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To: Natural Resources Subcommittee  
 From: Katie Bannikov, Legislative Fiscal Office  
 Date: June 3, 2025  
 Subject: HB 5010 – Department of Geology and Mineral Industries  
 Work Session Recommendations

Department of Geology and Mineral Industries				
<i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	5,955,423	9,844,208	8,722,685	10,687,685
Other Funds	6,087,655	8,491,135	7,520,530	20,069,258
Federal Funds	4,651,819	5,663,435	5,988,729	5,988,729
<b>TOTAL FUNDS</b>	<b>16,694,897</b>	<b>23,998,778</b>	<b>22,231,944</b>	<b>36,745,672</b>
Positions	35	41	36	50
FTE	34.67	40.50	36.00	48.80

Attached are the Legislative Fiscal Office (LFO) recommendations for the 2025-27 biennial budget and Key Performance Measures for the Department of Geology and Mineral Industries.

The recommended budget of approximately \$36.7 million total funds supports 50 positions (48.80 FTE) and represents a 53.1% increase from the 2023-25 legislatively approved budget (LAB), and a 65.3% increase over the 2025-27 current service level (CSL).

The agency is split into two divisions, Geological Survey and Services (GS&S) which has General Fund, Other Funds, and Federal Funds and Mineral Land Regulation and Reclamation (MLRR) which is traditionally completely Other Funds derived from fees and charges for service but has one-time General Fund for the ePermitting project. The federal funds budget for GS&S includes

limitation that assumes the program will continue to apply and receive grants from Federal Emergency Management Administration Cooperating Technical Partners program, National Weather Service National Tsunami Hazard Mitigation program, U.S. Geological Survey STATEMAP program, and U.S. Geological Survey National Geological and Geophysical Data Preservation program, all of which are typically annual awards that the Department has received for at least eight years, with some up to 32 years. This budget allows the Department to prospectively apply for these specific grants, without formally requesting approval through the Legislative process, due to the long-term consistency of receiving these funds.

The agency is still directed to provide monthly financial status reports to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office on grants status and follow the Legislative process to request permission to apply for all other federal grant opportunities.

The increase above CSL is driven by five policy packages equal to \$14.5 million total funds and increases 14 positions (12.80 FTE). The recommended investments support geological carbon sequestration research and projects, completion of the ePermitting project, and increased staffing for MLRR to address permit backlogs and increase site inspections for compliance.

### **Adjustments to Current Service Level**

See attached “Work Session Presentation Report.”

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

#### **Accept LFO Recommendation**

MOTION: I move the LFO recommendation to HB 5010. *(vote)*

**OR**

#### **Modify LFO Recommendation**

MOTION: I move the LFO recommendation to HB 5010, with modifications. *(vote)*

### **Performance Measures**

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

#### **Accept LFO Recommendation**

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

**OR**

#### **Modify LFO Recommendation**

**MOTION:** I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

## Budget Notes

### #1 Budget Note: ePermitting System

The Department of Geology and Mineral Industries shall report to the Natural Resources Subcommittee of the Joint Committee on Ways and Means during the 2026 legislative session on the status of the Department's ePermitting system. The report must provide an update on the project and should include, at a minimum, the following information:

- Project governance, management, and staffing;
- Project status, including Stage Gate status, timeline, budget, and total cost;
- Current project risks, likely impacts, and mitigation strategies;
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

### #2 Budget Note: MLRR Process Audit

The Department of Geology and Mineral Industries Mineral Land Regulation and Reclamation program underwent a process audit in spring 2025 that identified staffing needs and options for operational efficiencies. While expected revenue from fee increases in the 2025-27 biennium will sustain program operations for the 2025-27 biennium and increase staffing to reduce the current permit backlog and increase the number of site inspections across the state, the revenue is not sufficient to fully implement the audits findings.

