5%
Hazardous Substance Sites (non-tank) cleaned up	Target: 65%	2024 Performance: 57.1%



Water Quality Division

Budget Summary



Program Areas and Activities



KPMs



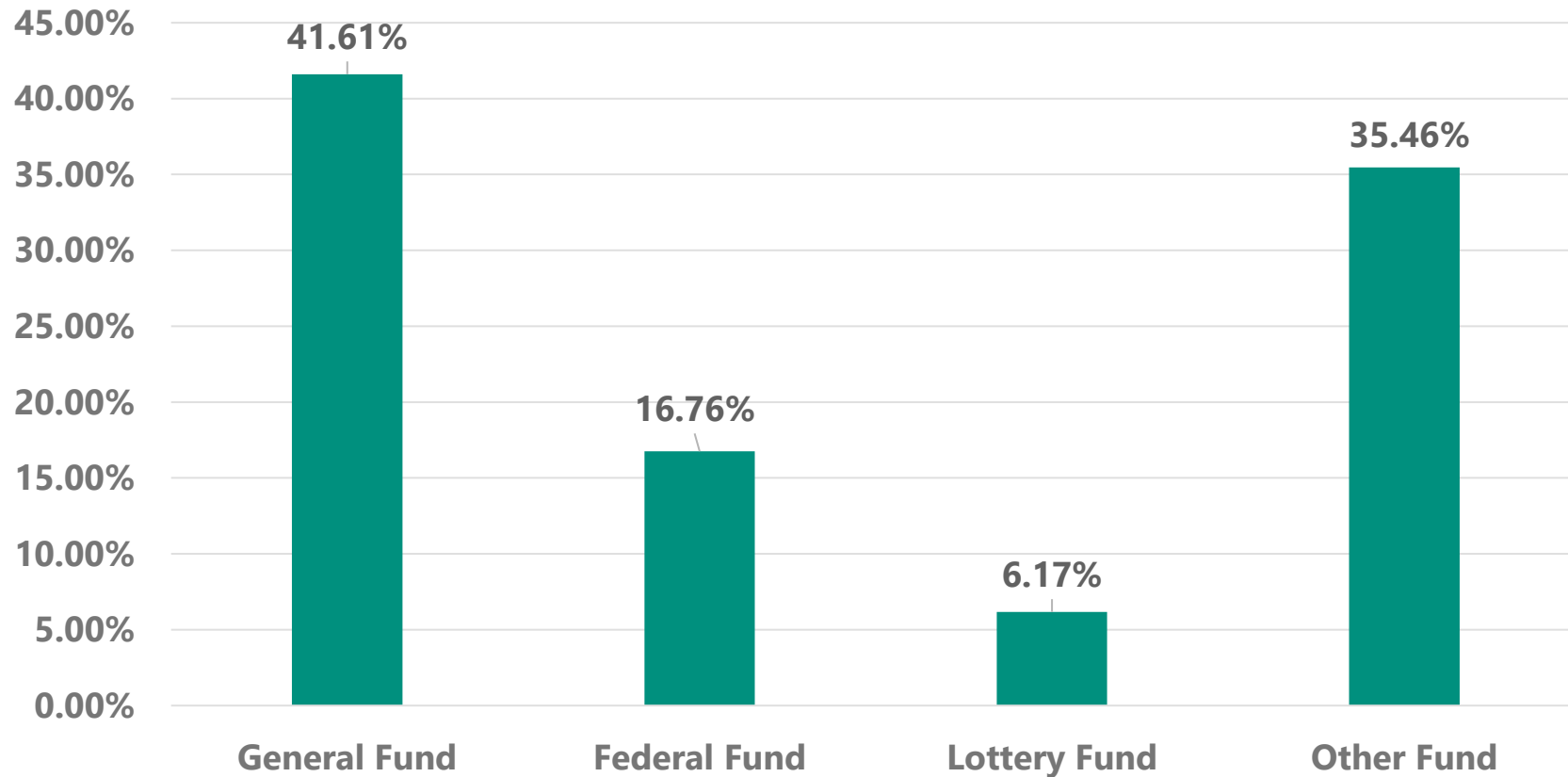
Budget Priorities



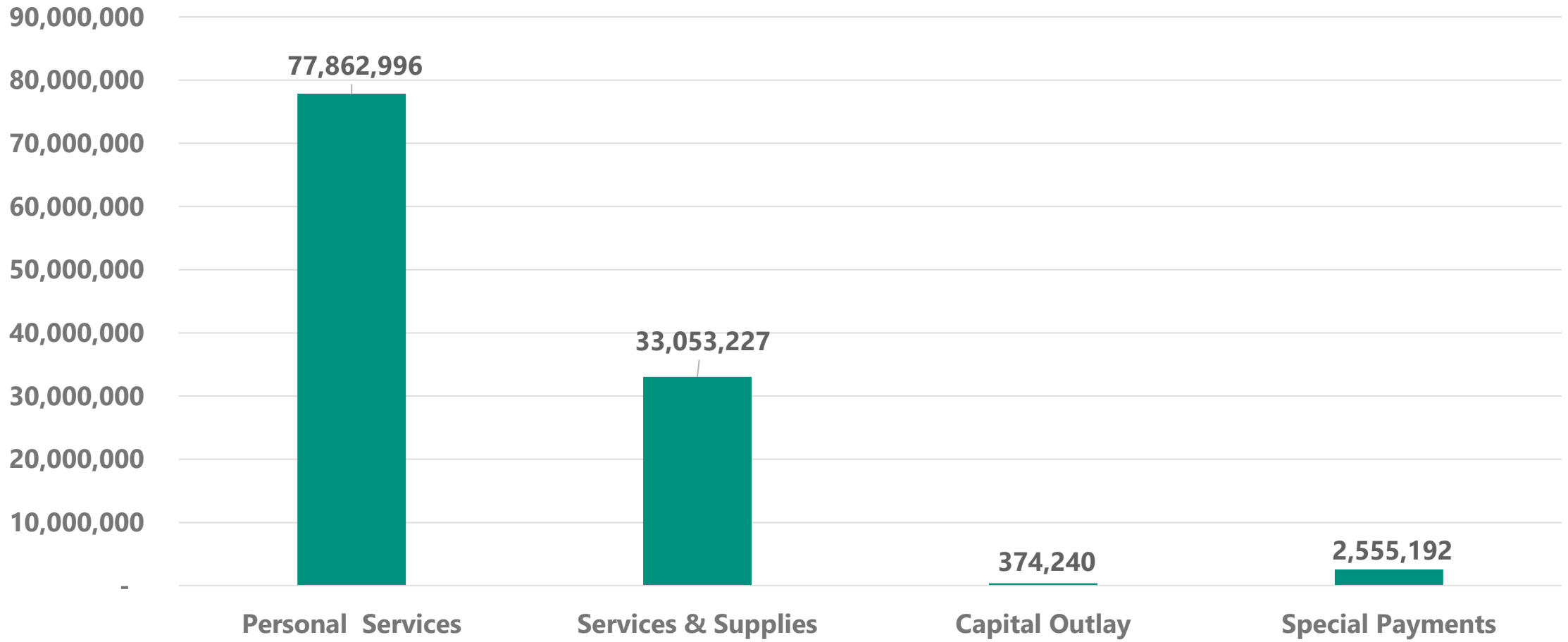
Policy Initiatives



Water Quality 25-27 GRB summary: \$113,845,655



Water Quality 25-27 GRB limitation by category



Water Quality programs

Example of DEQ Water Quality Work

1. Stormwater construction
2. Integrated water resources planning
3. Nonpoint source
4. NPDES MS4 stormwater
5. NPDES industrial wastewater and stormwater
6. NPDES municipal wastewater
7. Underground Injection Control stormwater
8. TMDLs
9. Recycled water
10. Biosolids
11. Industrial pretreatment wastewater treatment
12. 401 certification
13. Sewage and water conveyance
14. Beneficial use
15. Water pollution control facilities
16. Onsite septic hauling
17. Onsite wastewater system permitting and regulation
18. Ambient monitoring



Federal and state authorities

Federal Authorities

Water Quality Standards	Permitting (NPDES)
WQ Assessments (305(b) and 303(d))	401 Certifications (Hydro, Dredge and Fill)
Clean Water State Revolving Loan Fund	TMDL Development
Underground Injection Control	Non-Point Source Plans

Monitoring (Surface and Groundwater)
Water Reuse
Biosolids
Drinking Water Source Protection

State Authorities

Permitting (WPCF)	Onsite Septic Systems
Wastewater Operator Certification	Groundwater Quality Management
Division 33 Reviews (water rights applications)	Pesticide Stewardship Partnership
TMDLs: WQMP and Implementation	Onsite Repair/Replace Loans and Grants

Roles and responsibilities for clean water

