

Cleaner Air Oregon and Asbestos Program Fee Increases

DEQ Air Quality Division

June 18, 2024

Agenda

Time	
1 p.m.	Introductions Introductions, agenda review
1:10 p.m.	DEQ presentation Background, fee justification
1:30 p.m.	DEQ presentation Overview of fiscal impacts
2 p.m.	Discussion ORS required questions and RAC discussion on fee increase and fiscal impacts, feedback and questions
2:45 p.m.	Any additional discussion
3 p.m.	Adjourn meeting

Welcome and introductions

- Hello and welcome
- Introductions
 - DEQ staff and Facilitator
 - Rulemaking Advisory Committee members
 - Name, pronouns and affiliation
- Introductory activity – What is a food you did not like when you were younger, that you do like now?

Expectations and conduct

- Prepares for and sets aside time for the meetings
- Provides DEQ staff with copies of relevant research and documentation cited during the meeting
- Stays focused on the specific agenda topics for each meeting
- Comments constructively and in good faith
- Consults regularly with constituencies to inform them on the process and gather their input
- Treats everyone and their opinions with respect
- Allows one person to speak at a time
- Is courteous by not engaging in sidebar discussions
- Avoids representing to the public or media the views of any other committee member or the committee as a whole

Meeting process and procedures

How RAC members can participate in this meeting:

- Please stay muted until called on
- If you want to contribute to the meeting, please raise your hand using the raise hand function
- Please feel free to include resources in the chat, they will be added to the official minutes
- Meeting is recorded for the public

[Resources for RAC members](#)

What is the purpose of this RAC meeting?

- Why are we doing CAO and Asbestos at the same time?
 - Asking for same 3% increase
 - Create efficiency with one RAC
- Legislative authority
 - 2018 CAO bill and language adopted that allowed EQC up to 3% annually
 - 2023 HB3229 provided EQC authority to increase fee up to 3% annually
- January 24, 2024, EQC delegated authority to DEQ director for both CAO and Asbestos program.

Background authority on Cleaner Air Oregon

- ORS 468A.345(3)
- (3) Not more than once each calendar year, the Environmental Quality Commission may increase the fees authorized under this section. The amount of the annual increase may not exceed the anticipated increase in the cost of implementing ORS 468A.335 to 468A.343 and section 7, chapter 102, Oregon Laws 2018, or three percent, whichever is lower, unless a larger increase is provided for in the Department of Environmental Quality's legislatively approved budget.

Cleaner Air Oregon justification

- The proposed fees would address DEQs need to help Cleaner Air Oregon program balance its budget and maintain current service levels
- The proposed rules would increase the annual base fees, emission fees and specific activity fees by 3%
- The fees cover DEQ's costs to operate the Cleaner Air Oregon program. Agency costs include a portion of air quality monitoring, planning and agency central services, such as accounting and human resources

CAO budget information

- Average cost per full-time employee across the program covered by the 3 percent fee increase has increased 24.97% over a two-year period, which is 12.48% over a one-year period. This rate of increase is based on a calculation of the current service level in the 2023-25 Legislatively Adopted Budget compared to the 2021-23 Legislatively Adopted Budget.

Budget Period	Cost per FTE
2021-23 Legislatively Adopted Budget	\$411,380
2023-25 Legislatively Adopted Budget	\$514,089
Budget increase over two- year period	24.97%

- Increase in CAO fees would affect approximately 2,565 Title V Permit and Air Contaminant Discharge Permit holders directly and increase annual program revenue by approximately 3.00 percent in the 2025 fiscal year.

Background authority on asbestos

- ORS 468A.750 (4) Not more than once each calendar year, the commission may increase the fees established under this section. The amount of the annual increase may not exceed the anticipated increase in the cost of carrying out the asbestos abatement program or three percent, whichever is lower, unless a larger increase is provided for in the department's legislatively approved budget.
- In 2022, DEQ adopted OAR 340-248-0180, allowing assessment of fees including contractor licenses, certifications and training accreditation.

Asbestos Program justification

- The proposed fees would address increased program and staff costs to maintain current service and staff levels
- DEQ proposes to increase fees for the Asbestos Program by 3% annually, including fees for project notifications, certification of asbestos workers and supervisors, licensing of asbestos abatement contractors, and accreditation of asbestos training providers.
- Program funded fully by program fees

Asbestos budget information

- Average cost per full-time employee across the program covered by the 3 percent fee increase has increased 16.32% over a two-year period, which is 8.16% over a one-year period. This rate of increase is based on a calculation of the current service level in the 2023-25 Legislatively Adopted Budget compared to the 2021-23 Legislatively Adopted Budget.