The Department is directed to report to the Natural Resources Subcommittee of the Joint Committee on Ways and Means during the 2027 session on the status of audit findings implemented, progress made of the permit backlog and anticipated completion date, the average number of days to process a permit application by application type, and the projected cost and related fee increase necessary to fully implement the process audit findings.

#### **Accept** LFO Recommendation

**MOTION:** I move the LFO recommendation on Budget Notes. *(vote)*

**OR**

#### **Modify** LFO Recommendation

**MOTION:** I move the LFO recommendation on Budget Notes, with modifications. *(vote)*

## Amendment

LFO recommends a budget of \$10,687,685 General Fund, \$20,069,258 Other Funds, \$5,988,729 Federal Funds, and 50 positions (48.80 FTE), which is reflected in the –1 amendment.

**MOTION:** I move adoption of the –1 amendment to HB 5010. *(vote)*

## Final Subcommittee Action

LFO recommends that HB 5010, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

**MOTION:** I move HB 5010, as amended, to the Full Committee with a do pass recommendation. *(vote)*

## Carriers

Full Committee:

House Floor:

Senate Floor:

	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Nonlimited Other Funds</b>	<b>Nonlimited Federal Funds</b>	<b>Total Funds</b>	<b>Positions</b>	<b>Full-Time Equivalent (FTE)</b>
<b>2023-25 Agy. Leg. Adopted</b>	<b>9,383,601</b>	-	<b>7,383,915</b>	<b>5,522,133</b>	-	-	<b>22,289,649</b>	<b>41</b>	<b>40.50</b>
2023-25 Ebds, SS & Admin Act	460,607	-	1,107,220	141,302	-	-	1,709,129	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2023-25 Leg Approved Budget</b>	<b>9,844,208</b>	-	<b>8,491,135</b>	<b>5,663,435</b>	-	-	<b>23,998,778</b>	<b>41</b>	<b>40.50</b>
<b>2023-25 Leg Approved Budget (Base)</b>	<b>9,844,208</b>	-	<b>7,741,135</b>	<b>5,663,435</b>	-	-	<b>23,248,778</b>	<b>41</b>	<b>40.50</b>
Summary of Base Adjustments	257,517	-	(562,231)	93,233	-	-	(211,481)	(5)	(4.50)
<b>2025-27 Base Budget</b>	<b>10,101,725</b>	-	<b>7,178,904</b>	<b>5,756,668</b>	-	-	<b>23,037,297</b>	<b>36</b>	<b>36.00</b>
010: Non-PICS Pers Svc/Vacancy Factor	(54,518)	-	(58,829)	(15,763)	-	-	(129,110)	-	-
020: Phase In / Out Pgm & One-time Cost	(1,399,581)	-	(37,775)	-	-	-	(1,437,356)	-	-
030: Inflation & Price List Adjustments	298,266	-	215,023	247,824	-	-	761,113	-	-
060: Technical Adjustments	(223,207)	-	223,207	-	-	-	-	-	-
<b>2025-27 Current Service Level</b>	<b>8,722,685</b>	-	<b>7,520,530</b>	<b>5,988,729</b>	-	-	<b>22,231,944</b>	<b>36</b>	<b>36.00</b>
<b>Adjusted 2025-27 Current Service Level</b>	<b>8,722,685</b>	-	<b>7,520,530</b>	<b>5,988,729</b>	-	-	<b>22,231,944</b>	<b>36</b>	<b>36.00</b>
<b>Total LFO Recommended Packages</b>	<b>1,965,000</b>	-	<b>12,548,728</b>	-	-	-	<b>14,513,728</b>	<b>14</b>	<b>12.80</b>
<b>2025-27 Legislative Actions</b>	<b>10,687,685</b>	-	<b>20,069,258</b>	<b>5,988,729</b>	-	-	<b>36,745,672</b>	<b>50</b>	<b>48.80</b>
Net change from 2023-25 Leg Approved Budget	843,477	-	11,578,123	325,294	-	-	12,746,894	9	8.30
Percent change from 2023-25 Leg Approved Budget	8.6%	0.0%	136.4%	5.7%	0.0%	0.0%	53.1%	22.0%	20.5%
Net change from 2025-27 Adj Current Service Level	1,965,000	-	12,548,728	-	-	-	14,513,728	14	12.80
Percent change from 2025-27 Adj Current Service Level	22.5%	0.0%	166.9%	0.0%	0.0%	0.0%	65.3%	38.9%	35.6%