Department of Environmental Quality



- Adopt standards to protect uses
- Adopt plans to improve quality where standards are not met
- Issue permits (muni, industrial, stormwater, onsite, land application, etc.) to meet technology-based standards, and (where water quality standards are not being met) to meet water quality based standards
- Review and approve plans (forestry, agriculture, counties, districts) to reduce pollution and meet standards
- Monitor status and trends of water quality
- Compliance inspections and enforcement

Department of Agriculture



- Implement Ag WQ Act (1010 rules)
- Implement TMDLs on farm lands
- Regulate pesticide use
- Regulate CAFOs (with DEQ)
- Monitoring, evaluation, compliance and enforcement

Department of Forestry



- Implement Oregon's Forest Practices Act
- Implement TMDLs on forest lands
- Monitoring, evaluation, compliance and enforcement

Watershed Enhancement Board



- Invest in watershed restoration and water quality improvement projects
- Convene interagency monitoring efforts and invest in monitoring
- Fund projects and initiatives that address legacy problems ("uplift")

Water Resources Department



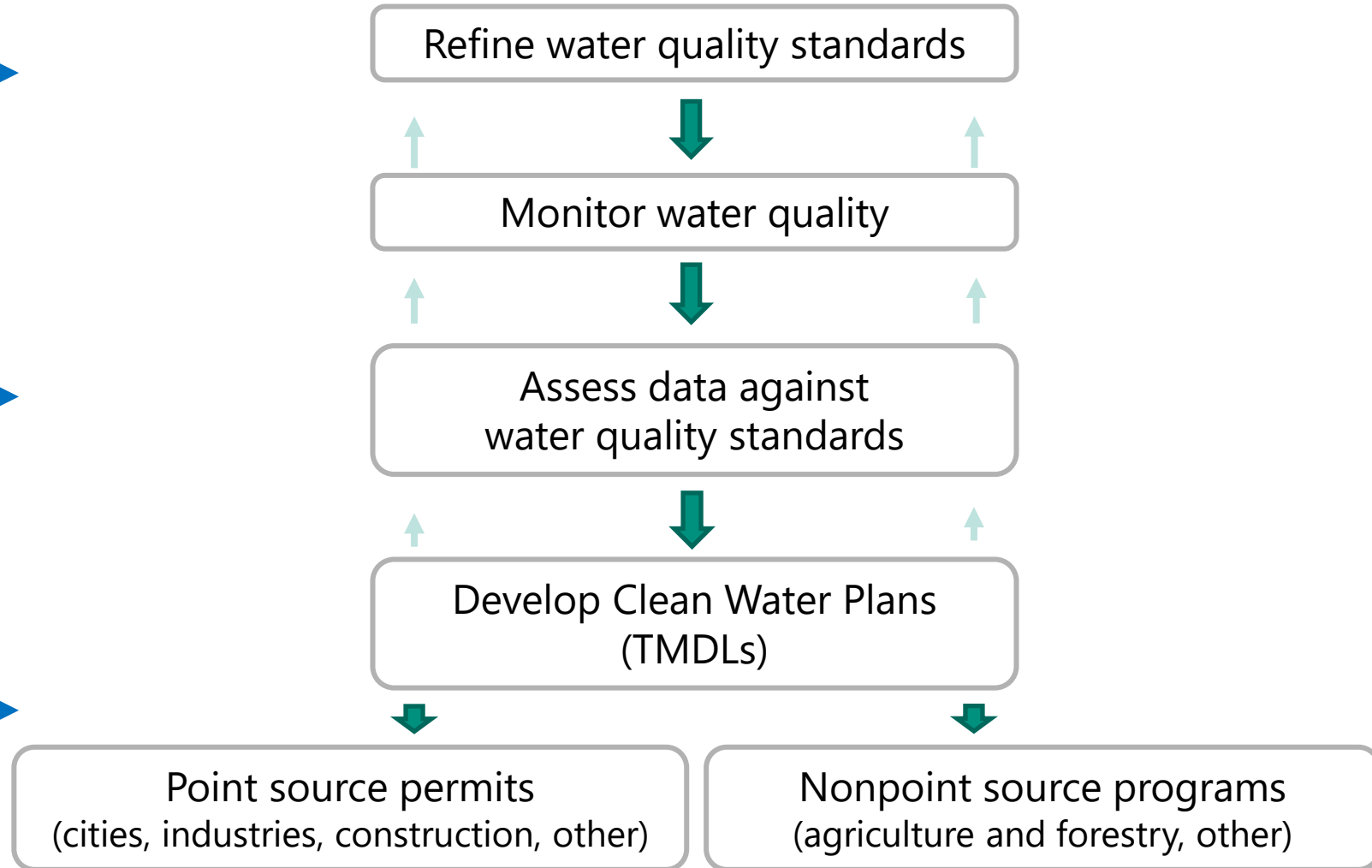
- Primarily responsible for water quantity related issues statewide, for both surface water and groundwater resources
- Supports interagency coordination and consultation for various program efforts with critical nexus between water quantity and water quality, including:
 - Integrated Water Resource Strategy
 - Water Transfers
 - Aquifer Recharge
 - Water Reuse

Federal Clean Water Act framework

Protect Uses of Water →
(drinking, fishing, swimming)

