

2017 – 2019

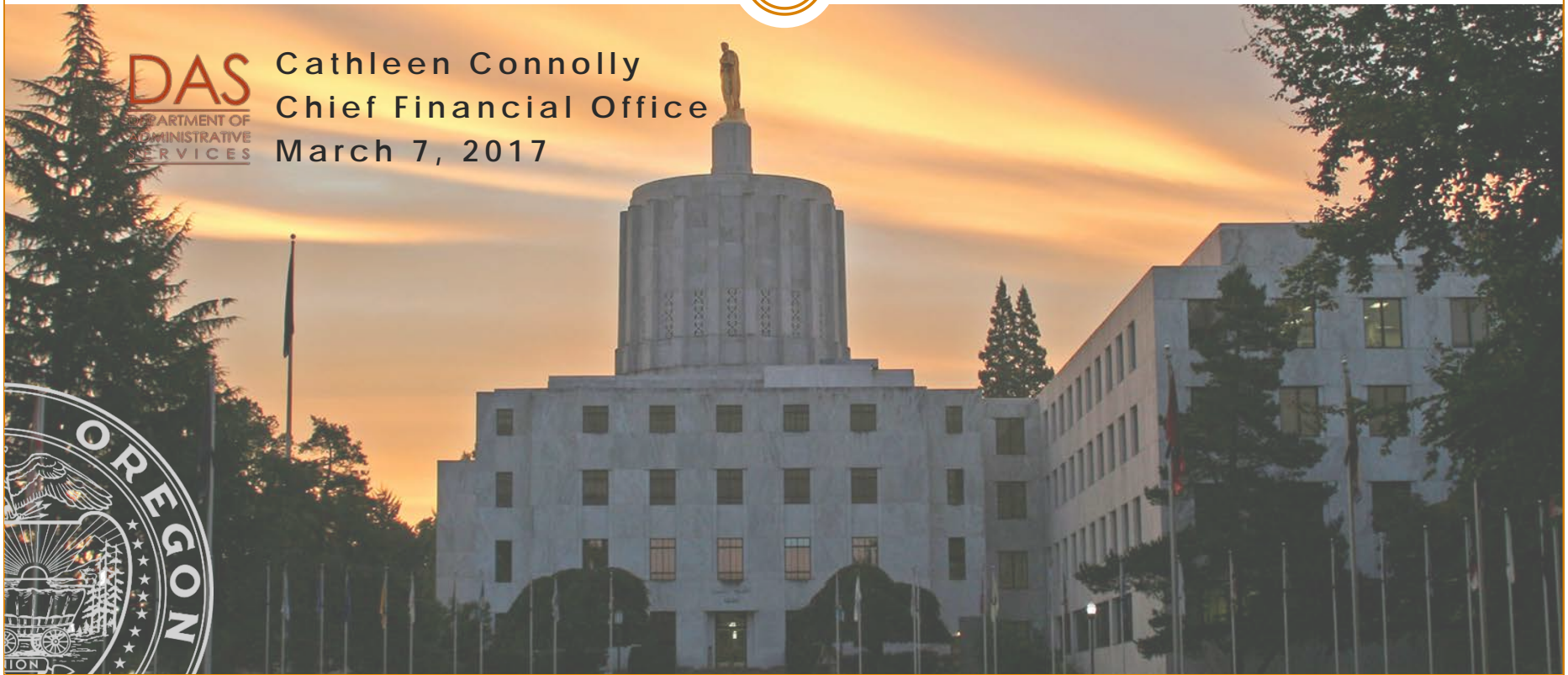
# GOVERNOR'S BUDGET

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Department of Environmental Quality



