

SECTION 8: AGENCY MANAGEMENT
OREGON DEQ AGENCY REQUEST BUDGET 2009-11

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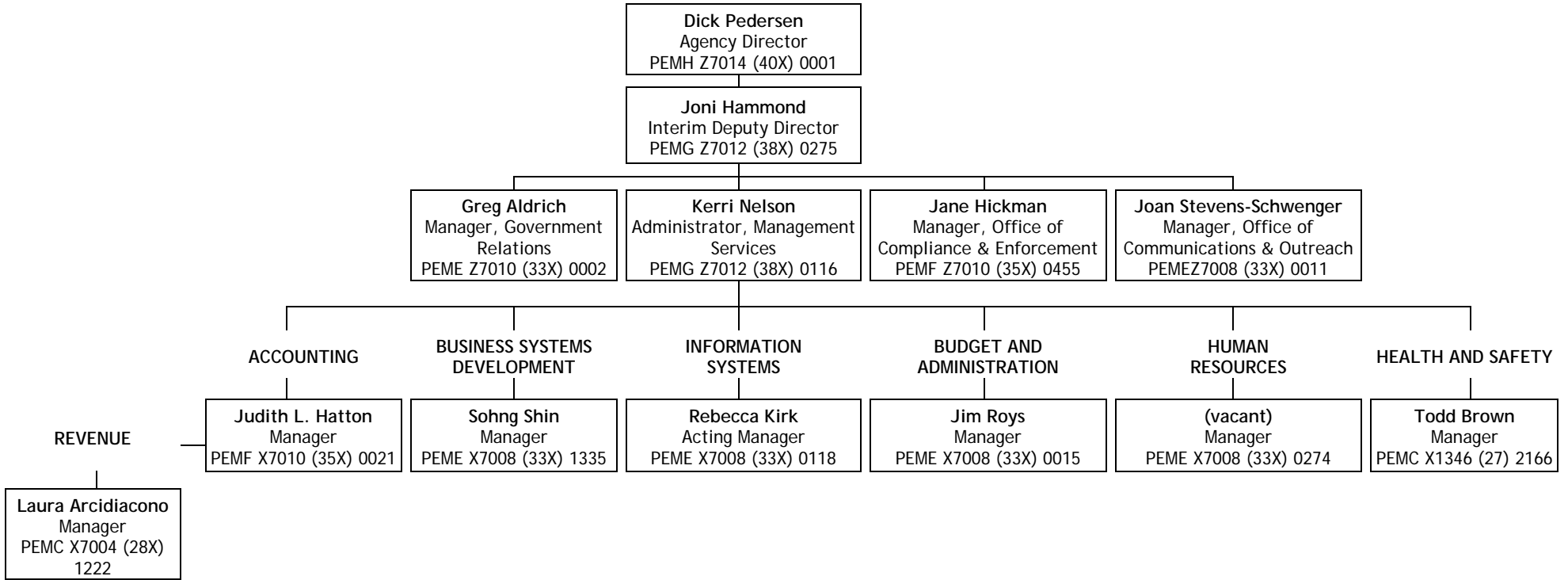
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2007-2009 DEQ AGENCY MANAGEMENT PROGRAM



AGENCY MANAGEMENT		
	<u>Positions</u>	<u>FTE</u>
2007-2009 LAB	89	85.48
2009-2011 Modified Essential Budget Level	89	85.23
2009-2011 Program Packages	9	9.00
Total 2009-2011 Agency Request Budget	<hr/> 98	<hr/> 94.23

AGENCY MANAGEMENT PROGRAM NARRATIVE

DEQ AGENCY MANAGEMENT

Agency Management provides leadership, fiscal management, integrated services and technical support to accomplish DEQ's goals and objectives. It performs those functions that are most efficiently and effectively delivered centrally. Agency Management also ensures that the Department's activities comply with legal requirements. Agency Management includes the Office of the Director, the Office of Communications and Outreach, the Office of Compliance and Enforcement and the Management Services Division.

The **Office of the Director** provides leadership, policy formation and guidance, intra-agency and inter-agency coordination, and accountability for the e agency. The Office of the Director provides support to the Environmental Quality Commission. Staff provides administrative review of Department actions such as the contested case process where hearings are conducted for controversial and significant matters such as permit issuance and denial, and rulemaking. The Director's Office also manages administrative rulemaking and legislative liaison functions. The Office of the Director is staffed by the director, a deputy director, one executive support staff, an administrative professional to support the Commission, a part-time agency rules coordinator, and the legislative liaison.

The **Office of Communications and Outreach (OCO)** provides public information, education and citizen involvement programs throughout the state. Services include: media relations; information on agency programs and initiatives; creating opportunities and venues for citizen involvement in DEQ permitting and rulemaking activities; responding to questions from the public (citizens, small and large businesses, elected officials, local governments, interest groups, and educators) and news media; assisting with advisory committees, public hearings and other public meetings; conducting customer service surveys; and managing the Agency's Web site. OCO outreach staff includes five public affairs specialists and one website coordinator. Staff are located in Eugene, Pendleton and Portland and work with DEQ's air, water and land quality staff to ensure that the public has information about DEQ's programs, ranging from how to get a car tested in Portland or Medford to hearings on liquefied natural gas or local permit applications, to finding a contractor to remove asbestos. Staff also promote Agency initiatives such as waste reduction, recycling, healthy lawns without harmful chemicals, reducing toxics in the air and water, clean diesel programs for fleets such as school busses, household hazardous waste collection events, and the use of "plain language" in agency communications. Specialists are managed centrally in Agency Management but are directly funded by air, water or land quality programs; the web coordinator is budgeted in Agency Management. Four additional OCO staff are budgeted in Agency Management including one manager, one support staff and two customer service representatives. All Agency Management positions are located at Headquarters.

Future challenges facing the Office of Communication and Outreach include: enhancing the web site to provide Oregonians with more opportunities to interact with DEQ electronically; making scientific data more accessible to Oregonians by "translating" a huge volume of scientific material and data for a lay audience; reaching individual Oregonians about how they can contribute to a more sustainable Oregon (most of the problem comes from "non point" sources, not industry); and ensuring that DEQ is connecting with minority populations, especially non-English speakers, as the population of the state changes. Solutions to environmental problems require the individual efforts of all Oregonians.

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DEQ enforces the State's environmental laws through the **Office of Compliance and Enforcement**. Budgeted in the Air, Water and Land Quality Programs and managed through the Office of the Director, the Office of Compliance and Enforcement provides enforcement guidance for field staff, emphasizes education and technical assistance because most businesses and individuals voluntarily comply with the laws, and provides the formal enforcement response to those violations that are referred from DEQ's regional offices. Formal enforcement responses usually include the assessment of civil penalties or issuance of enforcement orders.

The **Management Services Division** provides information systems and business systems development and management, accounting, human resources, health and safety, organization improvement, budget development and implementation (including Debt Service), and represents the Department in agency-wide administrative issues such as collective bargaining. Division **Administration** includes one administrator, one part-time executive support staff, and one management assistant. The Division sections are detailed below.

The **Information Technology Section (IT)** provides the operational support for the systems and services which provide the desktop computers, network services, central systems and security for the agency. These services include:

Central Technology support for:

- Email system and all other forms of electronic communications such as PDA and Blackberry devices.
- Administering the database for SQL Server: SQL Server is the platform that replaces the Sequent mainframe and Oracle for all of DEQ's database needs. This is a significant component of DEQ information management activity.
- Network Security (protecting from Virus, SPAM and Network Intrusion): keeping the DEQ computing environment safe in the face of external threats.
- Acquiring hardware and software and managing the inventory: getting computers and software tools in-house and onto staff desks while also keeping track of assets and their location.
- Developing and deploying standard desktop computer configuration, ensuring that all DEQ workstations across the state have a stable and consistent set of software tools for staff use.
- Distributing software updates to 800 desktop systems Agency-wide, providing software and security updates to keep our system up to contemporary standards.
- Agency web server support: supporting, maintaining, and evaluating hardware and software for the servers and infrastructure for the internal and external web products operated by DEQ.

Computer Support Center (Help Desk) for Headquarters:

- Provide desktop, laptop, PDA and user support for 260 FTE.
- Support hardware, desktop software (MS Office), etc. When DEQ staff need help of any kind with their computers, these are the folks they call.
- Provide operational support for agency central systems.
- Manage printers and reports.
- Backup central system and offsite storage of backup media.

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- Manage and operate headquarters access security and ID badge system.
- Operate headquarters mailroom/copy center services.
- Receive and distribute mail.
- Receive and distribute shipments from UPS, FedEx, etc.
- Provide interoffice mail service to headquarters.
- Process outgoing mail and shipments.
- Provide central copy services for large copying jobs.

