



IOWA DEPARTMENT OF NATURAL RESOURCES

LEADING IOWANS IN CARING FOR OUR NATURAL RESOURCES

AQ Budget Overview

Catharine Fitzsimmons

Air Quality Bureau Chief

July 17, 2014

Air Quality Bureau Budget

- Title V Fees
- Annual Title V Budget Review Process
- Revenues
- “Classical Budget”
- “Program Based Budget”

Title V Fees

- Established in the 1990 Clean Air Act Amendments.
- Costs necessary to cover the direct and indirect costs of the Operating Permit Program.
- How can Iowa use Title V fees to cover non-Title V regulatory actions for major sources (such as PSD permits, construction permits, etc.)?
 - <http://www.epa.gov/ttn/caaa/t5/memoranda/grantmem.pdf>
 - Fee payer support

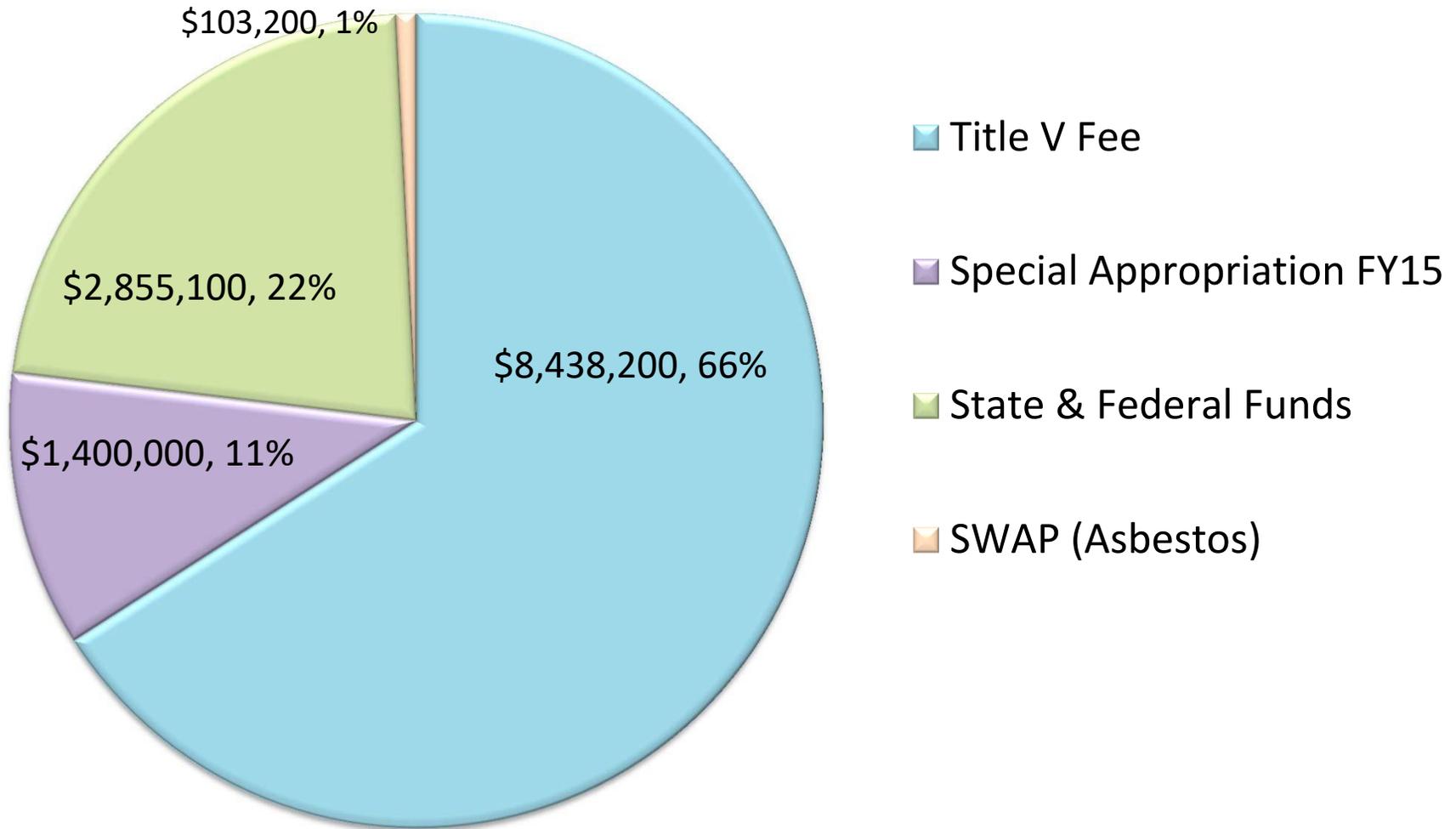
How are Title V Fees Set?