Monitor and Evaluate Conditions →

Use Data and Science to Improve Conditions →



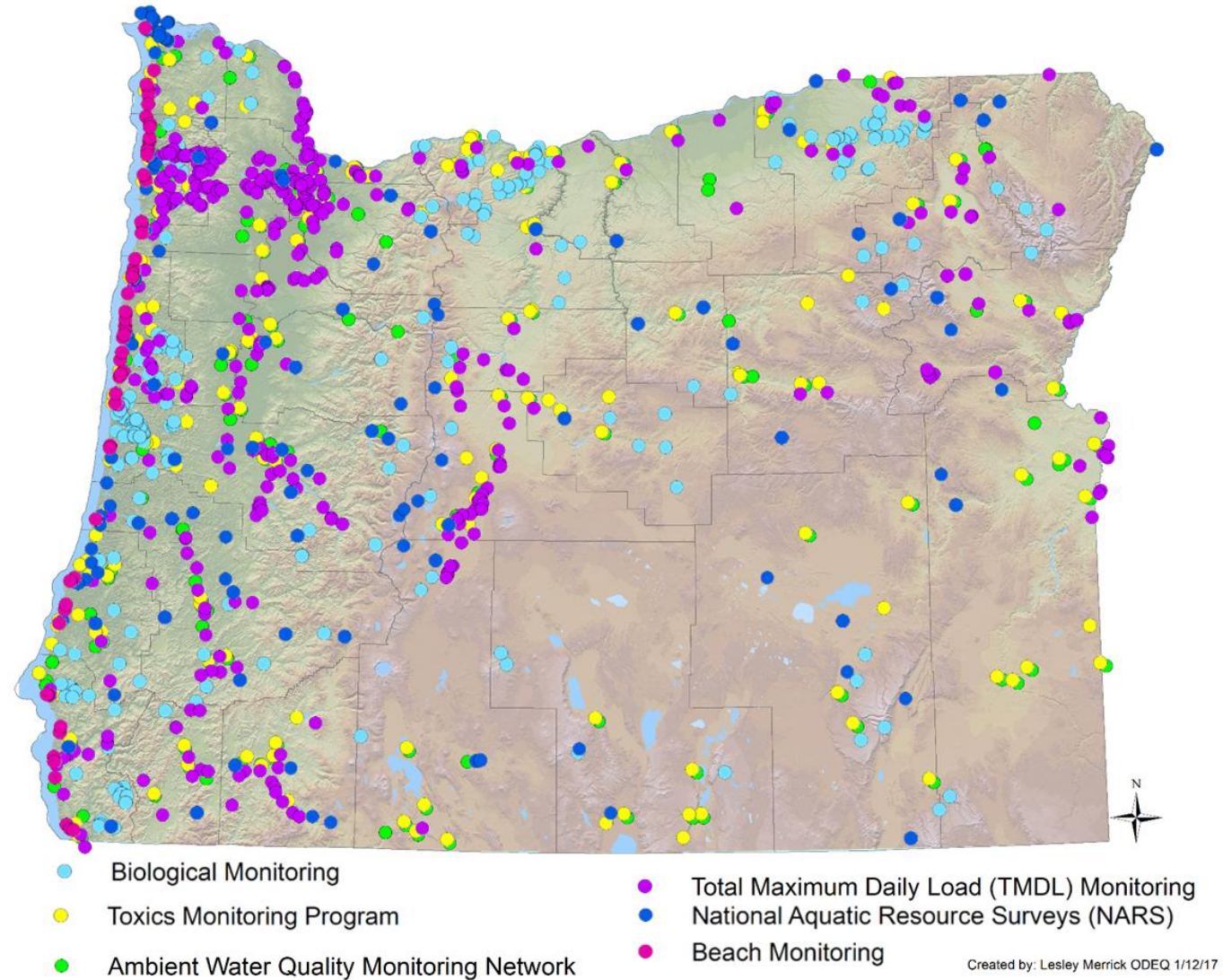
Water quality standards

Establish standards to protect beneficial uses of surface waters;
identify implementation pathways



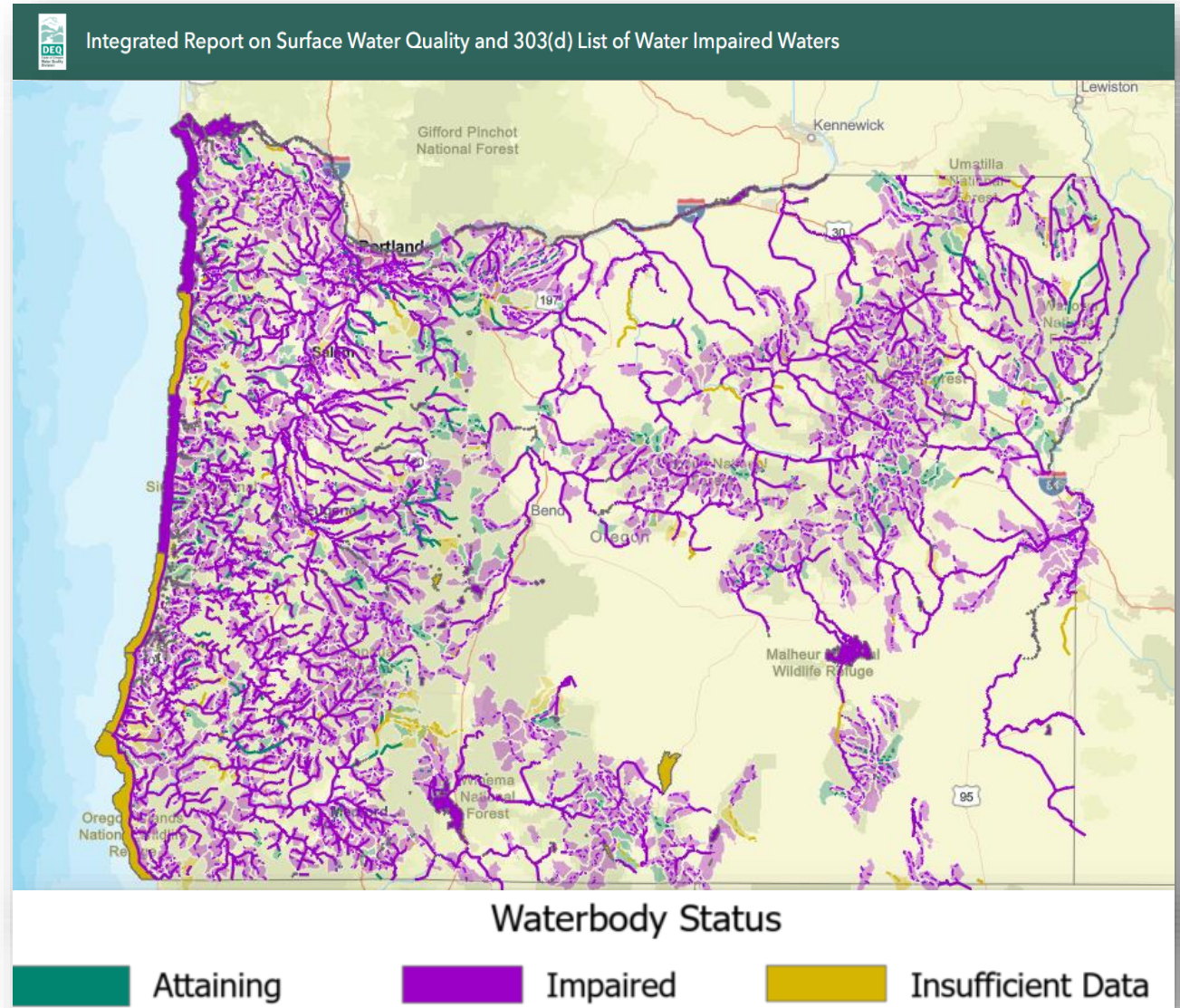
WQ monitoring:

