

Natural Resources

DEPARTMENT OF ENVIRONMENTAL QUALITY

	1999-2001 Actuals	2001-03 Legislatively Adopted at Close of Session	2001-03 Legislatively Approved through Fifth Special Session	2003-05 Governor's Balanced
General Fund	\$38,688,564	\$42,872,836	\$37,626,546	\$33,175,693
Lottery Funds	456,155	497,510	2,238,957	1,789, 995
Other Funds	100,316,829	110,212,596	113,210,996	115,978,166
Federal Funds	25,940,544	34,443,109	35,373,520	38,761,389
Other Funds (Nonlimited)	136,917,601	116,169,773	117,169,773	84,184,325
Federal Funds (Nonlimited)	0	0	0	0
Total Funds	\$302,319,693	\$304,195,824	\$305,619,792	\$273,889,568
Positions	803	882	881	848
Full-time Equivalent	783.55	865.71	861.61	821.19

Overview

- The Department of Environmental Quality leads efforts to restore, enhance, and maintain the quality of Oregon's air, water, and land. The agency administers the state's pollution laws. It also manages several federally delegated programs. The Environmental Quality Commission's five-member board sets policy direction for the Department. The Department operates six major programs. These are: Air Quality, which regulates air pollutants, detects and monitors pollutant levels, analyzes data, provides education and business assistance, and enforces pollution laws.
- Water Quality, which monitors and regulates the discharge of water and wastewater to ensure water quality goals are met. The program has identified standards for water quality and monitors those regularly.
- Land Quality, which works to reduce hazardous and solid waste, regulates underground storage tank use, responds to hazardous substance spills, and cleans up contaminated sites.
- Cross Media, which helps manage issues that cover more than one of the previous programs.
- Agency Management, which contains the Director's Office, public affairs, and management services. These centralized functions provide leadership, coordination, and support.
- Loan programs, which have used the sale of Pollution Control Bonds to provide capital for wastewater revolving loan funds and orphan site cleanup work in the past. The Orphan Site Cleanup program conducts assessment and cleanup when the owner of a contaminated site is unknown, unwilling, or unable to pay for the cleanup.

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Balanced Budget

The Governor's balanced budget is \$273.8 million total funds. This is a 10 percent decrease from the 2001-03 Legislatively Approved Budget through the Fifth Special Session. The major reasons for the decrease are the elimination of a loan program that attracted no demand and reductions in the Orphan Site Cleanup program. The budget also does not include renewal of resources for the Community Solutions Team. The Clean Water State Revolving Fund will have a diminished capacity to provide loans for community wastewater projects because of a change in how the program is financed. The program has previously been financed through the sale of bonds repaid by General Fund; the balanced budget uses interest on the fund to repay debt.

Willamette Basin Total Maximum Daily Load plan development will continue, with completion expected in December 2003. Resources for implementing and monitoring the plans are not included in the budget. A proposed fee increase to support hazardous waste disposal work is included, and restores resources to the program following declining revenues. Current economic conditions have reduced the number of fee payers, resulting in diminished revenues to support the program. The fee increase is included in Legislative Concept 607, which would also allow the agency to keep fines. Currently, the fines contribute to the General Fund. The issue of allowing the agency to keep the fines will be explored more during the 2003 Legislative Session.

The balanced budget includes:

- Continuation of several Federally funded projects. The Department of Environmental Quality implements several federal projects that span multiple biennia that must be re-authorized in each budget. These include Air Quality monitoring for fine particulate matter, drinking water protection, alternative septic system evaluation in the LaPine area, special environmental monitoring projects, and a federal grant for data system improvements.
- Vehicle Inspection Program. The recommended budget continues 70 staff as state employees, with 20 as permanent positions.
- Laboratory Rent. The recommended budget adds General Fund to cover increased rent costs for the agency's laboratory space. The landlord, Portland State University, is increasing the lease rate. Also, the increase includes additional office and storage space for the period until a proposed new laboratory, becomes available. The new laboratory funding is in the Department of Administrative Services' balanced budget.

Resources for a facilities coordinator and budget and financing staff are also included.

Revenue

Over 40 different fees support the Department's activities, along with Federal Funds and General Fund. Fees are charged for the three major programs: Air, Water, and Land Quality. The recommended budget depends on ratification of previously approved fee increases for air contaminant discharge permits, open burning permits, wastewater discharge permits, wastewater facility operator certification, underground storage tank permits, heating oil tank support, and marine oil spill prevention. It also depends on revenues from fee increases for hazardous waste disposal fees and new permit holders for stormwater discharges.