

# ANALYSIS

## Department of Environmental Quality Title V Program

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**Analyst:** April McDonald

**Request:** Acknowledge receipt of a report on the operations and performance of the Title V Air Quality permitting program.

**Analysis:** The budget report for HB 5018 (2023) included a budget note directing the Department of Environmental Quality (DEQ) to report to the legislature on the status of the Title V program staffing and productivity, no later than April 1, 2025. The report must include program staffing levels; the timeliness and volume of permits and compliance evaluations; progress on addressing the permit renewal backlog; and progress in transferring the administrative processes to DEQ's new data management system: *Your DEQ Online*.

Title V of the federal Clean Air Act governs emissions from large industrial sources and requires all costs associated with permitting and inspections to be fee-funded by the regulated entities. HB 3229 (2023) included two fee increases for the program, 43% in 2023 and 40% in 2024, to address a revenue shortfall. This phased approach has required a gradual build back of the program over the course of the 2023-25 biennium.

The Department reports the fee increases allowed the agency to stabilize the program in 2023 and begin hiring additional staff in late 2024 and early 2025. As of March 1, 2025 there are 23 staff (11.30 FTE) working full or part time on Title V permitting and compliance, and two open recruitments. Including the open recruitments, this represents an increase of 4.20 FTE as compared to the staffing level of 9.10 FTE in 2023.

The report provided a table illustrating the timeliness and volume of various Title V permitting actions. As of January 31, 2025, 58% of the total actions are issued on time. This is a slight improvement from the reporting as of March 2024, where 55% of actions were issued on time. Progress on timeliness of actions and the permit renewal backlog are both projected to improve as staffing levels increase and the administrative processes of the Title V program are transferred to *Your DEQ Online*. With the system live as of November 2024, DEQ anticipates both staff and regulated entities will realize efficiencies in the program processes.

**Recommendation:** The Legislative Fiscal Office recommends acknowledging receipt of the report.

## Department of Environmental Quality Filimoehala

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**Request:** Report on the status of the Title V program staffing and productivity from the Department of Environmental Quality (DEQ).

**Recommendation:** Acknowledge receipt of the report.

**Discussion:** DEQ is appearing before the committee to report the status of the Title V program staffing and productivity as directed by a budget note associated with House Bill 5018 (2023). The budget note directed DEQ to include within the report a full and partial listing of FTE working on the Title V program, timeliness and volume of permitting actions and evaluations, progress on permit renewal backlog, and progress in transferring Title V administrative processes to the Your DEQ Online data management system.

Title V of the Clean Air Act regulates air emissions from the largest and most complex industrial sources. Under the act, the direct and indirect costs of administration and enforcement of the Title V program must be entirely supported by fees paid by regulated entities. Within the Governor's recommended budget, an 83 percent increase in fees supporting the program was provided. During the 2023 Legislative Session, statutory fees were increased for the first time in nearly 13 years, resulting in a phased in 43 percent increase during the first year and a 40 percent increase in the second year of the biennium.

The report provides three key findings: 1) the staggered fee increase enabled a slow buildup of the Title V program, 2) Your DEQ Online required significant initial investment of staff time to design and build a more transparent and streamlined process, and 3) DEQ was unable to make significant headway on the permit backlog given how the phased in approach to the fee increases.



# Oregon

Tina Kotek, Governor

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**April 1 2025**

Senator Kate Lieber, Co-Chair  
Representative Tawna Sanchez, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301

Dear Co-Chairs:

## **Nature of the Request**

The Oregon Department of Environmental Quality respectfully requests that the Joint Committee on Ways and Means acknowledge receipt of a report on the operations and performance of the Title V Air Quality Permitting Program. The report is responsive to direction provided by the legislature in budget note #2 of the budget report accompanying the agency's budget bill HB 5018 (2023).

## **Agency Action**

In response to Budget #2, DEQ prepared a comprehensive report (attached) on the current biennium staffing levels and performance of the Title V Air Quality Permitting program. The report includes information regarding:

- FTE devoted to the Title V program;
- The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;
- The timeliness and volume of compliance evaluations conducted by the program;
- Progress on addressing the permit renewal backlog; and
- Progress in transferring Title V administrative processes to the agency's comprehensive data management system known as Your DEQ Online.

