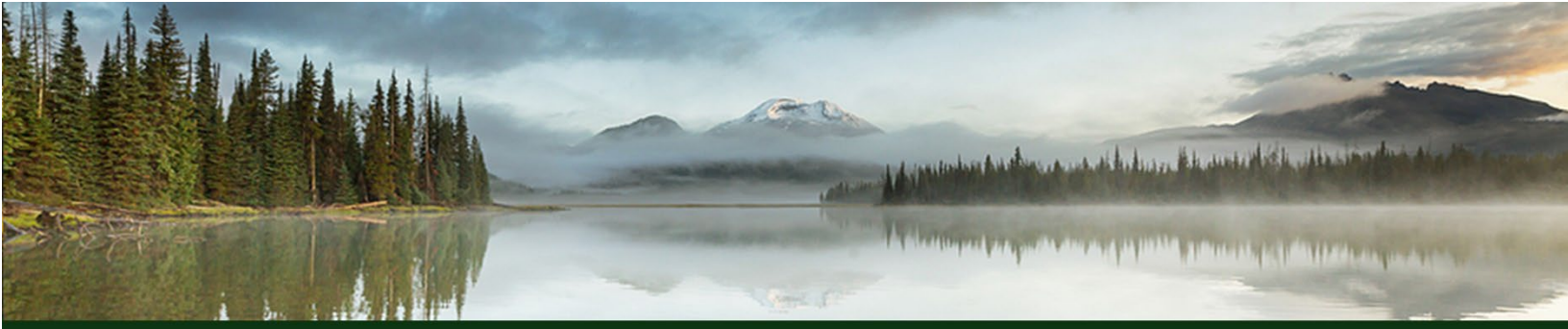

Fact Sheet

2027-29 Agency Request Budget

Policy Option Packages

Air Quality

Supporting Cleaner Air Oregon

Oregon's health-based air toxics program, Cleaner Air Oregon, has not increased fees beyond the 3% annual adjustment since the legislature established fees in 2018. During this timeframe personnel costs have continued to increase. This package proposes a 20% fee increase, effective Summer 2028, to maintain current service levels, avoiding a significantly larger fee increase in the next biennium.

Land Quality

Hazardous Waste Fee Increase

The Hazardous Waste Program faces a funding shortfall of approximately $1.5 million per biennium, driven by rising costs due to inflation, stagnant federal funding, and some program fees that have not seen an adjustment in nearly 20 years. Without sufficient funding, the program will be unable to afford approximately 4-6 FTE positions beginning in the 2027-2029 biennium. This package accompanies the Stabilizing Hazardous Waste Program legislative concept.

Underground Storage Tank Fee Increase

Operational costs to administer the Underground Storage Tank Program have risen with inflation, while program fees have not been adjusted since the program's inception in 2007. This has resulted in a projected funding gap of approximately $600,000 beginning in the 2029-2031 biennium. This package addresses the program shortfall and accompanies the Stabilizing Hazardous Waste Program legislative concept.

Orphan Bond Authority Request

Oregon's Industrial Orphan Sites Program is part of DEQ's environmental cleanup efforts, targeting sites highly contaminated by hazardous substances where the responsible party is unknown, unable, or unwilling to pay for cleanup. This work has been historically funded through bond sales every other biennium for over the last two decades. This package seeks authority to issue $15 million in bonds during the 2027-29 biennium, as well as spending limitation for previously issued bonds to maintain current service levels for this work.

Position Authority Package

The Land Quality Division's position authority request package aims to make three limited duration positions permanent that would otherwise sunset June 2027. These positions provide essential services in our Materials Management Program and Cleanup Program, supporting public affairs, procurement and contract services, and grant coordination.

Water Quality

Maintaining Wastewater Permitting Activities

Some water quality fees have not had a significant fee increase (above 3% per year) to adjust and recalibrate for inflationary pressures since 2015. The agency is currently estimating that a 25-35% fee increase recalibration for NPDES/WPCF fees, in addition to annual 3% increases, in July 2028, will maintain current service levels in 2027-29 and for several subsequent biennia. Without this fee increase approximately 6 FTE currently supporting permitting program activities will be unaffordable, seriously jeopardizing timely issuance of new permits and ongoing efforts to reduce the backlog of administratively continued permits.