- A “Fee Cap” is set in rule (567 IAC 22.106).
- The “Annual Fee” is set after:
 - consultation with a fee payer group
 - a draft budget is provided to the Environmental Protection Commission each March
 - the EPC sets the fee at or below the Fee Cap on or before the May Commission meeting.

Who pays Title V Fees?

- 10% of the facilities pay 60% of the Title V fees.
- 147 facilities reported less than 100 tons actual emissions in 2013.
- Majority of fees are paid by:
 - Utilities
 - Grain Processing Facilities
 - Heavy Duty Manufacturers

FY 2015 Air Quality Bureau Revenues



Current and Projected¹ Revenues

Funding Sources	FY15	FY16	FY17	FY18	FY19
FY15 Special Appropriation	\$1,400,000				
Funding Shortfall ²	\$0	\$2,839,500	\$4,376,100	\$5,414,400	\$5,670,600
Title V Emissions Fees	\$8,441,400	\$7,348,200	\$6,059,400	\$5,273,500	\$5,274,500
State Funds	\$1,232,500	\$1,129,300	\$1,129,300	\$1,129,300	\$1,129,300
Federal Funds	\$1,722,600	\$1,722,600	\$1,722,600	\$1,722,600	\$1,722,600
Total Revenue	\$12,796,500	\$13,039,600	\$13,287,400	\$13,539,800	\$13,797,000

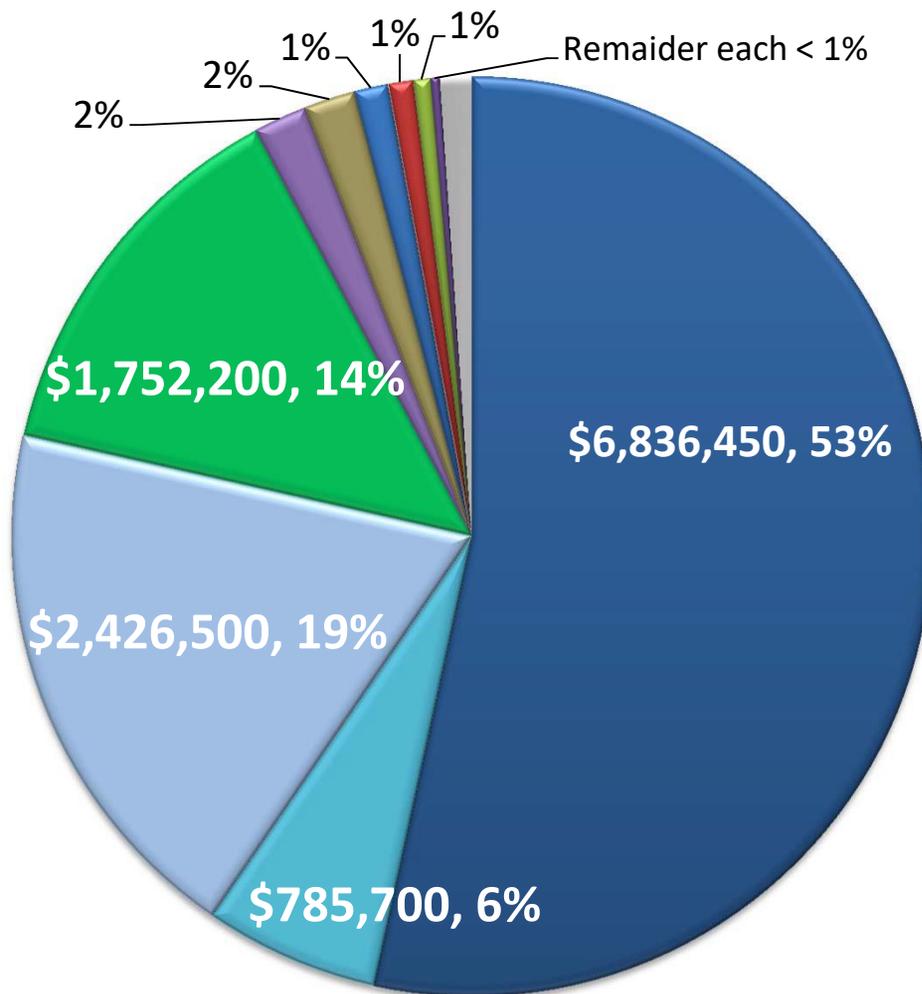
¹ Assumption for projections:

- Annual Expense increase for overall budget = 1.9% to maintain current services.
- Title V Emission Fees remain at current rate (\$56/ton), 2013 tonnage estimates.