The above services are handled by 1 manager and 10.5 FTE.

Information Technology Workload Drivers

DEQ's Information Technology work is foundational to every aspect of DEQ computer technology and information systems management. IT provides and maintains the infrastructure upon which other systems depend, ensuring a stable and reliable platform to build upon. This includes aspects of:

- A somewhat unpredictable but historically demonstrable need to stay abreast of new technology developments and tools. For example, capability for wireless and Blackberry-based communications for our field and emergency response personnel exploded upon the scene about five years ago as the result of technology developments that did not priorly exist. It is clearly to DEQ's advantage to master and utilize this technology.
- The need to keep abreast of new software suites and tools. Interactivity and information transfer within DEQ and with other organizations is a fact of life which requires keeping tools and systems up to contemporary standards.
- Legislative and citizen demand for enhanced activities and information access via the internet. There is a constant, growing need for ever greater and more sophisticated systems supporting public access to information.
- New methodologies for scientific analysis require special purpose tools and systems be used by some DEQ staff. IT has an ongoing challenge to provide tools and systems that meet contemporary scientific needs.
- Maintain/replace existing systems (for example: 800 workstations). A portion of DEQ network infrastructure is always rolling off the end of the list as it ages. Eventually, every piece of the system gets too old to do the job and must be replaced.
- As a support organization, IT is directly impacted by the number of staff in the Agency and their need for tools to perform their work. Response to emergencies is another unpredictable driver. Emergencies don't occur often, but they have happened and are guaranteed to happen again. If (when) something goes wrong (e.g., a virus outbreak), IT's protocol is to respond immediately and shift into emergency mode, maintaining this state until the problem is resolved and the system is stable again.

Information Technology Coming Challenges

Although more appropriately characterized as ongoing challenges, IT is working at continuing and improving stability, efficiency and reliability in DEQ systems. We will also be looking at central server upgrades with minimal downtime and service interruptions in order to keep up with supported hardware and software standards.

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Improved Efficiency:

- Continue and increase central deployment of software updates and security patches. DEQ's IT system allows staff to do centrally that which would otherwise require staff to travel all over the state. This frees personnel to actually support DEQ staff rather than being tied down with constant computer patching.
- DEQ gains productivity by having a standard set of software tools ("a standard desktop") on all workstations. Bringing all the disparate pieces of standard desktop deployment and support into one unified approach is an ongoing challenge which includes:
 - Defining what software tools are and should be on each workstation
 - Deploying those tools to each workstation in the most efficient manner
 - Providing test platforms for software developers so they can be assured their systems will work appropriately when installed on staff workstations (currently Virtual PC)
 - Special purpose workstations and support mechanisms for staff that need extraordinary tools beyond the scope of the "average" user (software developers, modelers, etc.)
- Streamlining the hardware and software acquisition and inventory process. IT is working on improving internal systems and procedures to gain greater efficiencies. In essence, this is an ongoing effort aimed at making our processes work better.

Improved Stability and Reliability:

- Enhance network security to ensure the system is protected against attacks of any kind. This has aspects of both prevention and cure. DEQ has defenses against electronic attack and systems for minimizing the risk from any attack that might get past those defenses.
- Ensure business continuity in the event of a natural or man-made disaster. This is a constant activity in which we configure our systems for disaster recovery through eliminating what is called "single point of failure". Key systems are multi-homed and backups come online automatically to ensure continued functionality. In brief, it means loss of any particular location (say, due to fire or earthquake) will not prevent other locations across the state from continuing to operate.
- Although our central wiring has been upgraded, the network wiring in some DEQ offices has become inadequate over time. IT will continue working with the regions to recommend upgrades which will work with our TSO and expand their network bandwidth.
- Upgrade unsupported hardware, e-mail systems, and operating systems to the current supported standards with minimal interruptions to DEQ's daily operations.
- Continue expanding and automating our HQ helpdesk by implementing helpdesk software and improving communication to the regions. We would like to build our HQ Help Desk staff back to 3 FTE as we are currently down to 2.

Information Technology evaluates its performance through four measures:

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1) Total computer system "uptime" = 99.75%

Information Technology staffing levels were originally set to keep the network operational during normal working hours. Increasing internet use by DEQ customers and the citizens of Oregon, as well as improved connectivity for employees working from outside the office, has resulted in the need to operate much of our network 24 hours a day, seven days a week.

2) Total e-mail system "uptime" = 99.9%

E-mail is unquestionably our most important and heavily used system.

3) Time savings = 1600 hours (not counting travel)

Maintaining the ability to centrally deploy software updates and patches to all DEQ workstations allows support staff to do other, more useful things (like supporting people instead of boxes). These updates and patches must happen and the only other way to do it would be to sit down at each workstation and install them manually. That would be 800 workstations from Pendleton through Portland and down to Coos Bay. Ignoring the travel time this would require, we save an average 1600 hours per year by deploying centrally.

4) Customer satisfaction survey = 95%

We use an ongoing survey for feedback and customer satisfaction. During the past year we've achieved a 95% satisfaction rating from DEQ users.

Business Systems Development Section (BSD)

DEQ employs a wide range of information systems, most based on relational databases operating in desktop, client-server and web environments that are used to support both the ongoing functions of Agency operations as well as to provide information-based tools to better deliver DEQ environmental science-based services to our stakeholders and the public. Commercial "off-the-shelf" software does not effectively meet specific program needs of the specialized nature of DEQ programs. The Business Systems Development Section manages the new development, deployment, implementation, enhancement, modification and maintenance of the majority of those information systems. BSD also provides Agency-wide support for Geographic Information Systems (GIS) and web infrastructure. In total, BSD provides business solutions with system design, programming, and support for more than 80 program-specific applications ranging from simple desktop applications to fully integrated permit processing and specialized accounting applications (e.g., cost recovery management) which address processes unique in Oregon to DEQ.

The Business Systems Development Section provides central information management governance policy and planning for the Agency, establishing Agency-wide data standards and system architecture and data exchange protocols. The section is responsible for choosing application platforms and development tools, such as choosing between open-source, the Oracle/UNIX platform, or the Microsoft based SQL/SQL Server platform.

BSD Section Budget

Within the BSD Section budget, Agency Management funds 13.5 positions and also includes \$205,000 in professional services for utilizing contractors to develop information management systems to perform development work for projects where the scope or timing exceed the BSD section capacity. BSD also provides management and supervision for 7.5 FTE budgeted in the Air Quality, Land Quality, Water Quality, and Cross

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Program programs. This central supervision is the Agency's method of maintaining consistency and integration of systems Agency-wide, where funding restrictions require that staff be budgeted separately. The staff in the BSD Section is comprised almost exclusively of Information Systems Specialists ranging from ISS4 to ISS7, with 18 positions performing systems analysis and programming, one technical writer to provide system documentation and develop system help screens, one project management professional, and one section manager. Clerical support is provided by 0.5 FTE currently budgeted in the Budget Office and shared between the Budget, BSD, and IT sections (supporting approximately 40 staff).

BSD Section Resource Drivers

The principal drivers behind the level of resource needed in the BSD section are the number and complexity of business systems required by the program activities and management services sections. In this sense, BSD is affected by most of the resource drivers affecting all other aspects of Agency services, both in terms of support infrastructure and direct services. For example, Senate Bill 43 required the Hazardous Waste program to develop a web-enabled system allowing the public access to toxic use reduction reports. That legislation required systems development on the part of the Hazardous Waste program, which enlisted BSD staff support to develop the application. The other main driver is technology-based, driven by the application platform that DEQ chooses to adopt.

DEQ is currently in the final stage of a system migration process to move from an Oracle/Sequent-based application platform to the Microsoft SQL/SQL Server-based platform. This transition requires that systems running on the old Oracle/Sequent platform be redeveloped or migrated to the new SQL/SQL Server platform. This is not simply a technical conversion like upgrading to a newer version of software, where file compatibility ensures a relatively smooth transition. Old applications must be completely redeveloped in a new programming language and run in a new software environment, ensuring the current business rules and processes are equally featured or enhanced.

The application users wisely take advantage of the redevelopment process to seek systems enhancements and redesign of their business processes, expanding the application redevelopment scope.

The following table provides an assessment of the evolution in resource drivers and staff resources over the past eight years in the broader information technology arena.

