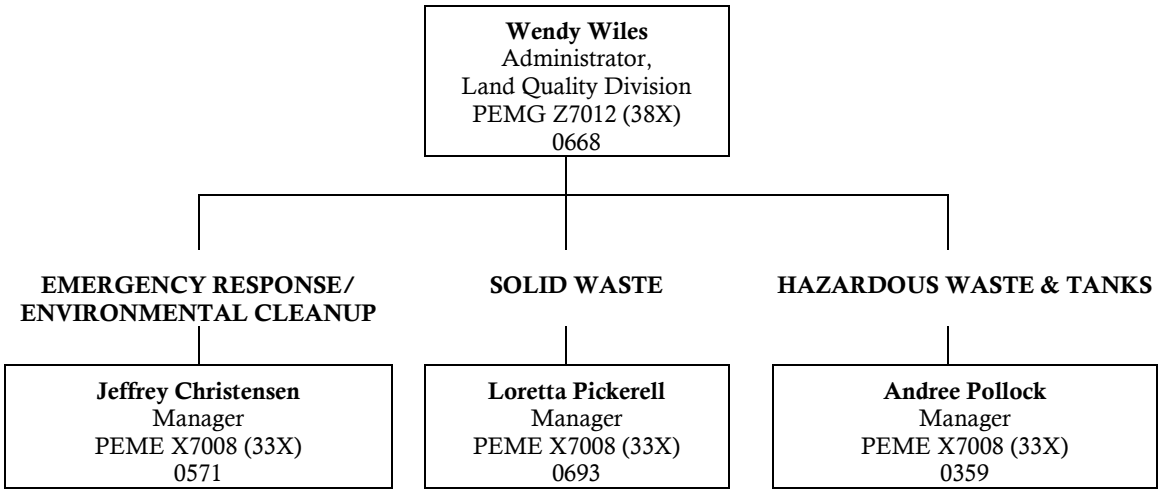
Department of Environmental Quality
2013-2015 LAND QUALITY DIVISION



LAND QUALITY PROGRAM

	Total Positions	FTE	HQ	REG	LAB
2011-2013 LAB	203	203.84	56.88	141.96	5.00
2013-2015 Current Service Level	195	196.70	55.74	135.96	5.00
2013-2015 Adjustment Packages	(4)	(4.00)	0	(4.00)	0
2013-2015 Program Packages	0	0	0	0	0
Total 2013-15 Governor's Balanced Budget	191	192.70	55.74	131.96	5.00

LAND QUALITY

LAND QUALITY OVERVIEW

Land Quality is a coordinated group of programs involving waste and toxic or hazardous chemicals. Land Quality protects human health and the environment by helping Oregonians:

- Reduce the use of toxic chemicals and the generation of waste
- Manage materials and waste to minimize negative impacts to air, land and water
- Reduce the risk from exposure to contaminants already in our environment through cleanup of contaminated sites
- Prepare for and minimize the danger from accidental releases of hazardous substances or other emergency events

Land Quality's activities touch upon all environmental media. For example, reducing the generation of solid waste can help to reduce greenhouse gas emissions, and requiring safe management of landfills helps contain impacts to the land and prevents hazardous substances from polluting Oregon's rivers and groundwater supplies. Similarly, requiring cleanup of historic pollution ensures people aren't exposed to unhealthy concentrations of hazardous substances in the air or in the soil at specific properties, reduces runoff of harmful chemicals to our rivers and streams, and protects against the contamination of drinking water supplies.

Land Quality has five main program areas distinguished by laws and regulations and by segregated funding sources. The programs and their primary goals are:

- **Solid Waste** promotes reduction of solid waste generation and toxics use in materials and products; promotes recovery of resources in waste generated; ensures safe management of waste disposal; and conducts projects to increase understanding of greenhouse gas emissions and other environmental impacts associated with products and materials and develops and pursues strategies to reduce those impacts.
- **Hazardous Waste** promotes reduction of hazardous waste generation and toxics use; ensures that companies safely manage the hazardous waste they generate; provides oversight of the disposal and management of hazardous waste; and provides oversight of elimination of chemical agents stored at the Umatilla Army Depot (now complete) and oversees the dismantling, decontamination and closure of the Umatilla Chemical Agent Disposal Facility.
- **Underground Storage Tanks** protects groundwater by ensuring the proper operation of underground storage tanks containing petroleum or hazardous substances, including heating oil tanks.
- **Environmental Cleanup** minimizes exposure to contaminants that have been released into the environment at unacceptable levels; facilitates redevelopment and reuse of contaminated properties; ensures those responsible for contaminated sites take appropriate action; undertakes cleanup when necessary; and supports voluntary and independent cleanups to facilitate property transfers and redevelopment.

LAND QUALITY PROGRAM NARRATIVE

- **Emergency Response and Preparedness** ensures that new releases of oil and hazardous materials, including those caused by terrorist events and natural disasters, are contained and cleaned up; provides around-the-clock response capabilities for chemical and oil emergencies; focuses on prevention and preparedness activities to minimize the effects of releases, especially to water; and administers the state's ballast water program to minimize the potential for introduction of and impacts from aquatic non-native species into Oregon's waterways.

Land Quality, like all of DEQ, strives to meet the environmental challenges of the future. Climate change, for example, will make the reduction of greenhouse gases an increasingly important focus of waste prevention and management. It may also increase the number and severity of weather-related events, placing increased demand on our emergency preparedness and response resources. Currently, Land Quality focuses significant time and resources on "core work" required under existing state and federal mandates, but as we move forward, we will look for ways both to shift our core work and to change the tools we use to meet new challenges like climate change and becoming more sustainable. For example, although our waste management strategy has always identified reduction as the highest priority, we are adopting a more comprehensive approach that examines the impacts of products and materials over their life cycle and guides actions to achieve the best environmental outcomes at the lowest costs to society. Landfill regulation not only protects water quality, but also prevents greenhouse gas emissions. We try to use "greener" methods to clean up contaminated sites and encourage responsible parties to do the same.

ACTIVITIES AND PROGRAMS

Land Quality programs use a variety of approaches to protect the environment. In addition to traditional enforcement activities, Land Quality provides education, technical assistance and outreach as important ways to achieve environmental protection.

Land Quality subprograms carry out activities in the four areas to achieve environmental goals:

Reduce the use of toxic chemicals and the generation of waste

Land Quality programs helps businesses and citizens to reduce the use of all resources, especially toxic chemicals, and to minimize waste generated by:

- Providing technical assistance to help households and businesses reduce the amount of toxic chemicals used and toxic wastes generated
- Achieving the statewide waste prevention goal of no annual increase in solid waste generated through technical assistance, education and outreach
- Measuring statewide and regional material recovery rates
- Providing technical and financial assistance to local government for recycling and waste prevention programs
- Developing and implementing product stewardship management approaches for toxic and difficult-to-manage waste streams, such as electronics, paint, pharmaceuticals, mercury thermostats, fluorescent lights and other mercury-containing products
- Developing and using life cycle analysis and other information to promote better understanding of resource consumption, greenhouse gas emissions and other environmental impacts associated with materials and products Oregonians use

LAND QUALITY PROGRAM NARRATIVE

Manage materials and waste to minimize negative impacts

Land Quality programs ensure that those who use hazardous products or generate or handle hazardous and solid waste minimize releases to the environment by:

- Issuing permits for landfills and other waste disposal facilities and monitoring compliance with permit requirements
- Issuing permits to compost facilities and providing technical guidance and training to ensure compliance with state and federal regulations
- Conducting compliance inspections of hazardous waste generators to ensure proper waste management
- Providing technical assistance and opportunities for households and businesses to manage toxic wastes in an environmentally protective manner
- Providing technical assistance to underground storage tank owners and conducting on site inspections to ensure safe tank installation, operation and maintenance and that leak prevention and detection practices are followed
- Ensuring that fuel is not delivered to unsafe underground storage tanks and that tank owners are financially able to pay for prompt cleanup, should a leak occur
- Decreasing the incidence of marine oil spills and limiting the impact of spills that do occur by requiring and approving industry spill prevention and response plans for major oil handling facilities and vessels, including drills and exercises to test approved spill contingency plans
- Minimizing the risk of introduction of aquatic non-native species into Oregon's waterways through ensuring compliance with the state's ballast water requirements

Reduce the risk from exposure to contaminants already in our environment

Land Quality programs reduce the risk to people and the environment from contaminants already in our environment by:

- Identifying sources of unaddressed contamination and assessing the risk from those sites
- Requiring responsible parties to clean up high priority contamination sources that pose an unacceptable risk to public health or the environment
- Encouraging responsible and other willing parties to investigate and clean up lower-risk properties under DEQ oversight
- Using state funds to clean up high-risk contaminated sites when responsible parties aren't able to do so
- Working through all available avenues – including review and oversight of voluntary cleanups, technical consultation and incentives to prospective purchasers – to encourage environmental cleanup and return contaminated property to productive use
- Working with communities to identify brownfields – sites where expansion or redevelopment is complicated by actual or perceived environmental contamination – and leverage public and private resources and the property's underlying value to achieve both environmental and economic results

LAND QUALITY PROGRAM NARRATIVE

Prepare for and minimize the danger from accidental releases

Land Quality programs protect human health and the environment from the new spills or releases of hazardous materials by:

- Preparing for and responding to chemical and oil releases, including those resulting from terrorist actions or natural disasters such as earthquakes, tsunamis or floods
- Minimizing the impact of oil and hazardous material spills through planning and preparedness activities, such as drills and exercises
- Ensuring that oil and hazardous materials spills are cleaned up or cleaning up when responsible parties aren't able to do so
- Providing on-scene incident command at major oil or hazardous material release sites
- Coordinating with local governments to reduce impacts from new releases of oil or hazardous materials
- Coordinating with other state and federal agencies under the National Emergency Response Framework, National Contingency Plan, Northwest Area Contingency Plan and State of Oregon Emergency Operations Plan, as lead agency for oil and hazardous materials response actions

Land Quality programs are implemented locally by staff in each of DEQ's three regions. Regional staff conduct inspections, issue permits, oversee cleanups and provide technical assistance. They are assisted by centralized Land Quality support functions and DEQ's Laboratory. Some program functions are centralized, such as oil spill prevention activities and most emergency response program activities, ballast water management, hazardous waste facility data collection, solid waste materials management and waste composition studies, UST facility permits and service provider licensing. Other more general centralized functions include program coordination; liaison with the U.S. Environmental Protection Agency; development and maintenance of administrative rules, policies and guidance; billing and related financial operations; federal grant and contract administration; budget and information management; and responding to general public inquiries. The Laboratory performs monitoring activities and analyzes samples to support Land Quality programs, primarily. Land Quality uses Laboratory data, for example, to determine that contamination from a landfill or hazardous waste facility is contained.

The following pages provide more detailed information on Land Quality subprograms.

LAND QUALITY PROGRAM NARRATIVE

A. Solid Waste Management

The Solid Waste program promotes the prevention, recovery and proper management of solid waste. The program supports the reduction of effects from climate change and toxic contaminants through materials management and environmentally safe disposal of waste. The program issues solid waste management facility permits; conducts inspections at municipal solid waste landfills to ensure compliance with state and federal requirements; measures waste generation, disposal and recovery rates; provides technical assistance to local government and industry to assure compliance with state recycling laws; and works with the public, business, industry, and local government entities to reduce waste generation.

The Solid Waste program reduces toxics in the environment by providing technical and financial assistance to local governments for planning and building local household hazardous waste management facilities; developing statewide programs for managing materials such as mercury-containing products; coordinating household hazardous waste collection events statewide; developing statewide product stewardship programs where producers take responsibility for managing their products at end of life and design more environmentally-friendly products; and providing education and outreach to Oregonians on how to not create waste, recycle waste that is created, safely manage and dispose of waste and choose less toxic materials and products in their daily activities.

SOLID WASTE PROGRAM OBJECTIVES

- Reduce waste generation by implementing a waste prevention strategy, expanding partnerships to leverage waste prevention work and increasing efforts to reduce purchase and use of household toxics
- Optimize waste recovery by assessing materials recovery efforts in Oregon, targeting waste streams for recovery, revising the Bottle Bill and implementing a beneficial use program
- Implement the electronics waste and paint recycling laws and promote other product stewardship initiatives
- Promote understanding of significant greenhouse gas and other environmental impacts associated with the with full life cycle of products and materials and potential for reduction
- Assure proper management of solid waste by developing waste conversion technology rules, planning for emergencies, and improving permitting and compliance
- Plan long-term to assure the program addresses emerging environmental issues (toxics, climate change) emphasizing materials management, waste prevention, recycling, waste conversion and safe end-of-life management

Projects and issues

With help from a diverse stakeholder group, DEQ has drafted *Materials Management in Oregon: 2050 Vision and Framework for Action*, to update Oregon's *State Integrated Resource and Solid Waste Management Plan (1995-2005).* This update promotes a foundational shift from "solid waste management" to "materials management." The materials management approach includes waste prevention and discards management, but seeks more broadly to reduce environmental impacts by managing materials throughout all stages of their life. This shift to a more holistic approach will help DEQ work with partners in a changing world with new jobs, new opportunities and new challenges. The *2050 Vision* proposes new approaches to guide state policy and programs and to achieve the best environmental outcomes at the lowest cost to society.

The *2050 Vision and Framework for Action* advances several priorities included in the Governor's Healthy Environment Policy Vision:

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- Takes a comprehensive, multi-pollutant, multi-media approach to reduce impacts to air, land and water and to conserve energy and resources
- Addresses exposure to toxic pollutants from consumer products and examines the role of products in introducing toxics into the environment
- Provides incentives and tools to accelerate investments in "green chemistry" and strengthens demand for safer alternatives to toxic chemicals
- Expands collaborative partnerships and provides incentives and innovation tools to complement traditional regulatory approaches, particularly to support small actions that result in big environmental impacts

DEQ's next step will be to prioritize actions and begin implementation. Some of the actions that will likely be high priorities in the next few years are outlined in Section IV of this narrative. In addition to these new projects and issues, DEQ expects to continue work on the following:

- Implementing, with the paint industry stewardship organization, the nation's first statewide law requiring paint manufacturers to safely manage leftover latex and oil-based paint from consumer and contractor painting jobs. Collection and recycling began July 2010, and the pilot program sunsets in June 2014. Working with stakeholders, DEQ has drafted legislation (Legislative Concept 574, or HB 2048) to make the pilot program a successful permanent program. The budget impact of the concept is reflected in policy package 131.
- Working with partners to support product stewardship initiatives that will emphasize upstream design as well as end-of-life management for pharmaceuticals, mercury thermostats, mercury lamps and other products.
- Efforts to increase recovery of recyclables collected curbside and to reduce contamination of recyclables resulting from commingled materials.
- Implementing changes in administrative rules for composting facilities that the Environmental Quality Commission adopted in 2009. Increasing composting to recover more organic materials, including food waste, necessitates better regulations and coordination with groups such as the Compost Council of Oregon and the Department of Agriculture.
- Implementing new rules, adopted by the EQC in 2010, for the beneficial use of solid waste and developing new rules to regulate facilities that use emerging waste-to-energy conversion technologies. Beneficial use of waste means that a solid waste from one process is used as part of another manufacturing process or is an effective substitute for another commercial product, allowing waste to be used rather than disposed of in a landfill.
- In keeping with DEQ's Toxics Reduction Strategy, shifting emphasis of the household hazardous waste collection program from volume to a risk-based approach focusing on the most toxic materials. As revenue allows, providing grants and technical assistance to promote local development of permanent collection facilities to handle household hazardous waste.
- Implementing a waste prevention strategy focusing on reducing packaging with businesses (including Wal-Mart's national program), developing best management practices for materials use in residential buildings, and promoting programs and policies that encourage smaller residential living options. With the downturn in the economy, waste generation has leveled off, but otherwise it would likely continue to climb, along with energy use, greenhouse gas emissions, and other environmental impacts that occur over the life of materials produced and consumed.
- Using rapidly developing methods for analyzing the greenhouse gas and other environmental impacts that occur over the life of products and materials to inform solid waste policy and program directions. Life cycle analyses highlight the need to focus more attention on reducing the upstream impacts and preventing waste, such as exploring product stewardship initiatives that influence product design.

- Providing education to policy makers about how reducing waste and managing materials can significantly reduce greenhouse gas emissions. Part of this effort involves identifying how conventional greenhouse gas inventories, which are used to develop reduction strategies, significantly underestimate the impacts of materials consumed by Oregonians.