## **Action Requested**

DEQ respectfully requests that the Joint Committee on Ways and Means acknowledge receipt of the attached report on the Title V Permit Program.



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## Legislation Affected

Development of this report was directed in budget note #2 in the budget report for the agency's budget bill HB 5018 (2023).

Sincerely,

Matthew Davis  
Policy and External Affairs Manager

CC  
April McDonald, Legislative Fiscal Office  
Sione Filimoehala, Chief Financial Office  
Brian Boling, Department of Environmental Quality

March 28, 2025

# Title V Air Quality Program

Budget Note – House Bill 5018, 2023

Submitted to the Oregon Legislature



This document was prepared by  
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# Executive summary

Title V of the Clean Air Act governs air emissions from large industrial sources and requires that program costs associated with permitting and inspecting regulated sources be funded entirely by fees paid by the regulated entities. Facing a budget shortfall after 13 years without a fee increase, Oregon’s Department of Environmental Quality forecasted the need for a significant fee increase to stabilize the program. The 2023 legislature approved a two-phase fee increase of 43% in 2023 and a non-compounded 40% in 2024 (HB 3229). HB 3229 represented a \$1,317,064 reduction from the 2023-2025 Governor’s Budget, requiring a gradual build back of the program.

DEQ’s budget bill (HB 5018, 2023) contained a budget note requiring the agency to report back to the Joint Ways and Means Committee about the program and its progress no later than April 1, 2025. Specifically, the Budget Note reads:

*“Budget Note: Title V Staffing Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025, the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:*

- *Full and partial FTE working on Title V permitting and compliance;*
- *The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;*
- *The timeliness and volume of compliance evaluations conducted by the program;*
- *Progress on addressing the permit renewal backlog; and*
- *Progress in transferring Title V administrative processes to the agency’s comprehensive data management system known as “Your DEQ Online.”*

## Key takeaways

1. **The staggered fee increase enabled a slow buildup of the Title V program.** The fee increase established by HB 3229, increased DEQ’s permitting revenue by 43% in 2023 and an additional 40% over 2022 levels in 2024. The phased increase allowed the agency to stabilize the program in 2023 and begin hiring new staff in late 2024 and early 2025. By early 2025, DEQ had recruited additional staff, raising Title V staffing to 11.3 FTE from 9.1 FTE in 2023.
2. **Your DEQ Online required a significant initial investment of staff time to design and build a more transparent and streamlined permitting process.** DEQ launched “Your DEQ Online” in November 2024, with 95% of air permit holders registered by March 2025. The transition to the online system is expected to improve permit



transparency and operational efficiency, though continued staff dedication is needed to refine the system and enhance program performance.

- 3. DEQ was unable to make significant headway on the permit backlog.** The agency predicted little or no progress in addressing backlogs or improving key performance measures in the 2023-2025 biennium while it focused on hiring and training staff. As expected, the additional staff and process improvements will allow the agency to begin addressing the backlog and improve permit timeliness in general.

# Background

Title V of the Clean Air Act regulates air emissions from the largest and most complex industrial sources. Under the Act, the direct and indirect costs of administering and enforcing the Title V program must be entirely supported by fees paid by those regulated entities. The fees for a Title V permit issued by the Department of Environmental Quality are contained in ORS 468A.315. During the 2023 legislative session, the Governor's Recommended Budget provided for the Title V program's first increase to the statutory fees in nearly 13 years. Due to time and inflation in personnel costs the agency was faced with a budget shortfall. It forecasted that an 83% increase to fees would be necessary to stabilize the program.