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Comparison of BSD Resource and Service Levels, 1997-99 Biennium to Current

Resources	1997-1999 Biennium	2007-2009 Biennium	Notes
LAN Administration Staff (Agency)	9 FTE (2 in LQ division, but none in the lab)	9 FTE (2 HQ, 1 Lab, 1 per region, plus 2 in VIP)	Identified as most critical shortfall in 1995.
Central IT support Staff	8 FTE	8 FTE	Excludes mail room, MSD LAN Admin counted above.
Central application development staff	9 FTE	13 FTE (Excludes two LD positions dedicated to a specific grant project)	Includes one for time accounting, one transferred from program staff, and two new positions.
Program application development and maintenance staff	5 Estimated. Many other non-IT staff do minor desktop development. Excludes model development.	3 FTE (estimated)	One cut from LQ budget, one transferred to central development.
Application development and maintenance contracts	\$2.3 Million (Equates to 15 FTE if performed in-house)	\$705 thousand (Equates to ~3 FTE for in-house projects)	Most of the contract money was programmatic money cut in past budget cycles.
GIS Staff	1 FTE	1 FTE	Staff added for Oregon Plan and other projects were lost in 03-05.
IS Project Manager	0	1 FTE	Transferred from General MSD project management role.
Web Administration	0	1.5 FTE	Does not include the position for content management, which is primarily a communications role.

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Service Levels	1997-1999 Biennium	2007-2009 Biennium	Notes
Server Support and operations	Maintained by the division LAN Administrator. No failure recovery plans. Servers shared between offices.	Servers located in every office. They are centrally administered, and can be replaced with backup hardware within one day.	Purpose-built servers with built-in redundancy have replaced all high-end PCs as servers statewide.
Network	Limited connections to remote offices, with no connectivity at all in some. Limited security available only within DEQ HQ.	T1 Frame Relay or better service to all offices, with Internet, Intranet, and Agency applications access.	DEQ uses the DAS network, but there is an administrative overhead to maintain networking for added locations.
Staff Network Access	Staff able to work in their assigned office. Login from any other location requires special setup and does not provide file access to personal files.	Full access to any employee on any PC on the DEQ network.	System performance may be reduced for file access across the WAN, but all functions are available.
Desktop Support	Provided only by division LAN Administrator. Operating System Upgrade took 4 weeks/substantial overtime, requiring visit to each PC.	HQ Help desk shares 3 FTE to focus effort where needed. Most assistance can be done remotely, along with software upgrades.	No non-IT staff are assigned to fill shortfalls except in remote locations.
Application Developments	Three major applications developed under contract, and several small applications developed in-house. All applications use a terminal emulator, and operate on one Unix server.	Three major applications built/rebuilt in-house, and one under contract. Several small applications and internet projects completed. All new applications are user-friendly Windows applications.	This refers only to DEQ internal applications. Application staff have also developed web-based data access tools for public access (see below).
Network Security	Isolated WAN. Only the Unix server was connected to the outside world, and relied on operating system security.	Full firewall protection of the entire WAN. DMZ to isolate public web servers from the network, between firewalls.	Hardware does the work, but there is a significant overhead in firewall administration.
Internet Services	None (one PC set up as a web server late in the biennium—no management).	Intranet, Internet, and GIS application servers available to all programs.	In addition to added programming/publishing efforts, the Internet greatly expands security needs.

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Service Levels	1997-1999 Biennium	2007-2009 Biennium	Notes
Internet/ public access Services	Access to one database (cleanup sites) via public terminals in DEQ offices. Difficult interfaces and limited functions.	Full access to all major databases on the Internet. Fully integrated place-based access to all DEQ programs.	Improves public service and reduces the need for program staff to respond to public records requests.
E-Government	None	Nearly all forms, policy, rules, guidelines, and public information on the web. Two reporting tools are online.	This is the largest area of service growth, and will continue as programs ask for more services.
Documentation	Limited user manuals available for some systems.	Online help available for all new systems delivered, using current resources.	Makes systems formerly available to a few experts into common tools.
Applications Environment	"Green-screen" text based applications. Limited functionality, very low user acceptance, poorly integrated, and dependent on substantial user training for proper use.	Client/server applications are routinely updated and deployed agency-wide through automated processes. User acceptance and usage is high. Enterprise standards are enforced through application logic.	Levels of functionality are enhanced, with an accompanying rise in user expectations.

The **Accounting Section** is responsible for the integrity of the Department's financial records. As such, an emphasis is placed upon continually assessing financial risks to ensure that adequate internal controls are in place that, in turn, ensure the accuracy of the information generated.

DEQ has a complex cost structure in order to accommodate the multiple funding sources that include general, federal, lottery, and dedicated funds, cost recovery reimbursements, and civil penalties. Each has stringent requirements on how the funds are spent. To support the level of detail required, DEQ's cost center structure captures the funding source, location (by region and office), manager, activity and project. DEQ has approximately 140 funds, 1300 activities, 40 active federal grants, and 10,000 open projects. The Department's accounting practices are governed by numerous rules, regulations and procedures promulgated by the federal and state government and the Government Accounting Standards Board. This complexity places demands on all staff in the section to have a thorough understanding of both the cost accounting structure and the relevant rules, in order to accurately review, record and report on the Agency's financial transactions.

The accounting functions performed by the Section can be divided into three major categories:

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Revenues: Receiving, depositing, recording and monitoring payments made to the Department from all sources; assisting in collecting past due accounts; preparing and monitoring invoices for a variety of fees and other charges; reconciling cash accounts and fund balances for all fund types (General, Federal and Other); managing federal cash balances; preparing federal and state reports; providing year-end information for statewide financial statements; assisting federal and state auditors; and providing revenue information for budget and management decision making.

Expenditures: Establishing the proper accounting structure of funds, grants, activities and projects necessary to accommodate the complex accounting structure at DEQ; ensuring the adequacy of internal controls; providing guidance to employees on the appropriateness of expenditures; reviewing, coding and paying all bills; auditing SPOTS card purchases; reimbursing employee travel claims and monitoring out-of-state travel; maintaining capital asset and other property records; providing ongoing support for Q-Time, (the Department's on-line time recording system); providing systems liaison between the Accounting Section and the Department of Administrative Services; filing and managing financial records; preparing all federal grant financial reports; providing year-end information for statewide financial statements and preparing the Department's own annual financial statements; and providing expenditure information for budget and management decision making.

Payroll: Providing all aspects of payroll services for the Agency, including maintaining payroll-related data for each employee so that all paychecks issued are accurate and timely; recording and monitoring all leaves; managing payroll issues related to terminations, garnishments, leave without pay, payroll deductions and ensuring that all payroll-related legal requirements are met.

In addition to traditional accounting functions, the section supports Department *purchasing* and *contracting*. This includes providing advice, guidance and oversight for writing personal service contracts, intergovernmental agreements, revenue and various grant agreements; managing the solicitation and procurement processes for the acquisition of supplies, equipment and services; keeping all contracting and purchasing templates current; maintaining tracking systems for all professional service contracts, revenue agreements, intergovernmental agreements and pass-through grants; acting as liaison with the Departments of Justice and Administrative Services on all procurement issues; and providing training to agency staff regarding purchasing and contracting procedures.

These Accounting functions are performed with the following number of managers and staff:

Function	FTE
Accounting Manager	1
Revenue Section Manager	1
Accounting Technicians & Accountants	17
Procurement & Contract Specialists	2
Information Systems Specialist	1
Administrative Assistant	1
Office Specialist	1
Total	24

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Accounting - Major Accomplishments in FY 2007-09

- Continued to provide high quality, timely financial reporting and processing of financial transactions.
- Implemented Dept. of Administrative Services procurement rules and policies and ongoing enhancements to the Oregon Procurement Information Network.
- Continued streamlining system interfaces to reduce manual keying of data into the Statewide Financial Management Application.
- Continued working a conversion of all major accounting systems to be compatible with new database management system; current system is obsolete.

Accounting - Activities anticipated for FY 2009-11 include:

- Continue to provide high quality, timely financial reporting and processing of financial transactions.
- Collaborate with Business System Development and program staff to design and implement e-commerce processes for the Department.
- Continue to develop on-line procurement materials.

The **Human Resources Section** provides consultation and guidance to approximately 800 managers and staff, statewide, to ensure compliance with employment laws, policies and practices, and the collective bargaining agreement with AFSCME. They implement recruitment practices to find qualified and diverse candidates for employment. The section ensures appropriate allocation of positions within the state's classification system and manages reclassification and reallocation actions. They provide guidance and direction to managers on employee performance management. The section provide guidance on and track the use of various leaves, including leaves that qualify under the Family and Medical Leave Act, Oregon Family Leave Act, Disability leave, Workers' compensation leave, etc. They provide guidance and assistance on employee benefit selections, and assure compliance with the Americans with Disabilities Act in providing reasonable accommodations to employees with qualified disabilities. Human Resources provides day-to-day implementation of employee education and training programs, career planning, mentorship, and internships. The section is staffed by: one manager; one senior labor relations consultant; 2.5 HR generalists (one of which is budgeted in the Air Quality Vehicle Inspection Program); one position that serves as the management and classification specialist and the benefits and leaves analyst; one training and development specialist; one records coordinator; one records and data specialist; and 1.5 support staff.