	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Nonlimited Other Funds</b>	<b>Nonlimited Federal Funds</b>	<b>Total Funds</b>	<b>Positions</b>	<b>Full-Time Equivalent (FTE)</b>
<b>2023-25 Agy. Leg. Adopted</b>	<b>7,383,601</b>	-	<b>2,539,241</b>	<b>5,522,133</b>	-	-	<b>15,444,975</b>	<b>25</b>	<b>24.20</b>
2023-25 Ebds, SS & Admin Act	400,584	-	46,468	141,302	-	-	588,354	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2023-25 Leg Approved Budget</b>	<b>7,784,185</b>	-	<b>2,585,709</b>	<b>5,663,435</b>	-	-	<b>16,033,329</b>	<b>25</b>	<b>24.20</b>
<b>2023-25 Leg Approved Budget (Base)</b>	<b>7,784,185</b>	-	<b>2,585,709</b>	<b>5,663,435</b>	-	-	<b>16,033,329</b>	<b>25</b>	<b>24.20</b>
Summary of Base Adjustments	679,444	-	48,512	93,233	-	-	821,189	-	0.50
<b>2025-27 Base Budget</b>	<b>8,463,629</b>	-	<b>2,634,221</b>	<b>5,756,668</b>	-	-	<b>16,854,518</b>	<b>25</b>	<b>24.70</b>
010: Non-PICS Pers Svc/Vacancy Factor	(39,210)	-	(4,507)	(15,763)	-	-	(59,480)	-	-
030: Inflation & Price List Adjustments	298,266	-	115,443	247,824	-	-	661,533	-	-
<b>2025-27 Current Service Level</b>	<b>8,722,685</b>	-	<b>2,745,157</b>	<b>5,988,729</b>	-	-	<b>17,456,571</b>	<b>25</b>	<b>24.70</b>
<b>Adjusted 2025-27 Current Service Level</b>	<b>8,722,685</b>	-	<b>2,745,157</b>	<b>5,988,729</b>	-	-	<b>17,456,571</b>	<b>25</b>	<b>24.70</b>
<b>Total LFO Recommended Packages</b>	<b>140,000</b>	-	<b>10,000,000</b>	-	-	-	<b>10,140,000</b>	<b>4</b>	<b>3.52</b>
<b>2025-27 Legislative Actions</b>	<b>8,862,685</b>	-	<b>12,745,157</b>	<b>5,988,729</b>	-	-	<b>27,596,571</b>	<b>29</b>	<b>28.22</b>
Net change from 2023-25 Leg Approved Budget	1,078,500	-	10,159,448	325,294	-	-	11,563,242	4	4.02
Percent change from 2023-25 Leg Approved Budget	13.9%	0.0%	392.9%	5.7%	0.0%	0.0%	72.1%	16.0%	16.6%
Net change from 2025-27 Adj Current Service Level	140,000	-	10,000,000	-	-	-	10,140,000	4	3.52
Percent change from 2025-27 Adj Current Service Level	1.6%	0.0%	364.3%	0.0%	0.0%	0.0%	58.1%	16.0%	14.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 100 GS&S - ESRI Cost Increase**

Package Description This package provides \$140,000 General Fund to meet increased Environmental Systems Research Institute (ESRI) licensing fees. The software is used by most of the agency staff for Geographic Information Systems (GIS) core services. The requested amount represents the price agreement cost of the licenses above the budgeted current service level for the agency.

LFO Recommendation Approve the package.

