



Oregon

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To: Senate Environment and Natural Resources Committee

From: Karen Tarnow, Senior Policy Analyst

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Re: DEQ Testimony for Senate Bill 1563 -3

I will briefly describe how DEQ expects to implement this bill, and would be happy to answer any additional questions you may have.

It is our understanding that this bill intends to launch an initial loan program and, as DEQ develops greater experience with a consumer-based lending program, that additional funding will be sought.

DEQ anticipates taking the following approach to implement the bill.

DEQ will work with DAS under the state procurement rules/system for DAS to issue a Request for Grant Proposals via ORPIN in order to ensure a fair and competitive grant award process. The RFGP will indicate that funding may be added in the future, and the grant award could be amended to incorporate such funding.

The grant agreement with the recipient will be short-term, not to exceed one year, with the expectation that extensions would be possible based upon performance and legislative support. This will allow DEQ to oversee implementation and update the Legislature when it considers future appropriations.

We believe that the combination of the bill language and a grant agreement will provide sufficient sideboards and accountability for the new program, and the one-year contract provides an opportunity for fine tuning in the future if needed.

DEQ will implement the first phase of this program through a combination of existing and new resources, with a total cost not exceeding \$50,000 as provided for in the bill. This includes working with DAS to implement the RGFP and initial program development and oversight responsibilities through the 2015-2017 biennium.

As the legislature considers additional future funding for the loan program, DEQ will quantify its resource needs for ongoing program oversight and provide that information for consideration.

Thank you for the opportunity to provide this information. I'd be happy to answer any questions.