Current and Future Challenges: Thirty-one percent of the agency will be eligible to retire during the next 5 years. If these employees do retire, the agency will be facing a potential loss of critical institutional knowledge. The values and work habits of the younger generation of potential employees are different than those of the current "boomer" and "silent" generation employees. The Agency is beginning to implement changes in its recruitment practices, employment benefits and culture in order to successfully attract and retain employees. HR staff has developed a Transition Plan in order to begin to accomplish this. This plan includes identifying and implementing ways to record and codify institutional knowledge and to prepare staff to be eligible for positions vacated by retirement through programs such as career planning and development, mentorships, internships, and leadership development. It also includes identifying and implementing necessary changes to systems, processes and culture in order to attract and retain a diverse workforce.

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The **Health and Safety Section** establishes programs and practices to ensure a safe and healthy work environment for all employees. The section provides guidance and consultation to DEQ staff on a variety of Occupational Safety and Health issues. They perform job and program safety assessments and work to prevent accidents through hazard identification and abatement. They oversee safety training for the agency through a combination of direct classes and contracted classes. The Health and Safety Program also performs hazard analyses, and then coordinates, develops and helps implement emergency plans. The section has an active ergonomic program with over 100 ergonomic assessments being done a year for DEQ employees. They work closely with the vehicle inspection program identifying hazards and dangers vehicle inspectors may encounter in their daily work, including routine air monitoring for carbon monoxide. When an incident does occur, the section will investigate and analyze the incident to identify the root causes. The Health and Safety section also administers medical services contracts for DEQ employees who may come into contact with hazardous waste in the field and has developed some safety policies for the agency. The section is staffed by one mid-level manager, 0.5 support staff and one health & safety specialist budgeted in the Air Quality Vehicle Inspection Program.

The **Organization Improvement** section oversees the development, implementation, tracking and reporting of agency performance measures and provides advice and facilitation services for agency planning efforts. Organization Improvement provides management consulting services agency-wide and guides the Executive Management Team and program management and staff on organizational and policy matters. Organization Improvement develops key strategic planning tools and facilitates the planning, development and implementation of performance measurement systems, process improvements, and agency-wide organizational change initiatives. The section is staffed by one senior-level professional.

The **DEQ Budget Office** prepares the agency biennial budget and provides fiscal analysis of legislation and other proposals. The section also manages the execution of the budget, performs revenue and expenditure forecasts, works in partnership with the Accounting section to manage agency cash flow, and oversees fiscal and staff-hour information databases for use by Agency managers. The section also manages bonds and the associated debt service, coordinates grant applications and processes, reviews financial assurance for landfills, and analyzes responsible parties' ability to pay for cleanup costs. These tasks are complex due to the large number (over 100) of fund accounts DEQ maintains to discharge its obligations.

The Budget Office includes 8.5 positions. Of these, three positions are budgeted in and funded by the programs they serve and perform most of the budget related work for the programs.

The remaining 5.5 positions are budgeted in Agency Management, including the manager.

- One position is responsible for bonding and ability-to-pay analysis;
- One technical/clerical support position, provides support to the Budget Office, Business Systems, Information Technology, and provides back up to the Mail Room;
- One position is responsible for operational/fiscal analysis for the Laboratory, as well as developing, collecting and analyzing financial and operational information for operational performance and efficiency measurements, and makes recommendations to improve work processes and operational efficiency;

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- One position is responsible for coordinating grant applications, managing grant systems, integrating agency strategy into a grants policy, negotiating annual indirect rate and cost allocation agreements, and exploring additional grant funding opportunities.
- The final 0.5 position develops and monitors the Agency Management and Cross Program Budgets.

As stated above, DEQ has a complex fund and cost accounting structures in order to accommodate the multiple funding sources that include general, federal, lottery, and dedicated funds, cost recovery reimbursements, and civil penalties. Each has stringent requirements on how the funds are spent. To support the level of detail required, DEQ's cost center structure captures the funding source, location (by region and office), manager, activity and project. DEQ has approximately 140 funds, 1300 activities, 40 active federal grants, and approximately 11,000 open projects. Within many of the funds, there are multiple funding sources. Most fund sources are dedicated to specific activities with discontinuous revenue flows that do not coincide with the expenditures. Very few are flexible enough that they can support or float other activities supported by dedicated funds. Due to the number of funding sources and the complexity of DEQ's programs, the Budget Office designs and maintains various systems separate from the State of Oregon's PICS, ORBITS, and SFMA systems. DEQ's tools manage far more detailed information than what is contained in PICS/ORBITS to meet DEQ's financial reporting, cash management, personnel management, management accounting, program operational planning and implementation, and forecasting needs. These systems are used to support an operating budget (budget execution plan for the biennium), follow on forecasts (a minimum of three per biennium) to assess progress, preparation of a trial budgets to provide initial estimates for the coming biennium prior to developing the Agency Request, and other information at the level programs need to operate successfully.

Debt Service: Starting with the 2003-05 biennium, the Budget Office refinanced bonds and implemented changes to the bond debt service approach for the Clean Water State Revolving Fund that reduced state General Fund support for Debt Service on outstanding Pollution Control Bonds by nearly \$40 million over a twenty year period.

Important Budget Issues for Agency Management:

In 2006, DEQ hired Aldrich Kilbride and Tatone LLC (AKT) to conduct a third-party review of DEQ's administrative processes. The Administrative Process Review had three purposes:

1. Conduct a preliminary analysis of 14 administrative and functional areas to identify and rank options for improving efficiency (streamlining) and effectiveness (service delivery).
2. Help DEQ select the administrative and functional areas where detailed business process improvements should be made, and lead a highly participatory process involving managers and employees in the redesign of those business processes.
3. Transfer knowledge, techniques and process improvement skills to DEQ managers and employees so that they can add AKT's methodologies as another toolset to consider when they seek to improve other parts of DEQ.

In the preliminary analysis phase of the project, AKT analyzed the following 14 administrative and functional areas:

- Human Resources
- Health & Safety

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- Budget & Fiscal Management
- Accounting and Invoicing
- Contract Management
- Grant Management
- Organization Improvement
- Information Systems and Technology
- Communications and Outreach
- Legislative Coordination
- Rules Coordination
- Facilities Management
- HQ 7th Floor Mail/Reception
- Historical Records Management

AKT identified 26 potential improvement projects in these 14 areas for gaining service improvements to internal and external customers, streamlining work and reducing duplicative efforts, reducing costs and using available resources more effectively. With a limited budget, DEQ elected to direct the consultant to study two of the processes in greater detail and provide specific recommendations:

- Standardize the process for adding content and maintaining current information on DEQ's external Web site; and
- Improve the federal grants management process and the related budget, accounting, contracts and procurement interfaces.

The initial web site process improvements have been implemented with existing staff. To begin work on the federal grants management process, we requested and secured in the 2007-09 budget a grants management position, following the recommendation of the consultant. This request was supported by additional efforts to improve our risk management, with a request for an internal auditor, and staff to lead transition planning efforts in the programs. Finally, relying on the repeatability information provided by the contractor, we requested process improvement staff to coordinate and lead process improvement efforts in the remaining 24 areas.

We have been able to fill two of these requested positions, the process improvement coordinator and more recently the records management position. The process improvement position has completed one service delivery project in Human Resources, which focused on revamping the way we initiate, track and comply with employee issues falling under both the Oregon Family Leave Act and/or Family Medical Leave Act (OFLA/FMLA). This position also led a Kaizen streamlining project in our Office of Compliance and Enforcement which led to significant improvements in timeliness of issuing our enforcement actions.

More recently, we have filled the Records Management position and we are updating our records retention policies, evaluating opportunities to streamline records management processes, developing and adopting internal policies and controls on information assets and information security. This position is assisting with statewide records management issues in our field offices as well as central services.

AGENCY MANAGEMENT PROGRAM NARRATIVE

We have not been able to fill the other two positions we received (Grants Management and Internal Auditor) to address the AKT Administrative Review. We are currently evaluating how to better deliver our existing contracting and procurement services to our agency and will use this analysis to better inform the work that would be conducted by the Grants Management position. In addition, we have laid the groundwork for the auditing position by forming an internal audit committee. We may fill the auditor position towards the end of the biennium, but right now we are contracting the work so we could meet the audit timeframes and get our internal processes in order.

The 2009-11 budget request includes several positions that will continue to work on administrative and functional areas that have been identified for improvement projects. Specifically, Budget Policy Package 140 - Information Management Infrastructure includes six positions that would enhance and expand DEQ's information systems and technology efforts. In addition, one additional position would be dedicated to facilities management work. Budget Policy Package 141 addresses improved Human Resources delivery by providing needed infrastructure support to our field offices and adds a limited duration position to assist with the Classification-Compensation study being conducted on our Natural Resource Series during the 2009-2011 biennium. Budget Policy Package 152 - Public Access to Environmental Information would enhance the communications and outreach work at DEQ. This would include enhanced support for web-based information and the development of easy to read summary reports for the public and decision makers to use instead of detailed analyses that can be difficult to understand for non-technical people.