Trends in workload

- At the same time that work is expanding for the Solid Waste program, financial resources have declined. See Section III A. for a discussion of budget issues.
- The regionalization of landfills, increase in transfer stations, material recovery facilities and solid waste treatment facilities and more emphasis on compost facilities and permanent household hazardous waste collection facilities means a broader variety of permit types and issues than the program has handled in the past.
- Waste prevention efforts will intensify to reduce waste and associated impacts throughout product life cycles.
- Expanded recovery programs for organics, such as food and yard waste and construction-demolition material, are needed to maintain the statewide 50 percent waste recovery goal. While Oregonians first achieved that goal in 2010, maintaining 50 percent waste recovery will be challenging unless waste generation declines at a more rapid pace.
- National, regional, and state efforts to develop product stewardship programs will shift costs and responsibilities for end-of-life management for toxic and difficult-to-manage products from state and local governments to producers. Product stewardship initiatives will also address upstream impacts of products.

Actual and projected accomplishments

- In 2011-13, DEQ has concentrated its solid waste permitting efforts on issuing new requested permits and renewing 62 solid waste permits to eliminate the permit renewal backlog. The effort to reduce the permit backlog is expected to be 50% complete by the end of the biennium.
- Completed the first full consumption-based greenhouse gas emissions inventory (2005) at the sub-national scale in the nation. This includes an estimate of the global greenhouse gas emissions associated with the provision of products and materials consumed in Oregon. Updated the consumption-based greenhouse gas inventory for 2010, and worked with Oregon Departments of Energy and Transportation to integrate this consumption-based inventory and other inventories into a single state-wide framework.
- Worked with stakeholders to implement strategies to promote best management practices for materials use in the design, demolition, remodeling and construction of residential buildings. DEQ's efforts focused on state building code, Oregon and California rating systems review, utility-based incentives, and the zoning and financing of smaller dwellings.

- Established the nation's first statewide recycling program for leftover paint funded by manufacturers using a product stewardship approach. The program provides convenient and accessible statewide collection and environmentally sound management of an estimated 600,000 gallons of paint in the first year of operations, beginning July 2010, and will save local governments the cost of managing waste paint at their household hazardous waste facilities and events.
- Issued new permits to electronic waste recovery facilities to assure electronic waste is recovered in a way that protects the environment
- Permitted several new facilities that are recovering energy or creating products from organic and other types of solid waste
- Expect to submit rules for regulating facilities that use emerging conversion technologies to convert wastes to energy for adoption by the EQC

HAZARDOUS WASTE PROGRAM OBJECTIVE:

Reduce generation and ensure safe management of hazardous waste by:

- Focusing resources on areas with the greatest environmental needs, including geographic areas, priority business sectors and facilities
- Carrying out coordinated sustainability efforts for the hazardous waste program
- Ensuring statewide compliance with hazardous regulations
- Expanding partnerships to achieve greater success with program priorities
- Reducing the threat of exposure to hazardous waste through compliance monitoring and assistance, enforcement and permitting tools and through cleanup actions
- Reducing toxic chemicals use and hazardous waste generation through technical assistance, education and outreach, and compliance and enforcement efforts
- Oversee the proper management of wastes through the closure of the Umatilla Chemical Depot and Umatilla Agent Chemical Disposal Facility

B. Hazardous Waste Management

The Hazardous Waste program promotes the reduction and safe management of hazardous waste. This is accomplished by issuing waste management facility permits; conducting inspections of hazardous waste facilities, generators, handlers and used oil processors; providing hazardous waste regulatory compliance assistance; reviewing industry toxic use reduction plans and providing technical assistance to help implement these plans; and responding to complaints and issuing enforcement actions for hazardous waste management violations.

Projects and issues

The Hazardous Waste program is working with the public, Oregon businesses, partner agencies and other organizations, and EPA to efficiently satisfy federal requirements and to meet these three priorities:

- **Hazardous Waste key initiatives.** This includes coordinated visits to electronic waste management facilities to most effectively address both solid and hazardous waste management issues and integrating the agency's Toxics Reduction Strategy recommendation actions into program activities. The program is using existing data to identify businesses that use or generate chemicals on DEQ's Focus List and will then focus efforts, including outreach, on sectors with the most priority chemicals.

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- **Safe management of hazardous waste and toxics.** The program will continue to conduct compliance inspections, primarily of the more than 460 large and small quantity generators, treatment storage and disposal facilities, high priority complaints, and regulated facilities that fail to notify DEQ of their regulated activities. The program's goal is to inspect one-third of the large and small quantity generators annually. Technical assistance resources have been reduced, but DEQ will continue to help businesses with their compliance and waste and toxic chemical reduction needs, and to offer more than 30 training workshops annually. Staff will also work with internal and external partners to implement the governor's new green chemistry Executive Order 12-05, Fostering Environmentally Purchasing and Product Design, to advance green chemistry and toxics reduction in the state.
- **Hazardous Waste improvement and innovations.** Hazardous waste staff have been engaged in improving inspection and permitting processes and establishing outcome measures. The program is implementing expedited enforcement offers that help streamline the process, making more resources available for compliance assistance. Staff are also developing a program-wide field manual for inspectors, technical assistance providers and permit writers. Staff will continue to develop measures to assess program effectiveness and efficiencies. The program has already started using outcome measures to monitor inspection timeliness.

Trends in workload

- The number of hazardous waste generators reporting to DEQ has declined since 2007. The decline is likely due to adverse economic conditions, as DEQ also saw a decline during the recession of the early 2000's.
- Although there were fewer generators, production waste from business processes remains relatively stable. The volume of hazardous waste from cleanups, however, can vary substantially from year to year.
- DEQ continues to provide technical assistance to help businesses understand and comply with complex federal requirements. We measure the result of site visits to determine if we are appropriately focusing technical resources.

Actual and projected accomplishments

- DEQ has helped more than 500 businesses to meet requirements of Oregon's Toxics Use and Hazardous Waste Reduction program. Beginning in 2012, DEQ will help an additional 125 businesses fulfill program requirements. DEQ has made these businesses' toxic chemical and hazardous waste reduction activities, and the environmental and economic results of these activities, available on its public website. .
- DEQ oversaw the successful destruction of all chemical agents stored at the Umatilla Depot. The stockpile included about 3,717 tons of nerve agents and blister agent ("mustard"). Now DEQ will oversee the safe closure of both the Depot and the facility built to destroy the weapons.
- The program continues to partner with business associations and community colleges to provide hazardous waste training.
- DEQ expects to inspect one-third of all the large quantity and small quantity hazardous waste generators annually to ensure compliance with hazardous waste regulations.

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C. Underground Storage Tanks

The Underground Storage Tank program ensures sound management of underground storage tanks to prevent leaks. Owners of underground storage tanks include both small and large businesses, government agencies and homeowners. For larger tanks covered by federal regulations, DEQ ensures compliance through annual operating certificates and inspections; provides technical assistance to tank owners on proper operation and leak detection, corrosion protection and spill and overfill equipment; oversees tank installation and decommissioning (properly removed or filled in place); and licenses companies and project supervisors providing tank services. For heating oil tanks, we review certified heating oil tank cleanup and voluntary decommissioning reports from licensed service providers and audit cleanups by conducting sampling and reviewing contractor and laboratory records.

UNDERGROUND STORAGE TANKS PROGRAM OBJECTIVE:

Prevent leaks, detect leaks early, and ensure the tank owner has the financial resources available to pay for cleanup and reduce or eliminate the risk from UST leaks by:

- Inspecting facilities to ensure tank systems meet equipment standards and are properly operated
- Ensuring that out-of-service tanks are properly decommissioned and that fuel is only delivered to tanks with valid operating permits
- Verifying that tank owners meet financial responsibility requirements (such as insurance), thus ensuring quick cleanup of new leaks
- Requiring training for all operators of facilities that dispense fuel
- Conducting public outreach about abandoned tanks, best management practices for heating oil tanks and requirements for pumping oil from heating oil tanks when they are no longer in use and encouraging the public to voluntarily decommission heating oil tanks
- Reducing the overall risk from heating oil tank leaks by reviewing certified reports from service providers and evaluating service providers' work

Projects and Issues

- **State Program Approval.** In September 2011, EPA approved DEQ's Underground Storage Tank Program. EPA approval of the state program means that Oregon, rather than federal, laws and regulations are used to ensure that underground tanks are properly operated.

- **Repeal of soil matrix rules.** In August 2011, the Environmental Quality Commission approved the repeal of the UST soil matrix licensing rules. The repeal streamlined licensing requirements and saved 145 businesses and individuals with soil matrix licenses over $50,000 on a biennial basis. Soil matrix cleanup rules were originally adopted to address simple cleanups at regulated UST sites where groundwater was not affected. UST cleanups have evolved into primarily risk-based evaluations conducted by registered geologists or professional engineers. The rules remain a valid option for simple cleanups, but assessment and remediation activities have evolved to the point where registering and licensing contractors performing soil matrix cleanups in no longer necessary to protect human health or the environment.

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Trends in workload

The UST program continues to implement alternative approaches to the traditional formal enforcement process, which enables DEQ to achieve compliance with fewer staff resources. Statutory changes made during the 2007 legislative session have allowed the program to significantly expand its use of field tickets, streamlining the enforcement process.

Actual and projected accomplishments

- The federal Energy Policy Act of August 2005 mandated that underground storage tank programs reduce UST releases and required numerous changes to tank programs. DEQ has met the major requirements including secondary containment, delivery prohibition, initial two year inspections, and annual posting of public records. Oregon also met the initial three-year UST inspection requirement by August 2010, but DEQ has fallen behind on meeting the second three-year inspection cycle because of an extended inability to fill vacancies. The agency expects to catch up on inspections quickly once the vacancies are filled.

- A key element in preventing releases is increasing UST facility compliance with regulations. EPA requires DEQ to measure whether a facility has the equipment required by current UST regulations to prevent and detect releases, and performs required UST system operation and maintenance. Ninety percent of Oregon facilities meet the requirements, compared to the national rate of 70.9 percent. DEQ attributes this high compliance rate to operator training that Oregon began before the training was required by federal law.

Actual and projected accomplishments

In 2011-13, DEQ expects to:

- Conduct 1,018 underground storage tank compliance inspections
- Log in and perform a preliminary assessment of 92 reported leaks for regulated underground storage tanks, plus more than 2,400 reported leaks from heating oil tanks. The heating oil tank program exceeded 25,000 cumulative closures in July 2012.

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ENVIRONMENTAL CLEANUP PROGRAM OBJECTIVES:

- Identify and initiate investigation and cleanup activities at high priority sites that threaten human health or the environment
- Improve responsiveness to community brownfield and economic development needs
- Oversee the cleanup of underground storage tanks
- Develop and maintain technical guidance, policy, and other tools needed to support cleanup activities
- Maintain financial stability of the Cleanup program

D. Environmental Cleanup

The Environmental Cleanup program discovers, investigates and cleans up hazardous substances, including petroleum, that have been released into the environment. Sites may be contaminated from current or former operating practices at the sites or from accidental spills including transportation-related spills and natural disasters.

The program manages contaminated sites in several ways:

Site assessment. The site assessment process identifies sites contaminated with hazardous substances that may threaten public health or the environment and prioritizes the need for further investigation or cleanup. If the assessment determines a site has no environmental risk, a "no further action" letter can be issued. As required by statute, DEQ maintains a statewide list of facilities that have confirmed releases of hazardous substances and need further cleanup action.

Site response and orphan sites. If DEQ identifies a site as high priority for cleanup, the agency may require responsible parties to take action. Cleanup personnel oversee responsible party-funded actions to ensure that work is carried out properly. Responsible parties pay for both the cleanup and DEQ's oversight costs. In high priority cases where the responsible party is unknown or is unwilling or unable to conduct the work, DEQ uses state Orphan Site Account funds for investigation and cleanup. Some of Oregon's cleanup sites are also on the federal National Priorities List. Cleanup staff participate in these federally-funded cleanups, known as Superfund sites, to ensure they also meet the legislatively-mandated Oregon cleanup standards.

Leaking underground storage tanks. Leaks from regulated underground storage tanks, such as those located at gasoline stations, are cleaned up using the same general standards and processes as other contaminated sites, but are managed separately for several reasons. They tend to be less complex than industrial sites involving multiple contaminants. Also, EPA oversees DEQ's tank cleanup activity because it provides funding from a federal trust fund dedicated to tank cleanups and the close relationship to federal tank operating requirements. Finally, the typical tank site is a small business operation, requiring more technical assistance than cleanups at other industrial sites.

Dry cleaner program. Legislation passed in 1995 established requirements for the safe management of dry cleaning chemicals to avoid future releases and fund site cleanup using fees assessed on the industry. The environmental cleanup program uses the limited funds available to clean up contamination at eligible sites.

Voluntary cleanup and prospective purchaser agreements. In many cases, property owners take the initiative to address contamination at their lower priority sites, and ask DEQ to review cleanup plans and actions through the Voluntary Cleanup Program. Alternatively, the program's

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Independent Cleanup Pathway allows responsible parties with low or medium priority sites to conduct investigation and cleanup activities on their own and then submit a final report to DEQ. Voluntary cleanup staff also provide technical assistance if requested by responsible parties, local governments and others. Voluntary cleanups are encouraged by Prospective Purchaser Agreements, through which DEQ limits a prospective buyer's liability for known contamination in return for the buyer's taking actions that will provide a substantial public benefit. DEQ has completed more than 120 of these agreements since 1996; they create a strong incentive for new owners to clean up, redevelop, and restore the tax base of properties that otherwise would remain contaminated – and vacant.

Brownfields and economic development. Redevelopment of brownfields – industrial and commercial properties hindered by real or perceived contamination – continues to be a significant subset of cleanup projects. Brownfield sites include properties that have been idle on the tax rolls, but with redevelopment can again produce tax revenue and local jobs and revitalize neighborhoods. DEQ provides technical assistance and oversight of investigations and cleanups, assists with grant applications for cleanup funding, and coordinates resources of property owners, developers and other state and local agencies to successfully complete brownfield redevelopment projects. Brownfields are an important issue, because it combines site cleanup with economic redevelopment and community enhancement. HB 3325, proposed by DEQ and enacted in 2011, has further streamlined the process of developing effective prospective purchaser agreements, one of DEQ's primary tools for facilitating brownfield redevelopment.

Projects and issues

- **Cleanup process improvement.** In late 2011, DEQ began using outcome-based management in the cleanup program, leading to the conclusion that more timely and effective environmental results can be achieved by improving communications and cost controls and streamlining processes. Better communication with responsible parties is expected to move projects to desired outcomes more quickly. Improved cost management will enable DEQ to complete more cleanups with available resources and reduce costs for responsible parties. Cleanup projects are complex, addressing both human health and ecological risk through multiple sources, so updating guidance and providing clear criteria for decision points will streamline the process. Early accomplishments include improved communication tools, standardized project management and updated staff training for several processes. Phase 2, which begins later in 2012, will address more complicated processes and a customer survey will help identify other areas for improvement.
- **Brownfields.** DEQ works on brownfields issues with other state and local agencies (such as Business Oregon and the Regional Solutions Teams), as well other groups such as the Oregon Brownfields Forum, but lacks the brownfields resources needed to identify and pursue more redevelopments.
- **Contaminated sediment cleanup.** Contaminated sediment issues, such as selecting appropriate ecological risk assessment values to use and options for completing these risk assessments, have become increasingly important as DEQ and the EPA continue work on the Portland Harbor Superfund site.
- **Orphan site cleanup.** DEQ's orphan program, funded by bond sales, protects public health and the environment by investigating and cleaning up highly contaminated properties when the parties responsible for the contamination are unknown, or unwilling or unable to pursue cleanup. Orphan sites include a range of contaminated sites such as small businesses, abandoned mines, and larger, "area wide" sites where hazardous substances

have affected sources of drinking water. Since 1992, the account has funded work at more than 70 high-priority Orphan sites, about 20 of which are currently active. On average, DEQ has identified about 10 new Orphan sites per biennium. The 2011 Legislature authorized an additional $6.74 million in bonds, financed by existing fees; bond issuance is planned for the end of calendar year 2012.

Trends in workload

- Sustainable cleanup financing. In 2007, cleanup and emergency response program staffing levels were significantly reduced because revenue from available funding sources, including hazardous waste disposal fees, cost recovery and federal grants, were projected to be short of the amount required. Since that time, demand for Superfund project support and voluntary cleanup program activity has been relatively stable, enabling these parts of the program to function at the reduced level. However, the demand for brownfields coordination, outreach, assessment and cleanup, and requests for prospective purchaser agreements, have all increased in the current biennium, making it difficult for staff to meet the win-win outcome typically associated with cleanup/redevelopment projects, such as removal of environmental risk and blight, and addition of jobs and revenues to communities. Because cost recovery revenues pay for the majority of cleanup program personnel costs, budgeting for the program is highly dependent on accurately predicting the demand for DEQ's oversight of voluntary cleanup projects and the availability of project managers to provide assistance. Cleanup process improvements may help maximize the use of existing DEQ resources.

- Completing leaking tank cleanups. It becomes increasingly difficult to complete cleanups at leaking tank sites, because the remaining ones tend to be more complex and owners lack sufficient resources to finance the work. The expected decline in EPA funding for orphan cleanups will exacerbate this problem.

