

- Natural Resource Specialist (NRS) 5 to coordinate the rulemaking and policy development processes, conduct research and provide staffing to an advisory committee.
- NRS 4, Toxicologist, to conduct technical and health related research, assist in developing a monitoring plan, and provide technical expertise to the process and the advisory committee.
- NRS 2 to staff monitoring sites and compile monitoring data.

While the bill does not become effective until January 1, 2008, DEQ indicates that the NRS 4 and 5 positions will need to be filled in July 2007 to ensure that the rulemaking deadline of July 1, 2008 is accomplished. The NRS 2 position would be filled in January 2008, as monitoring efforts would begin at this time. Related Personal Services costs are estimated to be \$376,013 for 2007-09 and \$403,898 for the 2009-11 biennia.

DEQ's Services and Supplies (S&S) costs are estimated to be \$156,368 for 2007-09 and \$97,368 for the 2009-11 biennia. S&S costs are higher for 2007-09 because of inclusion of \$70,500 in Attorney General fees for rule review. Capital outlay costs total \$120,000 in the 2007-09 biennium and are to purchase monitoring equipment for four monitoring sites. Expenditures also include an assessment for agency administrative costs of \$75,350 for 2007-09 and \$80,938 for the 2009-11 biennia.

A memorandum of understanding will be developed between DEQ and ODA for the administration and enforcement of air quality laws that apply to agricultural operations. ODA activities may include issuance of permits, establishment of fees, inspections, and assessment of civil penalties. ODA indicates that three positions are required to implement the functions assumed by the Department. Positions include:

- NRS 4 to assist DEQ with policy, rule and air quality standards development, permitting activities and providing leadership to compliance officers on air quality issues.
- 2 NRS 3, CAFO Inspectors, to perform inspections, conduct field investigations of permitted operations, conduct public outreach, monitor air quality and collect data, and prepare compliance reporting.

ODA indicates that the NRS 4 positions would be filled in July 2007 to ensure that the rulemaking deadline is met. The two NRS 3 positions would be filled in January 2008, so that inspectors are adequately trained to begin conducting field work by July 2008. Related Personal Services costs are estimated to be \$327,756 for 2007-09 and \$390,240 for the 2009-11 biennia.

ODA's S&S costs are estimated to be \$187,824 for 2007-09 and \$98,324 for the 2009-11 biennia. S&S costs are higher for 2007-09 due to several one-time expenditures such as employee training, professional services costs to create a program database, Attorney General fees for rule review, and costs for expendable property (computers and office equipment). ODA's Capital Outlay costs are estimated to be \$50,000 for the 2007-09 biennium to purchase two vehicles for CAFO Inspectors who will largely be working in the field. The Department expects to have additional Capital Outlay costs in the 2009-11 biennium to purchase testing equipment but indicates that these costs are indeterminate at this time.

Having an Oregon air quality standard different from a federal standard makes rule development more complex and may make the resulting rules more likely to be legally challenged. DEQ indicates that legal expenditures could be significant. Costs of potential litigations are indeterminate.

Other Fund Revenue from permitting fees is indeterminate and will not be applicable until the 2009-11 biennium. ODA expects future Other Fund revenues to be insufficient to support administration of the program. The existing ODA CAFO program Other Funds revenue contributes just 5% to the total program budget.