Summary of Policy Packages:

#140 Information Management Infrastructure

This package requests new positions and resources to improve information technology services within the agency and to its customers. Improvements include development of E Commerce systems, development of public access to environmental and program, information, records management, and agency-wide enforcement tracking system. The package also includes a position to manage facility leases and maintenance of all DEQ offices.

#141 Improve Human Resource Service Delivery

This package requests positions to improve delivery of core human resource services to agency regional operations and conduct and implement the state Natural Resource Specialist classification study.

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT

Bond Fund & Miscellaneous Receipts

Funds are drawn from the Pollution Control Sinking Fund and from proceeds of newly issued bonds to cover the administrative costs in the Agency Management program for bond fund activity. Since 1983-85, all non-program costs related to this activity have been budgeted and accounted for in the Agency Management program. Funds are also received from non-DEQ sources for reimbursement of some of DEQ's travel costs associated with various environmental workshops and conferences.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/07 - 6/30/09	\$38,129	\$400,000	\$18,985	\$24,592	\$394,552
7/1/09 - 6/30/11	\$58,456	\$408,400	\$22,604	\$22,825	\$421,427

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT

Indirect Revenue

The indirect-cost revenue is negotiated with the Environmental Protection Agency and is calculated as a percentage of Personal Services. In the 1997-99 and prior biennia, indirect revenue was collected from Other and Federal Funds only and approximately 19% of Agency Management's budget was provided by General Fund. For 1999-2001, the Department changed the indirect collection methodology to include all funding types (including General Fund) and distributed the General Fund previously in Agency Management's budget to the Department's other programs. The budgeted indirect rate has been set at the rate of 20.00% of Personal Services to provide revenue to fund essential budget level. The actual rate will be negotiated based on the approved budget. The revenue increase between 1999-01 and 2001-03 is the result of revenues generated from policy packages proposed in the programs.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/07 - 6/30/09	\$1,582,365	\$22,611,282	\$0	\$2,744,958	\$21,448,689
7/1/09 - 6/30/11	\$1,401,341	\$26,838,805	\$0	\$2,990,380	\$25,249,766

LOTTERY, OTHER, AND FEDERAL FUND REVENUE: AGENCY MANAGEMENT

Central Government Service Charge Revenue

For 2007-09, the source of funds for the Central Government Service Charge is the 'Other Fund' activities of DEQ. The split between the Other Funds programs is based upon FTE usage by those programs and is calculated as a percentage of Personal Services. Previously DEQ had been provided a General Fund limitation for the purpose of paying this Charge. Revenue collected to pay for the Central Government Services Charge is now collected by Agency Management from all the Other Fund programs as outlined in the Table below.

Summary of Projected Revenues

Period	Actual/Planned Beginning Balance	Actual/Estimated Revenue	Indirect Cost	Actual/Planned Ending Balance	Available For Program Use
7/1/07 - 6/30/09	\$0	\$523,373	\$0	\$0	\$523,373
7/1/09 - 6/30/11	\$0	\$492,491	\$0	\$0	\$492,491

DETAIL OF OTHER FUNDS AND FEDERAL FUNDS REVENUE

Source	Fund	2005-2007 Actuals	2007-2009 Legislatively Approved	2009-2011		
				Agency Request	Governor's Recommended	Legislatively Approved
Agency Management						
Bond Fund	OF	230,662	394,552	421,427	0	0
Miscellaneous Receipts Revenue	OF	19,596,640	21,448,689	25,249,766	0	0
Non-Indirect Central Government Service Cha	OF	320,043	523,373	492,491	0	0
Subtotal		20,147,345	22,366,614	26,163,684	0	0

PROGRAM ESSENTIAL PACKAGE NARRATIVE

Title: Vacancy Factor and Non-PICS Personal Services (#010)

Purpose:

This package applies adjustments to personal services costs that are not generated by the Position Inventory Control System:

- Updates the vacancy factor to project budget savings reasonably expected from staff turnover.
- Applies the standard general inflation factor of 2.8% to non-PICS generated personal services costs, such as temporaries, overtime, and shift differential.
- Adjusts for changes in the contribution for debt service on the PERS Pension Obligation Bonds
- Adjusts for mass transit taxes (excluding federal funds).

Budget:	\$	0	General Fund
	\$	0	Lottery Fund
	\$	50,086	Other Fund
	\$	0	Federal Fund

Staffing Impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Transfer Out - Indirect Cost	-	-	(111)	-	-	-	(111)
Total Transfers Out	-	-	(\$111)	-	-	-	(\$111)
Personal Services							
Temporary Appointments	-	-	6,180	-	-	-	6,180
Overtime Payments	-	-	345	-	-	-	345
Public Employees' Retire Cont	-	-	31	-	-	-	31
Pension Bond Contribution	-	-	37,042	-	-	-	37,042
Social Security Taxes	-	-	499	-	-	-	499
Unemployment Assessments	-	-	26	-	-	-	26
Mass Transit Tax	-	-	5,786	-	-	-	5,786
Vacancy Savings	-	-	177	-	-	-	177
Total Personal Services	-	-	\$50,086	-	-	-	\$50,086
Total Expenditures							
Total Expenditures	-	-	50,086	-	-	-	50,086
Total Expenditures	-	-	\$50,086	-	-	-	\$50,086
Ending Balance							
Ending Balance	-	-	(50,197)	-	-	-	(50,197) ¹
Total Ending Balance	-	-	(\$50,197)	-	-	-	(\$50,197)

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Essential and Policy Package Fiscal Impact Summary - BPR013

Title: Inflation and Price List Adjustments (#031, 032, 033)

Purpose:

Inflation and price list adjustments are applied to Services and Supplies, Capital Outlay, and Special Payment amounts in the 2009-11 base budget.

How Accomplished:

Package 031 applies standard inflation, State Government Service Charge, and other price list adjustments

- o General inflation of 2.8%
- o Attorney General inflation of 23%
- o State Government Service Charge price list adjustments
- o Central Government Service Charge price list adjustments
- o Self Support Rent Agreement Price List (DEQ Laboratory Facility)

Package 032 applies above standard inflation with BAM analyst approval, including non-uniform rent up to 4.7%.

Package 033 applies inflation rates requiring Exception Committee approval, and includes only the amount over and above Package 031 or 032 amounts. For Intra-Agencies Charges (General and Lottery Funds), which help fund the Agency Management program, an incremental 6% rate was approved.

Budget:

Package	General Fund	Lottery Fund	Other Fund	Federal Fund
031			\$ 666,650	
032			\$ 36,780	
033				

Staffing Impact: None

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	(30,882)	-	-	-	(30,882)
Total Revenues	-	-	(\$30,882)	-	-	-	(\$30,882)
Services & Supplies							
Instate Travel	-	-	2,099	-	-	-	2,099
Out of State Travel	-	-	178	-	-	-	178
Employee Training	-	-	4,029	-	-	-	4,029
Office Expenses	-	-	6,270	-	-	-	6,270
Telecommunications	-	-	5,193	-	-	-	5,193
State Gov. Service Charges	-	-	558,721	-	-	-	558,721
Data Processing	-	-	7,843	-	-	-	7,843
Professional Services	-	-	8,343	-	-	-	8,343
IT Professional Services	-	-	9,857	-	-	-	9,857
Attorney General	-	-	21,230	-	-	-	21,230
Dispute Resolution Services	-	-	396	-	-	-	396
Employee Recruitment and Develop	-	-	776	-	-	-	776
Dues and Subscriptions	-	-	369	-	-	-	369
Fuels and Utilities	-	-	859	-	-	-	859
Facilities Maintenance	-	-	44	-	-	-	44
Agency Program Related S and S	-	-	655	-	-	-	655
Other Services and Supplies	-	-	17,481	-	-	-	17,481
Expendable Prop 250 - 5000	-	-	913	-	-	-	913

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 031 - Standard Inflation

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
IT Expendable Property	-	-	6,353	-	-	-	6,353
Total Services & Supplies	-	-	\$651,609	-	-	-	\$651,609
Capital Outlay							
Data Processing Software	-	-	13,122	-	-	-	13,122
Data Processing Hardware	-	-	1,919	-	-	-	1,919
Total Capital Outlay	-	-	\$15,041	-	-	-	\$15,041
Total Expenditures							
Total Expenditures	-	-	666,650	-	-	-	666,650
Total Expenditures	-	-	\$666,650	-	-	-	\$666,650
Ending Balance							
Ending Balance	-	-	(697,532)	-	-	-	(697,532)
Total Ending Balance	-	-	(\$697,532)	-	-	-	(\$697,532)

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Rental and Taxes	-	-	36,780	-	-	-	36,780
Total Services & Supplies	-	-	\$36,780	-	-	-	\$36,780
Total Expenditures							
Total Expenditures	-	-	36,780	-	-	-	36,780
Total Expenditures	-	-	\$36,780	-	-	-	\$36,780
Ending Balance							
Ending Balance	-	-	(36,780)	-	-	-	(36,780)
Total Ending Balance	-	-	(\$36,780)	-	-	-	(\$36,780)

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PROGRAM POLICY PACKAGE NARRATIVE

Title: (#140) Information Management Infrastructure

Description: Information management staff at DEQ support the agency's mission by building and maintaining custom software applications for the agency's unique business needs in tracking environmental information for the air, land, and water quality programs. DEQ's information management staff also maintain the core network services, electronic email, and the databases to support the agency.

