

**76<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

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**MEASURE: HB 5022-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Jenson  
Carrier – Senate: Sen. Edwards**

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**Action:** Do Pass as Amended and as Printed A-Engrossed

**Vote:** 17 – 7 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, Nathanson, Nolan, G. Smith, Whisnant  
– Nays: McLane, Thatcher  
– Exc: Richardson

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson  
– Nays: Girod, Thomsen, Verger, Whitsett, Winters  
– Exc:

**Prepared By:** Lisa Pearson, Department of Administrative Services

**Reviewed By:** Paul Siebert, Legislative Fiscal Office

**Meeting Date:** June 3, 2011

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**Agency**  
Department of Environmental Quality

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**Biennium**  
2011-13

**Budget Summary**

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 26,215,372	\$ 31,144,913	\$ 23,388,965	\$ 19,502,802	\$ (6,712,570)	-25.6%
General Fund Debt Svc	\$ 4,592,353	\$ 5,573,180	\$ 5,573,180	\$ 5,573,180	\$ 980,827	21.4%
Lottery Funds Ltd	\$ 5,415,717	\$ 5,911,822	\$ 3,133,153	\$ 4,503,053	\$ (912,664)	-16.9%
Other Funds	\$ 136,660,803	\$ 148,457,872	\$ 142,938,328	140,129,832	3,469,029	2.5%
Other Funds Debt Svc Ltd	\$ 1,197,600	\$ 238,600	\$ 238,600	238,600	(959,000)	-80.1%
Other Funds Debt Svc Non-Ltd	\$ 14,294,948	\$ 6,130,201	\$ 16,150,201	16,150,201	1,855,253	13.0%
Other Funds Non-Ltd	\$ 174,778,200	\$ 80,000,000	\$ 109,516,601	109,516,601	(65,261,599)	-37.3%
Federal Funds	\$ 37,313,314	\$ 33,887,324	\$ 32,597,667	30,731,562	(6,581,752)	-17.6%
<b>Total</b>	<b>\$ 400,468,307</b>	<b>\$ 311,343,912</b>	<b>\$ 333,536,695</b>	<b>\$ 326,345,831</b>	<b>\$ (74,122,476)</b>	<b>-18.5%</b>

**Position Summary**

Authorized positions	814	801	771	725	(89)
Full-time equivalent positions (FTE)	790.13	783.53	748.20	710.92	(79.21)

(1) Includes adjustments through the March 2011 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

In addition to General Fund and Federal Funds, the department has a number of Other Funds revenue sources. The main Other Fund revenue sources include fees, loan proceeds, and charges for services. The department will implement fee adjustments on electronic waste manufacturer registrations, gray water use permits, and storm water permits during the interim. The department also receives Measure 76 Lottery Funds from the Oregon Watershed Enhancement Board. The Vehicle Inspection Fee in the Portland area is reduced \$2, resulting in a \$1.5 million revenue reduction (see package 812 in the Air Quality program).

## **Summary of Natural Resources Subcommittee Action**

The Department of Environmental Quality (DEQ) restores, maintains and enhances the quality of Oregon's air, water, and land. It regulates industrial air pollution, conducts vehicle emissions testing, sets and enforces water quality standards, monitors river basins, measures groundwater quality, and regulates waste discharges from city sewage treatment and industrial facilities. It also regulates hazardous waste disposal, promotes solid waste reduction, regulates underground storage tanks, and enhances environmental cleanup.

The Subcommittee approved a budget of \$25,075,982 General Fund and \$4,503,053 Measure 76 Lottery Funds. The Total Funds budget is \$326,345,831 and includes 710.92 FTE. The approved budget eliminates inflation and reduces Services and Supplies, creates a supplemental ending balance, eliminates 89 positions, and reduces projected remaining personal services expenditures. It includes bond proceeds for known orphan site clean-up work and for the Clean Water State Revolving Fund. Any adjustments for services provided by central agencies such as the Department of Administrative Services will be made in a separate disappropriation bill later.

The recommended budget for this agency includes a reduction of General and Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and not to affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored to the agency during the February 2012 session for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage the budget accordingly.