Cathleen Connolly  
Chief Financial Office  
March 7, 2017



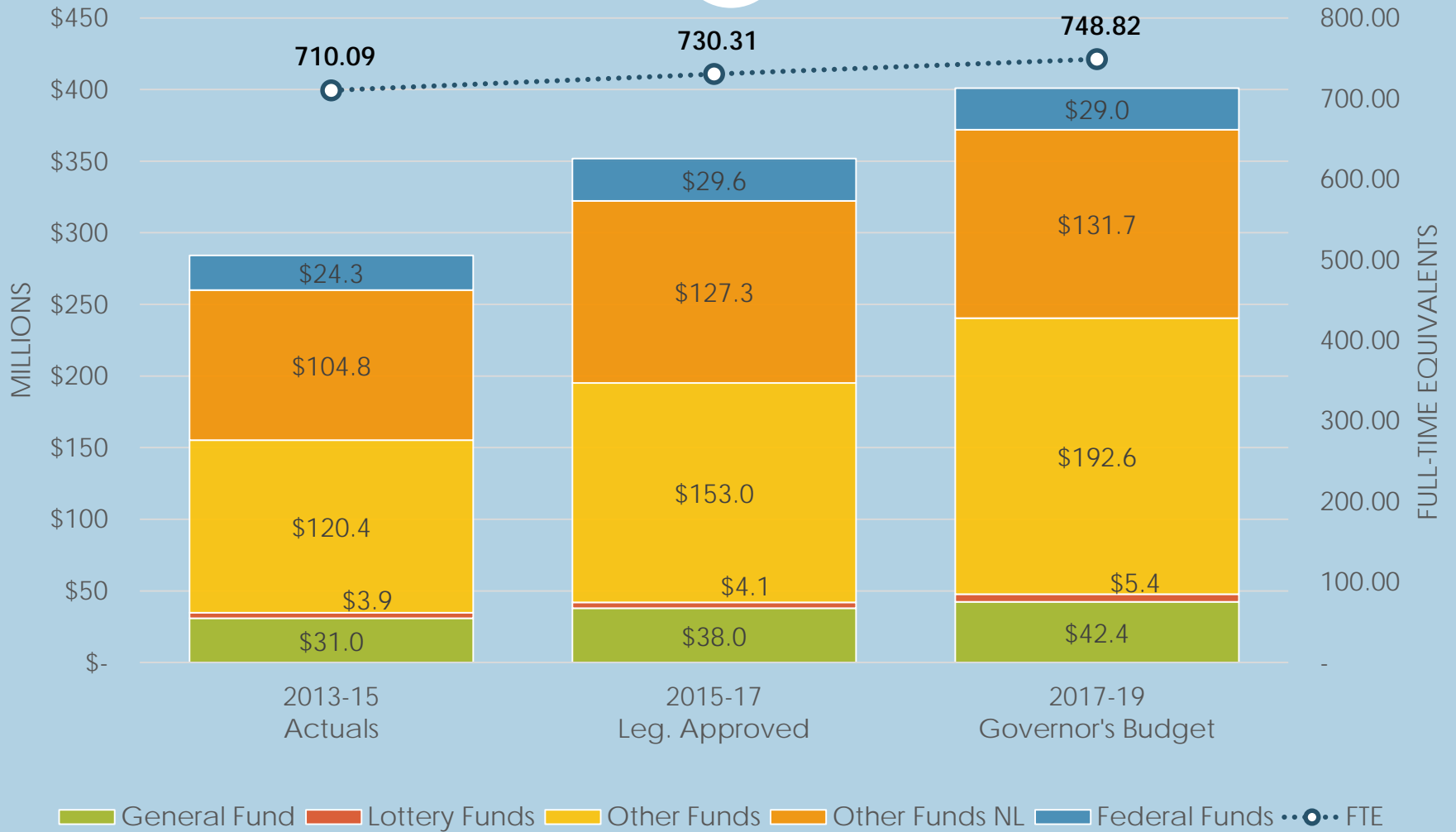
- Governor's priorities
  - Ensure Oregonians have clean air and water
- The Governor's Budget for DEQ
  - Makes new investments in Cleaner Air Oregon to rewrite and implement air quality rules and statutes to address the risk of industrial pollution to human health and expands air toxics monitoring to new areas of the state.
  - Provides resources to begin to address deficiencies in the Water Quality Permitting Program.
  - Provides funding to purchase an Environmental Data Management System.
  - Implementation of Portland Harbor Record of Decision.

- Agency's emerging issues
  - Need to replace aging and isolated data systems
  - Implementation of a human health risk-based air quality permitting program
  - Clean Water permitting reform
  - Regulating the implementation of the Portland Harbor Record of Decision
  - Implementation of the Volkswagen diesel emissions lawsuit settlement
  - Continues a new material management system to address how solid waste is managed