Actual and projected accomplishments

- DEQ expects to approve 250 cleanups of leaking regulated tanks in 2011-13 and is committed to closing 10 percent of the backlogged cleanup sites annually. To date, DEQ has closed 6,346 sites and exceeds the national average (82 percent) for site closures, with an 87 percent closure rate.
- DEQ was awarded $2.7 million in stimulus funding in 2009 for investigation and cleanup work at eighteen leaking tank sites. Work was completed in September 2011, and no further action is needed at nine sites of the sites. In 2011-13, DEQ has been using a supplemental grant of more than $500,000 to clean up additional sites where property owners lack the resources to clean up the sites themselves. These additional grants help increase the marketability and reuse of underutilized properties as cleanups are completed or more data is available for investors.
- In 2011-13, DEQ expects to complete cleanup at about 85 voluntary sites and about six high priority, orphan and dry cleaner program sites, and to complete 18 prospective purchaser agreements to assist in returning contaminated properties to productive use. Cleanup staff typically handle a workload of approximately 400 voluntary cleanups, including 125 sites in the Independent Cleanup Pathway, and about 40 high priority sites.
- DEQ will continue using the outcome-based management process, implementing improvements identified and establishing measurements to track program outcomes.

LAND QUALITY PROGRAM NARRATIVE

E. Emergency Response and Preparedness

The Emergency Response and Preparedness program ensures that Oregon is prepared for oil and hazardous material spills, including those from domestic terrorism events and natural disasters. DEQ accomplishes this goal by developing emergency response plans and providing and participating in training, drills and exercises with government and industry; reviewing and approving oil spill contingency plans for regulated facilities and vessels; directing the cleanup of oil and hazardous material spills where there is no responsible party; and overseeing responsible party cleanups. The program works closely with other state agencies, particularly the Office of Emergency Management, Oregon Department of Transportation and Oregon Public Health to define and coordinate roles in oil, hazardous materials and other local, state and national emergencies. DEQ also works closely with other entities – including the British Columbia/States Oil Spill Task Force, the Northwest Area Committee and the Pacific Northwest Regional Response Team – to integrate state resources and provide for the safe and effective use of federal assets and management of oil or hazardous chemicals releases.

DEQ is designated as the state's lead agency for the environmental cleanup of oil and hazardous material spills. Specialized spill cleanup personnel are available around the clock to receive notifications from the Oregon Emergency Response System. DEQ prioritizes these notifications for further action based on the threat to public health and the environment. Further actions may involve serving as the state on-scene coordinator for large, complex spills involving multiple state and federal agencies; coordinating actions of other agencies; or providing oversight and technical assistance to ensure adequate cleanup of spills by responsible parties. DEQ may also use an environmental services contractor, if necessary, to conduct cleanup when the responsible party is not known or is not able to complete required removal or cleanup actions. In addition to responding to oil and hazardous material spill events, spill cleanup staff arrange for the cleanup of illegal drug labs at the request of law enforcement agencies.

Emergency Response and Preparedness includes a marine oil spill prevention program designed to protect the waters of the state and aquatic life and habitat from damage caused by petroleum spills from ships and marine facilities. DEQ prevents spills and ensures damage from spills is minimized by requiring marine facilities o prepare risk and hazard analyses, requiring spill contingency plans for marine facilities and vessels, establishing pre-approved response strategies and coordinating quick and appropriate response to spills that do occur.

EMERGENCY RESPONSE AND PREPAREDNESS PROGRAM OBJECTIVES:

- Provide time critical emergency containment and/or cleanup of chemical and oil spills – including those caused by terrorist action or natural disaster
- Ensure private industry, local, state and federal chemical emergency response plans are integrated, tested and improved
- Focus on outreach and coordination with local emergency response agencies such as fire, HAZMAT teams and police
- Implement and test the DEQ Emergency Operations Plan
- Decrease the incidence of spills or releases which impact human health and the environment
- Prevent the introduction and establishment of harmful aquatic invasive species transported in commercial vessel ballast water

LAND QUALITY PROGRAM NARRATIVE

Actual and projected accomplishments

Projects and issues

- **Derelict and abandoned vessels.** Owners of aging vessels without the resources to properly maintain them often abandon the vessels, leaving oil or other hazardous materials on board. This problem was highlighted by the owner's unsuccessful attempt to salvage the former Liberty Ship Davy Crockett and the resulting pollution and risk to the environment. DEQ has partnered with other state agencies, in particular the Oregon State Marine Board, to propose legislative solutions to strengthen the state's authority to control these sources of pollution.
- **Marine Debris.** The earthquake and tsunami that struck Japan in March 2011created an estimated 25 million tons of debris, and approximately five million tons were swept offshore. The majority sank, but about 1.5 tons was dispersed to the Pacific Ocean, some of it carried east. Oregon Coast communities and organizations have reported an increase in the amount and types of marine debris, including the concrete dock that landed at Agate Beach State Park in June 2012. Modeling by the National Oceanic and Atmospheric Administration suggests that the main volume of tsunami debris is still at sea and, although the wide range of variables preclude specific estimates of the impact to the Oregon coast, marine debris is likely to be an issue for the next two years or more. The Governor has formed a Japanese Tsunami Task Force and a joint coordination group has been tasked with developing a state plan to respond to tsunami generated marine debris. DEQ serves as a lead agency for both groups. DEQ is responsible for the recovery and cleanup of any oil or hazardous materials generated and is assigned to work with waste haulers, transfer stations and county government to find the best methods of collecting and disposing or recycling marine debris in the most efficient manner.
- **Oil spill contingency planning.** Should any of the proposed liquefied natural gas proposals be developed, both LNG ships and facilities will require DEQ approved oil spill contingency plans.

Trends in workload

As a part of expanding its emergency response capabilities to cover a broader range of threats, DEQ has worked with other agencies to ensure an efficient and aggressive response. This has resulted in closer coordination with the U.S. Department of Homeland Security, EPA and the Coast Guard, and with Oregon's Office of Emergency Management, the State Fire Marshal's Office, the Oregon Department of Transportation, Oregon Public Health and other state agencies. Some of the most critical coordination effort has been with Oregon Public Health. Under both state and national emergency response plans, DEQ is responsible for emergency support functions in response to the release of chemicals to the environment and Health Services is responsible for those from biological and radiological releases. Sampling, monitoring, lab analysis and response for all types of release are interrelated, so the two agencies must work closely together. A portion of this workload has been absorbed by current DEQ personnel, but the need continues for additional personnel to assist with planning and implementation in the regional offices. Recently, response to the Japanese tsunami marine debris has arisen as a possible impact on DEQ and other agency resources. The Governor's Tsunami Marine Debris Task Force is evaluating potential revenue sources to deal with the debris, including federal grants.

LAND QUALITY PROGRAM NARRATIVE

Although dedicated resources for emergency response activities are limited, Emergency Response relies on on-call staff from other DEQ programs to provide after hour duty officer response to Oregon Emergency Response System notifications, and to support DEQ response and field actions at major incidents. Incident management teams, depending on the magnitude of the spill and its impacts, can include a state on-scene coordinator and other personnel as needed, including back-up state on-scene coordinator for night operations, planning section chief, environmental unit leader, communications specialists and other incident command positions required for the response. While current staff is sufficient to support most incidents, DEQ would have a difficult time sustaining a long term event with multiple operational shifts.

Actual and projected accomplishments

- DEQ responds to more than 2,300 emergency notifications per year. Each notification requires an evaluation to determine the risk to public health and the environment. Approximately 40 percent of notifications require additional DEQ follow-up beyond the initial assessment. This includes providing technical assistance and cleanup oversight for major spills or releases of oil and/or hazardous materials including tanker truck accidents, marine spills, rail accidents, facility fires and explosions and airplane crashes.
- DEQ has broadened its traditional emergency response policies and procedures, which addressed accidental hazardous material spills, to cover all types of emergencies, including terrorist events and natural disasters such as a catastrophic earthquake. DEQ developed a plan to respond quickly in the most aggressive and efficient manner with specialists in all technical and geographical areas. This plan is linked to the DEQ's Business Continuity Plan and must be revised and tested continuously. Also as part of this effort, the agency has expanded its 24 hour per day, seven days a week emergency contact program to include its top administrators.
- Due to a delay in hiring an additional half-time position approved by the 2011 Legislature, DEQ does not expect to begin enhancing ballast water management program compliance verification and technical assistance efforts until late 2012.
- Complete and implement Standard Operating Guidance and the Emergency Response and Recovery Plan, including training, exercising and revising the plan as necessary
- Continue to develop a statewide geographic information system to facilitate rapid information retrieval for emergency response work

II. REVENUE SUMMARY

A. Solid Waste

The Solid Waste program is funded almost entirely by fees:

- The solid waste disposal fee is charged on solid waste disposed at municipal solid waste sites in the state or generated in Oregon and transported out of state. Disposal fee revenue supports the solid waste management program including programs to promote waste prevention and recycling statewide.

LAND QUALITY PROGRAM NARRATIVE

- State law assesses permit fees on all facilities accepting solid waste for disposal which vary with type of facility and volume of waste disposed. Permit revenue supports compliance assurance, permitting and waste reduction activities, including partial funding of the Oregon Recycling Act. Two new fee categories were established in the 2009-11 biennium: plan review fees for composting facilities and beneficial use determination fees.
- A small amount of waste tire revenue comes from waste tire carrier and storage permit fees, which DEQ uses for waste tire storage site monitoring, cleanup and enforcement.
- Two sources provide funding for the electronics recycling program. The Oregon Electronics Recycling Law (HB 2626), established a registration fee for all manufacturers who sell "covered electronic devices" in the state. Rates set in the bill were in effect through 2011. As authorized by statute, the Environmental Quality Commission revised the fees beginning in 2012 to more reliably generate sufficient revenue to fund the program. The law also authorized DEQ to establish a recycling fee to cover the costs of a contractor-operated statewide recycling program. The recycling fee is paid by manufacturers who choose to participate in the state contractor program, rather than to provide recycling services themselves.
- In 2009, the Legislature established a pilot product stewardship program to handle architectural paint. DEQ has received $10,000 annually for its limited oversight of the pilot program, which sunsets in 2014. DEQ has proposed legislation to make the program permanent and to raise fees to cover DEQ's costs. (See Policy Package 131.)
- Rule development in late 2012 to address how conversion technology facilities are regulated under solid waste statutes is expected to result in a new permit fee category, or a revision to an existing one.
- Finally, General Funds are appropriated to Land Quality to fund the rent costs for DEQ's laboratory. Within Land Quality, the Solid Waste program is one of the primary users of laboratory services.

B. Hazardous Waste

The Hazardous Waste Program is funded by a variety of sources, including a General Fund appropriation, fees, cost recovery and federal grants. Hazardous waste Other Fund revenues include:

- Assessments on businesses generating hazardous waste, based on the volume of waste generated and the manner in which the waste is treated or disposed
- Hazardous substance possession fees collected by the State Fire Marshal under the Community Right-to-Know laws for support of DEQ's toxics use and hazardous waste reduction program
- One-third of the fees assessed on each ton of hazardous waste taken in to the hazardous waste management facility near Arlington for treatment or disposal (with the other two-thirds devoted to cleanup and emergency response)
- Annual compliance and permit fees assessed on facilities that treat, store or dispose (TSD) of hazardous waste
- Cost recovery revenue on certain TSD activities, specifically processing new and renewal permit applications and for TSD corrective actions

LAND QUALITY PROGRAM NARRATIVE

These revenue sources support a variety of program activities including development and maintenance of administrative rules, technical assistance, toxics use reduction, compliance assurance, complaint response, and program management. Solid waste disposal fees may also pay for hazardous waste staff to provide technical assistance to generators of smaller quantities of hazardous waste, known as conditionally exempt generators.

General Funds pay the Hazardous Waste program's share of DEQ's laboratory rental expenses. About $75,000 of General Fund appropriations remains for general support of program activities. Federal grant funds support the development and implementation of authorized hazardous waste management programs administered by the State.

Although destruction of chemical weapons is now complete, DEQ continues to oversee the safe closure of the Umatilla Chemical Agent Disposal Facility and the depot where weapons were stored. This work, which is done under permit, is funded through a cooperative agreement with the U.S. Army.

C. Underground Storage Tanks

The Underground Storage Tank program is funded by several sources including fees, penalties and federal grants. The largest funding source for UST compliance assistance and oversight is the annual per tank compliance fee. Additional revenues come from permit modification and tank installation fees charged to tank operators. DEQ assesses license fees on service providers, the contractors and supervisors who install, remove and test regulated underground storage tanks and those who remove and clean up heating oil tanks. These fees pay DEQ's costs for test development, issuing licenses and enforcement. EPA grant funds are used for UST compliance assistance and oversight. Additional federal funding became available beginning in fiscal year 2009 to help states meet the requirements of the Federal Energy Policy Act, although the size of these grants was decreased in fiscal year 2011.

Most of the funding for the heating oil tank program comes from filing fees paid by home owners or other persons requesting certification of a heating oil tank decommissioning or tank cleanup. A portion of program funding comes from licensing fees charged to heating oil tank service providers.

State statute authorizes DEQ to retain penalties received for violation of statutes in any of the three tank programs – UST compliance, heating oil tanks or leaking USTs – and to use the funds to pay program costs. These penalties come from "traditional" enforcement actions as well as expedited penalties (field tickets).

D. Environmental Cleanup

Environmental cleanup activities are funded by cost recovery, fees and federal grants. The program is designed so that most of DEQ's costs are financed through cost recovery from the parties performing cleanups. DEQ recovers costs for both cleanup oversight and, if necessary, the cost of contractors hired to perform cleanup. Two-thirds of the revenues from hazardous waste disposal fees collected at the hazardous waste landfill near Arlington are devoted to cleanup and emergency response and are credited to the Hazardous Substance Remedial Action Funds (HSRAF). The majority of HSRAF fees go to emergency response, but a portion is used to match federal grants. Finally, fees paid by dry cleaning facility operators fund site assessment and/or cleanup of qualifying dry cleaner sites, as well as activities to ensure that dry cleaners comply with industry-specific environmental management requirements.

LAND QUALITY PROGRAM NARRATIVE

Federal funds, primarily from EPA, support cleanup in several ways. The largest source is the Leaking Underground Storage Tank Trust Fund, which pays for nearly half of DEQ's leaking tank cleanup costs. Other grants fund the development and administration of cleanup programs, support efforts to redevelop brownfield sites, pay for federal-level site assessments and brownfield site assessments, and enable DEQ staff to participate in decisions related to EPA cleanups of Superfund sites in Oregon. In late 2007, site assessment funding was supplemented by an appropriation of federal Clean Water Act monies (called 104(b)3 funds, for the section of the law) and these expenditures will conclude in 2011-13. The U.S. Department of Defense also provides some funding through a cooperative agreement for DEQ's oversight of cleanups at military facilities. For the past several years, EPA has made supplemental awards to help reduce the backlog of tank sites not cleaned up due to the lack of viable responsible parties. This funding may be coming to an end.

The Orphan Site Account funds cleanups where responsible parties have not been identified, or where they are unable or unwilling to finance the cleanup. It has two components:

- The Solid Waste Orphan Site Account is funded by a portion of solid waste tipping fees.
- Historically, the Industrial Orphan Site Account has been funded by long-term bonds, financed primarily with General Funds, and a contribution from hazardous substance possession fees. DEQ has also been successful in recovering orphan funds used to clean up sites, through prospective purchaser agreements, settlements with responsible parties once liability is established or owners' insurance claims. Cost recoveries have returned to the industrial orphan fund about $7 million of the $41 million in bond funds spent over the program's twenty year history. Debt service on the first two bond issues is diminishing and will end when they mature in 2014, freeing up possession fees to finance a new bond sale, authorized by the 2011 Legislature, to replenish the fund. The bonds will be issued in late 2012 and are expected to raise about $6.7 million, enough to cover planned expenditures for about 4 years. The new bond issue will utilize all of the approximately $500,000 raised by the fee annually.

E. Emergency Response and Preparedness

Emergency response and preparedness activities are funded by fees, including hazardous waste disposal fees (HSRAF), and cost recovery. A small portion of cleanup federal funding supports activities such as employee health and safety training. Since 2003, when General Funds were eliminated from the emergency response budget, HSRAF has been the program's primary funding source. DEQ recovers from responsible parties the cost of responding to spill events whenever possible, but these revenues make up only a small portion of the cost of maintaining readiness for emergency events. Using HSRAF to support the majority of emergency response costs reduces funding for long term cleanup activities. Previous proposals to replace the General Fund that once supported this program have not been successful. Two other small sources are available to help pay for specific kinds of events: petroleum load fees are dedicated to highway spill cleanups and drug lab asset forfeiture funds pay for cleanup of illegal drug labs.

Prevention activities are funded by fees and General Funds. Oil Spill Prevention fees levied on facilities and vessels handling petroleum products at ports and rivers pay for oil spill prevention and preparedness activities. The ballast water management program was initially funded entirely with General Funds, but a Legislature-approved fee on commercial vessels began in January 2012 and is expected to pay for half of the 1.5 FTE program.

