



State of Oregon Department of Environmental Quality

Critical Resource Gaps

In April 2024 the Secretary of State published an audit of DEQ¹, finding the agency is not adequately funded to successfully implement the breadth of programs and policies the legislature has entrusted it with. The agency has just recently rebuilt staffing levels held in the 2003-2025 biennium, however in practice this reflects reduced capacity given the number of new and complex regulatory programs established over the last twenty years.

Climate change is amplifying this challenge as the agency is forced to respond to worsening crises such as hazardous air quality from wildfires, drought-related water quality degradation, and other threats to the state's environment and communities.

Recognizing this, DEQ has identified critical gaps in agency funding. This inventory details where DEQ is un/under-funded to deliver on existing programs and mandates, with a focus on meeting Governor Kotek's budget priorities:

- Fully implement existing programs
- Improve customer service
- Prioritize actions to address the climate crises and build resiliency
- Facilitate housing development

The resource needs collectively identified below represent the highest priorities amongst a more comprehensive and broader ranging list of agency needs. The list is organized by DEQ program area. This list will inform the agency's ongoing work, in close coordination with the Governor's, to develop a 2025-2027 Agency Request Budget.

¹ Audit available at: <https://sos.oregon.gov/audits/Documents/2024-13.pdf>

Capitol Chronicle coverage at: <https://oregoncapitalchronicle.com/2024/04/17/oregon-deq-under-resourced-to-face-enormity-of-climate-change-challenges-audit-finds/>

Agency Infrastructure	<p>Critical Gaps in Agency Infrastructure</p> <p>DEQ’s top priority is to invest in core areas of the agency infrastructure that serve all DEQ’s programs. These important services have been chronically underfunded and in order for the agency to be successful we must right-size these functions to meet the ever-growing complexity and breadth of DEQ’s work. Specifically, the agency’s 25-27 budget needs to:</p> <ul style="list-style-type: none"> • Address structural S&S and staffing shortfalls at the laboratory. The laboratory lacks funding to maintain and upgrade its data collection and analysis instrumentation and systems. This shortfall has increased over the past several years with supply chain shortages, inflation, technology changes and aging instrumentation. Without an on-going investment in the laboratory, our capabilities will become limited and we will be unable to support the demands to evaluate emerging threats to human health and the environment. • Invest in the Office of Compliance and Enforcement. DEQ currently has only 8 Environmental Law Specialists responsible for enforcement of all DEQ programs, across the entire state. This office has not seen any investment in over a decade, despite a significant number of new and complex regulatory programs (e.g. Cleaner Air Oregon, Clean Fuels Program, Extended Producer Responsibility regulations, etc.). A growing backlog of enforcement referrals is jeopardizing the integrity of these programs, and can lead to an uneven playing field for Oregon business. • Provide adequate staff capacity for communication and outreach. DEQ is seeing increased demand from the public, regulated community, and decision-makers for timely, accurate and meaningful information about their environment. This demand is becoming more acute as the agency responds to a growing number of climate emergencies. Currently, there are whole sections and functions of the department with no communications support (e.g. Water Quality Division, Climate and Greenhouse Gas programs, Emergency Response, etc.). • Resource the training needs related to DEI and Equity. DEQ relies on expert consultants for facilitation and training services related to DEI and Equity issues. Specifically, DEQ needs specialized support to develop programs and policies to address findings from a comprehensive organizational assessment. Without these funds, DEQ will lack the expertise to make meaningful process in creating a culture of care, one the agency’s three strategic priorities. • Resource the Governor’s Environmental Justice Council. DEQ provides administrative support to the Governor’s Environmental Justice Council. The legislature has not provided funding to reimburse council member expenses, or to support its statutorily required listening sessions. Without funding the council will not be able to fulfill its mandates. 	<p><u>Laboratory</u> 4 positions and S&S \$2.2 Million</p> <p><u>Compliance and Enforcement</u> 4 positions \$1.2 Million</p> <p><u>Communications</u> 6 positions \$1.85 Million</p> <p><u>DEI and Equity</u> \$200K S&S</p> <p><u>EJ Council</u> \$170K S&S</p> <p>Total: 14 positions \$5,620,000* General Fund</p> <p>*Costs can be reduced by position phasing</p>
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Emergency Response	<p>Stabilize Emergency Response Staff and Fund Capacity</p> <p>DEQ receives over 2000 incident notifications from the Oregon Emergency Response System (OERS) annually, representing the largest volume managed by any local or state agency. DEQ receives notifications of “reportable releases” 24 hours a day, seven days a week. Many incidents requiring field inspections or sustained responses ranging from multiple days to weeks. DEQ’s capacity to respond to emergencies is stretched thin, and resources are quickly exhausted when responding to sustained events (such as wildfire or earthquakes) or multiple simultaneously occurring emergencies (such as truck spills). The current funding is unsustainable and limited resources mean DEQ is unable to inspect most spill sites to confirm the cleanup was completed to regulatory requirements. Failure to identify sites early with incomplete actions can lead to future cleanup sites that require additional resources, making it more costly to complete the process.</p>	<p>3 new positions, fund-shift 2 existing positions \$3.9 Million General Fund</p>
Air Quality and Climate	<p>Community and Landscape Smoke Resiliency</p> <p>Smoke events from wildfire are increasing in duration and intensity – putting new demands on DEQ programs to predict and communicate impacts from smoke. To create more resilient landscapes, communities are pursuing more prescribed fire and the agency is also tasked with preparing communities for planned smoke impacts. Critical resources authorized in 2021 were all Limited Duration and have since expired. DEQ lacks resources to continue to work with communities to monitor, communicate, and assist communities plan to mitigate public health impacts. Permanent resources are essential to improving resiliency across the state. The lack of DEQ resources may prevent additional prescribed fire activity and leave Oregon communities vulnerable to the public health impacts of smoke events. Specifically, DEQ requires positions to monitor, analyze, coordinate and communicate about air quality conditions associated with prescribed and wildfire.</p>	<p>5 positions \$1.68 Million General Fund</p>
	<p>Priority Climate Change Programs</p> <p>As Oregon works to reduce climate pollution, DEQ has developed and improved a suite of programs; greenhouse gas reporting, Clean Fuels Program, and the Climate Protection Program. Reporting requirements have become more complex. The software platform used to track Clean Fuels Program transactions, calculate credits, deficits, and compliance is over ten years old. California and Washington are now developing a new platform for their low carbon fuels programs. Oregon has an opportunity to join the effort and share costs in the development of a modern system. DEQ needs additional staff and expertise to assist regulated entities navigate program requirements and verify regulatory compliance. The integrity of these programs will be jeopardized if the agency continues to rely on outdated software while providing minimal technical assistance.</p>	<p>2 Positions 1 existing position reclass One-time S&S for software \$2.55 Million General Fund</p>
	<p>Lane Regional Air Protection Agency Operations Improvement</p>	