DEQ, like virtually all organizations, has evolved its information management competency around divisional silos. DEQ has developed a solid competency at supporting these independent program applications. The agency is in need of becoming more strategic in its management of information. Many projects in the future will require the melding of program information on software development that will have not just one program sponsor. These projects will require a more sophisticated approach to managing software development with a governance body and a Chief Information Officer to ensure that critical, strategic software projects receive the resources and appropriate level of attention throughout the agency to guarantee success. The following is a list of critical cross-agency projects and initiatives facing the agency that will require significant strategic effort:

- Development of a records management plan and its implementation;
- Development of a Information Security Plan and its implementation (a DAS requirement);
- Development of a Disaster Recovery Plan implementation (a DAS Requirement);
- Development of E Commerce systems to provide the regulated community and the public with a streamlined and efficient method of doing business with the DEQ via the Internet;
- Development of public access to environmental and program information. This effort requires substantial development of systems to turn raw data into information published in such formats as are possible with Geographic Information Systems (GIS). It will provide meaningful geographic presentations to show and identify environmental issues, existing conditions as well as identifying the impacts of environmental change; and
- Development of an agency-wide software application, integrated with existing DEQ applications, to track enforcement activities.

Many of these initiatives arise from the increased sophistication of the public and the expectation that DEQ's information be made easily available through the internet. The community that we regulate is also demanding more sophisticated business applications that will allow them to conduct business with DEQ electronically using applications deployed over the internet. There are hardware technology infrastructure improvements required to improve the capability to access and transfer information. Included in this is enhancing the bandwidth of DEQ's network and incorporation of enhanced web server technology-- both essential to the efficient storage and delivery of information.

Facilities management at DEQ for all DEQ locations has been centrally directed by the IT manager and IT staff. To alleviate this misallocation, we are requesting a new Facility Operations Specialist position to take over the management of facility leases and maintenance of all DEQ offices.

PROGRAM POLICY PACKAGE NARRATIVE

An additional consequence of evolving information management at DEQ is that as programs fund more positions for software development they have been added to our current Business Systems Development section. The section currently has 20 staff and one manager. This staff-to-management ratio is too high for adequate supervision over the critical work of software development and maintenance.

It is critical for DEQ's Information Management strategic advancement that we have in place an executive level process of governance to provide: 1) strategic vision through proper prioritization; 2) championing of high priority projects; and 3) accountability that insures success through continued focus and commitment. It is also critical that this governance body be supported by a professional information management advisor - a Chief Information Officer. DEQ is at a critical juncture in its management of information. The Chief Information Officer will provide leadership to the DEQ executive team and leadership over the information management function at DEQ. Many agencies, both larger and smaller than DEQ, have an administrator or CIO that manages information technology. DEQ has researched several agencies that are similarly sized and that have the role of CIO. DEQ has also consulted with the state CIO and his staff. All have spoken highly of the role that CIO has served in their organization as a key strategic element in managing information technology resources and advancing their agency's use of information technology.

The resources requested in this package are key to successful implementation of two other DEQ packages, #151 E-Commerce and #152 Public Access to Environmental Information. Without the strategic elements of this package, both hardware and new positions, DEQ will not have the resources to address these other two initiatives.

How Accomplished:

a. Chief Information Officer: This position will oversee all of DEQ's information management resources and work closely with DEQ's executive management team and other agency managers to insure that the agency is utilizing its resources to most effectively manage information for the public and regulated industry and aligning the agency's technical resources to the strategic mission of the agency.

b. Information Services Manager: This position will increase the supervision over the critical process of software development and ongoing maintenance of this software. This is important as DEQ's future software needs to address the complex requirements for cross-program applications and for secure electronic business processing using internet technology.

c. GIS core services & agency coordination: This position coordinates the planning and implementation of computer system hardware and GIS software in collaboration with the agency program divisions. This position will enhance existing agency wide GIS applications by migrating to more modern and vendor supported application tools and improving functionality based on program needs. The position is responsible for data modeling, software construction (and programming), data analysis, database management (and programming), user support and user training.

d. Local Area Network Administrator - 2 ISS4 positions: These positions will add needed support for users at DEQ headquarters at the central IT help desk. The air and water quality programs, a total of 88 staff, are currently not being supported in this area due to budget cuts.

PROGRAM POLICY PACKAGE NARRATIVE

e. **OPA3 for policy coordination & operations.** This position will assist the section managers in Information Services and Business Systems Development and all assigned project leads within those sections with the application of the professional discipline of project management to software projects. This position will perform the role of project manager of multifaceted complex projects that carry significant risk and financial impact. It will also perform project management of multiple projects that cross functional areas. We envision significant need for this position to oversee and coordinate IS planning for DEQ. The position will provide consultation and assistance to staff regarding management improvements and analysis of program operations.

f. **Facility Operations Specialist.** This position will represent DEQ's interest in all aspects of the landlord-tenant lease relationship, to develop and coordinate facility-related contracts, and to plan and implement strategies to address the current and future facility needs of the organization.

g. **Upgrade Network Bandwidth and Information Storage capacity.** To support the increase in network activity for online meetings, video-conferencing, and E-Commerce, DEQ needs to expand its current network bandwidth and more storage capacity for electronic information. Cost is \$300,000.

Approval of this will benefit Oregonians and the environment by:

- adding key new role of Chief Information Officer to lead DEQ in the increasingly demanding areas of software development, information security and disaster recovery;
- adding a second manager of software development to alleviate inadequate supervisory levels;
- adding key positions to support DEQ's local area network, project management of software development, and geographical information systems;
- Upgrading DEQ's network bandwidth and storage capacity for information to support new initiatives, such as, E-Commerce and video-conferencing; and
- adding professional facilities operations staff position to free critical information management staff from this role.

Risks to Oregonians and the environment without this package are:

- continued neglect of "whole-agency" approach to delivering software for DEQ's business operations and information to Oregon's citizens;
- inability to make satisfactory progress in addressing E-Commerce demands made by DEQ's partners, businesses, and the public;
- DEQ's information is exposed to higher risk due to inadequate resources to plan for increasing demands, like information security, while also maintaining current standards of software development and support; and
- continued inability to provide new mediums for delivery of information, like E-Commerce and video-conferencing.

Budget: \$ 1,568,128

PROGRAM POLICY PACKAGE NARRATIVE

Staffing Impact - 0911:

<u>Position Class</u>	<u>Total Positions</u>	<u>Position Number</u>	<u>FTE by Division</u>
X7010 PEMF-IS	1 PF	2743	1 AM
X7008 PEMD-IS	1 PF	2744	1 AM
C1484 ISS 4 GIS Coord.	1 PF	2747	1 AM
C1484 ISS 4 Help desk	2 PF	2745 & 2746	2 AM
C0872 OPA 3	1 PF	2803	1 AM
C4015 FOS 2	1 PF	2748	1 AM

Staffing Impact -1113:

<u>Position Class</u>	<u>Total Positions</u>	<u>Position Number</u>	<u>FTE by Division</u>
X7010 PEMF-IS	1 PF	2743	1 AM
X7008 PEMD-IS	1 PF	2744	1 AM
C1484 ISS 4 GIS Coord.	1 PF	2747	1 AM
C1484 ISS 4 Help desk	2 PF	2745 & 2746	2 AM
C0872 OPA 3	1 PF	2803	1 AM
C4015 FOS 2	1 PF	2748	1 AM

Revenue Source: Other Fund

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 140 - Information Management Infrastructure

