

State of Oregon
Department of Environmental Quality

Memorandum

Date: February 1, 2010

To: Environmental Quality Commission

From: Dick Pedersen, Director

Subject: Agenda item J, Informational item: 2011 budget and legislative agenda update
February 18-19, 2010 EQC meeting

Purpose of item This item updates the Environmental Quality Commission on the status of the Department of Environmental Quality's 2011-13 legislative agenda that includes the base budget, ten percent reduction options, budget policy packages that make up the Agency Request Budget and DEQ's legislative concepts, which, if approved for drafting and pre-session filing, will become draft bills for legislative consideration. This informational item informs the commission of ideas DEQ is considering for legislative concepts and budget policy packages that will receive more definition during the first half of 2010.

This commission meeting is scheduled during the February Special Legislative Session. Staff will provide an update regarding potential implications to the current 2009-11 biennial budget, should the Legislature decide to implement any of the DEQ general and lottery funds reduction options or reductions to fee-funded ending balances. DEQ will also provide updates on any legislation that affects DEQ or the environment.

Background Every two years, state agencies must develop legislative concepts and budget policy packages as part of the legislative and budget development process. This discussion is a continuation of a conversation on the 2011 legislative agenda from the October 2009 EQC meeting. The development process will continue throughout 2010 in preparation for the 2011 legislative session.

Key deadlines in this process include:

- April 2010: DEQ must submit draft legislative concepts to the Department of Administrative Services.
- September 2010: DEQ must submit its Agency Request Budget to the Department of Administrative Services and the governor's office on Sept. 1, 2010. This budget submittal includes the base budget, ten percent reduction options and the budget policy packages.

The Legislative Fiscal Office requested a list of budget reduction options

at a 10 percent cut level for general and lottery funds in anticipation of the special legislative session in February 2010. DEQ, and all state agencies, submitted this list Nov. 30, 2009, and reviewed it with the commission at the December 2009 meeting. The list is attached again as a reference document should the Legislature decide to take any of these reduction options during the February 2010 Special Session.

**EQC
involvement**

At each 2010 commission meeting, DEQ will present updates and seek input on the development of the 2011 legislative agenda to engage the commission in the development of legislative concepts, ten percent reduction options, budget policy packages and the base agency budget. The commission chair must certify the 2011-13 Agency Request Budget for submittal to DAS and the governor's office by Sept. 1, 2010 at the August EQC meeting.

Attachments

A. DEQ's 2011-13 legislative agenda development timeline
B. DEQ's 2009-11 general and lottery funds reduction options, November 2009. This attachment is available online as a PDF, and in hard copy if requested.

http://www.leg.state.or.us/budget/budget_reduction_options/NR_DEQ.pdf

Approved:

Division: _____

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DEQ's 2011-13 Legislative agenda development timeline

June 2009

- DEQ's 2009-11 budget was adopted

October 2009

- 22-23 - EQC meeting – Discuss 2011 legislative agenda timeline

December 2009

- 10-11 - EQC meeting to share preliminary concepts for the legislative agenda

Late 2009 through February 2010

- **Development begins on 2011-13 budget**
 - Determine cost of currently approved programs adjusting for 2011-13 costs
 - Estimate future revenues
 - Determine “restorations” needed to cover future costs
 - Develop budget reduction options
 - Develop budget package proposals for new work that DEQ anticipates doing
 - Develop legislative concepts

February 2010

- **1 – Special Legislative Session begins**
- **18 and 19 - EQC meeting – focus on draft legislative concepts and budget policy packages**

March 2010

- **1 – Budget and legislative concept instructions are released by DAS (may be sooner)**
- **Ongoing legislative concept and budget policy package proposal development**

April 2010

- Stakeholder outreach
- Ongoing legislative concept and budget policy package proposal development
- **2 – Legislative concepts are due to DAS (estimated date)**
- EQC meeting – focus on budget development

May 2010

- Ongoing budget development

June 2010

- DAS submits approved legislative concepts to Legislative Counsel
- EQC meeting – update on legislative agenda; approve budget submittal for DAS audit
- Budget request submitted to DAS for audit

July 2010

- Budget narrative development
- **14 – Last day to modify legislative concepts (estimated date)**

August 2010

- Budget narrative development
- EQC meeting – legislative agenda update and Chair signs the budget certification form (part of the agency budget request document)

September 2010

- 1 – Agency Request Budget due to DAS and governor

Fall 2010

- DEQ works with Legislative Counsel on draft bills (legislative concepts)
- DAS and governor review DEQ budget request
- Governor's Recommended Budget submitted to the Legislature
- Governor pre-session files approved bills

January 2011

- 10 – 2011 Legislative Session begins