LAND QUALITY PROGRAM NARRATIVE

III. 2013-15 BUDGET ISSUES

Generally, Land Quality funding sources are projected to be either flat or decreased in 2013-15 compared to previous receipts. Some of the decreases in fee revenue are believed to be at least in part due to the recession, but it is difficult to distinguish between recession impacts and long-term effects. Federal grants have not increased to keep pace with inflation, and in some cases – cleanup and underground tanks, in particular – grant funding has already dropped in 2011-13. Use of fund balances will enable programs to continue to operate at the current service level through 2013-15, but if other fund revenues do not increase, program reductions may be required.

A. Solid Waste program funding

The core solid waste program is funded by waste disposal and permit fees. Disposal fees are based on the amount of waste disposed at municipal solid waste sites in the state or generated in Oregon and transported out of state; permit fees also are based primarily on waste disposed. Waste volumes and the fees collected rose steadily from the early years of this century through the end of 2008, enabling the solid waste program to keep pace with rising costs. However, fees collected in the year ending June 2010 declined about 23 percent from the year ending June 2008, and have remained at about that level through the end of fiscal year 2012. Some of this decrease is due to decreased economic activity and some is probably attributable to permanent changes in behavior. For example, the city of Seattle's food waste composting program undoubtedly has impacted the quantity of the city's waste disposed at Oregon landfills. It is unclear, however, how much of the decline is attributable to the recession and what revenue DEQ will receive in both the short and long terms.

The solid waste program's budget was significantly reduced for the 2011-13 biennium. The 2013-15 budget assumes a modest increase in revenues as the economy improves and beginning fund balances are higher than projected as a result of vacancies. As a result, DEQ expects to be able to fund the current service level. However, few of the 2011-13 reductions were in activities funded by permit fees, and it may be necessary to curtail that activity.

B. Drop in Heating Oil Tank revenues

Heating oil tank certification filing fees have not met projections since fiscal year 2008 because the volume of tank activity has decreased with decreased home sales. As a result, the additional position approved in 2009 was never hired and was eliminated from the 2011-13 budget. Meanwhile, although revenue has recovered somewhat, it hasn't reach a level to allow filling the vacant existing project manager position, which oversees complex cleanup sites. With one project manager to oversee statewide work, existing staff have not been able to take on the field inspection functions envisioned with the fee increase. Auditing is now limited to office review of reports and complaint response. The vacant technical position is retained in the Governor's Balanced Budget with a goal to refill the position when the housing market recovers.

LAND QUALITY PROGRAM NARRATIVE

C. Environmental Cleanup — Industrial Orphan Site Account

Financing industrial orphan site cleanups is an ongoing issue because no long-term funding source has been identified to replenish the fund as needed. The 1989 Oregon Legislature established the Orphan Site Account to pay for the cleanup of contaminated orphan sites, where responsible parties are not known or are unable or unwilling to conduct needed cleanup. Orphan site cleanups were intended to be funded with long-term bonds financed by two fee sources. However, using the petroleum load fee for cleanups was determined to violate the constitutional dedication of gas taxes to highway purposes, so the Legislature has relied on General Funds for new bonds issued since 1995. Because funding is limited, only sites designated as high environmental priorities are cleaned up using Orphan Site Account funds. Ninety-eight cleanup sites have been declared orphan since the program was initiated in 1991; about seventy of them still require expenditures, either for investigation and cleanup or for maintenance of long-term remedies. The 2011 Legislature approved a hazardous substance possession fee-financed bond sale, scheduled for late 2012, which will fund planned expenditures for about four years. Because the new bond issue will utilize all of the approximately $500,000 raised by the fee annually, future bond issues would need to be financed by General Funds unless another revenue stream is identified.

IV. ACCOMPLISHMENTS AND EXPECTED RESULTS

With the proposed budget resources DEQ expects to accomplish the following in the 2013-15 biennium:

A. Solid Waste

- Continue implementation of the newly-completed *2050 Materials Management Vision and Framework for Action*. Complete initial prioritization and make significant progress on first round of high-priority actions. While that prioritization is not yet complete, some of the actions that will likely be high priorities in the next few years include, but are not limited to, the following:
    - Work with stakeholders to establish new goals and measures for sustainable materials management, and update existing goals
    - Evaluate highest and best use at end-of-life for discards with high environmental impacts (e.g., plastics, food, and metals) and evaluate program and policy options, including potential statutory changes, needed to improve recovery
    - Convening stakeholders to collaborate to develop a more sustainable funding strategy for materials and waste management programs
    - Supporting Oregon's Green Chemistry Innovation Initiative
    - Identify opportunities and establish voluntary programs for producers and retailers to support sustainable production, such as improved information dissemination across the life cycle of products
- Continue to work with stakeholders to implement strategies to promote best management practices for materials use in the design, demolition, remodeling and construction of residential buildings and support higher standards for new buildings

LAND QUALITY PROGRAM NARRATIVE

- Collaborate with the West Coast Climate Change Forum to develop models for local governments to use in evaluating climate change impacts, including the impacts from the consumption of products and materials
- Continue implementation of the waste prevention strategy, including voluntary work with businesses on packaging waste prevention, and providing training and technical assistance to community programs and business/industry on waste prevention and resource efficiency
- Provide technical assistance to local governments and businesses to implement successful waste recovery programs, including composting of organics and construction and demolition wastes. Increase efforts toward establishing food waste composting facilities
- Measure and report on statewide recovery efforts
- Provide technical assistance for local household hazardous waste collection events across the state
- Fund a limited number of local household hazardous waste planning and facility construction grants, if sufficient funds available
- Continue to implement a reduced elemental mercury collection strategy to assist households and small businesses with financial and logistical assistance to end use of elemental mercury and elemental mercury containing products
- Permit and inspect solid waste disposal facilities (landfills, transfer stations, material recovery facilities and treatment facilities), waste tire storage and disposal facilities and compost facilities. Permit renewal timelines may increase due to resource constraints
- Review and approve requests to beneficially use waste
- Continue implementing the electronics recycling program, with a reduced staff level, and the paint product stewardship program

B. Hazardous Waste

- Provide on-site technical assistance to several hundred small businesses, especially to implement the program's priority initiatives, such as the auto-wreckers outreach project
- Work with regulated businesses to reduce the use of toxic chemicals through chemical substitution, recycling, process changes, green chemistry and other reduction strategies
- Continue to integrate agency's Toxics Reduction Strategy into existing program, including incorporating reduction actions of priority chemicals into existing program efforts
- Promote zero waste generation through product take-back programs and recycling
- Oversee closure activities at the Umatilla Chemical Agent Disposal Facility and the Umatilla Chemical Depot
- Inspect 50 large facilities annually, which helps keep commitments to U.S. EPA
- Inspect 125 smaller facilities
- Renew all commercial hazardous waste treatment, storage and disposal facility permits

LAND QUALITY PROGRAM NARRATIVE

- Continue technical assistance visits for small businesses, and provide informational workshops and group presentations on hazardous waste activities
- Work with approximately 125 businesses to submit second implementation summary, and to add the summaries to the more than 500 already in the online clearinghouse
- Continue to work on efficiency and outcome-based management efforts, including development of program- and agency-specific measures

C. Underground Storage Tanks

- Maintain 90 licenses for tank service companies and 180 licenses for individual project supervisors
- Respond to an estimated 7,200 technical assistance requests from homeowners and real estate agents on heating oil tanks
- Conduct approximately 1,200 facility inspections to make sure tanks are operating properly to avoid leaks of gasoline; issue field citations or initiate enforcement actions for more serious violations
- Log in and perform a preliminary assessment of an estimated 2,400 leaks from heating oil tanks and approve a projected 2,200 heating oil tank cleanups certified by service providers

D. Environmental Cleanup

- Provide oversight at approximately 400 active voluntary cleanup projects and 25 higher priority, dry cleaner and orphan projects
- Log and screen an estimated 110 reported leaks from regulated tanks and approve a projected 190 cleanups
- Complete investigation and cleanup at approximately 125 sites, representing about 500 acres of land cleared of human and environmental health risks
- Add approximately 200 new sites to the Environmental Cleanup Site Information Database
- Add a projected 30 sites to the confirmed release list and/or inventory of sites requiring further investigation or cleanup
- Investigate 20 to 25 local government brownfield sites using EPA funding, most of which will be in small communities and/or economically distressed areas
- Complete approximately 20 requested prospective purchaser agreements to assist returning contaminated properties to productive use

E. Emergency Response and Preparedness

- Continue risk and hazard analysis to prevent marine oil spills at petroleum-handling facilities

- Review and approve vessel and facility oil spill contingency plans required under the state's oil spill prevention statutes
- Participate in approximately 24 industry oil spill drills and exercises
- Refine and enhance DEQ's ability to support aquatic invasive species prevention efforts primarily by implementing and enforcing ballast water management risk reduction policies and working with other natural resource agencies to coordinate invasive species management strategies
- Enhance ballast water management program compliance verification and technical assistance efforts by increasing vessel boarding and inspection rate from 4 percent to 12 percent of Oregon port arrivals
- Continue to receive and prioritize the approximately 2,300 spill notifications received annually
- Maintain existing capability to respond to significant spill events in each of DEQ's regions
- Manage oil and hazardous materials including household hazardous waste generated from the Japanese tsunami
- Refine and enhance the ability of DEQ and its federal partners at EPA and US Coast Guard to respond to oil and hazardous materials spills including national incidents involving chemical terrorism or natural disasters

V. SUMMARY OF POLICY PACKAGES

Paint Product Stewardship, Policy Package 131

This policy package adds to DEQ's budget revenues from the proposed Paint Product Stewardship legislative concept #574 (HB 2048). The concept proposes to make permanent Oregon's first-in-the-nation statewide product stewardship program for managing leftover architectural paint, which otherwise sunsets in 2014. In addition to making changes to improve the program, the proposed legislation continues and increases existing program fees to cover DEQ's costs to oversee the program conducted by an industry-run product stewardship organization. The policy package increases DEQ revenue by $35,000 for two fees that will not be collected under current law: one $15,000 plan review fee and one $20,000 compliance fee. Revenue would increase to $40,000 (2 annual fees) in 2015-17. No additional resources are required, so there is no impact on Other Fund limitation.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Product Stewardship Fund

The Legislature established the Product Stewardship Fund in 2009, as a part of the legislation (HB 3037) that established a pilot product stewardship program to handle architectural paint. The legislation specified that fees paid to DEQ by the stewardship organization were to be deposited in the Product Stewardship Fund and used to help cover program administrative costs. The law requires the stewardship organization to pay $10,000 upon submittal of a program plan, which occurred in the spring of 2010, and $10,000 each year thereafter. The final payment under the pilot program is due in 2014.

The Governor's Balanced Budget also reflects the legislative proposal to extend the pilot program indefinitely by removing the sunset date, and to make recommended improvements included in DEQ's 2011 report to the Legislature. These recommendations included increasing fees to fully cover DEQ's costs to administer the program. The 2013-15 estimate below includes the final $10,000 annual payment due under the pilot program, a $15,000 fee due upon plan submittal and a $20,000 annual fee to be paid in 2015.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$20,000	$0	$0	$20,000
7/1/13 - 6/30/15	$0	$45,000	$1,533	$0	$43,467

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Solid waste disposal fee

This fee is charged on solid waste disposed in Oregon or generated in-state and transported out of state for disposal. The total rate of 81 cents a ton is the limit authorized for the fee's two components under ORS 459A.110 and 459A.120. The fee is based on the waste amounts reported by disposal facility operators and transporters. A separate disposal fee of 13 cents a ton, collected to provide for cleanup up solid waste orphan sites, is included in the "Orphan Site Account - Solid Waste Sites" narrative.

Revenues support the management of solid waste, including programs to promote and enhance waste prevention, reuse, recycling, household hazardous waste management, groundwater protection at disposal facilities, and other safe management requirements statewide.

The 2013-15 estimate assumes revenue will rise as waste disposal increases with economic recovery and population increase. It does not assume, however, that disposal will return to pre-recession levels, because waste has been decreased through food composting and other waste prevention efforts. The revenue estimate also includes a $300,000 loan repayment from the e-waste registration fee and $200,000 in possible contributions from local governments to jointly conduct a was composition study. (If the contributions are not made, costs will be reduced accordingly.)

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$1,720,000	$7,508,467	$1,185,052	$293,729	$7,749,686
7/1/13 - 6/30/15	$1,722,000	$8,485,000	$1,222,163	$854,176	$8,130,661

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Solid Waste permit fees

Collection of solid waste permit fees is authorized under ORS 459.235 and rates for several fee categories are established by Oregon Administrative Rules, Chapter 340, Division 97. The majority of the revenue estimated below come from fees are assessed on facilities accepting solid waste for disposal and vary with the type of facility (e.g., landfill, transfer station or treatment facility, etc.) and the volume of waste disposed. The 2013-15 revenue estimate assumes revenue will rise as waste disposal increases with economic recovery and population increase. It does not assume, however, that disposal will return to pre-recession levels, because waste has been decreased through food composting and other waste prevention efforts.

These revenues fund compliance assurance, permitting and waste reduction activities. There are also fees charged for specific activities, such as engineering reviews for certain composting facilities and proposed beneficial use of solid waste.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$510,000	$3,548,278	$558,802	$119,546	$3,379,930
7/1/13 - 6/30/15	$0	$3,706,148	$521,884	$68,496	$3,115,768

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Waste Tire fees

This funding source includes revenues from waste tire carrier and storage permit fees, and interest earned. Revenues support a minimal waste tire program of tire storage site monitoring and enforcement.

No revenue remains from the fee on replacement tires, which at one time paid for storage site cleanup assistance, promoting markets for re-use and recycling of waste tires, permitting, and program administration. The fund balance remaining after fee collection ceased in 1992 were either used for tire pile cleanups or transferred by legislative action to the General Fund.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$6,630	$11,950	$1,712	$4,767	$12,101
7/1/13 - 6/30/15	$8,800	$20,200	$2,898	$7,504	$18,598

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Electronic waste fees (Covered Electronic Devices Fund)

Oregon's Electronics Recycling Law (ORS 459A.300 to 459A.365) created and financed a statewide collection, transportation, and recycling system for televisions, desktop and portable computers, and computer monitors (covered electronic devices). The law required manufacturers to pay for the program and established two new fees for that purpose:

- A **manufacturer registration fee**, assessed on all manufacturers selling covered electronic devices in the state. The law established registration fee categories, defined by the manufacturer's percentage of market share of covered electronic devices sold in the state in the previous calendar years. The registration fee is intended to cover DEQ's administrative costs, except for the administrative costs associated with the contractor program described below. The Environmental Quality Commission revised the fees beginning in 2012, as permitted under the e-waste law. The EQC increased the number of market share tiers and authorized DEQ to revise rates for each tier annually, as market distribution changes, to raise a pre-established revenue amount. Revenue raised is intended to cover program costs and to repay loans from the solid waste disposal fee that were necessary to cover program costs in prior years. The revenue need for both years of the 2013-15 biennium is set in rule at $435,000.
- A **recycling fee,** assessed on all manufacturers who participate in the contractor program (i.e., manufacturers who choose not to establish their own or join a manufacturer's group recycling program). The fee to individual manufacturers participating in the contractor program is based on their "return share". The law requires that recycling fees cover contractor program costs, including the contractor's costs for collection, transportation, recycling and administration, and DEQ's cost to oversee the contractor program. DEQ issues invoices based on estimated program costs, and then adjusts through credits, refunds or additional billing when actual costs are known. Costs are difficult to estimate primarily because the volume of devices is difficult to predict.

The law also established a fund, the Covered Electronic Devices Account, into which the two fees are deposited. Interest earned is credited to the account.

Because recycling revenues are collected to cover a calendar year, the ending balance at the end of the biennium is needed to cover expenditures for the last six months of the 2013 calendar year.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$1,229,265	$7,212,374	$101,993	$1,273,928	$7,065,718
7/1/13 - 6/30/15	$757,000	$3,826,238	$101,992	$814,142	$3,667,104

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Hazardous Substance Possession Fees (Toxics Use Reduction)

This fee, authorized by ORS 453.400 -.402, is paid annually by persons who are required to report chemical possession under the Community Right-to-Know laws. The amount of the fee is based on the type and quantity of the substance possessed and rates set in a fee schedule determined by the State Fire Marshal. Revenue is transferred to DEQ annually based on the budget approved by the Legislature. These funds support Oregon's Toxics Use and Hazardous Waste Reduction (TUHWR, sometimes referred to as TUR) program. Hazardous Substance Fees also support debt service for orphan site cleanup bonds; those figures are reported in the "Orphan Site Account – Industrial Sites" revenue narrative. ORS 453.402 requires that separate fee schedules be established for these two activities, as well as for the State Fire Marshal's Community Right-to-Know program.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$450,000	$1,000,000	$168,855	$263,999	$1,017,146
7/1/13 - 6/30/15	$585,000	$1,000,000	$208,628	$120,254	$1,256,118

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Hazardous Waste disposal fee

ORS 465.375 - .376 assesses a fee on each ton of waste brought into the hazardous waste management facility, near Arlington, for treatment or disposal. One-third of the revenue from this fee funds hazardous waste program management and technical assistance activities; the other two-thirds pay for site cleanups (see separate revenue narrative for the Hazardous Substance Remedial Action Fund). Half of the hazardous waste program revenues from this fee are dedicated by statute to hazardous waste generator technical assistance.