Ultimately, the legislature adopted a phased in fee increase: a 43% increase in fees for the 2023 invoicing year, and a non-compounded 40% increase for 2024 invoices. Because HB 3229 represented a \$1,317,064 reduction from the 2023-2025 Governor's Budget, the agency needed to stage the filling of vacancies and delay redirecting staffing back toward the Title V program. The agency predicted little or no progress in addressing backlogs or improving key performance measures in the 2023-2025 biennium while it focused on hiring and training staff. To ensure accountability, DEQ's budget bill (HB 5018) contained a note requiring the department to report to the Joint Committee on Ways and Means no later than April 1, 2025, on the status of the Title V program staffing and productivity. Specifically, HB 5518 reads:

*"Budget Note: Title V Staffing Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025, the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:*

- *Full and partial FTE working on Title V permitting and compliance;*
- *The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;*
- *The timeliness and volume of compliance evaluations conducted by the program;*
- *Progress on addressing the permit renewal backlog; and*
- *Progress in transferring Title V administrative processes to the agency's comprehensive data management system known as "Your DEQ Online."*

Given the broad interest in the Title V program, DEQ Director Leah Feldon provided quarterly updates on the status of staffing, productivity, and the agency's online permitting program. (See Appendix A).

## Full and partial FTE working on Title V permitting and compliance

DEQ began holding positions vacant and redirecting work to the Air Contaminant Discharge Program in mid-2022 due to the Title V budget shortfall. The phase in of the 2023/2024 fee increase authorized through HB 3229, resulted in a need to stagger filling vacancies and redirecting staffing back toward the Title V program over two years. As anticipated, the 2024 invoicing cycle resulted in sufficient revenue to begin recruitment for three additional staff. It also allowed the agency to begin redirecting staff back toward TV related work.

As of March 1, 2025, there are 23 staff working full or part-time on Title V permitting and compliance activities equivalent to 11.3 FTE. This compares to 9.1 FTE working on Title V related permits and compliance work in 2023. This includes permit writers, inspectors, management, technical support and administrative personnel responsible for records management. As of March 2025, there were two open recruitments for the program, leaving one vacant position that could work on Title V permitting.

## The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program

### Title V Permit Actions Issued

July 1, 2023 through Jan. 31, 2025

Permit Action Type	Timeliness Target (days)	Total # of permit actions issued	Average days to issuance	Number issued on time	Number issued late	% issued on time
Administrative Amendment*	60	14	160	9	5	64%
Minor Modification *	180	6	162	5	1	83%
New Permit **	365	0		0	0	
Permit Renewal *	365	9	871	2	7	22%
Reopening For Cause	180	1	111	1	0	100%
Significant Modification	365	8	397	5	3	63%
Total		38		22	16	58%

\*The permittee can proceed with the proposed change once the application is deemed complete; they do not need to wait for the permit action to be processed. In the case of renewals, they may continue to operate under the existing permit until a renewed permit is issued.

\*\*There were no new Title V applications received during the reporting period.

DEQ prioritizes new permits and modifications because facilities rely upon those actions for business continuity. It is important to note that the first permit a facility will need is an Air Contaminant Discharge Permit, which is necessary prior to beginning construction. If a facility is a major source, conditions in the ACDP will be transferred into a Title V permit for facility operations.

The EPA has established a target that 80% of permits are “current.” Meaning the other 20% are awaiting a renewed permit but can continue to operate under their existing permit so long as a timely renewal application was filed with the department. DEQ has incorporated this number into its Key Performance Measures. Currently, 52% of Title V operating permits are up to date. Because DEQ has a current backlog and works to renew the oldest permits first, the average number of days to process a renewal is not an accurate reflection of progress on elimination of the backlog. DEQ is studying alternative ways to demonstrate progress on the backlog now that staff is redirected toward Title V work.

With the completion of the Your DEQ Online air permitting module, the filling of vacancies and the redirection of staff back to Title V work, the program will once again be able to make progress on the permit renewal backlog while maintaining its focus on modifications and new permits that support business continuity.

## **The timeliness and volume of compliance evaluations conducted by the program**

DEQ coordinates with the EPA on TV inspections, including data analysis, report development and enforcement (if needed). Between the passage of the bill and Jan 31, 2025, the program completed 28 on-site compliance reviews. Each on-site compliance inspection is preceded by document review and followed by a report. If violations have occurred, staff work to bring the facility into compliance with their permit conditions. Where enforcement is warranted, staff draft a referral to the Office of Compliance and Enforcement.

In 2024 staff reviewed over 552 reports from Title V facilities as part of the program’s compliance work.