² Funding Shortfall equals amount of additional funding needed to maintain status quo level of services.

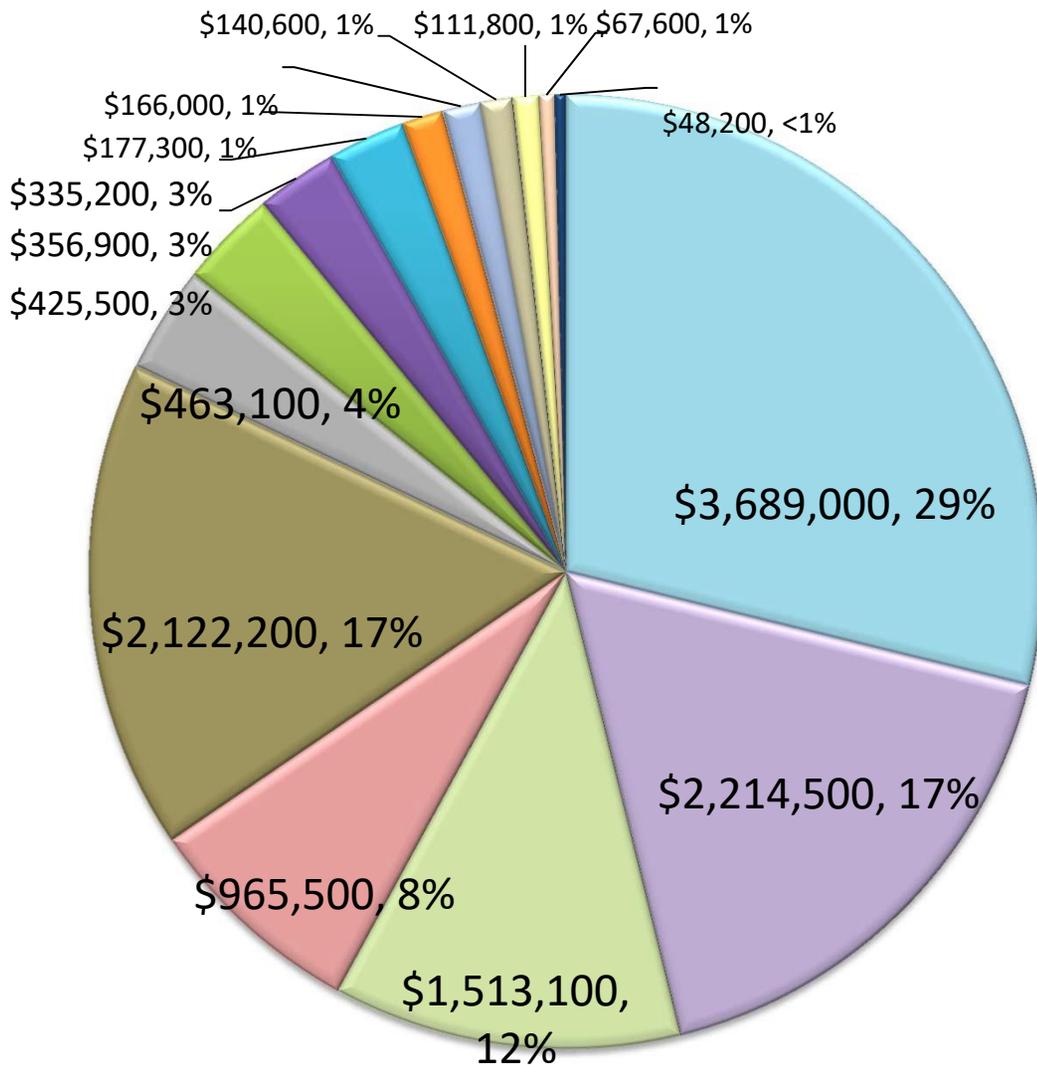
- FY15 Funding shortfall projected at \$1,872,000 met with \$1.4M special appropriation plus \$500 carry-forward by holding vacancies.