### **Air Quality Program**

This program ensures that Oregon meets all federal ambient air quality standards by regulating, detecting, monitoring and analyzing data, and enforcing air protection law. The program is responsible for air quality policy, planning, and rule development. It operates the Vehicle Emission Inspection Program in the Portland Metropolitan area and Medford. The Subcommittee approved a total funds budget of \$52,565,440 and 222.75 FTE.

Package 085: 2009-11 Allotment Reduction roll-ups was approved; it eliminates three positions (2.50 FTE) that work on air emission inventories. Savings also accrue from ongoing streamlining efforts. The reductions started in the 2009-11 biennium. The package saves \$463,608 General Fund and adds \$3,878 Federal Funds, for a total reduction of \$459,730.

The Subcommittee approved Package 086 and Package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Package 090: Analyst Adjustments was approved; it eliminates six positions (6.40 FTE) and associated Services and Supplies for a savings of \$1,525,685 General Fund and \$11,714 Other Funds. It also includes an increase of \$24,852 Federal Funds. The total savings in the package is \$1,512,547. This package eliminates carbon monoxide and particulate matter 10 monitoring and reduces local government air quality outreach, Lane Regional Air Pollution Agency support, air toxics outreach, fine particulate planning and monitoring, clean diesel work, and air contaminant discharge permitting.

The Subcommittee approved Package 112: Air Quality Pass through Grants, which increases the transfer of funds provided through the federal Clean Air Section 103 for fine particulate monitoring. The package adds \$195,312 Federal Funds expenditure limitation.

The Subcommittee approved Package 801: Targeted Statewide Adjustments, which reduces non-fixed Services and Supplies expenditures by 6.5 percent. This results in a \$168,214 General Fund reduction. This package is a standard statewide package.

Package 802: Vacant Position Savings was approved; it eliminates eight positions (6.26 FTE) that have long been vacant and were reviewed with the agency. The positions were determined not to be critical for the agency's core functions. The package eliminates \$812,126 Other Funds expenditure limitation.

The Subcommittee approved Package 810: LFO Analyst Adjustments, which reduces air toxics monitoring in Klamath Falls or a monitor in Medford. The Subcommittee heard testimony from the agency director that the Medford site would likely be eliminated since the Klamath Falls site had just been put in place. The package reduces General Fund by \$265,430 and two positions (1.00 FTE).

The Subcommittee also approved Package 812: Technical Adjustments, which adjusts revenue and has no effect on expenditures. It temporarily lowers the Vehicle Inspection Fee in the Portland area from \$21 to \$19, resulting in a revenue reduction of \$1.5 million. The program has run a surplus for the last few biennia. The department will evaluate the result on program balances to determine if the fee reduction can be made permanent.

Package 819: Supplemental Statewide Ending Balance was approved; this package produces savings of \$196,067 General Fund to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or 7 percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium.

#### Water Quality Program

This program works to achieve and maintain water quality. Program responsibilities include implementing the federal Clean Water Act, monitoring and regulating the use of water and wastewater, developing federally required plans to meet water quality standards, implementing the Oregon Plan for Healthy Salmon and Streams, providing financial and technical assistance, monitoring groundwater, and implementing certain elements of the Safe Drinking Water Act. The Subcommittee approved a total funds budget of \$52,099,054 and 201.83 FTE.

The Subcommittee approved Package 070: Revenue Reductions; it reduces Lottery Fund and Other Funds expenditure limitations to meet revenue expectations. Lottery Funds expenditures were reduced to match the September 2010 state revenue forecast. Other Funds expenditures were reduced because of the effects of the recession on fee revenues, particularly the onsite (septic) program which is linked to housing construction.

Package 085: 2009-11 Allotment Reduction roll-ups was approved; it eliminates ten positions (10.25 FTE). It continues reductions to toxics monitoring and mixing zone studies, information services and support, wastewater permitting, water quality permitting, Willamette Total Maximum Daily Load implementation and wastewater and storm water permitting. The reductions started in the 2009-11 biennium. The package reduces General Fund by \$2,055,425 and Other Funds expenditure limitation by \$4,514, for a total reduction of \$2,059,939.