<b>LFO Recommended</b>	<b>140,000</b>	-	-	-	-	-	<b>140,000</b>	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 102 GS&S - Subsurface Geology and Mapping Program**

Package Description This package increases Other Funds expenditure limitation by \$10 million, one-time, and establishes four limited duration full-time positions (3.52 FTE) for a pilot program for building shovel-ready geologic carbon sequestration projects. The Department is working with the Department of State Lands (DSL) to develop opportunities on state lands. DSL is providing one-time funding of \$10 million for this project, and DOGAMI expects to leverage these funds to obtain funding from other partners such as federal agencies, universities, and non-profit organizations in future biennia.

LFO Recommendation Approve the package.

<b>LFO Recommended</b>	-	-	10,000,000	-	-	-	10,000,000	4	3.52
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**Mined Land Reclamation**

	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Nonlimited Other Funds</b>	<b>Nonlimited Federal Funds</b>	<b>Total Funds</b>	<b>Positions</b>	<b>Full-Time Equivalent (FTE)</b>
<b>2023-25 Agy. Leg. Adopted</b>	<b>2,000,000</b>	-	<b>4,844,674</b>	-	-	-	<b>6,844,674</b>	<b>16</b>	<b>16.30</b>
2023-25 Ebds, SS & Admin Act	60,023	-	1,060,752	-	-	-	1,120,775	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2023-25 Leg Approved Budget</b>	<b>2,060,023</b>	-	<b>5,905,426</b>	-	-	-	<b>7,965,449</b>	<b>16</b>	<b>16.30</b>
<b>2023-25 Leg Approved Budget (Base)</b>	<b>2,060,023</b>	-	<b>5,155,426</b>	-	-	-	<b>7,215,449</b>	<b>16</b>	<b>16.30</b>
Summary of Base Adjustments	(421,927)	-	(610,743)	-	-	-	(1,032,670)	(5)	(5.00)
<b>2025-27 Base Budget</b>	<b>1,638,096</b>	-	<b>4,544,683</b>	-	-	-	<b>6,182,779</b>	<b>11</b>	<b>11.30</b>
010: Non-PICS Pers Svc/Vacancy Factor	(15,308)	-	(54,322)	-	-	-	(69,630)	-	-
020: Phase In / Out Pgm & One-time Cost	(1,399,581)	-	(37,775)	-	-	-	(1,437,356)	-	-
030: Inflation & Price List Adjustments	-	-	99,580	-	-	-	99,580	-	-
060: Technical Adjustments	(223,207)	-	223,207	-	-	-	-	-	-
<b>2025-27 Current Service Level</b>	-	-	<b>4,775,373</b>	-	-	-	<b>4,775,373</b>	<b>11</b>	<b>11.30</b>
<b>Adjusted 2025-27 Current Service Level</b>	-	-	<b>4,775,373</b>	-	-	-	<b>4,775,373</b>	<b>11</b>	<b>11.30</b>
<b>Total LFO Recommended Packages</b>	<b>1,825,000</b>	-	<b>2,548,728</b>	-	-	-	<b>4,373,728</b>	<b>10</b>	<b>9.28</b>
<b>2025-27 Legislative Actions</b>	<b>1,825,000</b>	-	<b>7,324,101</b>	-	-	-	<b>9,149,101</b>	<b>21</b>	<b>20.58</b>
Net change from 2023-25 Leg Approved Budget	(235,023)	-	1,418,675	-	-	-	1,183,652	5	4.28
Percent change from 2023-25 Leg Approved Budget	(11.4%)	0.0%	24.0%	0.0%	0.0%	0.0%	14.9%	31.3%	26.3%
Net change from 2025-27 Adj Current Service Level	1,825,000	-	2,548,728	-	-	-	4,373,728	10	9.28
Percent change from 2025-27 Adj Current Service Level	100.0%	0.0%	53.4%	0.0%	0.0%	0.0%	91.6%	90.9%	82.1%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 101 MLRR - ePermitting**

Package Description This package provides \$1,825,000 General Fund, one-time, for the ePermitting project initiated in the 2023-25 biennium. This project relies on the completion of the Department of Environmental Quality (DEQ) online project and will leverage processes developed by DEQ to decrease costs.