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	765,288	-	-	-	765,288
Empl. Rel. Bd. Assessments	-	-	294	-	-	-	294
Public Employees' Retire Cont	-	-	69,487	-	-	-	69,487
Social Security Taxes	-	-	58,545	-	-	-	58,545
Worker's Comp. Assess. (WCD)	-	-	434	-	-	-	434
Mass Transit Tax	-	-	4,592	-	-	-	4,592
Flexible Benefits	-	-	187,488	-	-	-	187,488
Total Personal Services	-	-	\$1,086,128	-	-	-	\$1,086,128
Services & Supplies							
Instate Travel	-	-	5,404	-	-	-	5,404
Out of State Travel	-	-	1,127	-	-	-	1,127
Employee Training	-	-	7,007	-	-	-	7,007
Office Expenses	-	-	8,316	-	-	-	8,316
Telecommunications	-	-	13,811	-	-	-	13,811
Data Processing	-	-	3,570	-	-	-	3,570
Employee Recruitment and Develop	-	-	294	-	-	-	294
Dues and Subscriptions	-	-	308	-	-	-	308
Facilities Rental and Taxes	-	-	79,443	-	-	-	79,443
Fuels and Utilities	-	-	3,640	-	-	-	3,640
Facilities Maintenance	-	-	490	-	-	-	490
Agency Program Related S and S	-	-	3,402	-	-	-	3,402
Other Services and Supplies	-	-	46,795	-	-	-	46,795

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ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
 Pkg: 140 - Information Management Infrastructure

Cross Reference Name: Agency Management
 Cross Reference Number: 34000-004-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	8,393	-	-	-	8,393
Total Services & Supplies	-	-	\$182,000	-	-	-	\$182,000
Capital Outlay							
Data Processing Hardware	-	-	300,000	-	-	-	300,000
Total Capital Outlay	-	-	\$300,000	-	-	-	\$300,000
Total Expenditures							
Total Expenditures	-	-	1,568,128	-	-	-	1,568,128
Total Expenditures	-	-	\$1,568,128	-	-	-	\$1,568,128
Ending Balance							
Ending Balance	-	-	(1,568,128)	-	-	-	(1,568,128)
Total Ending Balance	-	-	(\$1,568,128)	-	-	-	(\$1,568,128)
Total Positions							
Total Positions							7
Total Positions	-	-	-	-	-	-	7
Total FTE							
Total FTE							7.00
Total FTE	-	-	-	-	-	-	7.00

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PROGRAM POLICY PACKAGE NARRATIVE

Title: Improve Human Resource Service Delivery (#141)

DEQ Human Resources Program

DEQ has a core group of human resources staff responsible for all aspects of human resources programs including Labor Relations, Recruitment, Affirmative Action, Americans with Disabilities Act, Retention, compliance with both the Federal and Oregon Family Medical Leave Acts, Training Assessment, Work Force development and associated monitoring and recordkeeping for approximately 800 positions.

Challenges developed over time

To more effectively service its stakeholders, DEQ decentralized its operations in 1994. This resulted in DEQ shifting many of its staff resources to field offices. Today, of DEQ's 800 positions, only 240 are located in our headquarters office with the remainder of the staff distributed in three regional divisions throughout the state in 14 offices, our environmental Laboratory and Clean Air Stations. While moving staff into the field offices achieved the goal of putting our staff closer to the citizens we serve, it did strain our infrastructure to support these managers and staff. Our human resources section remained at the same service level until last biennium when we did add: (1) a Training and Development Specialist; and (2) a Human Resources Analyst 1. Although these resources will ultimately help us both complete and implement our training needs assessment and meet our workforce development needs, we still lack the ability to effectively meet the core human resources needs of our regional offices.

In addition, while DEQ human resources staffing levels remained relatively static over the past 15 years, the legal demands from federal and State programs continue to grow as do the policy and auditing requirements at the state level. With the human resources section stretched thinly to respond to the existing workload, the ability of the section to stay abreast of emerging requirements has lapsed. This coupled with high turnover (>200%) in the past 5 years resulted in the loss of institutional memory. These combined factors led to DEQ failing three Department of Administrative Services (DAS) audits. While DEQ is successfully putting new structures and processes in place to deal with the audit findings, that further reduces our ability to support our regional offices.

A second issue that will impact DEQ during the 2009-2011 biennium is the impending Natural Resource Specialist (NRS) classification study. Over 70% of DEQ staff are in the NRS series and DEQ is the largest user of the NRS positions in the state. In order to effectively evaluate the class study and then implement any resulting changes, DEQ will need to devote dedicated human resources staff to this process.

Part One: Deliver Core Human Resources Programs to Regional Operations

A part of DEQ's commitment to excellence, as noted in the 2006-2011 Strategic Directions document, is "*to provide a safe, healthy work climate to support its staff in protecting the environment*". As noted above, DEQ has positions dispersed in 14 field offices and in three regional divisions. This distribution enables us to better meet our external stakeholder needs. However, existing human resources staff currently devote less than 0.75 FTE to meet the needs of the administrators, managers and staff in these regions. This means that focused manager training and consultation occurs only one day per month in each region (three days per month). Overall, DEQ has experienced increased labor relations issues in the past biennium which is contrary to agency goals. In order to promote a healthy work climate, DEQ is

PROGRAM POLICY PACKAGE NARRATIVE

requesting one Human Resource Analyst 3 position that will be dedicated to providing full service support (labor relations, management support, human resources policy training, recordkeeping and management) to augment the existing level of service. Given the ongoing support needs of managers and staff in the regional divisions, DEQ is requesting a full time, permanent position.

Part Two: Responding to the Classification/Compensation Study

In April, 2008, DAS formally notified DEQ that they would be conducting a classification and compensation review of the NRS series. The NRS series was established in the early 1990s and has not been reviewed since that time. The nature, complexity and type of work undertaken by DEQ staff has evolved during this time and DAS and DEQ's shared concern is that this series may no longer reflect the work actually performed within the classification. This process involves active participation by DEQ's human resource staff to work with DAS, DEQ management, DEQ staff and the Union to review the work currently done within the five range series (NRS-1 through NRS-5), is appropriately classified and compensated. This requires DEQ HR staff to review existing position descriptions, interview staff and managers regarding assigned duties and observe the work that individual staff due (both field and desk audits). Then, DEQ HR would work with DAS HR to determine how the existing work being done should be appropriately allocated.

There is no way to predetermine the results of this study. Other classification studies undertaken by DAS have resulted in at least some positions being reallocated to both higher and lower classification levels. When positions are reclassified, DEQ will need to follow the process outlined in the collective bargaining agreement with the American Federation of State, County and Municipal Employees, Local 3336, which includes an appeals process. To effectively conduct and implement the classification study, will require DEQ to dedicate human resources staff to this project.

While this is expected to be a very labor intensive process for the biennium, we do not anticipate there to be an on-going need for this work. Therefore, we are requesting one limited duration Human Resources Analyst 2 position for the 2009-2011 biennium.

Approval of this package will benefit Oregonians and the environment by:

- Adding a new Human Resource Analyst 3 to ensure that regional staff receive full human resource support to more effectively carry out their duties;
- Provide additional and much needed resources to support staff and managers with human resource policies and requirements; and
- Adding a new Human Resource Analyst 2 to assist in the NRS classification study to ensure that staff duties are consistent with their classification. This will ensure that Oregonians are receiving the appropriate level of state service for the salaries provided and will allow existing human resources staff to focus on their internal client groups, thus maximizing productivity and efficiency of our work units.

PROGRAM POLICY PACKAGE NARRATIVE

Risks to Oregonians and the environment without this package are:

- Ongoing lack of support for regional staff on human resource issues which can be a drain on resources and impact productivity and efficiency; and
- Without the additional, limited duration human resources support for the classification study, existing DEQ's human resources staff will have to take on the classification study. This will further strain our ability to provide basic human resources support across the agency for the day to day operational needs which will result in a decrease in the efficiency and effectiveness of our work force.