# Department of Environmental Quality

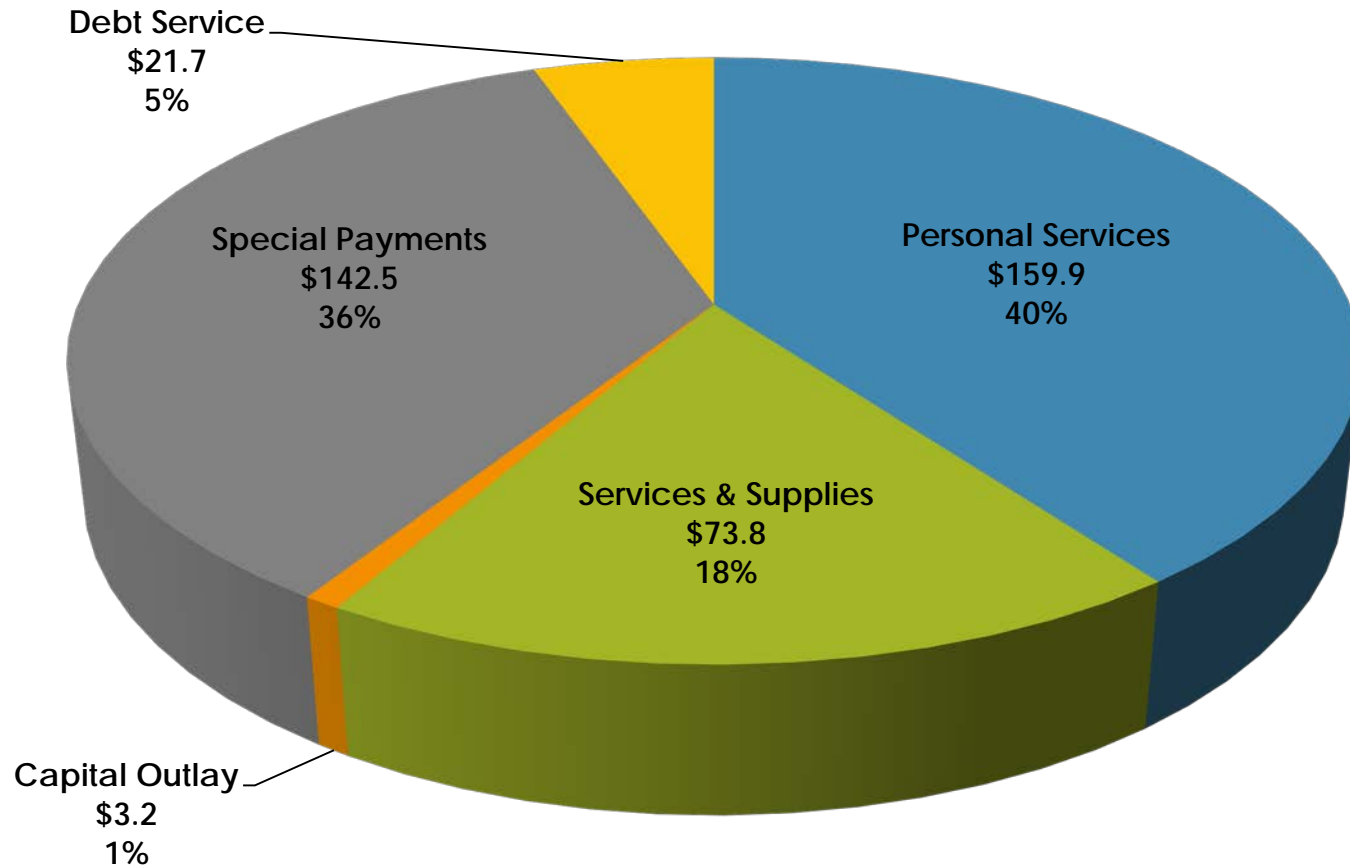
## Expenditure History + 2017-19 Governor's Budget

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### Agency Budget by Expenditure Category (in millions)