Of this amount, \$1.3 million, will be reverted due to a delay with completing DEQ's online project in the 2023-25 biennium and reappropriated in this package. Additionally, there is \$500,000 for the anticipated total cost to complete the project in the 2025-27 biennium.

Lastly, this package establishes one existing limited duration full-time Information Systems Specialist 3 as permanent to support the system. This position will be supported by Other Funds after the 2025-27 biennium.

The Department is directed to propose a minimum of one new Key Performance Measure during the 2027-29 budget development process regarding permit application processing against regulatory timelines.

LFO Recommendation Approve the package.

<b>LFO Recommended</b>	<b>1,825,000</b>	-	-	-	-	-	<b>1,825,000</b>	<b>1</b>	<b>1.00</b>
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 103 MLRR - Fee Increase and Program Right-Sizing**

Package Description This package increases Other Funds expenditure limitation by \$1,625,046 and establishes six permanent full-time positions (5.28 FTE) and associated services and supplies in the Mineral Land Regulation and Reclamation program. The positions will assist with permitting service levels and increased site inspections for compliance.

The agency contracted for a process audit that was received in spring 2025. This package addresses a portion of the audit recommendations, and the agency will be required to report to the Legislature in 2027 on the implementation status related to the audit recommendations.

Lastly, this package includes \$3.1 million in Other Funds revenue associated with a fee increase authorized in SB 836 (2025).

LFO Recommendation Approve the package.

<b>LFO Recommended</b>	-	-	<b>1,625,046</b>	-	-	-	<b>1,625,046</b>	<b>6</b>	<b>5.28</b>
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**Mined Land Reclamation**

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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**Package 104 MLRR - Program Establishment**

Package Description This package increases Other Funds expenditure limitation by \$923,682 and establishes three permanent full-time positions (3.00 FTE) that were previously limited duration.

The positions include one Natural Resource Specialist (NRS) 2, one NRS 3, and one NRS 4 which will continue to support mining permit and compliance efforts.

LFO Recommendation Approve the package.

<b>LFO Recommended</b>	-	-	923,682	-	-	-	923,682	3	3.00
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# Legislatively Proposed 2025 - 2027 Key Performance Measures

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**Agency:** Department of Geology and Mineral Industries

**Mission Statement:**

Provide earth science information and regulation to make Oregon safe and prosperous.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. HAZARD AND RISK ASSESSMENT COMPLETION - Percent of population residing in Oregon Urban Growth Boundary Areas (UGBs) that have completed geologic hazard and risk assessments that are suitable to initiate Department of Land Conservation and Development goal 7 planning for earthquake, landslide, tsunami, coastal erosion, volcanic and flooding hazards.		Approved	72.40%	77%	82%
2. DETAILED GEOLOGIC MAP COMPLETION - Percent of Oregon where geologic data in the form of high resolution maps have been completed to be used for local problem solving.		Approved	63.50%	65%	67%
3. LIDAR DATA COMPLETION - Percent of Oregon (sq. miles) with lidar data at USGS quality level 2 or better.		Approved	76.30%	80%	85%
4. MINE SITE INSPECTIONS - Percent of active mine sites inspected annually.		Approved	14%	25%	25%
5. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved	66.30%	95%	95%
	Overall		62.90%	95%	95%
	Accuracy		63.30%	95%	95%
	Expertise		68.90%	95%	95%
	Availability of Information		61.50%	95%	95%
	Timeliness		61.50%	95%	95%
6. GOVERNANCE - Percent of yes responses by Governing Board members to the set of best practices.		Approved	100%	100%	100%

**LFO Recommendation:**

The Department is directed to propose a minimum of one new Key Performance Measure during the 2027-29 budget development process regarding permit application processing against regulatory timelines.

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

**SubCommittee Action:**