

State of Oregon
Department of Environmental Quality

Memorandum

Date: Jan. 23, 2011

To: Environmental Quality Commission

From: Dick Pedersen, Director

Subject: Agenda item D, Informational item: Budget and legislative items update
Feb. 16-17, 2012, EQC meeting

Purpose of item The purpose of this agenda item is to provide an update to the Environmental Quality Commission on the Department of Environmental Quality's 2011-13 budget status, 2013-15 budget development process and anticipated activities at the February 2012 Legislative Session.

Background DEQ staff last presented an update on the DEQ budget status and key legislation at the December 2011 EQC meeting. Since that update, all state agencies have responded to requests for information in light of declining state revenues, and DEQ is developing its 2013-15 biennial budget.

State revenue forecasts

The most recent revenue forecast, in November 2011, showed a declining trend in state revenues. This item gives an update on the Feb.8 forecast and its implications for the state and agency. This forecast guides the Legislature on budget decisions for the 2012 legislative session.

Budget reduction options

As noted at the December 2011 EQC meeting, DEQ, and all state agencies, submitted a reductions options list of about 10 percent from the agency's General and Lottery Funds to the Legislative Fiscal Office on Nov. 14. The Legislature will decide which options to implement in February to balance the budget.

2012 Legislative Session

The Legislative Assembly convenes Feb. 1, 2012. This session is limited to approximately four weeks with stringent limits to the number of measures the Legislature will consider. DEQ did not introduce any material for consideration during the special session. DEQ is aware of several legislative concepts that relate to DEQ's programs and will update the commission on their status.

2013-15 budget development process

At Governor Kitzhaber's direction, all state agencies will develop budgets using the standard development cycle and requirements as well as a modified, outcome-based development cycle in parallel. The outcome-based budget development process supports Governor Kitzhaber's 10-year plan for improving Oregon's government and services.

**EQC
involvement**

DEQ will present updates on the budget development process and legislative issues at each EQC meeting in 2012. The commission chair is required to review and certify DEQ's budget request in August 2012.

Attachments

None

Report prepared by: Palmer Mason
Phone: 503-229-6345