

**SB 582 B BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Sen. Beyer

**Joint Committee On Ways and Means**

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**Action Date:** 06/18/21

**Action:** Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

**Senate Vote**

**Yeas:** 7 - Frederick, Golden, Gorsek, Johnson, Lieber, Steiner Hayward, Taylor

**Nays:** 5 - Anderson, Girod, Hansell, Knopp, Thomsen

**House Vote**

**Yeas:** 7 - Bynum, Gomberg, McLain, Nosse, Rayfield, Sanchez, Sollman

**Nays:** 3 - Drazan, Leif, Stark

**Exc:** 1 - Smith G

**Prepared By:** Renee Klein, Department of Administrative Services

**Reviewed By:** John Terpening, Legislative Fiscal Office

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**Department of Environmental Quality  
2021-23**

**Budget Summary\***

	2019-21 Legislatively Approved Budget <sup>(1)</sup>	2021 - 23 Current Service Level	2021-23 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	% Change
				\$ Change	
<b>Department of Environmental Quality</b>					
Other Funds Limited	\$ -	\$ -	\$ 2,066,088	\$ 2,066,088	100.0%
Total	\$ -	\$ -	\$ 2,066,088	\$ 2,066,088	100.0%

**Position Summary**

Authorized Positions	0	0	7	7
Full-time Equivalent (FTE) positions	0.00	0.00	4.50	4.50

<sup>(1)</sup> Includes adjustments through January 2021

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

SB 582 increases Other Funds expenditure limitation by \$2,066,088, for the Department of Environmental Quality (DEQ), to be used to establish a producer responsibility program for packaging, printing, writing paper, and food serviceware. The bill also directs the Environmental Quality Commission (EQC) to set a one-time producer responsibility program plan review fee, as well as an annual producer responsibility organization fee, to be paid to DEQ for the costs of implementing and administering this measure. The EQC will also establish a waste prevention and reuse fee to be charged to producer responsibility organizations. Funds are to be used by DEQ to establish a program to reduce environmental impacts of covered products through grants or loans. This measure establishes a Producer Responsibility Fund and a Waste Prevention and Reuse Fund, both separate and distinct from the General Fund with moneys continuously appropriated to DEQ for the purposes outlined above.

**Summary of Natural Resources Subcommittee Action**

The bill directs DEQ to take various actions to help modernize Oregon’s recycling system. Major work to be completed by the Department includes establishing statewide recycling contamination reduction goals and evaluating the cost-effectiveness of different methods for reducing contamination with a report to the interim committees of the legislative assembly every four years. The bill also requires three studies be performed by the Department with written reports to the interim committees of the legislative assembly related to the environment. These reports include a statewide needs assessment to determine local interest in expanding collection options and recycling depots; a review of equity in Oregon’s recycling system; and, a statewide needs assessment of challenges in recycling for residents of

multifamily housing. In addition to these studies, DEQ is directed to contract with an independent organization for two other studies on costs to commingled recycling processing facilities of removing and disposing of contaminants and an estimate of the average eligible processing cost to process commingled recycling at commingled recycling facilities. DEQ will also be responsible for providing support to the newly established Oregon Recycling System Advisory Council and the Truth in Labeling Task Force that are included in the measure.

Finally, DEQ is required to establish a program or approve a program established by a third party, to certify commingled recycling facilities outside of Oregon and to establish procedures for facilities to evaluate levels of inbound contamination. The bill also requires DEQ to develop a uniform statewide collection list. DEQ is provided with certain enforcement capabilities and may issue civil penalties with all penalties received to be paid into the Waste Prevention and Reuse Fund.

To implement the requirements of the bill, DEQ will need six permanent, full-time positions (3.75 FTE) and one limited duration, full-time position (0.75 FTE), including:

- One Principal Executive Manager E (0.75 FTE) to oversee the Materials Management Product Stewardship section;
- One Operations and Policy Analyst 3 position (0.75 FTE) to lead producer responsibility program planning and development of fees;
- One Office Specialist 2 position (0.75 FTE) to provide administrative support;
- One Natural Resources Specialist 4 position (0.50 FTE) to oversee recycling program implementation, including work on recycling collection requirements, the statewide collection list, and educational resources;
- Two Operations and Policy Analyst 2 positions (each 0.50 FTE) to develop administrative procedures, perform research, coordinate studies, and support the Oregon Recycling System Advisory Council; and,
- One limited duration OPA 3 position (0.75 FTE) to lead the rulemaking processes and coordinate the Truth in Labeling Task Force.

In addition to the positions included above, DEQ will need to hire four new permanent, full-time Natural Resource Specialist 3 positions (NRS 3, each 1.00 FTE) in 2023-25, for continued implementation of the program.

DEQ anticipates all costs related to this measure to be paid with Other Funds from solid waste fees and fees paid by regulated producers. However, new fees will not be collected until March 2024, as outlined in the bill. DEQ will use available revenue from the Materials Management Program in the form of Solid Waste permitting fees to fund the initial program activities, to be paid back once the new programs fees are established and there is sufficient revenue for the program.

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

Department of Environmental Quality  
 Renee Klein -- 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Department of Environmental Quality</u>									
<b>SCR 003 - Land Quality</b>									
Personal Services	\$ -	\$ -	\$ 898,548	\$ -	\$ -	\$ -	\$ 898,548	7	4.50
Services and Supplies	\$ -	\$ -	\$ 1,167,540	\$ -	\$ -	\$ -	\$ 1,167,540		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 2,066,088	\$ -	\$ -	\$ -	\$ 2,066,088	7	4.50
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 2,066,088	\$ -	\$ -	\$ -	\$ 2,066,088	7	4.50