The Subcommittee approved Package 086 and Package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Package 090: Analyst Adjustments eliminates four positions (4.00 FTE) and associated Services and Supplies. It reduces toxics monitoring and mixing zone studies, water quality enforcement, and Willamette Total Maximum Daily Load implementation. It also buys back a portion of the wastewater permitting reductions and other reductions in Package 070 by using Other Funds and Federal Funds savings from package 086 and package 087. It reduces General Fund by \$1,840,433 and Lottery Funds by \$2,176,478. It increases Other Funds by \$2,832,569, which includes Federal Fiscal Year 2010 Pacific Coastal Salmon Recovery Funds from the Oregon Watershed Enhancement Board on a one-time basis. It also increases Federal Funds expenditure limitation by \$83,041. The overall effect of the package is a total funds decrease of \$1,101,301.

The Subcommittee approved Package 120: Onsite Septic System, which adds \$135,509 Other Funds expenditure limitation and three limited duration positions (0.88 FTE) to improve the onsite septic system program on the Oregon coast. The package is largely funded through two new fees to be adopted during the 2011-13 interim by the Environmental Quality Commission. One fee would be charged at the time of a real estate transaction and would involve an evaluation of the property's septic system. The other would be charged for septic tank pumping event reporting. The remaining revenue is the result of a few additional minor fee adjustments. The fees are part of an overall strategy developed with an external advisory committee, which included installers, manufacturers, maintenance providers and county governments. The goals of the package are to reduce leaking systems, improve information for real estate transactions, maintain alternative septic systems to reduce the chances of failure and review technologies in a timely manner. The package would allow for on-line submission of reports and information dissemination. It would also eliminate an existing reporting requirement that is not useful, which helps streamline the program.

Package 123: Drinking Water Protection was approved; it continues six positions (5.50 FTE) as permanent and provides \$1,132,428 Other Funds expenditure limitation. The agency identifies potential sources of contamination, while the Oregon Health Authority maps source water areas. Both agencies are required by federal law to track, assess and protect drinking water. The package is federally funded through the Department of Human Services which funnels some of the program funding to DEQ, where it is expended as Other Funds.

The Subcommittee approved Package 801: Targeted Statewide Adjustments, which reduces non-fixed Services and Supplies expenditures by 6.5 percent. This results in a \$330,837 General Fund and a \$69,075 Lottery Funds reduction. This package is a standard statewide package.

Package 802: Vacant Position Savings was approved; this package eliminates 14 positions (11.69 FTE) that have long been vacant and were reviewed with the agency. The positions were determined not to be critical for the agency's core functions. The package eliminates \$1,119,786 Other Funds expenditure limitation along with the positions.

The Subcommittee approved Package 810: LFO Analyst Adjustments, which eliminates a manager position focused on information technology and process efficiencies, a complaints position, and a half-time permit writer. The package reduces General Fund by \$590,278 and two positions (2.50 FTE).

Package 813: Fund Shift to Measure 76 Lottery Funds was approved; it shifts funding for water quality monitoring positions from General Fund to Measure 76 Lottery Funds. The shift reduces General Fund by \$1,603,527 and increases Lottery Funds expenditure limitation by the same amount, for no net overall fiscal effect.

Package 819: Supplemental Statewide Ending Balance was approved; this package produces savings of \$458,525 General Fund and \$164,552 Lottery Funds to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or 7 percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium, if necessary.

#### Land Quality Program

This program unit includes hazardous waste management and reduction, solid waste management and reduction, underground storage tank compliance, site assessment, site response, underground storage tank cleanup, spill prevention and management, voluntary cleanup, and policy and program development. The Subcommittee approved a total funds budget of \$66,673,935 and 203.84 FTE.