## **Progress on addressing the permit renewal backlog**

Agency KPM 6.b aligns with the EPA’s goal that 80% of permits be current (and no more than 20% be backlogged). After a 2018 Secretary of State Audit noted insufficient staffing, the agency engaged in an effort to increase staffing and made other improvements to address the backlog. Despite tangible progress, the program’s projected revenue shortfalls stalled progress on the backlog as it prioritized new permits and modifications over renewal of administratively extended permits. The phased in fee increases have allowed for a slow restoration of the program. It has filled vacant positions and restored staff to Title V work. The program will re-develop a plan to address the backlog. Currently 52% of permits are current.

In addition, DEQ has continued addressing recommendations made by the Oregon Secretary of State in a 2018 audit. The program has updated key guidance documents and protocols to assist permit writers and permittees with interpreting and consistently applying state and federal rules and requirements.

## **Progress in transferring Title V administrative processes to the agency’s comprehensive data management system known as “Your DEQ Online.”**

After extensive testing and staff training, DEQ’s Air Quality permitting program went live in the Your DEQ Online portal on November 20, 2024. As of March 21, 96% of air permit holders had completed registration and submitted 2024 Annual Reports through the online system.

Your DEQ online is the culmination of several years’ worth of work to enter permitting workflow into a new database, test and confirm functionality, develop training and standard operating procedures, and trouble shoot issues. Staff continues to dedicate time to user testing and program improvements.

Like any large information technology project, the transition is the most exacting and resource intensive phase. The program will continue to focus on ensuring the system is working as intended and continue training, both internal staff and external customers. The upfront work necessary to bring the system online has been substantial, but the agency is confident it will pay off in enhanced transparency regarding permit status and milestones as well as more efficient processes for facilities.

## **Conclusion**

The fee increase established by HB 3229, increased DEQ’s permitting revenue by 43% in 2023 and an additional 40% over 2022 levels in 2024. The phased increase allowed the agency to stabilize the TV program in 2023 and begin hiring additional staff in late 2024 and early 2025.

DEQ’s online permitting program, “Your DEQ Online” or YDO, was a substantial information technology project that is the culmination of several years’ work by contractors and staff to establish workflows, transfer permitting information, and develop standard operating procedures and training materials. While initially resource intensive, the program, now live, provides visibility into the permitting process and timelines. As the database is populated, we expect both facilities and DEQ will see efficiencies in all aspects of the permitting process.

In addition to YDO, DEQ has been systematically addressing recommendations made by the Oregon Secretary of State in a 2018 audit. The program has engaged in updating key guidance documents and protocols that assist permit writers and sources with interpreting rules and requirements.

The agency continues working with interested parties to find long term stability and efficiencies for the program.

# Appendix A: Quarterly updates



May 6, 2023

Speaker Julie Fahey  
Oregon State Capitol  
900 Court Street NE, H-295  
Salem, OR 97301

Representative Tawna Sanchez  
Oregon State Capitol  
900 Court Street NE, H-273  
Salem, OR 97301

Dear Speaker Fahey and Representative Sanchez,

On July 17, 2023, Director Feldon sent a letter responding to a request (from then Speaker Rayfield, and Rep. Sanchez) for information and proposed periodic updates on the Title V program. The following is a brief overview of the Title V program and updated information regarding program hiring, permitting activity and backlog, and upcoming on-line permitting program "Your DEQ Online" (YDO).

During the 2023 Legislative Session, DEQ's budget bill (HB 5018) contained a note requiring the department to report to the Joint Committee on Ways and Means no later than April 1, 2025, on the status of the Title V program staffing and productivity. This was in addition to a report on alternative Title V fee structures that was submitted in December 2023. That report can be found on DEQ's website or by following this [link](#). Rather than wait for a final report on April 1, 2025, Director Feldon proposed quarterly updates on the program.

Title V of the federal Clean Air Act provides the regulatory framework for addressing emissions from "major sources" of air pollution. Major sources are defined by having annual emissions in excess of certain thresholds or are otherwise subject to Title V requirements. The Clean Air Act also provides the US EPA authority to delegate implementation to states. Oregon was one of the first states to receive delegated authority and has operated the program in Oregon since the mid-1990s. All direct and indirect activities of the program must be funded through permitted activity fees. Consistent with that commitment, the department is sharing the following information.