The statute sets a primary rate of $30 per ton for materials defined as hazardous waste or polychlorinated biphenyl (PCB). There are, however, several alternate rates charged when certain conditions are met: Rates graduate downward for large quantities of waste resulting from environmental cleanup and received from a single property or facility, to a low of $2.50 per ton for more than 25,000 tons. Lower rates are also charged for waste treated at the facility so that it no longer meets the statutory definition of a solid waste ($15 per ton) and for waste treated to eliminate its hazardous characteristics and certain other wastes ($2 per ton).

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$355,370	$760,000	$122,713	$212,563	$780,094
7/1/13 - 6/30/15	$705,370	$760,000	$175,399	$191,101	$1,098,870

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Hazardous Waste generator fees

There are two fees assessed on regulated generators of hazardous waste. The first is the Generator Identification Fee which is a one-time fee charged to generators of hazardous waste that are required to obtain a U.S. Environmental Protection Agency identification number from the DEQ pursuant to federal law. This $200 processing fee is charged upon submittal to DEQ of an application for an identification number.

The second fee is the annual hazardous waste generator fee authorized by ORS 466.165. By rule, the fee has two components: (1) a flat fee based on the generator's status (large or small quantity generator) and (2) an amount that varies based on the volume of waste generated and the manner in which the waste is treated or disposed. ORS 466.165 (3) establishes a base rate of $130 per metric ton for the calculation of the second fee component. It also sets a cap on this component of $32,500 a year per generator.

Both fees are used to support the agency's generator inspection, compliance and enforcement programs.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$300,000	$3,139,390	$487,336	$63,380	$2,888,674
7/1/13 - 6/30/15	$705,000	$3,045,000	$485,269	$331,647	$2,933,084

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Hazardous Waste Treatment, Storage and Disposal Fees

DEQ assesses fees and cost recovery charges on facilities that treat, store or dispose (TSD) of hazardous wastes. These include annual compliance determination fees for various categories of TSD activities (e.g., storage or treatment) and permit modification fees. Legislation passed in 1997 required the Department to recover from facilities its actual costs of corrective action (cleanup) and permit processing. With the closure of the Umatilla Chemical Agent Disposal Facility, there are only two active facilities that pay annual compliance fees, but various former facilities still pay for permit renewal or corrective action oversight. Ongoing activities to close the Umatilla facility and depot will be financed through the cooperative agreement with the U.S. Army.

The revenue collected through fees and cost recovery supports permitting, plan review, hydrogeologic assessments, compliance monitoring, legal and technical engineering review of hazardous waste facilities.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$260,000	$802,500	$148,813	$51,318	$862,369
7/1/13 - 6/30/15	$515,000	$600,000	$153,131	$42,135	$919,734

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Leaking Underground Storage Tanks cost recovery

The terms of EPA's Grant for Leaking Underground Storage Tank (LUST) Trust Funds require DEQ to recover from responsible parties any LUST funds spent on cleanups, primarily DEQ's oversight costs. EPA restricts use of cost recoveries to cleanup of LUST-eligible sites (regulated sites), special projects approved by EPA and associated administrative costs. As a result, these revenues are reported separate from other cleanup cost recoveries, which are included in the Hazardous Substance Remedial Action Fund.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$660,127	$2,595,449	$441,157	$246,540	$2,567,879
7/1/13 - 6/30/15	$1,144,000	$2,300,000	$435,880	$439,726	$2,568,394

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Underground Storage Tank permit fees

ORS 466.785 sets the Underground Storage Tank permit fee at $135 per regulated tank per calendar year and authorizes fees for new tank installations ($400) and modifying a permit when the ownership changes ($75). The fee pays for DEQ efforts to issue operation, installation and closure permits and for compliance inspections and enforcement.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$691,563	$1,490,086	$252,800	$476,056	$1,452,793
7/1/13 - 6/30/15	$650,000	$1,523,500	$279,078	$247,802	$1,646,620

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Underground Storage Tank contractor licensing fees

ORS 466.750 authorizes DEQ to establish a licensing program for companies that provide underground storage tank services and construction supervisors who install, remove or test regulated underground storage tanks. (License fees for heating oil tank service providers are reported with other heating oil tank fees on the next page). Fees are charged to administer the program, which includes test development, licensing and enforcement. ORS 466.787 establishes an annual service provider fee of $300 and a biennial supervisor fee of $150.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$220,344	$115,000	$12,481	$184,377	$138,486
7/1/13 - 6/30/15	$161,000	$85,000	$8,096	$122,727	$115,177

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Heating oil tank filing and licensing fees

There are two types of fees associated with heating oil tanks:

(1) ORS 466.872 establishes certification filing fees for heating oil tank cleanups and decommissionings (taking tanks out of service). These fees are currently set at $200 and $75, respectively.

(2) ORS 466.868 sets an annual fee of $750 for a business engaged in the performance of heating oil tanks services and $75 for each individual charged with supervisory responsibilities.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$20,000	$772,255	$112,221	$29,185	$650,849
7/1/13 - 6/30/15	$125,000	$708,750	$110,009	$84,750	$638,991

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Underground Storage Tanks Compliance and Corrective Action Fund

This fund was established by ORS 466.791 to pay for various activities and financing programs to help clean up underground storage tank (UST) leaks and prevent future leaks. However, fees authorized to provide revenue for this purpose were discontinued due to conflict with the constitutional provision dedicating petroleum revenues to highway uses. The only revenues that continue to accrue to this fund are civil penalties for underground storage tank compliance violations. DEQ is authorized to retain these penalties to support administration of the underground storage tank program.

A portion of the penalty revenues comes from "expedited penalties" or "field tickets" issued in lieu of formal enforcement for certain violations. ORS 466.8370 authorized penalties of not less than $50 and not more than $500 per violation. Total penalties per facility per inspection cannot exceed $1,500.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$166,012	$67,900	$29,979	$22,930	$181,003
7/1/13 - 6/30/15	$98,000	$110,000	$18,607	$77,689	$111,704

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Dry Cleaner Environmental Response Account

Fees paid by the dry cleaning industry are used for cleanup of contamination from dry cleaning facilities and to support a program preventing future releases of dry cleaning solvent into the environment. The Legislature set the current dry cleaner fee structure in 2003. There are four components of the fee: (1) a $500 annual facility fee for any facility that used any solvent prior to 1998; (2) a $500 fee for any facility that uses the solvent perchloroethylene during the fee year; (3) a fee equal to 1 one percent of gross revenue from dry cleaning services; and (4) fees based on solvent purchases: $10 per gallon of perchloroethylene and $2 per gallon of other solvents. Inactive dry cleaner facilities also pay fees in order to qualify for program benefits. Sites qualifying for cleanup with fund revenues also pay a deductible that varies with the size of the business. The 2003 bill removed the statutory provision that automatically increased fees when fees collected were less than $1 million a year; the new fee structure currently generates only about $450,000 a year. The estimated 2013-15 revenue also includes insurance settlements that may be available to reimburse DEQ's cleanup costs at individual sites.

The fees are used to assist dry cleaners in meeting environmental management requirements; to administer the reporting process; to prioritize cleanup sites; and to perform investigations and cleanups.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$200,000	$1,358,615	$84,292	$70,317	$1,404,006
7/1/13 - 6/30/15	$283,000	$1,211,837	$87,350	$11,605	$1,395,882

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Hazardous Substance Remedial Action Fund (HSRAF)

The Hazardous Substance Remedial Action Fund (HSRAF) is one of DEQ's primary revenue sources for addressing environmental contamination. DEQ is authorized to use HSRAF to pay for its remedial action costs and any activity described in the "removal and remedial action" title of ORS 465. This includes investigating sites potentially requiring remedial action, overseeing cleanup activities performed by responsible parties, cleaning up sites when necessary to protect human health and the environment and associated administrative costs.

There are four sources of revenue for this fund:

1. ORS 465.375 - .376 assesses a fee on each ton of waste brought into the hazardous waste management facility, near Arlington, for treatment or disposal. Two-thirds of the revenue from this fee pay for site cleanups; the other one-third funds hazardous waste program management and technical assistance activities (see separate revenue narrative for the Hazardous Waste Disposal Fee). The statute sets a primary rate of $30 per ton for materials defined as hazardous waste or polychlorinated biphenyl (PCB). There are, however, several alternate rates charged when certain conditions are met: Rates graduate downward for large quantities of waste resulting from environmental cleanup and received from a single property or facility, to a low of $2.50 per ton for more than 25,000 tons. Lower rates are also charged for waste treated at the facility so that it no longer meets the statutory definition of a solid waste ($15 per ton) and for waste treated to eliminate its hazardous characteristics and certain other wastes ($2 per ton).

2. The largest source of HSRAF revenue is cost recoveries. DEQ's cleanup oversight activities and other costs at individual sites are reimbursed by the responsible party, usually the owner or operator. HSRAF monies are spent and cost recoveries sought for work at hazardous substance contaminated sites, both voluntary cleanups and enforcement sites (where the party is under DEQ order to clean up), as well as for contemporaneous spills. Cost recoveries, including those described in #3 below, account for about 87 percent of the projected 2013-15 HSRAF revenues.

3. The fund also contains cost recovery payments received in advance from parties responsible for cleanup. These funds are dedicated to specific projects and are not available for general program use. The reasons for these advance deposits vary from site to site and are the result of negotiation with the responsible parties. An example is the 14 settlement agreements that yielded about $2.7 million for cleanup and natural resource habitat restoration in the Columbia Slough. These revenues account for $2.5 million of the 2013-15 beginning balance, $2.2 million of estimated revenues and about $360,000 of the projected ending balance.

4. The third source, interest received on the HSRAF balance, is continuously appropriated to the agency.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$6,377,643	$16,932,945	$2,393,241	$1,955,944	$18,961,403
7/1/13 - 6/30/15	$6,115,000	$17,991,953	$2,583,082	$1,064,455	$20,459,416

Note: A significant portion of fund revenue is dedicated by contractual agreements for specific cleanup sites or areas. See item (3) above.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Orphan Site Account – Industrial Sites

The Orphan Site Account was established in 1989 to fund investigation and cleanup at sites, known as orphans, where the responsible parties are unknown, unable or unwilling to perform cleanup-related work. The Legislature authorized the financing of orphan cleanups with long-term pollution control bonds and initially established three fees to pay debt service on the bonds. The legislation also provided that the fees may be spent directly on orphan cleanups.

The law established two categories of orphan sites – industrial orphans, originally financed by fees on hazardous substances and petroleum, and solid waste disposal sites (landfills), funded by solid waste disposal fees. Because of constitutional issues, the petroleum fees are no longer used for orphan cleanups. The solid waste orphan revenues are discussed in the "Orphan Site Account – Solid Waste Sites" narrative.

Revenues for industrial orphan site cleanups can come from four sources: hazardous substance fees, bond proceeds, cost recoveries and interest earnings.

Hazardous Substance Fees:
As indicated in the Hazardous Substance Possession Fee narrative, ORS 453.402 authorizes the assessment of hazardous substance fees to help fund the Orphan Site Account, in addition to paying for DEQ's toxics use reduction activities and the State Fire Marshal's Community Right-to-Know program. The fees are paid annually by persons who are required to report chemical possession under the Community Right-to-Know laws; the amount of the fee is based on the type and quantity of the substance possessed. The fee schedule is set by the State Fire Marshal, collection administered by the Department of Revenue, and a set amount of revenue transferred to DEQ in accordance with uses approved by the Legislature. Revenue received from this source ($1,040,802 in 2013-15) is not apparent in the table below because the entire amount is transferred to a non-limited debt service fund for payment of debt service during the biennium.

Hazardous substance fees can fund orphan site cleanups in two ways: debt service on long-term bonds and direct expenditure. They have been used to fund half of the debt service on the first two orphan site bond issues (1992 and 1994), with the other half currently funded by General Funds. Because these early issues are almost paid off, the 2011 Legislature authorized issuance of new bonds in 2012 to be financed entirely with the existing amount of possession fees. About $1,041,000 of hazardous substance fees will be used for the old and new bond issues combined during 2013-15. Revenues needed for debt service are transferred for payment from DEQ's debt service accounts. As a result, no revenue is displayed in the chart below. At times, there have been excess funds in the account, due primarily to interest earnings, that were available for direct expenditure on orphan cleanups. Prior balances have been redirected by legislative action to reduce General Fund obligations, so there are currently no excess funds available for direct expenditure.

Bond sales:
There have been seven bond sales since 1992, generating about $41.85 million for industrial orphan cleanups. DEQ expects about $6.7 million from an eighth bond issue in late 2012. Funds are held in a separate bond fund and transferred to the Land Quality budget to cover expenditures. The 2013-15 revenue estimate includes a transfer of $3.9 million in bond proceeds. (The total is less than this amount because revenues are transferred to HSRAF to fund overhead costs.)

Cost recoveries and interest:
2013-15 revenue estimates below include $200,000 in recoveries of previously expended orphan funds. Interest earnings are estimated at $160,000.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$284,169	$3,960,247	$48,393	$634,004	$3,562,019
7/1/13 - 6/30/15	$950,000	$3,839,674	$117,399	$601,719	$4,070,556

Note: The 2013-15 budget includes a transfer of $1,040,802 in hazardous substance possession fees from the Department of Revenue to the industrial orphan site account and the entire amount will be transferred during the course of the biennium to the a nonlimited fund as needed for debt service payments.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Orphan Site Account - Solid Waste Sites

As described in the Industrial Orphan Site Account revenue narrative, the Orphan Site Account was established in 1989 to fund investigation and cleanup at sites, known as orphans, where the responsible parties are unknown, unable or unwilling to perform cleanup-related work. The legislation authorized the financing of orphan cleanups with long-term pollution control bonds, to be financed with fees, and also provided that the fees could be spent directly on orphan site cleanups. The orphan site legislation established two categories of orphan sites – solid waste disposal sites (landfills) and industrial orphan sites. Industrial orphan funding is discussed in the "Orphan Site Account – Industrial Sites" revenue narrative.

The orphan site legislation authorized the Environmental Quality Commission to establish a separate solid waste disposal, or tipping, fee (ORS 459.236) for solid waste orphan cleanups. Collection of the fee, which was set at 13 cents per ton, began in 1993. Interest earned on the balance is also credited to the fund. 2013-15 revenue estimates include about $1.3 million in fees.

ORS 459.236 makes funds from this account available to local government for cleanup of municipal landfills after the local government contributes a share of the funding specified in ORS 459.311. DEQ can also spend money independently at orphan landfills.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$1,628,000	$1,220,248	$0	$1,036,926	$1,811,322
7/1/13 - 6/30/15	$2,825,000	$1,342,635	$9,223	$2,247,230	$1,911,182

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Ballast Water Fund

The 2011 Legislature established (SB 81) a fee on commercial vessels currently subject to ballast water regulations (over 300 gross tons and with ballast tanks) to ultimately fund half of an expanded ballast water management program. The fee was set in statute at $70 per ship arrival. Fee collection began in January 2012.

The fund can be used for monitoring vessel arrivals and screening ballast water report forms, vessel inspections, ballast water sample analyses, enforcement, policy development and coordination with other agencies, response to aquatic species outbreaks and technical assistance.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$157,500	$14,577	$26,205	$116,718
7/1/13 - 6/30/15	$40,000	$203,000	$21,759	$57,306	$163,935

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Highway Spill Fund (including petroleum product withdrawal delivery fees)

The petroleum load fee authorized by ORS 465.101-.131 is assessed on each withdrawal of a petroleum product from a bulk facility and for importation of petroleum products in a cargo tank or barge for delivery into a storage tank. The fee, established by administrative rule by the Office of the State Fire Marshal, is currently $4 per load. A portion of this revenue is transferred to DEQ annually in accordance with expenditures approved by the Legislature.

One of the originally intended purposes of the fee was to fund the state's emergency response program. Because the fee is assessed on petroleum, it has been restricted to highway-related response activities since 1993. When possible, DEQ recovers highway spill fund expenditures from the party responsible for the release and replenishes the fund. The 2013-15 budgeted revenue includes about $88,000 of petroleum load fee and the remaining approximately $200,000 is estimated cost recovery.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$94,869	$176,536	$31,467	$23,098	$216,840
7/1/13 - 6/30/15	$0	$287,242	$35,072	$9,233	$242,937

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Illegal Drug Lab Cleanup Fund

The Illegal Drug Lab Cleanup Fund was established in 1989 to partly fund the agency's activities to remove and dispose of chemicals and wastes associated with illegal drug manufacturing, when requested by local and state law enforcement agencies. Asset forfeiture revenues may also be transferred to the Oregon Health Authority to support its illegal drug manufacturing program and may fund safety certification training and personal protective equipment for law enforcement personnel who respond to illegal drug lab sites.