The Subcommittee approved Package 070: Revenue Reductions; it reduces Other Funds and Federal Funds expenditure limitations to meet revenue expectations. Primary reasons for the revenue shortfalls include the effect of the economy on waste disposal and real estate transactions. As consumers cut back on purchases, less solid waste and hazardous waste need disposal. Heating oil tank revenues have declined due to the real estate market. Also, Federal Funds for the McCormick and Baxter Superfund cleanup have been exhausted. The package reduces Other Funds expenditure limitation by \$6,721,464 and Federal Funds expenditure limitation by \$1,550,275, and it eliminates 21 positions (21.45 FTE).

Package 085: 2009-11 Allotment Reduction roll-ups was approved; it eliminates one position (0.50 FTE) that functions as a hazardous waste manager in the Eastern Region. The reduction started in the 2009-11 biennium. The package reduces General Fund by \$175,516 and increases Other Funds expenditure limitation by \$3,187, for a total reduction of \$172,329.

The Subcommittee approved Package 086 and Package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Package 090: Analyst Adjustments was approved; it reduces hazardous waste compliance and shifts a ballast water compliance position to the new ballast water fee found in package 134. It also restores several positions that were eliminated in package 070 using Other Funds and Federal Funds savings from package 086 and package 087. The package reduces General Fund by \$230,197, increases Other Funds expenditure limitation by \$936,493 and Federal Funds expenditure limitation by \$71,674, for an overall total funds increase of \$777,970 and five positions (4.75 FTE).

The Subcommittee approved Package 131: Orphan Site Cleanup – Existing Obligations, which provides general obligation bond proceeds for ongoing investigation and clean-up work at known federal Superfund sites. The debt service for the bonds will be paid by existing Hazardous Substance Possession fees. The package adds \$3,324,830 Other Funds expenditure limitation.

Package 134: Ballast Water Compliance/Technical Assistance was approved; it adds one position (0.38 FTE) to improve efforts to prevent invasive aquatic species infestations through vessel inspections. The request conforms to recommendations from the Oregon Task Force on Shipping Transport of Aquatic Invasive Species. The Task Force was established by House Bill 2714, with a report due to the 2011 Legislative Assembly, and included legislators. The position would be paid for by a new \$70 ballast water management fee, with revenue eventually also helping to reduce the amount of General Fund in the program. The package adds \$96,902 Other Funds expenditure limitation.

The Subcommittee approved Package 801: Targeted Statewide Adjustments, which reduces non-fixed Services and Supplies expenditures by 6.5 percent. This results in a \$26,483 General Fund reduction. This package is a standard statewide package.

Package 802: Vacant Position Savings was approved; this package eliminates 7 positions (5.07 FTE) that have long been vacant and were reviewed with the agency. The positions were determined to not be critical for the agency's core functions. The package eliminates \$324,109 Other Funds and \$525,437 Federal Funds expenditure limitation along with the positions.

Package 819: Supplemental Statewide Ending Balance was approved; this package produces savings of \$20,419 General Fund to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or 7 percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium, if necessary.

#### Agency Management Program

This program provides support to the Environmental Quality Commission. The program includes the Office of the Director, the Public Affairs Office, and the Management Services Division (MSD). MSD consists of the Administration, Business Office, Budget, and Human Resources functions. The Subcommittee approved a total funds budget of \$21,941,682 and 77.50 FTE.

The Subcommittee approved Package 086 and Package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Package 090: Analyst Adjustments was approved; it eliminates one human resources position because of budget reductions in line programs, which will reduce the number of positions the agency manages. This package reduces Other Funds by \$125,095.

Package 802: Vacant Position Savings was approved; this package eliminates 1 position (1.00 FTE) that has long been vacant and was reviewed with the agency. The position was determined to not be critical for the agency's core functions. The package moves savings from the position into Services and Supplies where it has been used historically and the remaining savings from the position results in a total package reduction of \$1,832 Other Funds.

#### Cross Program

This program unit includes work that crosses the Air, Water and Land Quality programs. It houses the Economic Revitalization Team and the pollution prevention tax credit program. The Subcommittee approved a total funds budget of \$1,780,750 and 5.00 FTE.

The Subcommittee approved Package 086 and Package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 801: Targeted Statewide Adjustments, which reduces non-fixed Services and Supplies expenditures by 6.5 percent. This results in an \$8,474 General Fund reduction. This package is a standard statewide package.