Collecting and analyzing water samples to support WQ programs, human health and the environment



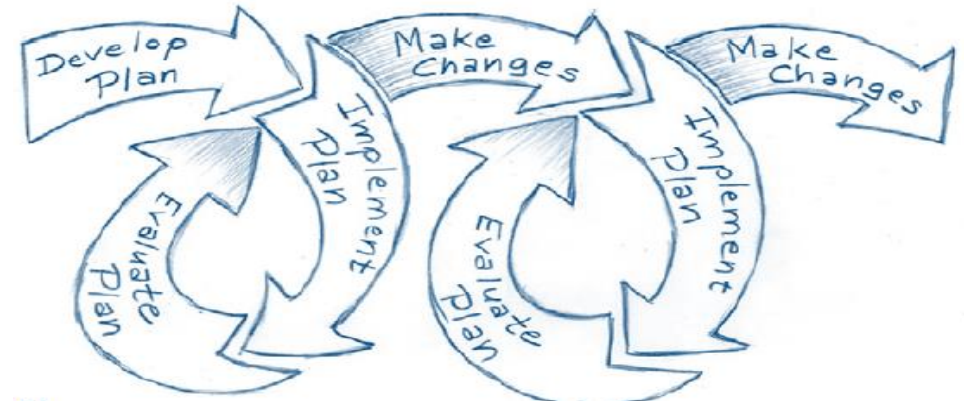
WQ assessment

- Report on overall condition of Oregon's waters
- Identify water quality impaired/limited waters



Clean water plans

Develop TMDLs, water quality management plans and strategies to achieve water quality standards through regulatory and non-regulatory means, including adaptive management partnerships with ODA, ODF, and other responsible parties.



Permitting, certifications and licensing

Permitting of point source facilities

- Federally delegated NPDES Program
- State authorized WPCF Program
- Municipal and Industrial Source Facilities
- Stormwater runoff from cities, construction and industrial sites

Onsite Septic Systems (Residential and Commercial)

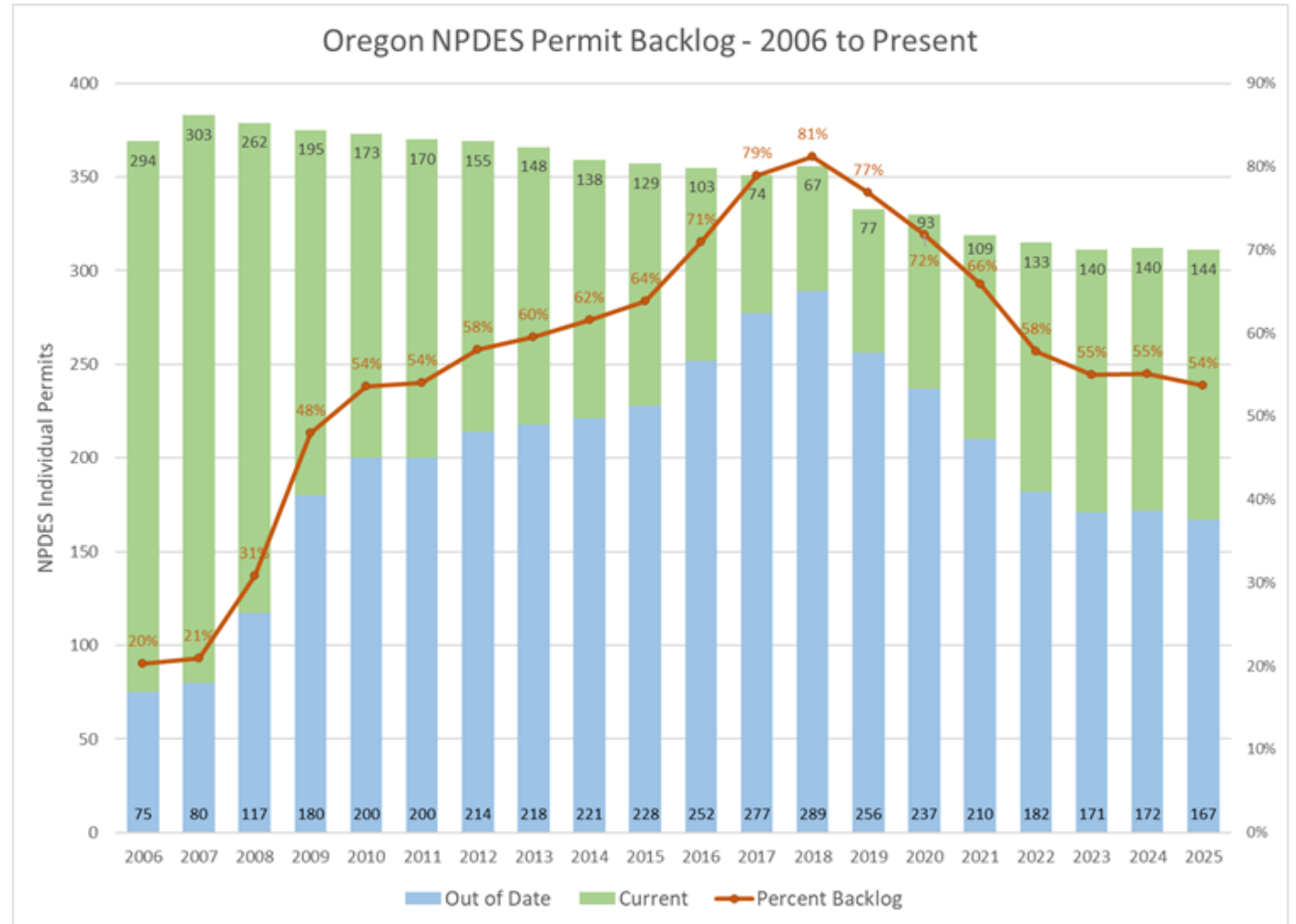
- Implement the residential onsite program in 5 counties, evaluating sites and issuing permits
- Manage more than 700 individual permits statewide for large onsite septic systems
- License nearly 700 onsite septic system installers and pumpers

401 Water Quality Certification

- Review and certify that activities authorized by federal licenses and permits meet Oregon water quality standards
 - USACE Dredge/Fill activities
 - Hydroelectric or Energy Projects