Sustaining Clean Water State Revolving Fund Efforts

Approval of an expenditure limitation and debt service package, for General Obligation Bonds issued to meet the state match for federal capitalization grants that support Oregon's Clean Water State Revolving Fund, will ensure that DEQ is able to provide communities with affordable financing options for wastewater treatment and other infrastructure projects. Without this package, DEQ will need to decline federal capitalization grants of several million dollars per year, and communities may face delays or higher financing costs for a variety of clean water project needs.

Interagency adjustment of Pesticide Stewardship Partnership funding

In collaboration with ODA, DEQ is seeking to simplify appropriation of funds to support DEQ activities associated with the Pesticide Stewardship Partnership. Funds to support DEQ work have been encumbered within ODAs Legislatively Approved Budget and ODA routinely transfers the funds to DEQ to support work associated with data collection, lab analysis and reporting. This results in a significant source of General Fund in ODAs budget that is needed to support ~ 4 FTE at DEQ. This package would shift the portion of GF in ODAs budget that supports DEQ activities so that it instead is part of DEQ's legislatively approved budget.

Agency Management

Laboratory LIMS System (Bond sale)

To sustain laboratory operations, ensure data integrity, and to align with Oregon's cloud-forward IT strategy, DEQ must upgrade our aging laboratory information management system (LIMS) with a modern, cloud-hosted platform. This LIMS upgrade supports DEQ's mission by improving data accuracy, eliminating paper-based workflows, reducing IT maintenance costs, and enabling direct electronic data management from the field to final reporting. If DEQ is unable to maintain and replace the outdated LIMS, the state will eventually be unable to provide testing and analyses functions that are critical to many statewide programs and partners.

Transitioning DEQ Payroll to DAS

In advance of major changes affecting the state payroll system, DEQ is exploring the potential to transition in-house payroll functions to DAS shared services.

Position Reclassifications

DEQ requests legislative authorization to permanently reclassify a variety of positions, all of which are affordable with existing resources.

Legislative Concepts

Oregon Clean Vehicle Rebate Flexibility

The highly popular Oregon Clean Vehicle Rebate Program has helped 42,683 Oregon drivers transition to cleaner, lower maintenance electric vehicles. Recent legislative and rulemaking conversations identified additional flexibilities that would help the program stretch funding and maximize the reach of the program.

This concept proposes statutory changes to reflect technological advances and provide flexibility to the program to engage stakeholders and ensure the program remains impactful for Oregon's clean air future.

Stabilizing Hazardous Waste Program

The Hazardous Waste Program serves as the primary regulator of hazardous waste in Oregon from generation to disposal and is required under the federal Resource Conservation and Recovery Act. The program faces a funding shortfall of approximately $1.5 million per biennium, driven by rising costs due to inflation, stagnant federal funding, and some program fees that have not seen an adjustment in nearly 20 years. Without sufficient funding, the program would be unable to afford approximately 4-6 FTE positions beginning in the 2027-2029 biennium, seriously reducing program capacity and critical services. This LC accompanies the Hazardous Waste Fee Increase POP and seeks to increase program fees in statute to address the funding shortfall, avoid FTE loss, and provide stability for the program.

Stabilizing Underground Storage Tank Program

The Underground Storage Tank Program regulates underground storage tanks across the state to prevent the release of petroleum and hazardous substances to protect the environment and public health. Operational costs have risen with inflation, and the program is projecting a funding gap of approximately $600,000 beginning in the 2029-2031 biennium. Without sufficient funding, the program will be unable to maintain current service levels – Reducing program capacity, ability to meet federal inspection standards, and increased risk to public health and the environment. This LC accompanies the Underground Storage Tank Fee Increase POP and seeks to increase program fees in statute to address the funding shortfall and provide stability for the program.

Wastewater Operator Certification Reciprocity

DEQ is proposing a simple statutory change to ORS 448.420 that would allow the agency to expand our criteria for accepting wastewater operator professional certifications via reciprocity from DEQ-approved certifying entities (e.g. Water Professionals International – the contracted entity used by many other states), in addition to certifications issued by other states. This will improve and streamline options for reciprocity from other jurisdictions by lower administrative and cost/fee barriers that can hinder recruitment of wastewater operator professionals to Oregon.

Applicability of Permits Under Appeal

With this concept, DEQ is exploring revisions to the Administrative Procedures Act that would establish additional factors for Court of Appeals consideration of a stay of a wastewater permit while under appeal. Specifically, the concept would seek to allow the Court of Appeals to consider environmental or public health harm, in addition to economic risk, in circumstances when the Environmental Quality Commission has evaluated and upheld permit issuance and there is evidence suggestion environmental or public health harm is imminent.