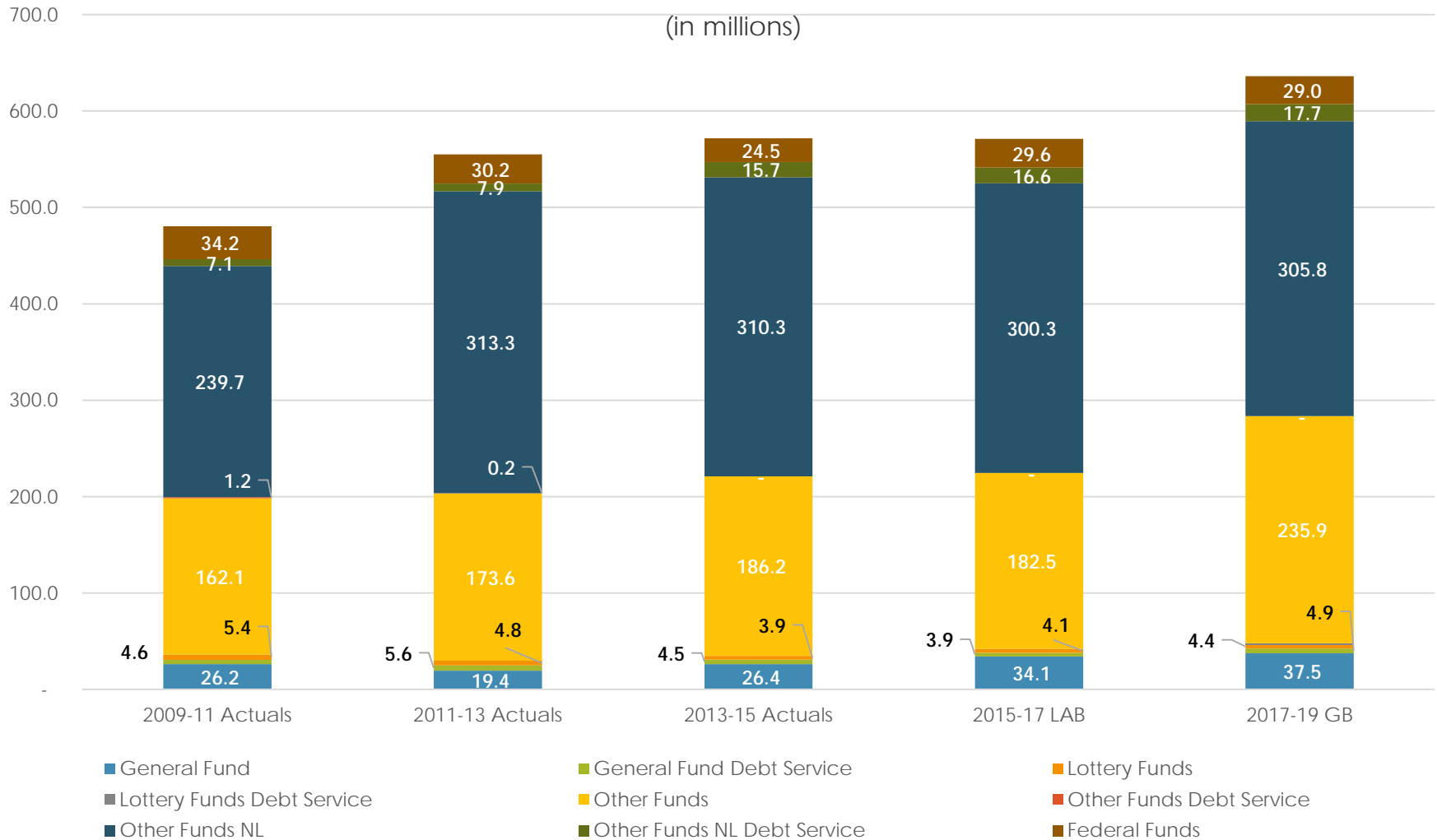


- DEQ is primarily funded with Other Funds but also receives General Fund, Lottery Funds, and Federal Funds.
- Nonlimited Other Funds revenue is used for the Clean Water State Revolving Fund and Orphan Sites Clean-up and is a large source of revenue.
- The agency is receiving a new source of revenue with the settlement of the Volkswagen diesel emissions case.
  - The agency is recognizing part of the revenue and asking to spend \$10.7 million in the 2017-19 biennium.