WQ Permitting Program: NPDES improvements



Water quality KPMs

KPM #7: Percentage of individual wastewater discharge permits issued within 270 days	Target: 50%	2024: 19%
KPM #8: Percent of total wastewater permits that are current	Target: 75%	2024: 70%

Clean Water State Revolving Fund/ Community Grant Funding Assistance

- CWSRF supports community clean water infrastructure projects and source water protection
 - High-demand for low-interest financing
 - New loan commitments: about \$100M per year
 - POPs 181/191 necessary to leverage federal funding
- Septic Repair/Replacement grant and loan programs
- Stormwater grants



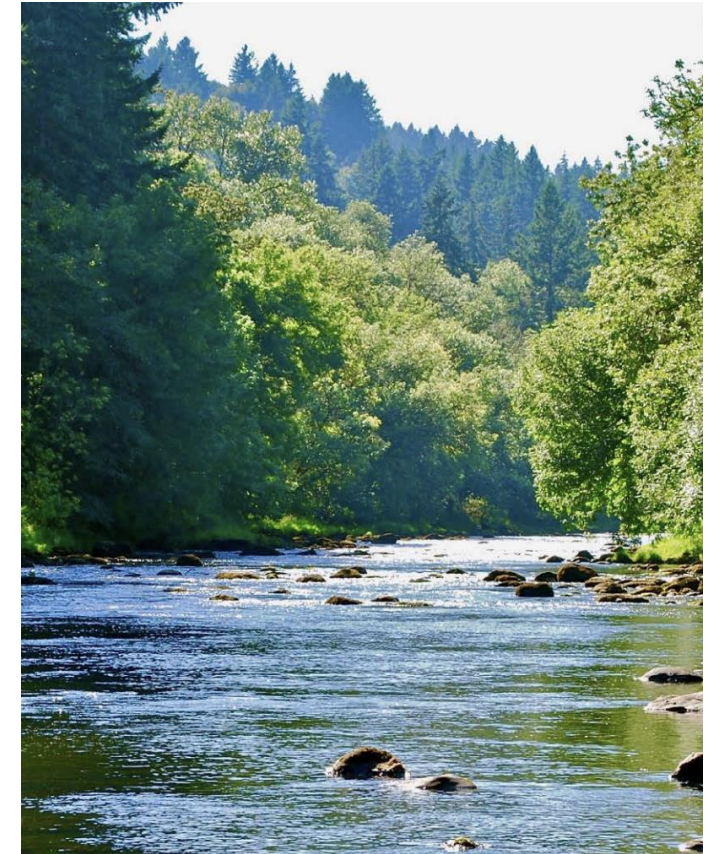
Water quality budget priorities

Sustain Fee-funded Water Quality Program Activities (POP 120)

Improve Permitting Related to Housing Production (POP 500)

Support Community Infrastructure Financial Assistance Programs (POP 121)

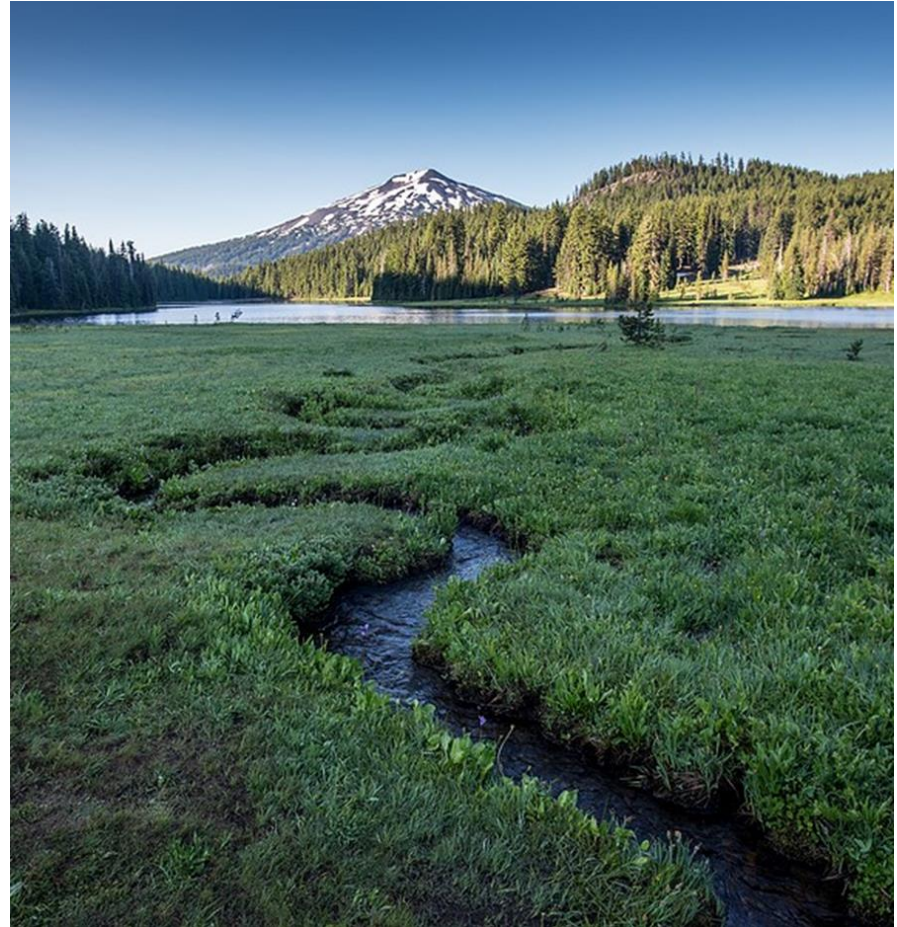
Evaluate Underground Carbon Sequestration Permitting (POP 123)



POP 120: Sustain fee-funded Water Quality Program activities

Authorizes fee increases necessary to maintain current service level staffing for four water quality program areas that are entirely fee-funded

- \$653,894 - Other Fund
- Without POP 120, revenue shortfalls requiring staffing reductions in areas that provide critical customer service and support activities to protect the environment and public health



POP 500-545: Water Quality Program support for housing production initiatives

Improves service delivery and technical assistance related to high priority housing production projects that require water quality permitting and/or certification

- 3 positions (2.64 FTE)
- \$999,684 - General Fund



POP 121: Support community infrastructure financial assistance programs

Establishes new staffing resources to enhance and expedite customer support, technical assistance, coordination, and process improvements for disbursing federal and state funds to communities to improve wastewater infrastructure