Package 802: Vacant Position Savings was approved; this package eliminates 1 position (1.00 FTE) that has long been vacant and was reviewed with the agency. The position was determined not to be critical for the agency's core functions. The package reduces Federal Funds expenditure limitation by \$142,978.

Package 819: Supplemental Statewide Ending Balance was approved; this package produces savings of \$24,297 General Fund to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or 7 percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium, if necessary.

#### Nonlimited

This program contains the agency's bond proceeds for its State Revolving Fund and Sewer Assessment Deferral Loan programs, as well as the Orphan Site bond program. The Clean Water State Revolving Fund provides below market interest rate loans to local municipalities for wastewater collection, treatment and disposal systems; nonpoint source water pollution control, and for implementation plans for federally designated estuaries. The match is required to access federal grant funds for these purposes; the match rate is one state dollar for five federal dollars. The Subcommittee approved a total funds budget of \$109,516,601 and no FTE.

The Subcommittee approved Package 181: Clean Water SRF - Loans and Bonds. This package adds \$29,443,359 nonlimited Other Funds from bond proceeds to capitalize the Clean Water State Revolving Fund, pay for bond issuance costs, and establishes the maximum amount of expenditures from the Fund. The Clean Water State Revolving Fund provides affordable financing alternatives for wastewater treatment, non-point source control,



and management plans for federally designated estuaries. Recipients are public agencies, such as municipalities and counties. The interest rates charged to these entities are typically lower than the private market, thereby helping communities achieve legal requirements and development goals. Every dollar of state match brings the state about five dollars of federal funding, which this package would use to provide affordable loans to communities.

Package 183 was approved; it provides \$73,242 nonlimited Other Funds expenditure limitation to pay for orphan site bond issuance costs.

#### Pollution Control Bond Fund Debt Service

This program contains the agency's Limited and Nonlimited Debt Service for its State Revolving Fund (SRF) and Sewer Assessment Deferral Loan programs, as well as the Orphan Site bond program. The Subcommittee approved a total funds budget of \$21,768,369 and no FTE.

The Subcommittee approved Package 191: Clean Water SRF Debt Service, which adds \$10,020,000 Other Funds nonlimited for debt service for bonds to provide resources for new loans from the Clean Water State Revolving Fund.