Revenue comes from three sources: DEQ receives 10 percent of the net drug-related assets forfeited to the Oregon State Police and 5 percent of forfeitures to local law enforcement agencies. Contributions from both sources are capped at $250,000. The fund also receives a small amount of cost recovery from parties responsible for cleanup (e.g., landlords) and restitution from convicted parties when directed by the courts.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$260,055	$86,000	$3,828	$222,615	$119,612
7/1/13 - 6/30/15	$270,000	$86,000	$4,240	$226,961	$124,799

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Oil Spill Prevention fees

Oil spill prevention fees (ORS 468B.405) are assessed on cargo and tank vessel and oil storage and transportation facilities, both on-shore and off-shore. Vessel fees are assessed per trip, which range from $70 for cargo and passenger vessels and up to $100 for barges ships to $1,200 for tank vessels over 300 gross tons. Facilities are charged an annual fee of $5,900.

The fees are used to administer the Oil Spill Prevention Act, including the cost of reviewing spill prevention and response plans, inspections of vessels and facilities, conducting training and response exercises, and reviewing and revising the state's oil and hazardous materials spill response plan.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$161,037	$731,596	$109,061	$104,837	$678,735
7/1/13 - 6/30/15	$25,000	$662,600	$92,270	$6,049	$589,281

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Spill penalty funds

DEQ has authority under two chapters of Oregon law to assess civil penalties related to spills of oil and hazardous materials. These funds are continuously appropriated to DEQ for expenditure for spill response related activities.

ORS 468B.450-.455 allows penalties to be assessed in cases of willful or negligent discharges of oil into the waters of the state. The penalties are authorized in addition to penalties under other statutes and are intended to be commensurate with the amount of damage incurred. The law established an Oil Spillage Control Fund for receipt and expenditure of these oil discharge penalties. Revenues in the Oil Spillage Control Fund may be used by DEQ for costs incurred in carrying out cleanup activities and for the rehabilitation of affected fish and wildlife.

ORS 466.992 allows DEQ to assess penalties against any person who violates a provision of the state's laws and rules covering spill response and cleanup of hazardous materials (ORS 466.605 to 466.680). These penalties are also in addition to penalties under other statutes and may be up to $10,000 per day. These penalties are to be deposited into the Oil and Hazardous Materials Emergency Response and Remedial Action Fund established in ORS 466.670. This fund may be used for the administration and enforcement of the spill response and cleanup statutes, and for emergency cleanup operations.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$87,842	$38,000	$11,754	$36,140	$77,948
7/1/13 - 6/30/15	$45,000	$84,000	$15,368	$15,500	$98,132

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal Hazardous Waste grant funds

Section 3011 of the Resource Conservation and Recovery Act authorizes funding to states for the development and implementation of authorized state hazardous waste management programs. A 25 percent state match is required.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$1,384,399	$192,338	$0	$1,192,061
7/1/13 - 6/30/15	$0	$1,390,000	$192,211	$12,557	$1,185,232

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal Leaking Underground Storage Tank Trust Funds

In 1986, the U.S. Congress established a $500 million fund, the Leaking Underground Storage Tank (LUST) Trust, for states to use for investigation and cleanup of petroleum leaks from underground storage tanks. These funds are transferred to states via Cooperative Agreements. A 10 percent state match is required, which DEQ finances with Hazardous Substance Remedial Action Funds. The 2013-15 revenues shown below include about $200,000 to allow for a possible additional award of "cleanups completed" funding made available to states increase the number of sites cleaned up. DEQ received more than $500,000 in supplemental funds in 2011-13, but it is uncertain how much, if any, funding will be awarded in 2013-15.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$2,294,436	$253,955	$0	$2,040,481
7/1/13 - 6/30/15	$0	$2,086,000	$262,134	$16,564	$1,807,302

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal Underground Storage Tanks grants

EPA provides assistance from two sources for the development and implementation of DEQ's underground storage tank compliance program. Historically, funds have been provided as authorized by Section 9010 of the Resource Conservation and Recovery Act. These funds are used to supplement state funds for activities to ensure regulated petroleum tank compliance with installation and operational regulations designed to prevent leaks. A 25 percent state match is required, which comes from underground storage tank permit fees. Since fiscal year 2009, EPA has supplemented the traditional funding with new "LUST Prevention" funding. These funds are to assist with compliance of the underground storage tank provisions of the federal Energy Policy Act of 2005. The revenue estimates below assume funds will be available in 2013-15 at the same level as in state fiscal year 2013, or $413,000 a year from the two sources combined. This is 13.5 percent reduction from the 2011-13 budget.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$890,482	$123,480	$0	$767,002
7/1/13 - 6/30/15	$0	$826,302	$110,488	$7,227	$708,587

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal environmental cleanup grants and cooperative agreements

DEQ receives funding for environmental cleanup activities through several grants from and cooperative agreements with EPA. Some of the funding is authorized through the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), commonly known as Superfund, to assist state cleanup programs. In 2000, additional funds became available through the passage of federal brownfields legislation.

(1) Environmental cleanup program administration and development. These "Core cooperative agreement" expenditures require a 10 percent state match.
(2) Brownfield funding to enhance the state cleanup program, including site specific assessments to assist local governments and private parties in determining the extent of contamination at selected sites and other activities related to brownfield sites. Awarded as a "State Response Cooperative Agreement." No match required.
(3) Site assessment and discovery, including preliminary assessments of selected medium- to high-priority sites, provision of state perspectives on sites being assessed by EPA, and program administration. There is no matching requirement for these funds.
(4) Funding for state participation in the cleanup of Oregon sites on the National Priorities, or Superfund, List. These cleanups are conducted by EPA under federal CERCLA cleanup authorities. There is no match on the cooperative agreement funds, although the state is required to provide a 10 percent match on cleanup costs EPA incurs at sites where there is no private party to finance the cleanup.
(5) Funding for characterization and assessment of brownfield sites contaminated with hazardous substances and/or petroleum.
(6) DEQ may pursue other avenues that might become available to assist in cleanup or redevelopment of contaminated or brownfield sites.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$4,083,720	$445,011	$0	$3,638,709
7/1/13 - 6/30/15	$0	$3,570,212	$377,774	$25,494	$3,166,944

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal Defense-State Memorandum of Agreement (DSMOA)

Many units of the Defense Department require that state environmental agencies enter into an agreement, known as a Defense-State Memorandum of Agreement, for the state to be paid for its costs to oversee environmental cleanup at both active and formerly used defense facilities. The DSMOA provides funding for DEQ's costs to ensure that cleanups meet state requirements, as well as some associated overhead costs. No matching funds are required.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$149,649	$22,380	$0	$127,269
7/1/13 - 6/30/15	$0	$170,001	$24,506	$1,782	$143,713

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal Superfund grant - McCormick and Baxter

In most cases, the U.S. Environmental Protection Agency spends Superfund monies directly on sites being cleaned up under its Comprehensive Environmental Response Compensation and Liability Act, or CERCLA, authorities. However, since 1995 EPA has granted funds for the McCormick and Baxter Creosoting Company site on the Willamette River in Portland, for DEQ to carry out the cleanup. DEQ expected funding to be terminated following the completion of construction of the third phase of the remedy in 2005. Since March, 2008, EPA has been providing funding for continued maintenance of the remedy and for additional monitoring to determine if the remedy is "operational and functional." The 2013-15 revenue is based on an estimated carryover of the funds awarded through June 2012. Most, if not all, of the requirement to match 10 percent of the cleanup costs has already been satisfied by previous state expenditures from the Orphan Site Account.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$452,102	$12,648	$0	$439,454
7/1/13 - 6/30/15	$0	$50,000	$58	($58)	$50,000

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: LAND QUALITY (13-15)

Federal funds – Umatilla Chemical Agent Disposal Facility cooperative agreement

The U.S. Congress mandated the Department of Defense to dispose of the Army's chemical stockpile, including the munitions and agents stored at the Umatilla Chemical Agent Disposal Facility. Although destruction of chemical weapons was completed in November 2011, DEQ will continue to oversee the safe closure of the Umatilla Chemical Agent Disposal Facility and the depot where weapons were stored.

This work, like the oversight of weapons destruction, is funded by an annual cooperative agreement between DEQ and the Army. Funds pay for administration and modification of the hazardous waste and air contaminant discharge permits, compliance, enforcement and public outreach.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/11 - 6/30/13	$0	$2,426,427	$219,233	$0	$2,207,194
7/1/13 - 6/30/15	$0	$475,807	$53,268	$6,423	$416,116

LAND QUALITY PROGRAM ESSENTIAL POLICY PACKAGE NARRATIVE (13-15)

Title: Vacancy factor and non-PICS personal services (#010)

Purpose:

This package applies adjustments to personal services costs that are not generated by the Position Inventory Control System:

- Updates the vacancy factor to project budget savings reasonably expected from staff turnover
- Applies the standard general inflation factor of 2.4 percent to non-PICS generated personal services costs, such as temporaries, overtime and shift differential
- Adjusts for changes in the contribution for debt service on the PERS pension obligation bonds
- Adjusts for mass transit taxes (excluding federal funds)

Budget:			
	$	65,439	General Fund
	$	0	Lottery Fund
	$	(73,562)	Other Fund
	$	(40,169)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	65,439	-	-	-	-	-	65,439
Total Revenues	**$65,439**	**-**	**-**	**-**	**-**	**-**	**$65,439**
Transfers Out							
Transfer Out - Indirect Cost	-	-	13,963	7,634	-	-	21,597
Total Transfers Out	**-**	**-**	**$13,963**	**$7,634**	**-**	**-**	**$21,597**
Personal Services							
Temporary Appointments	-	-	3,988	4,110	-	-	8,098
Overtime Payments	-	-	107	502	-	-	609
Shift Differential	-	-	63	75	-	-	138
All Other Differential	-	-	3,205	-	-	-	3,205
Public Employees' Retire Cont	-	-	645	109	-	-	754
Pension Obligation Bond	(12,470)	-	28,893	(40,617)	-	-	(24,194)
Social Security Taxes	-	-	564	359	-	-	923
Unemployment Assessments	-	-	436	-	-	-	436
Mass Transit Tax	(6)	-	(4,632)	-	-	-	(4,638)
Vacancy Savings	77,915	-	(106,827)	(4,707)	-	-	(33,619)
Reconciliation Adjustment	-	-	(2)	1	-	-	(1)
Total Personal Services	**$65,439**	**-**	**($73,560)**	**($40,168)**	**-**	**-**	**($48,289)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**

Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	65,439	-	(73,560)	(40,168)	-	-	(48,289)
Total Expenditures	**$65,439**	**-**	**($73,560)**	**($40,168)**	**-**	**-**	**($48,289)**
Ending Balance							
Ending Balance	-	-	87,523	47,802	-	-	135,325
Total Ending Balance	**-**	**-**	**$87,523**	**$47,802**	**-**	**-**	**$135,325**

LAND QUALITY PROGRAM ESSENTIAL POLICY PACKAGE NARRATIVE (13-15)

Title: Cost of phased-in programs or one-time increases (#021)

Purpose: To identify non-PICS related budget adjustments due to activities that phase in for 2013-15 or are one-time costs.

How accomplished: This package includes an increase in General Funds, reversing a 2011-13 one-time reduction to hazardous waste program General Fund implemented during the February 2012 session. It also includes Other Fund adjustments: (1) a $14,265 phase in of S&S for the permanent part time ballast water position and (2) a $16,187 non-PICS related one-time budget adjustment for S&S to replace COPS DS from 0709 LAB Pkg. 806

Budget:

$	17,378	General Fund
$	0	Lottery Fund
$	30,452	Other Fund
$	0	Federal Fund

Staffing impact: None. FTE phase-ins occur in the base budget (#000)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 021 - Phase-in

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	17,378	-	-	-	-	-	17,378
Total Revenues	**$17,378**	**-**	**-**	**-**	**-**	**-**	**$17,378**
Services & Supplies							
Instate Travel	-	-	364	-	-	-	364
Out of State Travel	-	-	972	-	-	-	972
Employee Training	-	-	124	-	-	-	124
Telecommunications	-	-	664	-	-	-	664
Professional Services	-	-	6,811	-	-	-	6,811
Attorney General	-	-	862	-	-	-	862
Dues and Subscriptions	-	-	2,853	-	-	-	2,853
Facilities Rental and Taxes	3,358	-	-	-	-	-	3,358
Intra-agency Charges	14,020	-	-	-	-	-	14,020
Other Services and Supplies	-	-	17,783	-	-	-	17,783
Expendable Prop 250 - 5000	-	-	19	-	-	-	19
Total Services & Supplies	**$17,378**	**-**	**$30,452**	**-**	**-**	**-**	**$47,830**
Total Expenditures							
Total Expenditures	17,378	-	30,452	-	-	-	47,830
Total Expenditures	**$17,378**	**-**	**$30,452**	**-**	**-**	**-**	**$47,830**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**

Pkg: 021 - Phase-in | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(30,452)	-	-	-	(30,452)
Total Ending Balance	**-**	**-**	**($30,452)**	**-**	**-**	**-**	**($30,452)**

PROGRAM POLICY PACKAGE NARRATIVE

Title: Cost of phased-out programs or one-time eliminations (#022)

Purpose:

To identify Non-PICS related budget adjustments due to activities that phase-out in 2013-15 or eliminate one-time expenditures from 2011-13.

How accomplished: No adjustments necessary for 2013-15.

Budget:	$	(0)	General Fund
	$	(0)	Lottery Fund
	$	(0)	Other Fund
	$	(0)	Federal Fund

Staffing impact: None.

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Inflation and price list adjustments (#031, 032, 033)

Purpose:

Inflation and price list adjustments are applied to services and supplies, capital outlay, and special payment amounts in the 2013-15 base budget.

How accomplished:

Package 031 applies standard inflation, state government service charge, and other price list adjustments

- General inflation of 2.4 percent
- Attorney General inflation of 14.9 percent
- State government service charge price list adjustments
- Central government service charge price list adjustments
- Self support rent agreement price list (DEQ Laboratory)

Package 033 applies inflation rates requiring Exception Committee approval and includes only the amount over and above Package 031 amounts. DEQ applied an incremental rate of 2.83 percent for Intra-Agencies Charges (General and Lottery Funds), which help fund DEQ's central services, and a 10.6 percent rate for special payments to the State Police.

Budget:

Package	General Fund	Lottery Fund	Other Fund	Federal Fund
031	$1,927	$0	$805,259	$138,136
032	$0	$0	$0	$0
033	$371	$0	$593	$4,335

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**
Pkg: 031 - Standard Inflation | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	1,927	-	-	-	-	-	1,927
Total Revenues	**$1,927**	**-**	**-**	**-**	**-**	**-**	**$1,927**
Transfers Out							
Transfer Out - Intrafund	-	-	(37,437)	-	-	-	(37,437)
Transfer Out - Indirect Cost	-	-	73,503	13,349	-	-	86,852
Total Transfers Out	**-**	**-**	**$36,066**	**$13,349**	**-**	**-**	**$49,415**
Services & Supplies							
Instate Travel	78	-	2,704	1,357	-	-	4,139
Out of State Travel	41	-	516	169	-	-	726
Employee Training	306	-	6,247	1,365	-	-	7,918
Office Expenses	154	-	9,420	1,684	-	-	11,258
Telecommunications	51	-	6,159	2,187	-	-	8,397
Data Processing	34	-	1,026	107	-	-	1,167
Publicity and Publications	-	-	70	-	-	-	70
Professional Services	-	-	490,898	61,172	-	-	552,070
Attorney General	-	-	120,167	27,357	-	-	147,524
Employee Recruitment and Develop	5	-	53	33	-	-	91
Dues and Subscriptions	4	-	395	51	-	-	450
Facilities Rental and Taxes	646	-	116,390	28,420	-	-	145,456
Fuels and Utilities	30	-	753	365	-	-	1,148
Facilities Maintenance	4	-	81	17	-	-	102
Agency Program Related S and S	20	-	778	63	-	-	861

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**
Pkg: 031 - Standard Inflation | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Intra-agency Charges	4	-	-	-	-	-	4
Other Services and Supplies	495	-	34,198	11,918	-	-	46,611
Expendable Prop 250 - 5000	55	-	1,122	335	-	-	1,512
IT Expendable Property	-	-	2,950	555	-	-	3,505
Total Services & Supplies	**$1,927**	**-**	**$793,927**	**$137,155**	**-**	**-**	**$933,009**
Capital Outlay							
Technical Equipment	-	-	2,658	-	-	-	2,658
Data Processing Software	-	-	271	-	-	-	271
Data Processing Hardware	-	-	1,033	-	-	-	1,033
Total Capital Outlay	**-**	**-**	**$3,962**	**-**	**-**	**-**	**$3,962**
Special Payments							
Dist to Other Gov Unit	-	-	6,305	-	-	-	6,305
Dist to Non-Gov Units	-	-	931	-	-	-	931
Spc Pmt to Police, Dept of State	-	-	134	981	-	-	1,115
Total Special Payments	**-**	**-**	**$7,370**	**$981**	**-**	**-**	**$8,351**
Total Expenditures							
Total Expenditures	1,927	-	805,259	138,136	-	-	945,322
Total Expenditures	**$1,927**	**-**	**$805,259**	**$138,136**	**-**	**-**	**$945,322**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**
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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(769,193)	(124,787)	-	-	(893,980)
Total Ending Balance	**-**	**-**	**($769,193)**	**($124,787)**	**-**	**-**	**($893,980)**

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 033 - Exceptional Inflation

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	371	-	-	-	-	-	371
Total Revenues	**$371**	**-**	**-**	**-**	**-**	**-**	**$371**
Services & Supplies							
Intra-agency Charges	371	-	-	-	-	-	371
Total Services & Supplies	**$371**	**-**	**-**	**-**	**-**	**-**	**$371**
Special Payments							
Spc Pmt to Police, Dept of State	-	-	593	4,335	-	-	4,928
Total Special Payments	**-**	**-**	**$593**	**$4,335**	**-**	**-**	**$4,928**
Total Expenditures							
Total Expenditures	371	-	593	4,335	-	-	5,299
Total Expenditures	**$371**	**-**	**$593**	**$4,335**	**-**	**-**	**$5,299**
Ending Balance							
Ending Balance	-	-	(593)	(4,335)	-	-	(4,928)
Total Ending Balance	**-**	**-**	**($593)**	**($4,335)**	**-**	**-**	**($4,928)**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
2013-15 Biennium **Page _____** **Essential and Policy Package Fiscal Impact Summary - BPR013**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Fund shifts (#050)

Purpose:

The package records position and budget shifts among funding types within the program.