	<p>The Lane Regional Air Protection Agency (LRAPA) has delegated authority from DEQ to implement air quality programs and policies in Lane County. The agency has long-relied on General Fund pass-thru from DEQ for certain expenses. The Special District faces significant challenges in maintaining effective air quality monitoring, smoke management, and administrative functions without increased support from the state. While the agency has sufficient budgets from permit fees to carry out permit programs, demand is growing for vital services like smoke forecasting, public communications, and reporting to state and federal regulatory agencies.</p>	<p>\$750,000 General Fund</p>
	<p>Assure Compliance Heatsmart Program</p> <p>The Heatsmart program implements the legal requirement to replace old inefficient wood burning units that are a major source of woodstove pollution, threatening attainment with federal air quality standards in communities across Oregon. While replacement is required, the database to track older uncertified units is outdated and has not been maintained resulting in no ability to verify compliance with legal requirements (i.e. that older more polluting stoves are being removed and destroyed). Recent concerns about the validity of federal stove certification underscores the importance of successfully implementing Heatsmart.</p>	<p>1 position One-time S&S for software \$415,000 General Fund</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Water Quality</p>	<p>Restore Federal Fund Shortfall in Core Water Quality Programs</p> <p>Federal fund support for Oregon's administration and implementation of Clean Water Act programmatic efforts has remained constant for many years, but without any increases to accommodate for inflationary cost increases required to sustain current service levels the purchasing power of those funds has been in persistent decline. As a result, DEQ's water quality program must address these federal fund revenue shortfalls through cutting ~3 FTE for the 2025/27 biennium. If the State is unable to provide funding to sustain the affected positions, the agency will have reduced staffing capacity to deliver key services and functions from our permitting, TMDL and non-point source pollution reduction programs - which has implications for housing production and resiliency of working landscapes.</p>	<p>3 positions \$1.1 Million General Fund</p>
	<p>Improve Groundwater Protection Efforts</p> <p>DEQ lacks resources to engage in a breadth of groundwater quality related work that is critical for sustaining this important resource and protecting public health - particularly in rural and disadvantaged communities. This includes a lack of staffing capacity and technical expertise for developing/issuing WPCF permits; permitting water reuse and land application activities; and supporting outreach and coordination efforts with communities that may be affected by groundwater contamination. The agency requires 2 new regional positions to support groundwater protection efforts, 8 new positions for WPCF and groundwater permitting activities (funded through 60% fees and 40% General Fund), and funds for a one-time contract to conduct a 3rd party evaluation</p>	<p>10 positions One-time S&S \$1.4 Million Other Fund (fees) \$1.9 Million General Fund</p>

	<p>of the statewide GW Quality Act and facilitate a task force to review the evaluation and develop recommendations for programmatic improvements (LC 34000-03).</p>	
	<p>Evaluate and Implement Clean Water Restoration Plans (TMDL) Successful implementation of TMDL/Clean Water restoration plans requires data accessibility and transparency, as well as ability to assess data trends and outcomes in support of adaptive management decision-making. To optimize restoration efforts and investment prioritization - and support partner agencies/entities that have TMDL implementation responsibilities - enhanced resources for data analysis and technical assistance are required. Clean Water restoration plans are critical for supporting resilient ecosystems and working lands.</p>	<p>7 positions \$2.1 Million General Fund</p>
	<p>Improve Wastewater Permitting Wastewater permitting activities are a core element of DEQ's responsibility to implement federal Clean Water Act and state water quality protection efforts. DEQ continues to lack adequate staffing capacity and technical expertise to issue quality permits in a timely manner. Without additional staffing capacity, the program will not be able to eliminate NPDES permitting backlogs and establish a sustainable rate of permit issuance and renewal that meets state/federal expectations. These permits are not only critical to economic development activities, but many permit types (including construction stormwater and municipal wastewater treatment plant renewals/upgrades) are critical for housing production activities.</p>	<p>7 positions \$1.2 Million Other Funds (fees) \$833K General Fund</p>

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