



March 6, 2017

Sen. Richard Devlin and Rep. Nancy Nathanson, Co-Chairs, Joint Committee on Ways & Means  
Sen. Lew Frederick and Rep. Brad Witt, Co-Chairs, Natural Resources Subcommittee  
Oregon State Legislature  
900 Court St. NE  
Salem, Oregon 97301

Re: Budget of DEQ and LRAPA in SB 5518

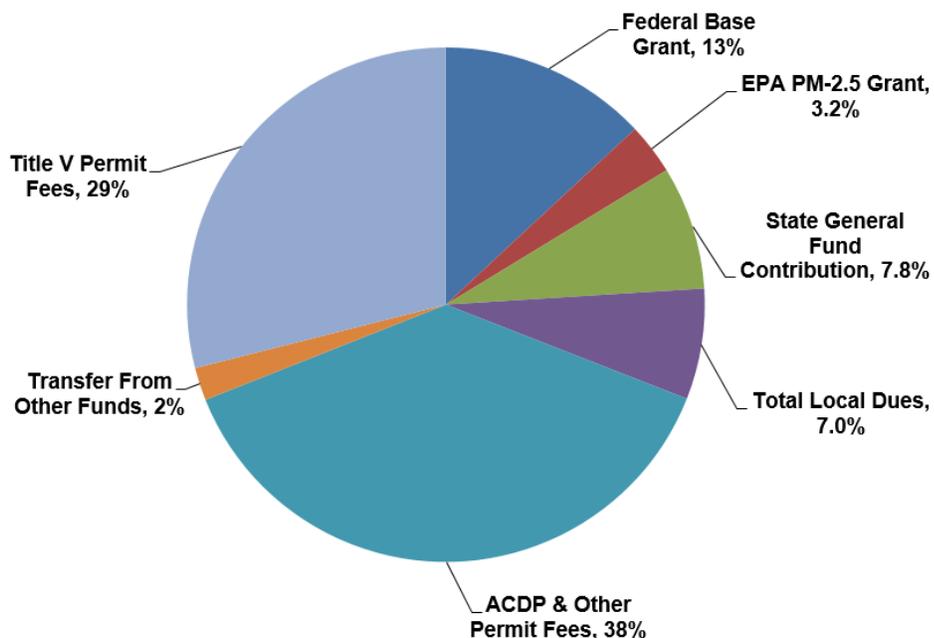
Dear Co-Chairs Devlin and Nathanson, and Co-Chairs Frederick and Witt:

My name is Merlyn Hough, and I am the Director of the Lane Regional Air Protection Agency (LRAPA) in Lane County, Oregon. LRAPA is a regional air authority formed in 1968 under ORS 468A.100, and our portion of the state budget is included within that of the Oregon Department of Environmental Quality (DEQ) in Senate Bill 5518. I recognize that you face many major issues as you balance the budget in the months ahead, and I am here to highlight the two budget issues of critical concern to LRAPA.

First, LRAPA also has a major concern with the proposed 10% reduction (\$26,689) in state general funding (GF) to LRAPA in Senate Bill 5518. As a regional authority, LRAPA would be at risk, because of local-state-federal match requirements, of losing up to four times this amount (\$106,756). For perspective, here is the LRAPA core budget for FY 2016:

**LRAPA Core Operating Budget Resources FY 2016**

\$1,931,250



Even though state funding was only 7.8% of our core budget, it is critically important for matching and maintaining local dues from Lane County and the cities of Eugene, Springfield, Cottage Grove and Oakridge. In turn, the state and local funding provides the required match for the federal funding. Thus every dollar of state funding is four times as important as it initially appears. When LRAPA lost about 60% of its state funding in 2009, it had a multiplying and crippling effect on LRAPA staffing, reducing our staff from 23 staff in 2008 to the current 15 staff. LRAPA cannot afford another significant reduction in state funding.

Second, LRAPA has a special interest in the GF portion (\$130,529) for DEQ to implement Cleaner Air Oregon (part of POP #116 in SB 5518). LRAPA has to be at least as stringent as state requirements. Our need is about 18% (\$23,495) of DEQ's. We can increase ACDP fees ("Other Funds") like DEQ, but also like DEQ we need GF to fully fill the gap. Here is an overview of the three significant permit categories most likely affected by any new Cleaner Air Oregon requirements:

	DEQ/Oregon	LRAPA/Lane Co.	Percentage
<b>Title V</b>	109	18	17%
<b>Standard</b>	133	24	18%
<b>Simple</b>	147	29	20%
<b>TOTAL</b>	389	71	18%

In summary, our budget request regarding Senate Bill 5518 is two-fold:

1. Restore the proposed 10% LRAPA reduction (\$26,689) which could impact LRAPA by four times this amount; and
2. Increase the state GF to LRAPA by \$23,495 to implement the expected new Cleaner Air Oregon requirements.

Thank you for this opportunity for input. Please let me know if you need any additional supporting information.

Sincerely,



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cc: Lane County Delegation