Budget: \$ 351,015

Staffing Impact 2009-11:

<u>Position Class</u>	<u>Total Positions</u>	<u>Position Number</u>	<u>FTE by Division</u>
X1322 HRA-3	1 PF	2749	1 FTE MSD in WR
X1321 HRA-2	1 LF	2750	1 FTE MSD

Staffing Impact 2011-13:

<u>Position Class</u>	<u>Total Positions</u>	<u>Position Number</u>	<u>FTE by Division</u>
X1322 HRA-3	1 PF	2749	1 FTE MSD in WR

Revenue Source:
Other Fund

PROGRAM POLICY PACKAGE NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 141 - Human Resource Service Delivery

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	209,016	-	-	-	209,016
Empl. Rel. Bd. Assessments	-	-	84	-	-	-	84
Public Employees' Retire Cont	-	-	18,979	-	-	-	18,979
Social Security Taxes	-	-	15,990	-	-	-	15,990
Worker's Comp. Assess. (WCD)	-	-	124	-	-	-	124
Mass Transit Tax	-	-	1,254	-	-	-	1,254
Flexible Benefits	-	-	53,568	-	-	-	53,568
Total Personal Services	-	-	\$299,015	-	-	-	\$299,015

Services & Supplies

Instate Travel	-	-	1,544	-	-	-	1,544
Out of State Travel	-	-	322	-	-	-	322
Employee Training	-	-	2,002	-	-	-	2,002
Office Expenses	-	-	2,376	-	-	-	2,376
Telecommunications	-	-	3,946	-	-	-	3,946
Data Processing	-	-	1,020	-	-	-	1,020
Employee Recruitment and Develop	-	-	84	-	-	-	84
Dues and Subscriptions	-	-	88	-	-	-	88
Facilities Rental and Taxes	-	-	22,698	-	-	-	22,698
Fuels and Utilities	-	-	1,040	-	-	-	1,040
Facilities Maintenance	-	-	140	-	-	-	140
Agency Program Related S and S	-	-	972	-	-	-	972
Other Services and Supplies	-	-	13,370	-	-	-	13,370

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PROGRAM POLICY PACKAGE NARRATIVE

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Environmental Quality, Dept of
Pkg: 141 - Human Resource Service Delivery

Cross Reference Name: Agency Management
Cross Reference Number: 34000-004-00-00-00000

Description	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Expendable Prop 250 - 5000	-	-	2,398	-	-	-	2,398
Total Services & Supplies	-	-	\$52,000	-	-	-	\$52,000
Total Expenditures							
Total Expenditures	-	-	351,015	-	-	-	351,015
Total Expenditures	-	-	\$351,015	-	-	-	\$351,015
Ending Balance							
Ending Balance	-	-	(351,015)	-	-	-	(351,015)
Total Ending Balance	-	-	(\$351,015)	-	-	-	(\$351,015)
Total Positions							
Total Positions							2
Total Positions	-	-	-	-	-	-	2
Total FTE							
Total FTE							2.00
Total FTE	-	-	-	-	-	-	2.00

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2009-11 Biennium

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Essential and Policy Package Fiscal Impact Summary - BPR013

7/21/08 REPORT NO.: PPDFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:34000 DEPT OF ENVIRONMENTAL QUALITY
 SUMMARY XREF:004-00-00 Agency Management

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2009-11
 PICS SYSTEM: BUDGET PREPARATION

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PACKAGE: 140 - Information Management Infrast

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0002743	MMS X7010 IA	PRINCIPAL EXECUTIVE/MANAGER F	1	1.00	24.00	02	6,889.00		165,336 54,548			165,336 54,548
0002744	MMS X7006 IA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	02	5,671.00		136,104 49,658			136,104 49,658
0002745	AD C1484 IA	INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,702.00		88,848 41,752			88,848 41,752
0002746	AD C1484 IA	INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,702.00		88,848 41,752			88,848 41,752
0002747	AD C1484 IA	INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	02	3,702.00		88,848 41,752			88,848 41,752
0002748	AD C4015 AA	FACILITY OPERATIONS SPEC 2	1	1.00	24.00	02	3,726.00		89,424 41,849			89,424 41,849
0002803	AD C0872 AA	OPERATIONS & POLICY ANALYST 3	1	1.00	24.00	02	4,495.00		107,880 44,937			107,880 44,937
TOTAL PICS SALARY									765,288			765,288
TOTAL PICS OPE									316,248			316,248
TOTAL PICS PERSONAL SERVICES =			7	7.00	168.00				1,081,536			1,081,536

7/21/08 REPORT NO.: PPDFISCAL
 REPORT: PACKAGE FISCAL IMPACT REPORT
 AGENCY:34000 DEPT OF ENVIRONMENTAL QUALITY
 SUMMARY XREF:004-00-00 Agency Management

DEPT. OF ADMIN. SVCS. -- PPDB PICS SYSTEM

2009-11
 PICS SYSTEM: BUDGET PREPARATION
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PACKAGE: 141 - Human Resource Service Deliver

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
0002749	MMN X1322 AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	02	4,670.00		112,080 45,639			112,080 45,639
0002750	MMN X1321 AA	HUMAN RESOURCE ANALYST 2	1	1.00	24.00	02	4,039.00		96,936 43,106			96,936 43,106
TOTAL PICS SALARY									209,016			209,016
TOTAL PICS OPE									88,745			88,745
TOTAL PICS PERSONAL SERVICES =			2	2.00	48.00				297,761			297,761

Program Unit Appropriated Fund Group and Category Summary
 2009-11 Biennium
 Agency Management

Version: V - 01 - Agency Request Budget
 Cross Reference Number: 34000-004-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
LIMITED BUDGET (Excluding Packages)						
PERSONAL SERVICES						
Other Funds	11,781,109	14,142,362	14,142,362	15,266,773	-	-
SERVICES & SUPPLIES						
Other Funds	7,177,729	7,687,044	7,687,044	7,687,044	-	-
CAPITAL OUTLAY						
Other Funds	1,188,507	537,208	537,208	537,208	-	-
TOTAL LIMITED BUDGET (Excluding Packages)						
Other Funds	20,147,345	22,366,614	22,366,614	23,491,025	-	-
AUTHORIZED POSITIONS	81	88	88	88	-	-
AUTHORIZED FTE	78.48	85.48	85.48	85.23	-	-
LIMITED BUDGET (Essential Packages)						
010 NON-PICS PSNL SVC / VACANCY FACTOR						
PERSONAL SERVICES						
Other Funds	-	-	-	50,086	-	-
031 STANDARD INFLATION						
SERVICES & SUPPLIES						
Other Funds	-	-	-	651,609	-	-
CAPITAL OUTLAY						
Other Funds	-	-	-	15,041	-	-
032 ABOVE STANDARD INFLATION						

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 Program Unit Appropriated Fund and Category Summary- BPR007A

Program Unit Appropriated Fund Group and Category Summary
 2009-11 Biennium
 Agency Management

Version: V - 01 - Agency Request Budget
 Cross Reference Number: 34000-004-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
SERVICES & SUPPLIES						
Other Funds	-	-	-	36,780	-	-
TOTAL LIMITED BUDGET (Essential Packages)						
Other Funds	-	-	-	753,516	-	-
LIMITED BUDGET (Essential Budget Level)						
Other Funds	20,147,345	22,366,614	22,366,614	24,244,541	-	-
AUTHORIZED POSITIONS	81	88	88	88	-	-
AUTHORIZED FTE	78.48	85.48	85.48	85.23	-	-
LIMITED BUDGET (Policy Packages)						
PRIORITY 8						
140 INFORMATION MANAGEMENT INFRASTRUCTUR						
PERSONAL SERVICES						
Other Funds	-	-	-	1,086,128	-	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	182,000	-	-
CAPITAL OUTLAY						
Other Funds	-	-	-	300,000	-	-
AUTHORIZED POSITIONS	-	-	-	7	-	-
AUTHORIZED FTE	-	-	-	7.00	-	-
PRIORITY 26						
141 HUMAN RESOURCE SERVICE DELIVERY						

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
PERSONAL SERVICES						
Other Funds	-	-	-	299,015	-	-
SERVICES & SUPPLIES						
Other Funds	-	-	-	52,000	-	-
AUTHORIZED POSITIONS	-	-	-	2	-	-
AUTHORIZED FTE	-	-	-	2.00	-	-
TOTAL LIMITED BUDGET (Policy Packages)						
Other Funds	-	-	-	1,919,143	-	-
AUTHORIZED POSITIONS	-	-	-	9	-	-
AUTHORIZED FTE	-	-	-	9.00	-	-
TOTAL LIMITED BUDGET (Including Packages)						
Other Funds	20,147,345	22,366,614	22,366,614	26,163,684	-	-
AUTHORIZED POSITIONS	81	88	88	97	-	-
AUTHORIZED FTE	78.48	85.48	85.48	94.23	-	-
OPERATING BUDGET						
Other Funds	20,147,345	22,366,614	22,366,614	26,163,684	-	-
AUTHORIZED POSITIONS	81	88	88	97	-	-
AUTHORIZED FTE	78.48	85.48	85.48	94.23	-	-
TOTAL BUDGET						
Other Funds	20,147,345	22,366,614	22,366,614	26,163,684	-	-
AUTHORIZED POSITIONS	81	88	88	97	-	-

Program Unit Appropriated Fund Group and Category Summary
2009-11 Biennium
Agency Management

Version: V - 01 - Agency Request Budget
Cross Reference Number: 34000-004-00-00-00000

Description	2005-07 Actuals	2007-09 Leg Adopted Budget	2007-09 Leg Approved Budget	2009-11 Agency Request Budget	2009-11 Governor's Rec. Budget	2009-11 Leg Adopted Budget
AUTHORIZED FTE	78.48	85.48	85.48	94.23		

Oregon Department of Environmental Quality

Agency Request Budget 2009-11

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