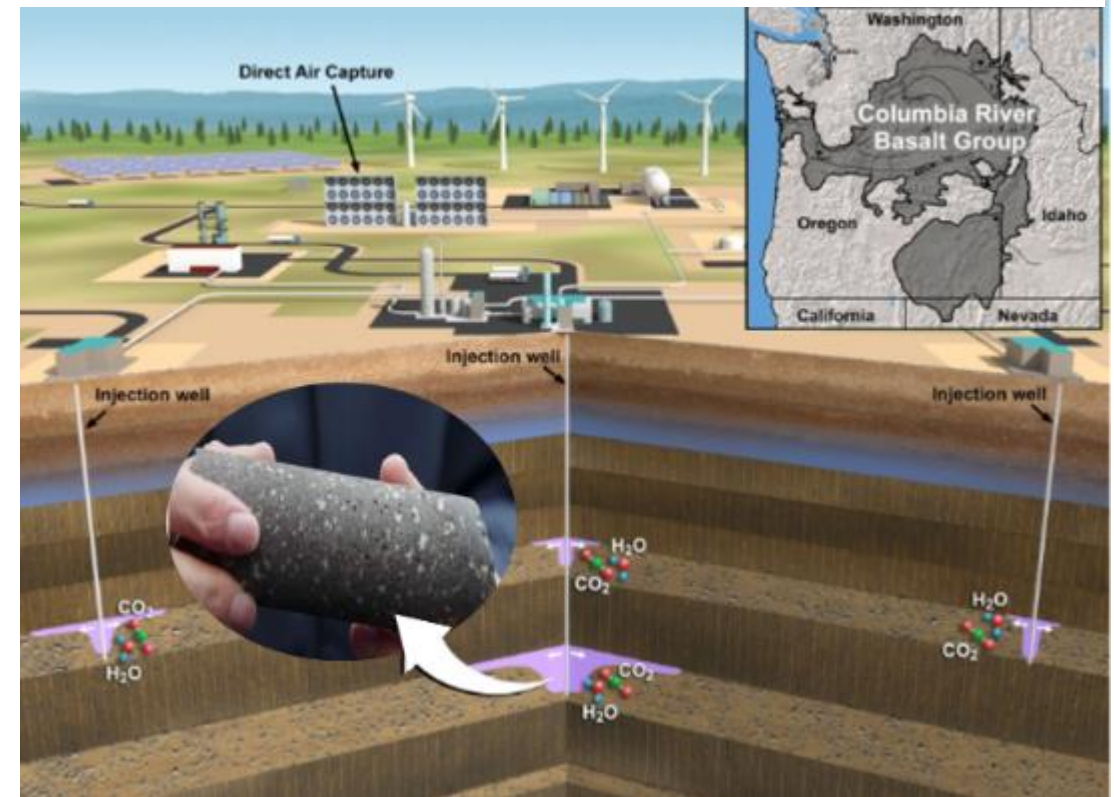
- 2 positions (2.0 FTE)
- \$241,940 - Other Fund; \$276,210 – Federal Fund



POP 123: Evaluate underground carbon sequestration permitting

Provides staffing capacity to support policy development and rulemaking associated with permitting for underground carbon sequestration activities

- 1 positions (0.88 FTE)
- \$327,643 - General Fund
- Without POP 123 DEQ will not be able to pursue state primacy for permitting authority from the U.S. EPA



Water quality policy initiative

SB 830 – Expands eligible financial assistance for Onsite Septic System Repair/Replacement

- Amends ORS 454.777-779
- No Fiscal Impact
- Provides for grants, loans or other types of financial assistance
- Clarifies that funding assistance may be offered for larger systems such as affordable housing developments