HB 5018's note reads:

*"Budget Note: Title V Staffing Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025 the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:*

- *Full and partial FTE working on Title V permitting and compliance;*



- The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;
- The timeliness and volume of compliance evaluations conducted by the program;
- Progress on addressing the permit renewal backlog; and
- Progress in transferring Title V administrative processes to the agency's comprehensive data management system known as "Your DEQ Online."

1. Full and partial FTE working on Title V permitting and compliance;

Currently, there are 9.1 FTE dedicated to Title V permitting and compliance activities. DEQ began holding positions vacant in mid-2022 due to insufficient revenue. The program also re-directed some FTE toward work on the Air Containment Discharge Program due to the Title V budget shortfall. Currently, there are 3 vacant positions that could otherwise be performing Title V related work. As noted in prior correspondence, the phased in fee increase authorized through HB 3229 represented a compromise with fee payers from the Governor's Budget by phasing in the proposed increase over two years. This phase-in resulted in a \$1,317,064 reduction from the Governor's Budget. The effect is that the agency will need to stage the filling of vacancies and redirecting staffing toward the Title V program over the course of the biennium. DEQ continues to anticipate sufficient revenue to increase Title V staffing after the 2024 fall invoicing cycle.

2. The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;

April 1, 2023 through March 31, 2024

Permit Action Type	Timeliness Target (days)	Total # of permit actions issued in time period	Average days before target	Average days to issuance	Number issued on time	Number issued late	% issued on time
Administrative Amendment*	60	4	29.0	31.0	4	0	100%
Minor Modification *	180	4	14.8	165.3	3	1	75%
Title V New Permit	365	0			0	0	
Permit Renewal * **	365	6	-1570.3	1935.3	0	6	0%
Reopening For Cause	180	1	97.0	83.0	1	0	100%
Significant Modification	365	5	-6.4	371.4	3	2	60%

\*The permittee can proceed with the proposed change once the application is deemed complete, they do not need to wait for the permit action to be processed. In the case of renewals, they may continue to operate under the existing permit until a renewed permit is issued.

\*\*DEQ prioritizes the oldest permits for renewal and timeliness is measured from application complete date, the average number of days to process is not as a measure of DEQ's progress towards eliminating the permit renewal backlog. KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). Currently, 58% of Title V operating permits are current.

*3. The timeliness and volume of compliance evaluations conducted by the program;*

DEQ coordinates with the EPA on TV inspections, including data analysis, report development and enforcement (if needed). DEQ and EPA have 19 sources that are in the inspection process. Between January 1, 2024, and March 31, 2024, the program completed 6 compliance reviews.

*4. Progress on addressing the permit renewal backlog;*

Agency KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). After a 2018 Secretary of State Audit noted insufficient staffing, the agency engaged in an effort to increase staffing to address the backlog. Unfortunately, the current staffing levels have impeded the program's progress. The program intends to re-develop a plan to address the backlog once additional staff can be hired and trained. Currently 58% of permits are current. It is worth noting that, the program's prioritization on new and modified permits to ensure facilities have the approvals they need to go forward with construction or modifications results in a de-prioritization of permit renewal.

*5. Progress in transferring Title V administrative processes to the agency's comprehensive data management system known as Your DEQ Online."*

DEQ is anticipating a launch of the AQ Permitting Program in the Your DEQ Online portal in Q3 2024. The agency has been working through several needed additions to the YDO system particular to air quality permitting. Development of Standard Operating Procedures is currently anticipated for May 2024. The program is identifying staff that may be able to incorporate SOP review and validation into their existing workloads.

Thank you again for your interest in the Title V program and your support of the Agency's budget. This month, an audit by the Secretary of State again highlighted DEQ's continued resource challenges. The report can be accessed [here](#). We will continue to update you on the status of the program.

