



DEQ's Legislatively Approved Budget includes a General Fund appropriation of \$1,000,000 to establish the Clean Diesel Fund. DEQ anticipates receiving Federal monies from competitive grants that will also be deposited into the fund for the 2007-09 biennium.

The bill authorizes the department to charge the Clean Diesel Engine Fund for administrative expenses associated with the clean diesel grant and loan program. The Legislatively Approved Budget includes a Natural Resource Specialist 3 position (.88 FTE) to write administrative rules and to develop and administer the grant and loan program. The costs associated with this position are estimated to be \$153,689 for 2007-09 and \$175,644 for 2009-2011 biennia. The cost is lower in the 2007-09 biennium because the bill does not take effect until three months into the biennium.

DEQ's anticipates generating additional Other Fund revenues of \$64,615 in 2007-09 and \$107,300 in 2009-11 for tax credit application fees. This total assumes receipt of 428 clean diesel engine upgrade tax credits and 1030 new engine credits per biennium. The bill sets the clean diesel upgrade tax credit application fee at \$50, and the department plans to increase the existing new engine credit application fee (currently \$15) to \$50 effective January 1, 2008. DEQ's costs associated with processing clean diesel tax credit applications will be \$53,611 for the 2007-09 biennium. The processing costs are expected to decrease to \$43,099 for the 2009-11 biennium; due largely to requiring less direct involvement of the tax credits manager in processing applications. DEQ does not anticipate requesting additional position authority for this work as they believe it can be absorbed with the current staffing level of the tax credits section.

The Department of Revenue indicates that the bill would result in a need to update forms and publications, and some additional form processing. Related costs are expected to be minimal and assumed with existing resources.

The Department of Education indicates that this bill would have an indeterminate impact on the amount of transportation grants claimed through the State School Fund as it is not known how many districts would take advantage of this bill or the related costs. The costs associated with the target to substantially reduce risk to school children from diesel engine emissions produced by Oregon school busses by the end of 2013 are unknown at this time.