Air Quality Division

What We do



Key Program Areas



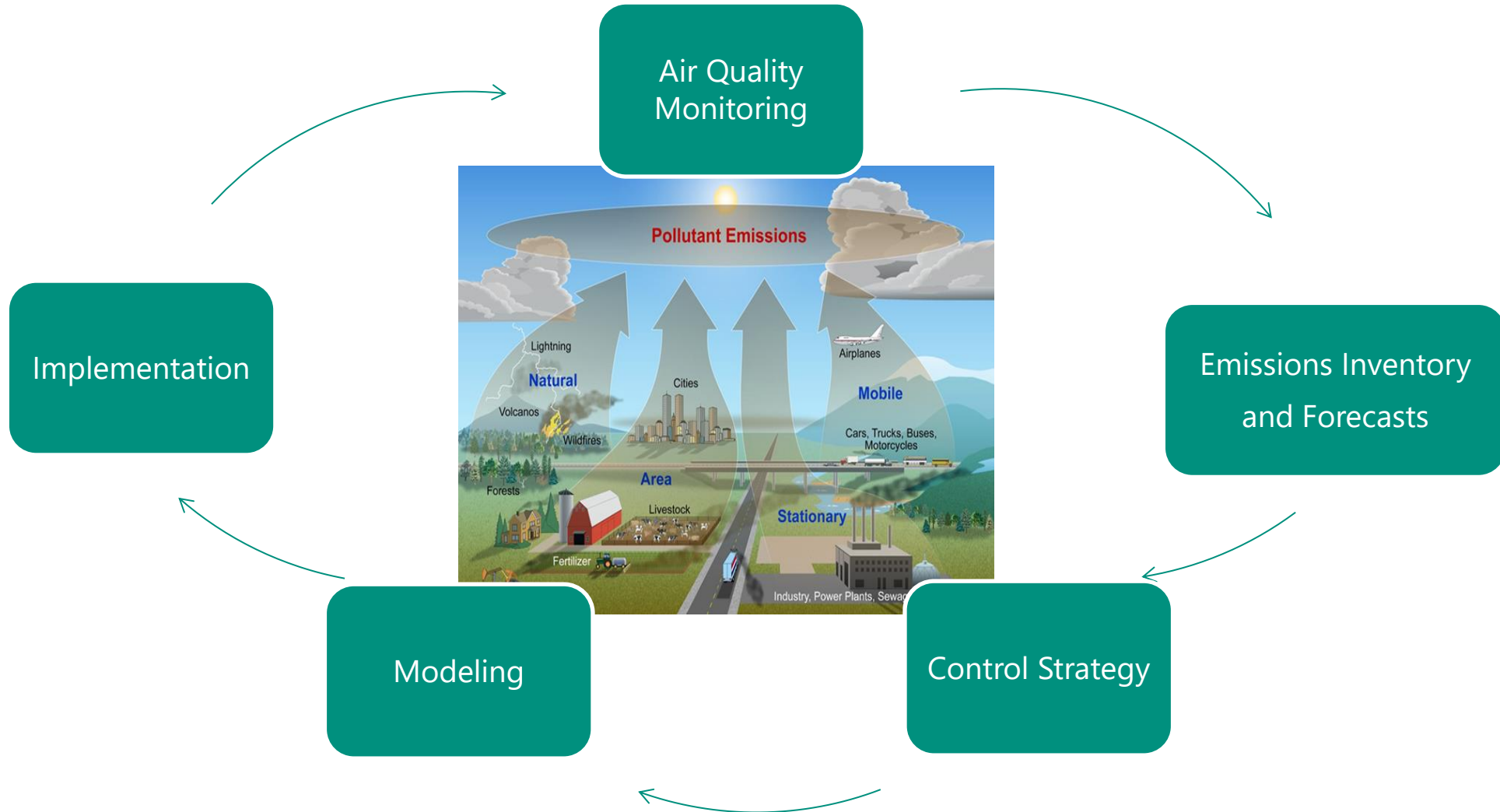
Air Quality Permitting



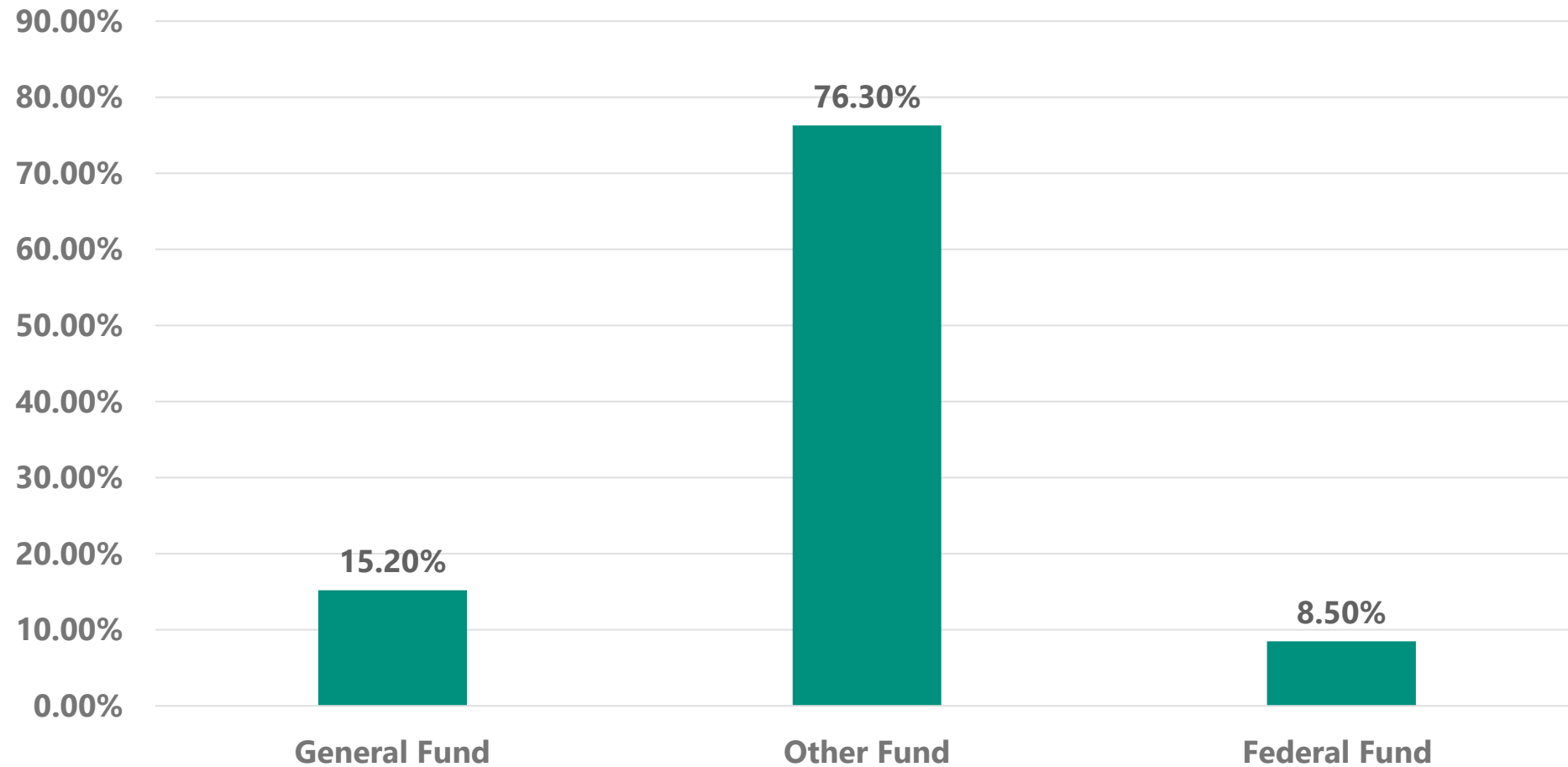
Budget Priorities



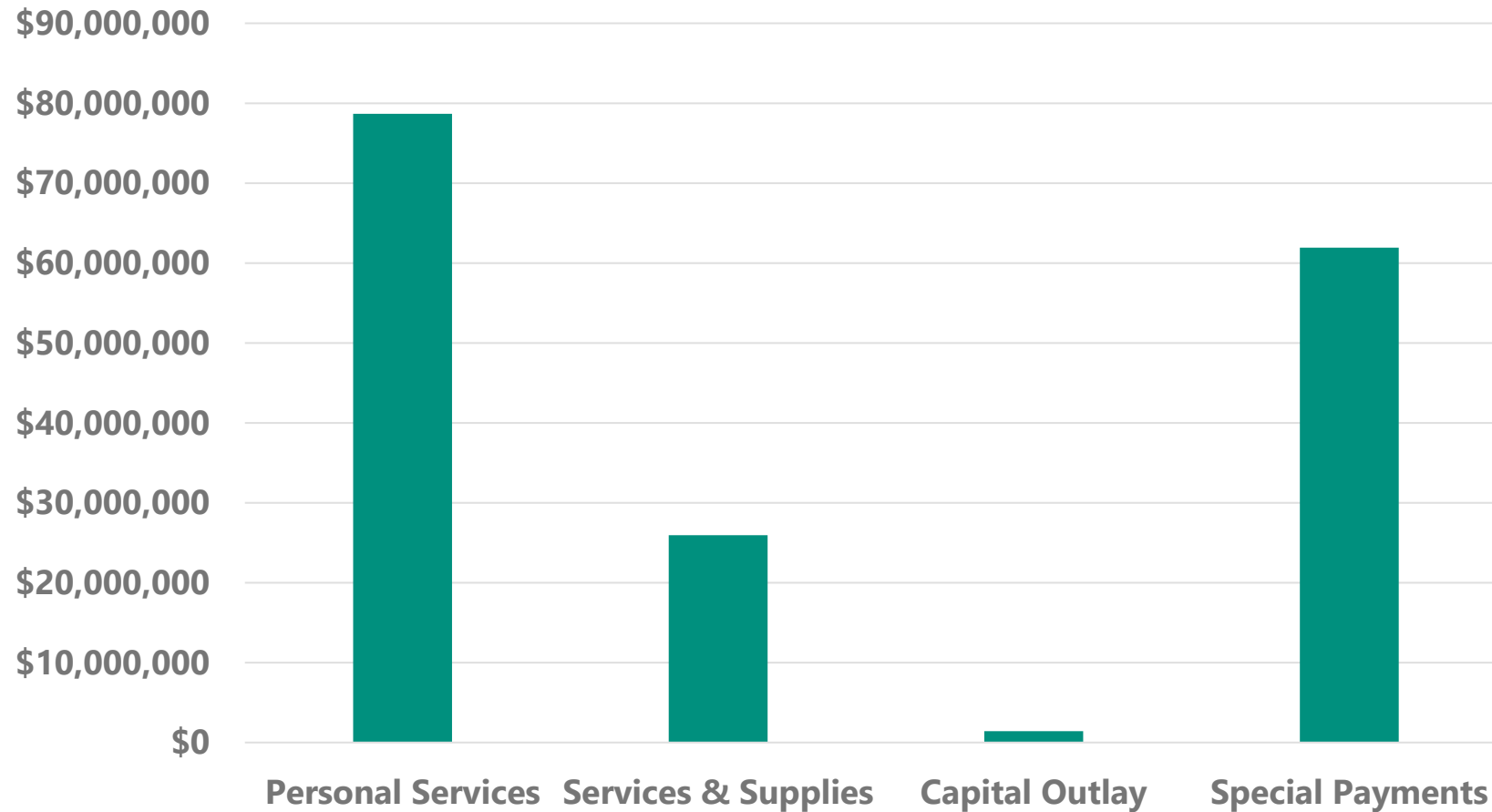
Air quality management process



25-27 GRB Air Quality Division: Fund types



25-27 GRB Air Quality Division: Expenditure categories



Air Quality Programming

Permitting

- **Notice of Construction. New Permits. Amendments. Modifications. Renewal**

Planning. Technical Services. Monitoring

- **Tracking Progress. Problem Areas. Effective Policies. Wildfire and SIP**

Transportation Strategies

- **Grants and Rebates. Vehicle Inspection Program**

Compliance and Complaints

- **Inspections. Report Review. Complaints. Protecting Communities. Level Playing field**

Public Outreach

- **AQI. Public Involvement. Transparent Processes. Empowering Communities.**

Key programming: Incentive programs

Clean Diesel Grants

- Supported by Volkswagen Settlement and other Federal Funds
- Incentives retrofit and replacement of older diesel engines

Zero-Emissions Fueling Infrastructure Program

- Established by the Legislature in 2022
- \$15 Million to support planning and installation of M/HD ZEV fueling infrastructure

Clean Vehicle Rebate Program

- Established by the Legislature in 2017
- Supported by New Vehicles Privilege Tax and General Funds
- 2025 Charge Ahead Rebates will be supported through the CPRG.

M/HD Electrification

- Established by Legislature in 2023
- CPRG will fund \$15M in incentives

Permitting and inspections

Title V – 102 sources

- Federally delegated program
- Fully fee-funded

Air Contaminant Discharge –2500 sources

- Minor source state-level permits
- Funded by fees, general fund and federal funds

