

**Date:** May 26, 2011

**To:** Environmental Quality Commission

**From:** Dick Pedersen, Director

**Subject:** Agenda item F, Informational item: 2011 budget and legislative agenda update  
June 15-17, 2011, EQC meeting

**Purpose of item** This item updates the Environmental Quality Commission on the status of the Oregon Department of Environmental Quality's 2011-13 legislative agenda. The agenda includes the base budget, reduction options and budget policy packages that make up the Agency Request Budget and bills that the Oregon Legislature introduced in January.

This informational item informs the commission of updates related to the Governor's Balanced Budget, status of legislative bills and the latest information about the 2011 legislative session.

**Background** State agencies develop legislative concepts and budget policy packages as part of the legislative and budget development process. Today's discussion is a continuation of a conversation on the 2011 legislative agenda from the April 2011 EQC meeting.

Key deadlines in this process include:

- May 11, 2011: State budget forecast
- May 2011: DEQ Ways and Means subcommittee and full committee budget hearings
- June 30, 2011: Sine Die adjournment

Nearly 3,000 bills were introduced at the beginning of the 2011 Oregon Legislature Session. All policy bills have either advanced from their chamber of origin or been scheduled to committee hearings. DEQ is tracking bills relating to its operations and rules, and staff will continue to provide the commission with updates via periodic e-mails and presentations at commission meetings.

The May 11 state budget forecast showed an increase in revenues and job growth in the first quarter of 2011. The Office of Economic Analysis identified sectors for growth and economic risks or challenges for the state, and presented a forecast with overall revenue improvements of about \$128 million in the 2011-13 biennia but down

an additional \$40 million for the current budget year. At this time, we do not know what the implications of the revenue shortfall for the 2009-11 biennium will mean for DEQ or other state agencies.

The Joint Ways and Means subcommittee held a hearing on DEQ's budget April 11-14, 2011, and passed it from the subcommittee in early May. The Ways and Means subcommittee later removed DEQ's budget from a full committee vote and has rescheduled the subcommittee hearing several times in mid-May. The Ways and Means Natural Resource Subcommittee reconsidered the DEQ budget May 24 and recommended taking approximately \$800,000 less in additional General Fund reduction options from water quality work. The full Ways and Means Committee is scheduled to consider the budget May 27. DEQ will present an update on the subcommittee and full committee budget hearings at the June meeting, along with an update on bills affecting DEQ and the environment.

**EQC  
involvement**

At each 2011 commission meeting, DEQ will present updates to the commission on agency bills, reduction options, budget policy packages and the base agency budget.

**Attachments**

None

Approved:

Division: \_\_\_\_\_

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