How accomplished: This package shifts positions and associated limitation between Federal Funds and Other Funds to align with expected revenues. In most cases, this is necessary because costs have increased and grant funds are either flat or declining.

The most significant impact is in the cleanup and emergency response programs, which account for 3.52 of the FTE shifted from Federal to Other Funds. One of the traditional funding sources, the core cooperative agreement, has been reduced 10 percent a year for the past several years and the largest federal funding source, which supports brownfields work, was also decreased in fiscal year 2012. Funding for leaking tank cleanups is flat and therefore pays for fewer staff. In addition, federal funding for the former McCormick and Baxter Creosoting Superfund site has been winding down. Much of the effort (1.75 FTE) formerly funded by federal grants was shifted to orphan site cleanup, with the expected replenishment of the Industrial Orphan Site Account from a planned bond sale in late 2012. The remaining FTE were shifted to work funded by cost recovery and, to a lesser extent, fees.

Federal funding sources for underground storage tank compliance work decreased in 2011-13 and is expected to remain lower, resulting in a shift of .28 FTE to fee funding.

In the hazardous waste program, the EPA grant for regular program operations also remained flat and will pay for .65 FTE less than in 2011-13. However, closure of the Umatilla Chemical Agent Disposal Facility, which is funded by a cooperative agreement with the Army, will be carried out by hazardous waste program staff, temporarily increasing federal funding for that program. For 2013-15, there is a net increase of .23 FTE federally funded hazardous waste program FTE.

Shifts do not net to zero because mass transit tax cannot be charged to Federal Funds.

Budget:			
	$	0	General Fund
	$	0	Lottery Fund
	$	830,691	Other Fund
	$	(828,384)	Federal Fund

Staffing impact: 3.57 Other Fund
(3.57) Federal Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 050 - Fundshifts

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	(114,313)	113,881	-	-	(432)
Total Transfers Out	**-**	**-**	**($114,313)**	**$113,881**	**-**	**-**	**($432)**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	384,683	(384,683)	-	-	-
Empl. Rel. Bd. Assessments	-	-	142	(142)	-	-	-
Public Employees' Retire Cont	-	-	73,358	(73,359)	-	-	(1)
Social Security Taxes	-	-	29,430	(29,429)	-	-	1
Worker's Comp. Assess. (WCD)	-	-	208	(208)	-	-	-
Mass Transit Tax	-	-	2,304	-	-	-	2,304
Flexible Benefits	-	-	109,013	(109,013)	-	-	-
Total Personal Services	**-**	**-**	**$599,138**	**($596,834)**	**-**	**-**	**$2,304**
Services & Supplies							
Instate Travel	-	-	11,718	(11,718)	-	-	-
Out of State Travel	-	-	1,185	(1,185)	-	-	-
Employee Training	-	-	14,645	(14,645)	-	-	-
Office Expenses	-	-	10,999	(10,999)	-	-	-
Telecommunications	-	-	26,939	(26,939)	-	-	-
Data Processing	-	-	1,027	(1,027)	-	-	-
Employee Recruitment and Develop	-	-	1,201	(1,201)	-	-	-
Dues and Subscriptions	-	-	166	(166)	-	-	-
Facilities Rental and Taxes	-	-	131,474	(148,128)	-	-	(16,654)
Fuels and Utilities	-	-	676	(676)	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**
Pkg: 050 - Fundshifts | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Maintenance	-	-	133	(133)	-	-	-
Agency Program Related S and S	-	-	642	(642)	-	-	-
Other Services and Supplies	-	-	15,932	722	-	-	16,654
Expendable Prop 250 - 5000	-	-	743	(743)	-	-	-
IT Expendable Property	-	-	14,071	(14,071)	-	-	-
Total Services & Supplies	**-**	**-**	**$231,551**	**($231,551)**	**-**	**-**	**-**
Total Expenditures							
Total Expenditures	-	-	830,689	(828,385)	-	-	2,304
Total Expenditures	**-**	**-**	**$830,689**	**($828,385)**	**-**	**-**	**$2,304**
Ending Balance							
Ending Balance	-	-	(945,002)	942,266	-	-	(2,736)
Total Ending Balance	**-**	**-**	**($945,002)**	**$942,266**	**-**	**-**	**($2,736)**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Technical adjustments (#060)

Purpose:

The package records technical adjustments that do not fit in the standard Essential Packages.

How accomplished: Move unemployment limitation from Land Quality to Agency Management.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	(18,582)	Other Fund
	$	0	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 060 - Technical Adjustments

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	3,531	-	-	-	3,531
Total Transfers Out	**-**	**-**	**$3,531**	**-**	**-**	**-**	**$3,531**
Personal Services							
Unemployment Assessments	-	-	(18,582)	-	-	-	(18,582)
Total Personal Services	**-**	**-**	**($18,582)**	**-**	**-**	**-**	**($18,582)**
Total Expenditures							
Total Expenditures	-	-	(18,582)	-	-	-	(18,582)
Total Expenditures	**-**	**-**	**($18,582)**	**-**	**-**	**-**	**($18,582)**
Ending Balance							
Ending Balance	-	-	22,113	-	-	-	22,113
Total Ending Balance	**-**	**-**	**$22,113**	**-**	**-**	**-**	**$22,113**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
2013-15 Biennium **Page _____** **Essential and Policy Package Fiscal Impact Summary - BPR013**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Revenue shortfalls (#070)

Purpose:

The package includes Other and Federal Funds expenditure reductions necessary to adjust essential service level to available revenue. Where appropriate, an ending balance is maintained to allow continuity of the program into the next biennium.

How accomplished: Land Quality's Package 070 reduces limitation through cuts to FTE and contract limitation. All of these are permanent reductions which are not requested to be restored in 2013-15.

All of the FTE proposed for elimination were associated with the Umatilla Chemical Agent Disposal Facility. Together with a position abolished in a 2012 reclass package, this package eliminates all positions included in the Umatilla program budget. DEQ's oversight of facility closure will be done by hazardous waste program staff. The associated services and supplies limitation, except for that needed to support facility closure, was also eliminated. This includes more than $530,000 in professional services limitation.

Professional services limitation was also cut due to completion of work financed by federal stimulus funds ($318,680) and a special grant to gather data on contaminated sediments ($30,531). The professional services budget for the McCormick and Baxter Superfund site was also decreased, by more than $272,000, as federal funding is expected to phase down.

Other funds professional services limitation was also reduced substantially to reflect the level of participation in the state contractor component of the E-Cycles (electronic waste) program. The program has been very successful in collecting electronic waste, but more manufacturers than originally anticipated have developed their own stewardship programs, rather than use the state's contractor. This adjustment accounts for all of the Other Fund limitation reduction.

Budget:	$	0	General Fund
	$	0	Lottery Fund
	$	(3,592,379)	Other Fund
	$	(2,400,028)	Federal Fund
Staffing impact:		(0)	Other Fund
		(4.0)	Federal Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**
Pkg: 070 - Revenue Shortfalls | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	-	154,223	-	-	154,223
Total Transfers Out	**-**	**-**	**-**	**$154,223**	**-**	**-**	**$154,223**
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	-	(434,040)	-	-	(434,040)
Temporary Appointments	-	-	-	(126,633)	-	-	(126,633)
Empl. Rel. Bd. Assessments	-	-	-	(160)	-	-	(160)
Public Employees' Retire Cont	-	-	-	(82,770)	-	-	(82,770)
Social Security Taxes	-	-	-	(42,891)	-	-	(42,891)
Worker's Comp. Assess. (WCD)	-	-	-	(236)	-	-	(236)
Flexible Benefits	-	-	-	(122,112)	-	-	(122,112)
Reconciliation Adjustment	-	-	-	(1)	-	-	(1)
Total Personal Services	**-**	**-**	**-**	**($808,843)**	**-**	**-**	**($808,843)**
Services & Supplies							
Instate Travel	-	-	-	(2,413)	-	-	(2,413)
Out of State Travel	-	-	-	(1,821)	-	-	(1,821)
Employee Training	-	-	-	(16,170)	-	-	(16,170)
Office Expenses	-	-	-	(37,603)	-	-	(37,603)
Telecommunications	-	-	-	(10,562)	-	-	(10,562)
Data Processing	-	-	-	(1,248)	-	-	(1,248)
Professional Services	-	-	(3,592,379)	(1,155,075)	-	-	(4,747,454)
Attorney General	-	-	-	(146,123)	-	-	(146,123)
Dues and Subscriptions	-	-	-	(1,575)	-	-	(1,575)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 070 - Revenue Shortfalls

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Fuels and Utilities	-	-	-	(7,792)	-	-	(7,792)
Facilities Maintenance	-	-	-	(93)	-	-	(93)
Agency Program Related S and S	-	-	-	(627)	-	-	(627)
Other Services and Supplies	-	-	-	(208,538)	-	-	(208,538)
Expendable Prop 250 - 5000	-	-	-	(1,545)	-	-	(1,545)
Total Services & Supplies	**-**	**-**	**($3,592,379)**	**($1,591,185)**	**-**	**-**	**($5,183,564)**
Total Expenditures							
Total Expenditures	-	-	(3,592,379)	(2,400,028)	-	-	(5,992,407)
Total Expenditures	**-**	**-**	**($3,592,379)**	**($2,400,028)**	**-**	**-**	**($5,992,407)**
Ending Balance							
Ending Balance	-	-	3,592,379	2,554,251	-	-	6,146,630
Total Ending Balance	**-**	**-**	**$3,592,379**	**$2,554,251**	**-**	**-**	**$6,146,630**
Total Positions							
Total Positions							(4)
Total Positions	**-**	**-**	**-**	**-**	**-**	**-**	**(4)**
Total FTE							
Total FTE							(4.00)
Total FTE	**-**	**-**	**-**	**-**	**-**	**-**	**(4.00)**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Analyst Adjustments (#090)

Purpose:

This package implements adjustments to budgeted indirect costs from PERS rate changes.

How accomplished:

This package reflects the impact on the Land Quality program budget from savings generated by agency management indirect cost charges that were reduced due to PERS rate changes.

Budget:	$	(78)	General Fund
	$	0	Lottery Fund
	$	0	Other Fund
	$	0	Federal Fund

Staffing Impact – None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(78)	-	-	-	-	-	(78)
Total Revenues	**($78)**	**-**	**-**	**-**	**-**	**-**	**($78)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	18,522	3,364	-	-	21,886
Total Transfers Out	**-**	**-**	**$18,522**	**$3,364**	**-**	**-**	**$21,886**
Services & Supplies							
Intra-agency Charges	(78)	-	-	-	-	-	(78)
Total Services & Supplies	**($78)**	**-**	**-**	**-**	**-**	**-**	**($78)**
Total Expenditures							
Total Expenditures	(78)	-	-	-	-	-	(78)
Total Expenditures	**($78)**	**-**	**-**	**-**	**-**	**-**	**($78)**
Ending Balance							
Ending Balance	-	-	18,522	3,364	-	-	21,886
Total Ending Balance	**-**	**-**	**$18,522**	**$3,364**	**-**	**-**	**$21,886**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Statewide Administrative Savings (#091)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from administrative efficiencies.

How accomplished: This package reflects the impact on the Land Quality program budget from agency management indirect charges from Package 091 in the Agency Management Program. The package is a placeholder for administrative efficiencies to be found in Finance, IT, HR, Accounting, Payroll, and Procurement activities. Data from the Administrative Baseline 2.0 project will be used to set statewide targets for each of the functional areas. The Improving Government subcommittee of the Executive Leadership Team will initiate functional teams to determine how best to provide these administrative services statewide with less total resources.

Budget:			
	$	(1,135)	General Fund
	$	0	Lottery Fund
	$	(25,223)	Other Fund
	$	(1,827)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**

Pkg: 091 - Statewide Administrative Savings | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(1,135)	-	-	-	-	-	(1,135)
Total Revenues	**($1,135)**	**-**	**-**	**-**	**-**	**-**	**($1,135)**
Services & Supplies							
Undistributed (S.S.)	(1,135)	-	(25,223)	(1,827)	-	-	(28,185)
Total Services & Supplies	**($1,135)**	**-**	**($25,223)**	**($1,827)**	**-**	**-**	**($28,185)**
Total Expenditures							
Total Expenditures	(1,135)	-	(25,223)	(1,827)	-	-	(28,185)
Total Expenditures	**($1,135)**	**-**	**($25,223)**	**($1,827)**	**-**	**-**	**($28,185)**
Ending Balance							
Ending Balance	-	-	25,223	1,827	-	-	27,050
Total Ending Balance	**-**	**-**	**$25,223**	**$1,827**	**-**	**-**	**$27,050**

LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: PERS Taxation Policy (#092)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from a PERS policy change on tax relief calculations.

How accomplished: This package supports a policy change to limit tax relief calculations to PERS retirees that are Oregon residents. Non-resident retirees will no longer receive the tax relief benefit. The policy change saves approximately 40 basis points on the PERS employer rate. It also includes the impact on the agency management indirect resulting from this policy.

Budget:	$	(513)	General Fund
	$	0	Lottery Fund
	$	(88,645)	Other Fund
	$	(13,860)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 092 - PERS Taxation Policy

Cross Reference Name: Land Quality
Cross Reference Number: 34000-003-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(513)	-	-	-	-	-	(513)
Total Revenues	**($513)**	**-**	**-**	**-**	**-**	**-**	**($513)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	11,238	2,041	-	-	13,279
Total Transfers Out	**-**	**-**	**$11,238**	**$2,041**	**-**	**-**	**$13,279**
Personal Services							
PERS Policy Adjustment	(465)	-	(88,645)	(13,860)	-	-	(102,970)
Total Personal Services	**($465)**	**-**	**($88,645)**	**($13,860)**	**-**	**-**	**($102,970)**
Services & Supplies							
Intra-agency Charges	(48)	-	-	-	-	-	(48)
Total Services & Supplies	**($48)**	**-**	**-**	**-**	**-**	**-**	**($48)**
Total Expenditures							
Total Expenditures	(513)	-	(88,645)	(13,860)	-	-	(103,018)
Total Expenditures	**($513)**	**-**	**($88,645)**	**($13,860)**	**-**	**-**	**($103,018)**
Ending Balance							
Ending Balance	-	-	99,883	15,901	-	-	115,784
Total Ending Balance	**-**	**-**	**$99,883**	**$15,901**	**-**	**-**	**$115,784**

_____ Agency Request **_____ Governor's Budget** **_____ Legislatively Adopted**
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LAND QUALITY PROGRAM POLICY PACKAGE NARRATIVE

Title: Other PERS Adjustments (#093)

Purpose:

This package implements adjustments to the budget that represent an estimate of savings from PERS policy changes.

How accomplished: This package supports policy changes that reduce the PERS employer rate by approximately 320 basis points. It also includes the impact of the policy package change on agency management indirect charges.