#### **Summary of Performance Measure Action**

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

**HB 5022-A**

Department of Environmental Quality  
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$30,807,725	\$5,415,717	\$137,858,403	\$189,073,148	\$37,313,314	\$0	\$400,468,307	814	790.13
2011-13 ORBITS printed Current Service Level (CSL)*	\$36,718,093	\$5,911,822	\$148,696,472	\$86,130,201	\$33,887,324	\$0	\$311,343,912	801	783.53
2011-13 Governor's Recommended Budget *	\$28,962,145	\$3,133,153	\$143,176,928	\$125,666,802	\$32,597,667	\$0	\$333,536,695	771	748.20
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Air Quality - 001</u>									
Package 110: Implement New Federal Greenhouse Gas Permits									
Personal Services	0	0	(166,269)	0	(152,972)	0	(319,241)	(2)	(2.00)
Services and Supplies	0	0	(24,753)	0	(24,732)	0	(49,485)		
Package 111: Implement New Federal Air Quality Standards									
Personal Services	0	0	0	0	(662,593)	0	(662,593)	(6)	(5.00)
Services and Supplies	0	0	0	0	(101,394)	0	(101,394)		
Services and Supplies	0	0	0	0	(256,000)	0	(256,000)		
Package 801: Targeted Statewide Adjustments									
Services and Supplies: 6.5% reduction	(168,214)	0	0	0	0	0	(168,214)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	(812,126)	0	0	0	(812,126)	(8)	(6.26)
Package 810: LFO Analyst Adjustments									
Personal Services	(184,593)	0	0	0	0	0	(184,593)	(2)	(1.00)
Services and Supplies: Final Gravel Studies Payment	(80,837)	0	0	0	0	0	(80,837)		
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(98,051)	0	0	0	0	0	(98,051)	0	0.00
Services and Supplies	(88,548)	0	0	0	0	0	(88,548)		
Capital Outlay	(1,095)	0	0	0	0	0	(1,095)		
Special Payment account 6995	(8,373)	0	0	0	0	0	(8,373)		
<u>Water Quality - 002</u>									
Package 124: Water Quality 401 Project Certification									
Personal Services	0	0	(221,499)	0	1	0	(221,498)	(3)	(1.76)
Services and Supplies	0	0	(138,122)	0	0	0	(138,122)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: Targeted Statewide Adjustments									
Services and Supplies: 6.5% reduction	(330,837)	(69,075)	0	0	0	0	(399,912)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	(1,119,786)	0	0	0	(1,119,786)	(14)	(11.69)
Package 810: LFO Analyst Adjustments									
Personal Services	(539,544)	0	0	0	0	0	(539,544)	(2)	(2.50)
Services and Supplies	(50,734)	0	0	0	0	0	(50,734)		
Package 813: Fund Shift to M76 LF									
Personal Services	(1,603,527)	1,603,527	0	0	0	0	0	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(304,505)	(108,740)	0	0	0	0	(413,245)	0	0.00
Services and Supplies	(151,982)	(55,812)	0	0	0	0	(207,794)		
Capital Outlay	(2,038)	0	0	0	0	0	(2,038)		
<u>Land Quality - 030</u>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies: 6.5% reduction	(26,483)	0	0	0	0	0	(26,483)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	(324,109)	0	(525,437)	0	(849,546)	(7)	(5.07)
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(6,265)	0	0	0	0	0	(6,265)	0	0.00
Services and Supplies	(14,154)	0	0	0	0	0	(14,154)		
<u>Agency Management - 040</u>									
Package 802: Vacant Position Savings									
Personal Services	0	0	(171,832)	0	0	0	(171,832)	(1)	(1.00)
Services and Supplies	0	0	170,000	0	0	0	170,000		
<u>Cross Program - 005</u>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies: 6.5% reduction	(8,474)	0	0	0	0	0	(8,474)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	0	0	(142,978)	0	(142,978)	(1) #	(1.00)
Package 819: Supplemental Statewide Ending Balance									
Personal Services	(19,768)	0	0	0	0	0	(19,768)	0	0.00

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Services and Supplies	(4,529)	0	0	0	0	0	(4,529)		
<u>Nonlimited - 008</u>									
None									
<u>PCBF Debt Service - 009</u>									
Package 819: Supplemental Statewide Ending Balance Debt Service	(193,612)	0	0	0	0	0	(193,612)		
TOTAL ADJUSTMENTS	<u>(\$3,886,163)</u>	<u>\$1,369,900</u>	<u>(\$2,808,496)</u>	<u>\$0</u>	<u>(\$1,866,105)</u>	<u>\$0</u>	<u>(\$7,190,864)</u>	<u>(46)</u>	<u>(37.28)</u>
SUBCOMMITTEE RECOMMENDATION *	<u>\$25,075,982</u>	<u>\$4,503,053</u>	<u>\$140,368,432</u>	<u>\$125,666,802</u>	<u>\$30,731,562</u>	<u>\$0</u>	<u>\$326,345,831</u>	<u>725</u>	<u>710.92</u>
% Change from 2009-11 Leg Approved Budget	-18.60%	-16.85%	1.82%	-33.54%	-17.64%	0.00%	-18.51%	-10.93%	-10.02%
% Change from 2011-13 Current Service Level	-31.71%	-23.83%	-5.60%	45.90%	-9.31%	0.00%	4.82%	-9.49%	-9.27%
% Change from 2011-13 Governor's Recommended Budget	-13.42%	43.72%	-1.96%	0.00%	-5.72%	0.00%	-2.16%	-5.97%	-4.98%