FY2015 State Accounting of Budget: \$12,796,500



- Personnel
- Indirect charges
- Professional services
- State Aid - Linn, Polk
- Equipment
- Rental
- IT Equipment & software
- Outside Services
- Communications
- Monitoring utilities
- Depreciation
- Govt/Transfer Attorney General
- State vehicle
- Travel and Training
- Equipment maintenance
- Other expenses
- Reimbursement to other agencies
- Office supplies
- Advertisement in publications
- Uniforms
- Other supplies
- Equipment non-inventory
- Printing and binding
- ITS reimbursement
- Postage
- Facility maintenance supplies

FY 2015 Programmatic Budget: \$12,796,500



Permit Related Expenses:

- Title V Operating Permits
- Major Source Construction Permitting
- PSD Permits
- Minor Source Construction Permitting

Core Program Expenses:

- Ambient Monitoring - Population Ctrs
- Attainment/nonattainment
- Emission Inventory
- Small Business Assistance
- Linn & Polk County CAA
- Complaint Response
- Contract, program oversight
- Mngmnt, data support
- Asbestos
- Compliance Assistance

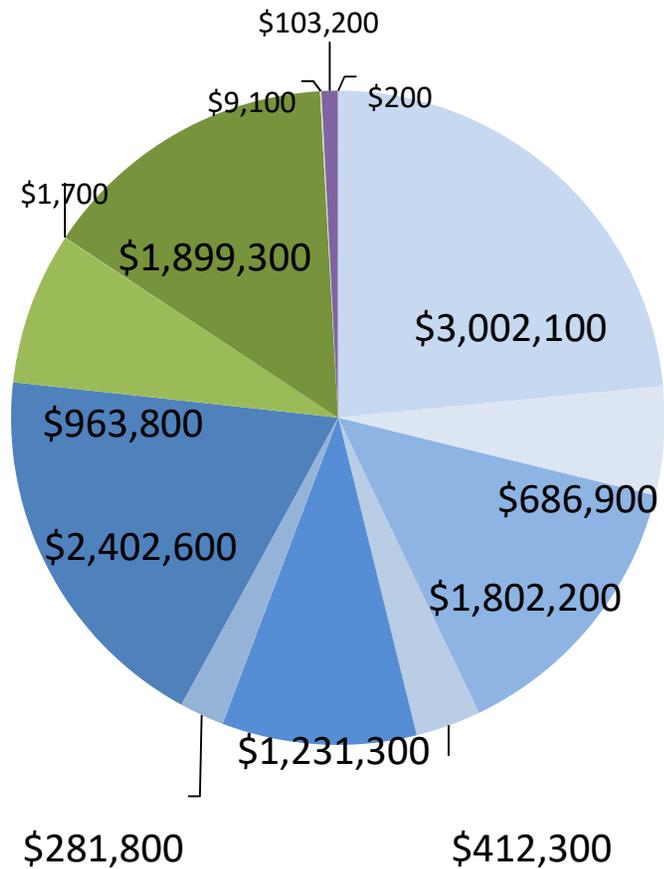
Legal Services

Activities

FY 2015 Programmatic Budget: \$12,796,500



Funding Sources for Program Areas



Blue - Title V fees Fund only Major Source related activities:

- Title V Operating Permits -Title V Fees: \$3,002,100
 - – FY15 Fund: \$686,900
- Major Source Construction Permits - Title V Fees: \$1,802,200
 - – FY15 Fund: \$412,300
- PSD Permits - Title V Fees: \$1,231,300
 - – FY15 Fund: \$281,800
- Core Program Activities (Title V Fees: \$2,402,600)

Green - Federal & State Funds Fund only Minor Source related activities

- Minor Source Construction Permitting - Federal & State Funds: \$963,800
 - – FY15 Fund: \$1,700
- Core Program Activities - Federal & State Funds: \$1,899,300
 - – FY15 Fund: 9,100

Purple: Other Funding Source Funds only Asbestos Program Activities:

- Asbestos Program - SWAP: \$103,200

-
FY15
Fund
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\$200

Funding Sources for Program Areas

Summary

- Fee revenue is declining due to reductions in air pollution emissions that are the foundation of the current funding mechanism for the bureau.
- Demand for services from the bureau continue to grow.
- The bureau continues to look for cost savings and methods to reduce our expenditures on non-value added activities.
- To continue to provide the same level of service additional funds will be needed.

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