Budget:	$	(410)	General Fund
	$	0	Lottery Fund
	$	(70,831)	Other Fund
	$	(11,075)	Federal Fund

Staffing impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**
Pkg: 093 - Other PERS Adjustments | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(410)	-	-	-	-	-	(410)
Total Revenues	**($410)**	**-**	**-**	**-**	**-**	**-**	**($410)**
Transfers Out							
Transfer Out - Indirect Cost	-	-	8,980	1,631	-	-	10,611
Total Transfers Out	**-**	**-**	**$8,980**	**$1,631**	**-**	**-**	**$10,611**
Personal Services							
PERS Policy Adjustment	(372)	-	(70,831)	(11,075)	-	-	(82,278)
Total Personal Services	**($372)**	**-**	**($70,831)**	**($11,075)**	**-**	**-**	**($82,278)**
Services & Supplies							
Intra-agency Charges	(38)	-	-	-	-	-	(38)
Total Services & Supplies	**($38)**	**-**	**-**	**-**	**-**	**-**	**($38)**
Total Expenditures							
Total Expenditures	(410)	-	(70,831)	(11,075)	-	-	(82,316)
Total Expenditures	**($410)**	**-**	**($70,831)**	**($11,075)**	**-**	**-**	**($82,316)**
Ending Balance							
Ending Balance	-	-	79,811	12,706	-	-	92,517
Total Ending Balance	**-**	**-**	**$79,811**	**$12,706**	**-**	**-**	**$92,517**

_____ Agency Request | **_____ Governor's Budget** | **_____ Legislatively Adopted**
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LAND QUALITY POLICY OPTION PACKAGE 131 NARRATIVE (13-15)

Title: Paint Product Stewardship (#131)

Purpose: This policy package adds to DEQ's budget revenues from the proposed Paint Product Stewardship legislative concept #574 (HB 2048). No additional resources are required, so there is no impact on Other Fund limitation.

Leftover paint has historically been the largest component of waste received through household hazardous waste collection programs and managing it is expensive for local governments. This difficult-to-manage waste can be captured for reuse, recycling, energy recovery or safe disposal. However, doing so requires public awareness and a convenient and effective local collection system. Oregon's Paint Product Stewardship Law, adopted as House Bill 3037 in 2009, established the nation's first statewide product stewardship program for managing leftover architectural paint. This pilot program, which began in July 2010, is currently due to "sunset" in 2014. Based on initial results, DEQ believes the program sets the foundation for a valuable long-term product stewardship program. DEQ has drafted a legislative concept that would extend the program indefinitely, and implement improvements identified in the 2011 report to the Legislature required under HB 3037 (see http://www.deq.state.or.us/lq/pubs/docs/sw/LegReportPaintProdStewardshipLaw.pdf). Program improvements include providing a collection convenience standard to ensure that all Oregonians have reasonable access to paint collection; adding aerosol paint to covered products; strengthening education and outreach efforts; establishing accountability measures and clarifying reporting requirements; and increasing administrative fees to cover DEQ's costs.

How Achieved: HB 3037 established two fees for the pilot program: a $10,000 fee to be paid by the stewardship organization upon submittal of a product stewardship plan and another fee, also $10,000, to be paid annually. The proposed legislation would increase the plan review fee to $15,000 and the annual fee to $20,000. The plan review fee would be paid in 2014 and one annual fee in 2015, increasing DEQ's 2013-15 revenue by $35,000. The legislative concept does not affect DEQ's Other Fund budget. No FTE or other resources were added for the pilot program, because DEQ was able to redirect resources that were previously expended on household hazardous waste collections and other efforts to better manage waste paint. These same resources will be used to carry out plan review and program oversight in the permanent program.

Results: Approval of the proposed fee amounts will appropriately assess costs on the organization responsible for paint product stewardship and provide revenue to fully fund DEQ's estimated costs to ensure that the program effectively achieves environmental goals. During the first year of the pilot program, the stewardship organization developed more than 70 new collection sites, collected over 460,000 gallons of leftover paint, and recycled more than half of the paint collected. DEQ expects the volume of paint collected to increase as the program matures. Local governments value this program because it shifts the cost of collection and recycling from local governments to those who purchase paint.

Budget: No limitation impact, revenue only

LAND QUALITY POLICY OPTION PACKAGE 131 NARRATIVE (13-15)

Staffing Impact

2011-13:
None

2013-15:
None

Revenue Source: Fees from the paint product stewardship organization deposited to the Product Stewardship Fund established under HB 3037 and made permanent by the Legislative Concept 574 (HB 2048).

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of | **Cross Reference Name: Land Quality**

Pkg: 131 - Paint Product Stewardship – Permanent Program | **Cross Reference Number: 34000-003-00-00-00000**

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Business Lic and Fees	-	-	35,000	-	-	-	35,000
Total Revenues	**-**	**-**	**$35,000**	**-**	**-**	**-**	**$35,000**
Ending Balance							
Ending Balance	-	-	35,000	-	-	-	35,000
Total Ending Balance	**-**	**-**	**$35,000**	**-**	**-**	**-**	**$35,000**

DETAIL OF OTHER FUNDS AND FEDERAL FUNDS REVENUE

Source	Fund	2009-2011 Actuals	2011-2013 Legislatively Approved	2013-2015		
				Agency Request	Governor's Balanced	Legislatively Adopted
Land Quality						
Ballast Water Vessel Fee	OF	0	116,718	164,714	163,935	0
Dry Cleaning Environmental Response Account	OF	968,260	1,404,006	1,399,968	1,395,882	0
Electronic Waste Recycling	OF	4,249,820	7,065,718	3,672,081	3,667,104	0
Hazardous Substance Fees	OF	927,732	1,017,146	1,265,720	1,256,118	0
Hazardous Substance Remedial Action Fund	OF	12,613,801	18,961,403	20,591,471	20,459,416	0
Hazardous Waste Disposal Fees	OF	643,449	780,094	1,108,431	1,098,870	0
Hazardous Waste Generator Fees	OF	2,676,568	2,888,674	2,956,811	2,933,084	0
Hazardous Waste TSD Fees	OF	575,298	862,369	928,101	919,734	0
Heating Oil Tank Filing & Licensing Fees	OF	544,214	650,849	644,247	638,991	0
Highway Spill Fund	OF	221,478	216,840	244,633	242,937	0
Illegal Drug Lab Cleanup	OF	46,027	119,612	125,004	124,799	0
LUST Cost Recovery	OF	1,685,711	2,567,879	2,587,976	2,568,394	0
Marine Oil Spill Prevention	OF	498,881	678,735	593,915	589,281	0
Oil Spill Penalty Funds	OF	32,901	77,948	98,882	98,132	0
Orphan Site Account - Industrial Sites	OF	1,809,213	3,562,019	4,076,440	4,070,556	0
Orphan Site Account - Solid Waste Sites	OF	62,830	1,811,322	1,911,651	1,911,182	0
Solid Waste Disposal Fee	OF	7,690,747	7,749,686	8,199,734	8,130,661	0
Solid Waste Permit Fees	OF	3,474,589	3,379,930	3,140,703	3,115,768	0
SW Product Stewardship Fund	OF	0	20,000	33,590	43,467	0
SW Tire Storage	OF	24,290	12,101	18,756	18,598	0
Underground Storage Tank Permit Fee	OF	929,227	1,452,793	1,660,192	1,646,620	0
UST Compliance and Corrective Action Fund	OF	268,355	181,003	112,629	111,704	0
UST Contractor Licensing Fees	OF	33,607	138,486	115,552	115,177	0
Subtotal		39,976,998	55,715,331	55,651,201	55,320,410	0

DETAIL OF OTHER FUNDS AND FEDERAL FUNDS REVENUE

Source	Fund	2009-2011 Actuals	2011-2013 Legislatively Approved	2013-2015		
				Agency Request	Governor's Balanced	Legislatively Adopted
Land Quality						
Federal Cleanup Grants & Coop. Agreements	FF	3,297,325	3,638,709	3,185,678	3,166,944	0
Federal DSMOA	FF	118,159	127,269	145,064	143,713	0
Hazardous Waste Base Grant	FF	1,121,850	1,192,061	1,194,496	1,185,232	0
LUST Trust Grant	FF	4,479,508	2,040,481	1,819,345	1,807,302	0
McCormick & Baxter NPL Funds	FF	1,221,517	439,454	50,000	50,000	0
Umatilla Chemical Demilitarization	FF	2,444,952	2,207,194	419,017	416,116	0
UST Compliance Grant	FF	872,758	767,002	713,898	708,587	0
Subtotal		13,556,069	10,412,170	7,527,498	7,477,894	0

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
General Fund	407,497	174,070	103,948	119,588	118,821	-
Other Funds	26,362,959	32,173,434	32,173,434	34,124,271	33,980,740	-
Federal Funds	7,524,512	6,682,414	6,682,414	6,929,252	6,901,010	-
All Funds	34,294,968	39,029,918	38,959,796	41,173,111	41,000,571	-
SERVICES & SUPPLIES						
General Fund	483,210	366,735	350,242	350,242	350,242	-
Other Funds	12,731,449	23,069,698	23,069,698	23,069,698	23,069,698	-
Federal Funds	5,763,967	3,688,858	3,688,858	3,688,858	3,688,858	-
All Funds	18,978,626	27,125,291	27,108,798	27,108,798	27,108,798	-
CAPITAL OUTLAY						
General Fund	1,674	-	-	-	-	-
Other Funds	32,519	165,119	165,119	165,119	165,119	-
Federal Funds	6,650	-	-	-	-	-
All Funds	40,843	165,119	165,119	165,119	165,119	-
SPECIAL PAYMENTS						
General Fund	975	-	-	-	-	-
Other Funds	850,071	307,080	307,080	307,080	307,080	-
Federal Funds	260,940	40,898	40,898	40,898	40,898	-
All Funds	1,111,986	347,978	347,978	347,978	347,978	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
TOTAL LIMITED BUDGET (Excluding Packages)						
General Fund	893,356	540,805	454,190	469,830	469,063	-
Other Funds	39,976,998	55,715,331	55,715,331	57,666,168	57,522,637	-
Federal Funds	13,556,069	10,412,170	10,412,170	10,659,008	10,630,766	-
All Funds	54,426,423	66,668,306	66,581,691	68,795,006	68,622,466	-
AUTHORIZED POSITIONS	224	203	203	195	195	-
AUTHORIZED FTE	224.79	203.84	203.84	196.70	196.70	-
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
General Fund	-	-	-	65,439	65,439	-
Other Funds	-	-	-	(73,538)	(73,560)	-
Federal Funds	-	-	-	(40,164)	(40,168)	-
All Funds	-	-	-	(48,263)	(48,289)	-
021 PHASE-IN						
SERVICES & SUPPLIES						
General Fund	-	-	-	17,378	17,378	-
Other Funds	-	-	-	30,452	30,452	-
All Funds	-	-	-	47,830	47,830	-
031 STANDARD INFLATION						
SERVICES & SUPPLIES						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
General Fund	-	-	-	2,238	1,927	-
Other Funds	-	-	-	793,927	793,927	-
Federal Funds	-	-	-	137,155	137,155	-
All Funds	-	-	-	933,320	933,009	-
CAPITAL OUTLAY						
Other Funds	-	-	-	3,962	3,962	-
SPECIAL PAYMENTS						
Other Funds	-	-	-	7,370	7,370	-
Federal Funds	-	-	-	981	981	-
All Funds	-	-	-	8,351	8,351	-
033 EXCEPTIONAL INFLATION						
SERVICES & SUPPLIES						
General Fund	-	-	-	371	371	-
SPECIAL PAYMENTS						
Other Funds	-	-	-	593	593	-
Federal Funds	-	-	-	4,335	4,335	-
All Funds	-	-	-	4,928	4,928	-
050 FUNDSHIFTS						
PERSONAL SERVICES						
Other Funds	-	-	-	601,677	599,138	-
Federal Funds	-	-	-	(599,373)	(596,834)	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
All Funds	-	-	-	2,304	2,304	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	231,551	231,551	-
Federal Funds	-	-	-	(231,551)	(231,551)	-
All Funds	-	-	-	-	-	-
060 TECHNICAL ADJUSTMENTS						
PERSONAL SERVICES						
Other Funds	-	-	-	(18,582)	(18,582)	-
TOTAL LIMITED BUDGET (Essential Packages)						
General Fund	-	-	-	85,426	85,115	-
Other Funds	-	-	-	1,577,412	1,574,851	-
Federal Funds	-	-	-	(728,617)	(726,082)	-
All Funds	-	-	-	934,221	933,884	-
LIMITED BUDGET (Current Service Level)						
General Fund	893,356	540,805	454,190	555,256	554,178	-
Other Funds	39,976,998	55,715,331	55,715,331	59,243,580	59,097,488	-
Federal Funds	13,556,069	10,412,170	10,412,170	9,930,391	9,904,684	-
All Funds	54,426,423	66,668,306	66,581,691	69,729,227	69,556,350	-
AUTHORIZED POSITIONS	224	203	203	195	195	-
AUTHORIZED FTE	224.79	203.84	203.84	196.70	196.70	-
LIMITED BUDGET (Policy Packages)						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
PRIORITY 0						
070 REVENUE SHORTFALLS						
PERSONAL SERVICES						
Federal Funds	-	-	-	(811,708)	(808,843)	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	(3,592,379)	(3,592,379)	-
Federal Funds	-	-	-	(1,591,185)	(1,591,185)	-
All Funds	-	-	-	(5,183,564)	(5,183,564)	-
AUTHORIZED POSITIONS	-	-	-	(4)	(4)	-
AUTHORIZED FTE	-	-	-	(4.00)	(4.00)	-
090 ANALYST ADJUSTMENTS						
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(78)	-
091 STATEWIDE ADMINISTRATIVE SAVINGS						
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(1,135)	-
Other Funds	-	-	-	-	(25,223)	-
Federal Funds	-	-	-	-	(1,827)	-
All Funds	-	-	-	-	(28,185)	-
092 PERS TAXATION POLICY						
PERSONAL SERVICES						

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
General Fund	-	-	-	-	(465)	-
Other Funds	-	-	-	-	(88,645)	-
Federal Funds	-	-	-	-	(13,860)	-
All Funds	-	-	-	-	(102,970)	-
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(48)	-
093 OTHER PERS ADJUSTMENTS						
PERSONAL SERVICES						
General Fund	-	-	-	-	(372)	-
Other Funds	-	-	-	-	(70,831)	-
Federal Funds	-	-	-	-	(11,075)	-
All Funds	-	-	-	-	(82,278)	-
SERVICES & SUPPLIES						
General Fund	-	-	-	-	(38)	-
TOTAL LIMITED BUDGET (Policy Packages)						
General Fund	-	-	-	-	(2,136)	-
Other Funds	-	-	-	(3,592,379)	(3,777,078)	-
Federal Funds	-	-	-	(2,402,893)	(2,426,790)	-
All Funds	-	-	-	(5,995,272)	(6,206,004)	-
AUTHORIZED POSITIONS	-	-	-	(4)	(4)	-
AUTHORIZED FTE	-	-	-	(4.00)	(4.00)	-

Description	2009-11 Actuals	2011-13 Leg Adopted Budget	2011-13 Leg Approved Budget	2013-15 Agency Request Budget	2013-15 Governor's Budget	2013-15 Leg Adopted Budget
TOTAL LIMITED BUDGET (Including Packages)						
General Fund	893,356	540,805	454,190	555,256	552,042	-
Other Funds	39,976,998	55,715,331	55,715,331	55,651,201	55,320,410	-
Federal Funds	13,556,069	10,412,170	10,412,170	7,527,498	7,477,894	-
All Funds	54,426,423	66,668,306	66,581,691	63,733,955	63,350,346	-
AUTHORIZED POSITIONS	224	203	203	191	191	-
AUTHORIZED FTE	224.79	203.84	203.84	192.70	192.70	-
OPERATING BUDGET						
General Fund	893,356	540,805	454,190	555,256	552,042	-
Other Funds	39,976,998	55,715,331	55,715,331	55,651,201	55,320,410	-
Federal Funds	13,556,069	10,412,170	10,412,170	7,527,498	7,477,894	-
All Funds	54,426,423	66,668,306	66,581,691	63,733,955	63,350,346	-
AUTHORIZED POSITIONS	224	203	203	191	191	-
AUTHORIZED FTE	224.79	203.84	203.84	192.70	192.70	-
TOTAL BUDGET						
General Fund	893,356	540,805	454,190	555,256	552,042	-
Other Funds	39,976,998	55,715,331	55,715,331	55,651,201	55,320,410	-
Federal Funds	13,556,069	10,412,170	10,412,170	7,527,498	7,477,894	-
All Funds	54,426,423	66,668,306	66,581,691	63,733,955	63,350,346	-
AUTHORIZED POSITIONS	224	203	203	191	191	-
AUTHORIZED FTE	224.79	203.84	203.84	192.70	192.70	-