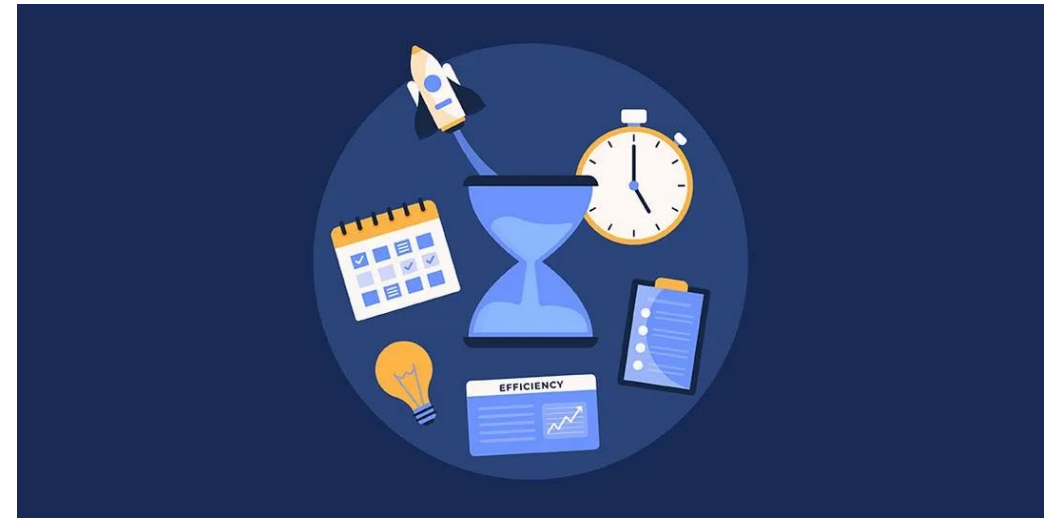
Budget Period	Cost per FTE
2021-23 Legislatively Adopted Budget	\$349,822
2023-25 Legislatively Adopted Budget	\$406,911
Budget increase over two- year period	16.32%

15 minute break

What is DEQ doing to evaluate efficiency and reduce cost?



[Efficiency vs. Effectiveness Article by David Peterson](#)



[Productivity Vs. Efficiency: How to Achieve Both In Presentations Article by Samantha Pratt Lile](#)

Potential fiscal impacts for Cleaner Air Oregon

- Increase would directly affect approximately 2,565 Title V Permit and Air Contaminant Discharge Permit holders
- Small Businesses - About 87% of permittees - Program fee increases range from about \$5 to \$24 per year based on the industry or activity type.
- Large Businesses – About 13% of permittees- Businesses emitting 250 tons per year would experience a fee increase of \$249 in 2024 over existing fees.

Potential fiscal impacts for Asbestos Program

- Fee payers include asbestos abatement contractors, certified asbestos workers and supervisors, and accredited asbestos training providers.
- Fee payers may also include homeowners and/or property owners who are indirectly affected when hiring asbestos abatement contractors.
- An increase in asbestos fees would affect approximately 73 licensees, 6 accredited training providers, and 1,222 certificate holders directly.

Committee discussion

Per ORS 183.33, committee's recommendations on:

1. Whether the proposed rules would have a fiscal impact,
2. The extent of the impact, and
3. Whether the proposed rules would have significant adverse impact on small businesses;
 - a) If so, then how DEQ can comply with ORS 183.540 reduce that impact.

Committee discussion

1. Would the proposed rule have a fiscal impact?
2. What is the extent of the fiscal impact?
3. Would the proposed rule have a significant impact on small businesses?

Committee discussion

Per ORS 183.333 and 183.540, the committee to consider how DEQ could reduce the rules' fiscal impact on small business by:

1. Establishing differing compliance or reporting requirements or timetables for small business;
2. Clarifying, consolidating or simplifying the compliance and reporting requirements under the rule for small business;
3. Utilizing objective criteria for standards;
4. Exempting small business from any or all requirements of the rule; or
5. Otherwise establishing less intrusive or less costly alternatives application to small business

Committee discussion

1. How can DEQ mitigate impacts by establishing differing compliance or reporting requirements or timetables for small business?
2. How can DEQ clarify, consolidate and simplify the compliance and reporting requirements under the rule for small business?
3. Where can DEQ utilize objective criteria for standards?
4. How could DEQ exempt small business from any of all requirements from rule?
5. Is there a way DEQ can establish less intrusive or less costly alternatives application to small business?

Environmental justice

- Will these fee increases be passed onto the consumer?
- How do you see this fee increase impacting communities?

Title VI and alternative formats

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