Sincerely,

Aeron Teverbaugh,  
Department of Environmental Quality  
Sr. Legislative Policy Analyst: Air Quality & Greenhouse Gas



# Oregon

Tina Kotek, Governor

Department of Environmental Quality

Agency Headquarters

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August 5, 2024

Speaker Julie Fahey  
Oregon State Capitol  
900 Court Street NE, H-295  
Salem, OR 97301

Representative Tawna Sanchez  
Oregon State Capitol  
900 Court Street NE, H-273  
Salem, OR 97301

Dear Speaker Fahey and Representative Sanchez,

This letter is the Department of Environmental Quality's second quarterly report updating you on the Title V program's hiring, permitting activity and backlog, and on-line permitting program "Your DEQ Online" (YDO). This is a follow up to the letter sent on May 6, 2024.

## BACKGROUND

During the 2023 Legislative Session, DEQ's budget bill (HB 5018) contained a note requiring the department to report to the Joint Committee on Ways and Means no later than April 1, 2025, on the status of the Title V program staffing and productivity. This was in addition to a report on alternative Title V fee structures that was submitted in December 2023. That report can be found on DEQ's website or by following this [link](#). Rather than wait for a final report on April 1, 2025, DEQ Director Feldon proposed quarterly updates on the program.

You may recall that Title V of the federal Clean Air Act provides the regulatory framework for addressing emissions from "major sources" of air pollution. Major sources are defined by having annual emissions in excess of certain thresholds or are otherwise subject to Title V requirements. The Clean Air Act also provides the US EPA authority to delegate implementation to states. Oregon was one of the first states to receive delegated authority and has operated the program in Oregon since the mid-1990s. All direct and indirect activities of the program must be funded through permitted activity fees. Consistent with that commitment, the department is sharing the following information.

HB 5018's note reads:

*"Budget Note: Title V Staffing Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025 the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:*

- *Full and partial FTE working on Title V permitting and compliance;*

- *The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;*
- *The timeliness and volume of compliance evaluations conducted by the program;*
- *Progress on addressing the permit renewal backlog; and*
- *Progress in transferring Title V administrative processes to the agency’s comprehensive data management system known as “Your DEQ Online.”*

**1. FULL AND PARTIAL FTE WORKING ON TITLE V PERMITTING AND COMPLIANCE.**

Currently, there are 9.1 FTE dedicated to Title V permitting and compliance activities. DEQ began holding positions vacant in mid-2022 due to insufficient revenue. The program also re-directed some FTE toward work on the Air Containment Discharge Program due to the Title V budget shortfall. There are 3 vacant positions that could otherwise be performing Title V related work. As noted in prior correspondence, the phased in fee increase authorized through HB 3229 represented a compromise with feepayers from the Governor’s Budget by phasing in the proposed increase over two years. This phase-in resulted in a \$1,317,064 reduction from the Governor’s Budget. The effect is that the agency will need to stage the filling of vacancies and redirecting staffing back toward the Title V program over the course of the biennium. DEQ continues to anticipate sufficient revenue to increase Title V staffing after the 2024 fall invoicing cycle.

**2. THE TIMELINESS AND VOLUME OF PERMITTING ACTIONS (INCLUDING NEW PERMIT, PERMIT RENEWALS, MODIFICATION AND AMENDMENTS) ISSUED BY THE PROGRAM.**

**JULY 1, 2023 THROUGH JUNE 30, 2024**

Permit Action Type	Timeliness Target (days)	Total # of permit actions issued in time period	Average days before target	Average days to issuance	Number issued on time	Number issued late	% issued on time
Administrative Amendment*	60	5	-176.6	236.6	4	1	80%
Minor Modification *	180	2	91.0	89.0	2	0	100%
New Permit	365	0			0	0	
Permit Renewal* **	365	3	-538.3	903.3	0	3	0%
Title V Reopening For Cause	180	1	69.0	111.0	1	0	100%
Title V Significant Modification	365	6	4.5	360.5	4	2	67%

\*The permittee can proceed with the proposed change once the application is deemed complete; they do not need to wait for the permit action to be processed. In the case of renewals, they may continue to operate under the existing permit until a renewed permit is issued.

\*\*DEQ prioritizes the oldest permits for renewal and timeliness is measured from application complete date, the average number of days to process is not as a measure of DEQ's progress towards eliminating the permit renewal backlog. KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). Currently, 62% of Title V operating permits are current.