\* Excludes Capital Construction Expenditures

## Legislatively Approved 2011-2013 Key Performance Measures

**Agency:** ENVIRONMENTAL QUALITY, DEPARTMENT of

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

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - 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.	Accuracy	Approved KPM	68.00	85.00	85.00
1 - 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.	Availability of Information	Approved KPM	60.00	85.00	85.00
1 - 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.	Expertise	Approved KPM	71.00	85.00	85.00
1 - 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.	Helpfulness	Approved KPM	76.00	85.00	85.00
1 - 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.	Overall	Approved KPM	73.00	85.00	85.00
1 - 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.	Timeliness	Approved KPM	65.00	85.00	85.00
2 - PERMIT TIMELINESS: Percentage of air contaminant discharge permits issued within the target period.		Approved KPM	79.00	90.00	90.00
3 - PERMIT TIMELINESS: Percentage of individual wastewater discharge permits issued within 270 days.		Approved KPM	15.00	50.00	50.00

**Agency: ENVIRONMENTAL QUALITY, DEPARTMENT of**

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

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2012</b>	<b>Target 2013</b>
4 - UPDATED PERMITS: Percent of total wastewater permits that are current.		Approved KPM	90.00	80.00	80.00
5 - WATER QUALITY TMDLs: Percent of impaired waterbody miles for which a TMDL has been approved.		Approved KPM	71.00	81.00	81.00
6 - UMATILLA: Cumulative percent of chemical agent destroyed at Umatilla Chemical Demilitarization Facility (UMCDF).		Approved KPM	41.00	100.00	100.00
7 a - CLEANUP: Percent of identified Oregon hazardous waste sites cleaned up: overall.		Approved KPM	80.00	80.00	80.00
7 b - CLEANUP: Percent of identified Oregon hazardous waste sites cleaned up: tanks.		Approved KPM	82.00	82.00	82.00
7 c - CLEANUP: Percent of identified Oregon hazardous waste sites cleaned up: hazardous substances.		Approved KPM	38.00	39.00	39.00
8 - TOXICS PREVENTION AND REDUCTION: Pounds of mercury removed from the environment through DEQ's efforts.		Approved KPM	296.00	120.00	120.00
9 - SOLID WASTE - Pounds of municipal solid waste landfilled or incinerated per capita.		Approved KPM	1,362.00	1,513.00	1,513.00
10 a - WATER QUALITY CONDITIONS - Percent of monitored stream sites with significantly increasing trends in water quality.		Approved KPM	9.00	75.00	75.00
10 b - WATER QUALITY CONDITIONS - Percent of monitored stream sites with decreasing trends in water quality.		Approved KPM	35.00	0.00	0.00
10 c - WATER QUALITY CONDITIONS - Percent of monitored stream sites with water quality in good to excellent condition.		Approved KPM	48.00	40.00	40.00
11 - AIR QUALITY DIESEL EMISSIONS: Quantity of diesel particulate emissions.		Approved KPM	3,980.00		
12 a - AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for sensitive groups.		Approved KPM	106.00	20.00	20.00
12 b - AIR QUALITY CONDITIONS - National Standards: Number of days when air is unhealthy for all groups.		Approved KPM	12.00	3.00	3.00
13 a - AIR QUALITY - AIR TOXICS - Percent of Oregonians at risk from toxic air pollutants that contribute to cancer.		Approved KPM	98.00		

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<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2012</b>	<b>Target 2013</b>
13 b - AIR QUALITY - AIR TOXICS - Percent of Oregonians at risk from toxic air pollutants that contribute to respiratory problems and other non-cancer health effects.		Approved KPM	96.00		
14 - ERT: Percent of local participants who rank DEQ involvement in Economic Revitalization Team process as good to excellent.		Approved KPM	76.00	80.00	80.00
15 - PERMIT TIMELINESS: Percent of Title V operating permits issued with the target period.		Approved KPM	79.00	90.00	90.00
16 - BOARDS AND COMMISSIONS: Percent of total best practices met by the Environmental Quality Commission.		Approved KPM	82.30	100.00	100.00

**LFO Recommendation:**

Approve the Key Performance Measures for 2011-13. Consider deleting KPM #6 Umatilla Cleanup for 2013-15 if major operations at the site have ended.

**Sub-Committee Action:**

Adopted the LFO recommendations