# Department of Environmental Quality

## Revenue History – All Revenue

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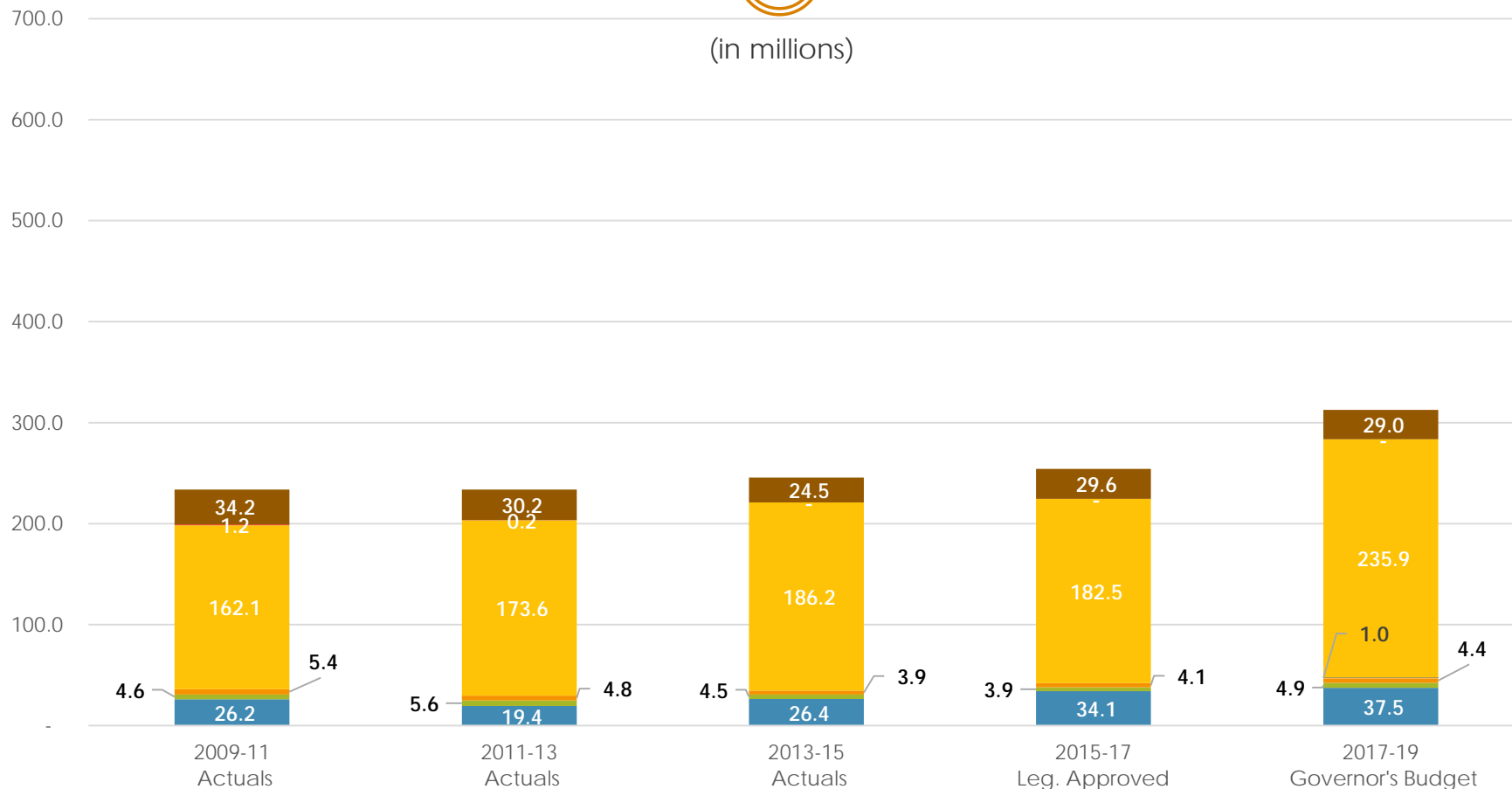


# Department of Environmental Quality

## Revenue History – Operational Revenue

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(in millions)



■ General Fund

■ General Fund Debt Service

■ Lottery Funds

■ Lottery Funds Debt Service

■ Other Funds

■ Other Funds Debt Service

■ Federal Funds



- The Governor's Budget makes significant investments in DEQ
  - Package 110 Implement Cleaner Air Oregon
    - ✦ Maintain and improve the Air Contaminant Discharge Permit program.
  - Package 112 Enhance Community Engagement and Response
  - Package 113 Implement Cleaner Air Oregon Real-time Metals Monitoring
  - Package 115 Reduce Harmful Diesel Emissions
  - Package 116 Implement Cleaner Air Oregon Risk-Based Air Permitting

- Package 120 Minimizing Impacts from Urban Stormwater
- Package 125 Water Quality Permit program improvements
- Package 131 Implement Materials Management 2050 Vision
- Package 132 Restore Underground Storage Tanks Inspection
- Package 135 Orphan Site Cleanups
- Package 136 Lead Paint Task Force
- Package 161 Environmental Data Management System
- Package 162 Portland Harbor
- Package 181 Clean Water State Revolving Fund – Loans and Bonds

- Package 183 Clean Up Contaminated Orphan Sites – Bonds
- Package 191 Clean Water State Revolving Fund Bond Debt Service
- Package 193 Clean Up Contaminated Orphan Sites Debt Service
- **Special Purpose Appropriation**
  - The Governor's Budget contains a \$3.0 million Special Purpose Appropriation (SPA) for DEQ and the Military Department, Emergency Management Program. The funding is to be used to increase capacity to respond to severe incidents, such as train derailments and help manage projects and provide direct and tailored technical assistance to state, city, county and tribal governments as it relates to Oregon's Hazard Mitigation Program.

- Fee Changes

- Air Contaminant Discharge Permit (ACDP) fee
- Title V Permit fee
- Underground Storage Tank fee
- Wastewater permit fee

- Reductions

- Occurred in the Air and Water Programs because that is where the General Fund is located

- Statewide adjustments

- Updates to the DAS Price List and State Government Services Charges