3. THE TIMELINESS AND VOLUME OF COMPLIANCE EVALUATIONS CONDUCTED BY THE PROGRAM.

DEQ coordinates with the EPA on TV inspections, including data analysis, report development and enforcement (if needed). DEQ and EPA have 21 sources that are in the inspection process. Between January 1, 2024, and July 31, 2024, the program completed 18 compliance reviews.

4. PROGRESS ON ADDRESSING THE PERMIT RENEWAL BACKLOG.

Agency KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). After a 2018 Secretary of State Audit noted insufficient staffing, the agency engaged in an effort to increase staffing to address the backlog. Our last update shared the link to the latest [Secretary of State Audit](#) again noting that the lack of resources presents a barrier to the agency fulfilling its mission. Currently 62% of permits are up to date. This represents an increase in the number of current permits since our May update. Once additional staff can be hired and trained the agency will re-develop a plan to address the backlog. I should reiterate that the program's prioritization on new and modified permits to ensure facilities have the approvals they need to go forward with construction or modifications results in a de-prioritization of permit renewal.

5. PROGRESS IN TRANSFERRING TITLE V ADMINISTRATIVE PROCESSES TO THE AGENCY'S COMPREHENSIVE DATA MANAGEMENT SYSTEM KNOWN AS YOUR DEQ ONLINE.

DEQ continues to develop the Air Quality permitting program in the Your DEQ Online portal. Staff are creating standard operating procedures and workflows for implementation in YDO. The program is identifying additional staff and resources to help test and validate air quality permitting processes created in the portal. DEQ anticipates a launch of the AQ permitting program in YDO in Q4 2024.

Thank you again for your interest in the Title V program and your support of the Agency's budget. We will continue to update you on the status of the program.

Sincerely,



Aeron Teverbaugh,  
Department of Environmental Quality  
Sr. Legislative Policy Analyst: Air Quality & Greenhouse Gas



December 18, 2024

Speaker Julie Fahey  
Oregon State Capitol  
900 Court Street NE, H-295  
Salem, OR 97301

Representative Tawna Sanchez  
Oregon State Capitol  
900 Court Street NE, H-273  
Salem, OR 97301

Dear Speaker Fahey and Representative Sanchez,

This letter is the Department of Environmental Quality's third quarterly report updating you on the Title V program's hiring, permitting activity and backlog, and on-line permitting program "Your DEQ Online" (YDO) which officially went on-line November 20. This is a follow up to the letter sent on August 5, 2024.

## BACKGROUND

During the 2023 Legislative Session, DEQ's budget bill (HB 5018) contained a note requiring the department to report to the Joint Committee on Ways and Means no later than April 1, 2025, on the status of the Title V program staffing and productivity. This was in addition to a report on alternative Title V fee structures that was submitted in December 2023. That report can be found on DEQ's website or by following this [link](#). Rather than wait for a final report on April 1, 2025, DEQ Director Feldon proposed quarterly updates on the program.

You may recall that Title V of the federal Clean Air Act provides the regulatory framework for addressing emissions from "major sources" of air pollution. Major sources are defined by having annual emissions in excess of certain thresholds or are otherwise subject to Title V requirements. The Clean Air Act also provides the US EPA authority to delegate implementation to states. Oregon was one of the first states to receive delegated authority and has operated the program in Oregon since the mid-1990s. All direct and indirect activities of the program must be funded through permitted activity fees. Consistent with that commitment, the department is sharing the following information.

HB 5018's note reads:

*"Budget Note: Title V Staffing Assuming passage of HB 3229 (2023), which increases Title V permitting fees to restore program staffing to current service level, the Department will need to undergo significant hiring throughout the 2023-25 biennium, aligning to available revenues. No later than April 1, 2025 the Department shall report to the Joint Committee on Ways and Means on the status of the Title V program staffing and productivity. This report shall include, but not be limited to, the following:*

- *Full and partial FTE working on Title V permitting and compliance;*

- *The timeliness and volume of permitting actions (including new permit, permit renewals, modification and amendments) issued by the program;*
- *The timeliness and volume of compliance evaluations conducted by the program;*
- *Progress on addressing the permit renewal backlog; and*
- *Progress in transferring Title V administrative processes to the agency’s comprehensive data management system known as “Your DEQ Online.”*