Cost Recovery

DEQ's permitting fees support more than just permit writing; they support compliance inspections to ensure permit limits are met and enforcement activities where they are not. Some enforcement actions require extensive staff hours. Penalties are deposited in the General Fund. DEQ does not currently have a way to recover or mitigate enforcement costs of complex and time-consuming enforcement actions – resulting in those expenses being subsidized by the broader fee-paying community. DEQ is evaluating opportunities to more equitably assess those costs to ensure fully resourced permitting functions.

Investment Concepts

DEQ continually evaluates and prioritizes resource needs essential to advance our mission. While not currently slated for inclusion in the Agency Request Budget because of funding constraints, these concepts reflect the

department's most pressing needs aligned with priorities established under Executive Order 25-26 "Directing State Agencies to Take Urgent Action to Promote the Resilience of Our Communities and Natural and Working Lands and Waters."

Restore Federal Fund Shortfall Staffing Reductions (WQ/AQ)

Federal support for critical environmental activities has not kept pace with inflation, leading to shortfalls that jeopardize timely water quality permitting, development and implementation of clean water plans, and air quality monitoring during wildfires. In previous biennia the legislature has stepped in to continue this work with General Fund.

Smoke Resilient Communities

The Oregon Wildfire Advisory Council has consistently recommended stable funding for public health agencies, noting that coordination between public health and land management agencies is critical to resilient communities. Increasing the pace and scale of prescribed fires can reduce risk, but excess smoke in communities poses a health threat especially to vulnerable populations. Gaps in air quality monitoring and support to local communities creates a public health blind spot, limiting Oregon's ability to promote landscape resilience through prescribed fire while protecting public health.

Emergency Response

DEQ's Emergency Response program aims to prevent and mitigate spills of oils and hazardous materials to minimize impacts on human health and the environment. The program faces a structural revenue shortfall of approximately $2.5 million per biennium. The program was historically funded with General Fund dollars until 2003. To this day, the program does not have a dedicated funding source, and operational costs have risen with inflation. Without a dedicated and permanent funding source Oregonians will see reduced response from DEQ, increasing the threat of oil spills throughout the state.

Cleanup 2025 Vision

DEQ's Cleanup Program aims to protect human health and the environment by identifying, investigating, and remediating contaminated properties, returning them to a beneficial use (e.g. housing, job centers, community green spaces) throughout Oregon communities. The program has been engaging in visioning work and strategic planning to modernize the program to meet the needs and scientific advances of today. In 2023, the program was awarded funding through the federal Infrastructure Investment and Jobs Act (IIJA) grant to support this work. The IIJA funds will sunset in 2027. Without sustained funding the agency cannot fully develop and implement a modernized cleanup program and communities risk progress on high priority sites.

Groundwater Quality Protection

DEQ has broad responsibilities, but limited resources, under state water quality permitting programs and the recently expanded Groundwater Protection Act (ORS 468B.150-190) to protect the quality of our state's groundwater resources for a variety of beneficial uses including drinking water, irrigation and to make our state more resilient to increasingly challenging climate change and water scarcity conditions. DEQ needs additional staff capacity to deliver more efficient and effective processing of wastewater discharge permits, artificial groundwater recharge applications, and also provide capacity to identify and define potential of areas of groundwater quality concern and areas needing increased protections.

Water Quality Permitting Program Improvements

Wastewater permitting efforts are a core element of DEQ's responsibility to implement federal Clean Water Act and state water quality protection efforts. Without additional staffing capacity, the program will not be able to eliminate permitting backlogs and establish a sustainable rate of permit issuance and renewal for all permit types that meets expectations for supporting critical economic development and housing production activities.

Clean Watershed Restoration Planning & Implementation

Clean Watershed Plans (TMDLs) are a science-based approach to restoring polluted watershed so that it meets state water quality standards. DEQ responsibilities to develop and support implementation of TMDLs for

watersheds throughout Oregon are critical for supporting and enhancing resiliency of ecosystems and working lands. DEQ needs additional staff capacity to optimize restoration efforts and investment prioritization—and support partner agencies/entities that have TMDL implementation responsibilities.

Non-discrimination statement

DEQ does not discriminate on the basis of race, color, national origin, disability, age, sex, religion, sexual orientation, gender identity, or marital status in the administration of its programs and activities. For translations or alternate formats, visit DEQ's **Civil Rights and Environmental Justice page.**