IOWA DEPARTMENT OF NATURAL RESOURCES

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Memo: Title V Emission Fees & Budget 2018

From: Catharine Fitzsimmons, Air Quality Bureau Chief

To: Title V Emission Fee Advisory Workgroup

Date: ~~October 27, 2016~~ Revised October 28, 2016

Purpose: This memo is meant to provide additional information for discussion on Title V Emission Fee draft FY 2018 budget and revenues.

Budget corrections from Sept 15, 2016 meeting. Included in today's materials you will find a copy of the September 15, 2016 Title V Fee Workgroup meeting memo and budgets with a few corrections. The changes or corrections to the memo and budget include:

- Table 4 in the memo was adjusted to reflect the correct fee revenue. The fee revenue was listed as $7,849,209 and was revised to $7,775,812.
- The budget handouts used different tonnage amounts for the Status Quo 2018 and the Adjusted Draft 2018 budgets. The Status Quo 2018 amount was 121,051 and the Adjusted Draft 2018 amount was 115,197. The tonnage was revised so that both 2018 versions used 115,197. The change created a -$286,943 shortfall in the Status Quo 2018 column.
- A note was included in the spreadsheet *"The tonnage in row 29 for the Status Quo 2018 Budget scenario was changed from 121,051 to 115,197 based on comments received at the meeting. Additional feedback was provided at the meeting that 100,000 tons is a better tonnage forecast for CY 2016 emissions."*

In addition, we are providing draft budgets for the other air quality program areas for your information. Updated versions of those drafts will be made available for the Fee Advisory Group meetings in January, 2017.

Title V operating permit information. Three Gantt charts are included to provide you with an overview of the flow of permit applications received historically and their anticipated issuance dates. Title V operating permit applications are classified as "back-log" when they were received prior to January 15, 2016 and are still under review. Applications that have been received since January 15th are listed as "In-house Billable", and applications expected to be received are listed as "Projected Billable."

Budget and program change suggestions, and funding suggestions.

We invite all stakeholders to submit to us specific budget, program, and funding suggestions to assist us in the development of a fiscally responsible plan for funding air quality program elements eligible for Title V emission fee funding. We look forward to your input at this meeting and hope that you will be able to attend our next scheduled meeting on January 11, 2017 at 10:00.

New information on expected emissions.

At the September 15, 2016, meeting of this group we sought input on our "calculated" estimate of what the 2016 emissions might look like. The input we received is reflected in the following table and unfortunately shows a large deficit/program impact/fee impact.

REVISED: See Updated Chart on the Website

Title V Emission Fee Summary of Revenue & Expenses

	I3 SFY 2017 Budget	Status Quo* 2018 Expenditures	Adjusted 2018 Expenditures	Adjusted 2018 Expenditures with Emissions update**	
				100,000 ton Estimate	*94,000 ton Estimate*
Title V Emission Fee Revenue					
Balance forward	-$450,694	$0	$0	$0	$0
Fund interest	$20,000	$20,000	$20,000	$20,000	$20,000
Under and over payments					
Title V fees	$8,170,943	$7,775,812	$7,775,812	$6,750,000	$6,345,000
Est. annual emissions (tons)	*121,051*	*115,197*	*115,197*	*100,000*	*94,000*
$/ton (held constant)	*$67.50*	*$67.50*	*$67.50*	*$67.50*	*$67.50*
Total Revenue	**$7,740,249**	**$7,795,812**	**$7,795,812**	**$6,770,000**	**$6,365,000**
Title V Emission Fee Expenses					
Legal Services (1430) - Title V only	$88,561	$92,103	$92,103	$92,103	$92,103
Air Title V - IT (3520)	$61,612	$61,612	$61,612	$61,612	$61,612
Air Title V Program (7230)	$6,762,000	$6,988,078	$6,701,135	$6,701,135	$6,701,135
TV portion of 7250	$80,690	$88,794	$88,794	$88,794	$88,794
Air Title V Field Program (7421)	$820,782	$852,167	$852,167	$852,167	$852,167
Total Expenses	**$7,813,645**	**$8,082,755**	**$7,795,812**	**$7,795,812**	**$7,795,812**
Revenues - Expenses	**-$73,397**	**-$286,943**	**$0**	**-$1,025,812**	**-$1,430,812**
Fee rate for estimated zero balance				**$78.00**	~~**$86.00**~~ **$83.00**

*Includes 4% personnel & benefits cost increases

**Stakeholders provided input at the 9/15/2016 meeting that 100,000 tons or less should be used for CY 2016 emissions subject to fees estimates