**1. FULL AND PARTIAL FTE WORKING ON TITLE V PERMITTING AND COMPLIANCE.**

Currently, there are 11 FTE working on Title V permitting and compliance activities as we work to build the program back up. You will recall from previous updates that DEQ began holding positions vacant and redirecting work to the Air Contaminant Discharge Program in mid-2022 due to the Title V budget shortfall. As noted in prior correspondence, the phased in fee increase authorized through HB 3229, a compromise with feepayers, resulted in a need to stage filling vacancies and redirecting staffing back toward the Title V program over two years. As anticipated, the 2024 invoicing cycle resulted in sufficient revenue to begin recruitment for 3 additional staff. It also allowed us to begin to redirect staff toward TV related work.

**2. THE TIMELINESS AND VOLUME OF PERMITTING ACTIONS (INCLUDING NEW PERMIT, PERMIT RENEWALS, MODIFICATION AND AMENDMENTS) ISSUED BY THE PROGRAM.**

**DECEMBER 1, 2023 THROUGH NOVEMBER 30, 2024**

Permit Action Type	Timeliness Target (days)	Total # of permit actions issued in time period	Average days before target	Average days to issuance	Number issued on time	Number issued late	% issued on time
Administrative Amendment*	60	11	-132	192	6	5	55%
Minor Modification *	180	3	-29	209	2	1	67%
New Permit	365	0			0	0	
Permit Renewal* **	365	7	-528	893	2	5	29%
Title V Reopening For Cause	180	1	69	111	1	0	100%
Title V Significant Modification	365	4	-2	367	3	1	75%

Note: DEQ air permitting moved into a new information system in November 2024. Some permit actions issued between 11/1/2024 and 11/30/2024 have not yet been entered into the new system and are not reflected in the table above.

\*The permittee can proceed with the proposed change once the application is deemed complete; they do not need to wait for the permit action to be processed. In the case of renewals, they may continue to operate under the existing permit until a renewed permit is issued.

\*\*DEQ prioritizes the oldest permits for renewal and timeliness is measured from application complete date, the average number of days to process is not as a measure of DEQ's progress towards eliminating the permit renewal backlog. KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). Currently, 57% of Title V operating permits are current; this may not accurately reflect the current backlog as we are moving between permitting systems.

### 3. THE TIMELINESS AND VOLUME OF COMPLIANCE EVALUATIONS CONDUCTED BY THE PROGRAM.

DEQ coordinates with the EPA on TV inspections, including data analysis, report development and enforcement (if needed). DEQ and EPA have 21 sources that are in the inspection process. Between January 1, 2024, and November 30, 2024, the program completed 18 compliance reviews.

### 4. PROGRESS ON ADDRESSING THE PERMIT RENEWAL BACKLOG.

Agency KPM 6.b establishes a goal that 80% of permits be current (and no more than 20% be backlogged). After a 2018 Secretary of State Audit noted insufficient staffing, the agency engaged in an effort to increase staffing to address the backlog. Our last update shared the link to the latest [Secretary of State Audit](#) again noting that the lack of resources presents a barrier to the agency fulfilling its mission. DEQ has begun recruitment of additional staffing and once trained the agency can re-develop a plan to address the backlog. I should reiterate that the program's prioritization on new and modified permits to ensure facilities have the approvals they need to go forward with construction or modifications results in a de-prioritization of permit renewal. Currently, 56% of Title V permits are up to date.

### 5. PROGRESS IN TRANSFERRING TITLE V ADMINISTRATIVE PROCESSES TO THE AGENCY'S COMPREHENSIVE DATA MANAGEMENT SYSTEM KNOWN AS YOUR DEQ ONLINE.

After extensive staff testing and training, DEQ's Air Quality permitting program went live in the Your DEQ Online portal on November 20. Facilities are in the process of registering in YDO and must submit their annual reports through the system in February 2025. The system will also be able to provide specific permitting related data to the agency.

Thank you again for your interest in the Title V program and your support of the Agency's budget. We will continue to update you on the status of the program.

Sincerely,

Aeron Teverbaugh,  
Department of Environmental Quality  
Sr. Legislative Policy Analyst: Air Quality & Greenhouse Gas