Cleaner Air Oregon

- Air toxics risk assessment and management
- Funded by fees and general fund



Permitting snapshot for 2024

2600 permit holders

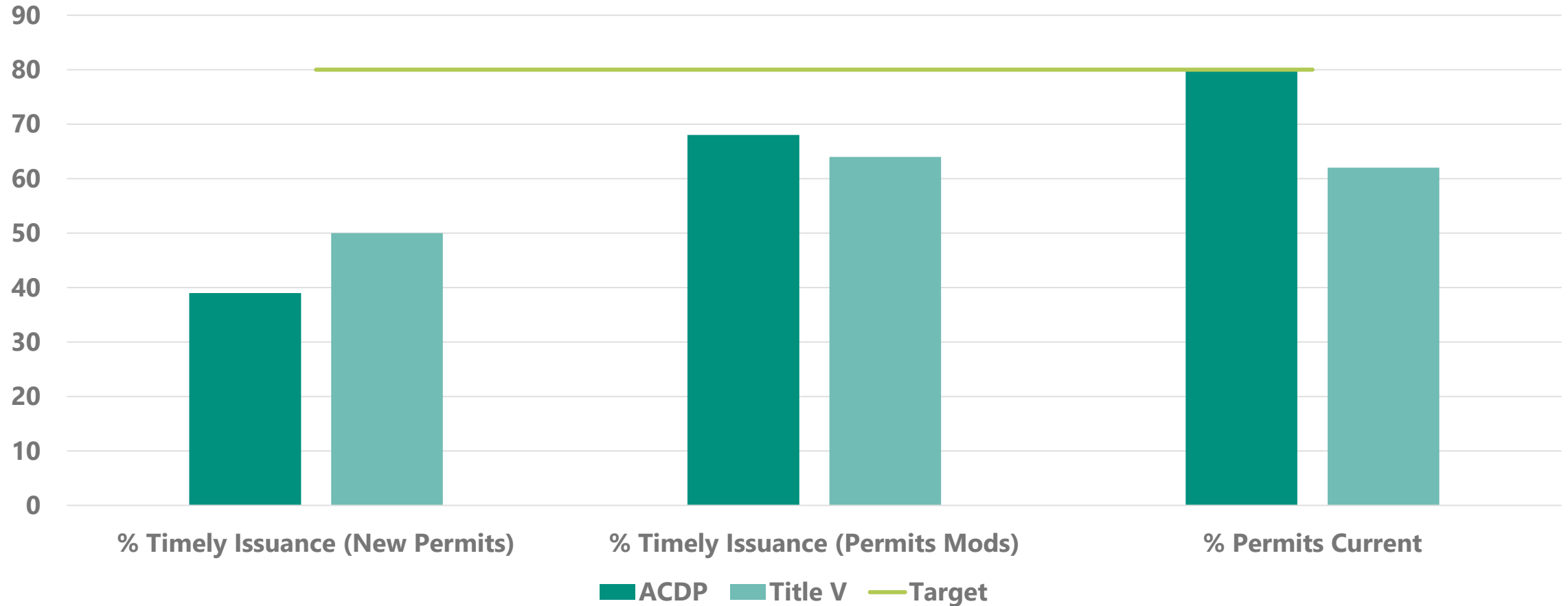
29 new facilities

988 Permitting activities

- 336 New Construction notices
- 66 Modifications and amendments
- 586 Permits renewed

Over 1,000 Complaints responded to

Air Quality Permitting KPMs



Successes



Full attainment with federal AQ standards



Launch of online permitting system



Risk values for 600 air toxics



Excellent customer service reviews
Permittees
Clean Air Stations

Permit Improvement Project

Improve transparency

- Improved data
- Ability to track permit milestones

Improve efficiency and timeliness

- Dedicated permit writers for key projects
- Prioritize new permits and major modifications

POP 110: Air Contaminant Discharge Permitting support

Authorizes a 20% fee increase to maintain current service levels in the ACDP, and add 5 FTE for permitting

- Fees last increased in 2020. Proposal is to implement increase in 2026.
- \$1,555,884 OF limitation
- Without POP 110:
 - Backlogs in ACDP permitting and potential delays in construction approvals
 - A steeper fee increase in the next biennium to stabilize the program
 - Increased regulatory uncertainty for regulated sources due to delayed permit actions and source test reviews.



POP 112: Accelerating Cleaner Air Oregon process

Authorize three new positions the Cleaner Air Oregon risk assessment process.

- Positions only, no new revenue needed
- \$1,006,762 OF limitation
- Dedicate technical staff to specific sources, providing expertise and assistance, and expediting the process for facilities



Title VI and alternate formats

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