



Fee Review and Discussion

MACC Meeting

July 8, 2020

Agenda

- Background
- Overview
- Average Annual Shortfall Projection
- Air Program Fee Recommendation
- Timeline

Background

Air Program and fee authority:

- Missouri Air Conservation Law, 643.079 RSMo

‘... the DNR may review fees and propose changes *after holding stakeholder meetings...*’

‘... the DNR shall submit a proposed fee structure with stakeholder agreement to the air conservation commission...’

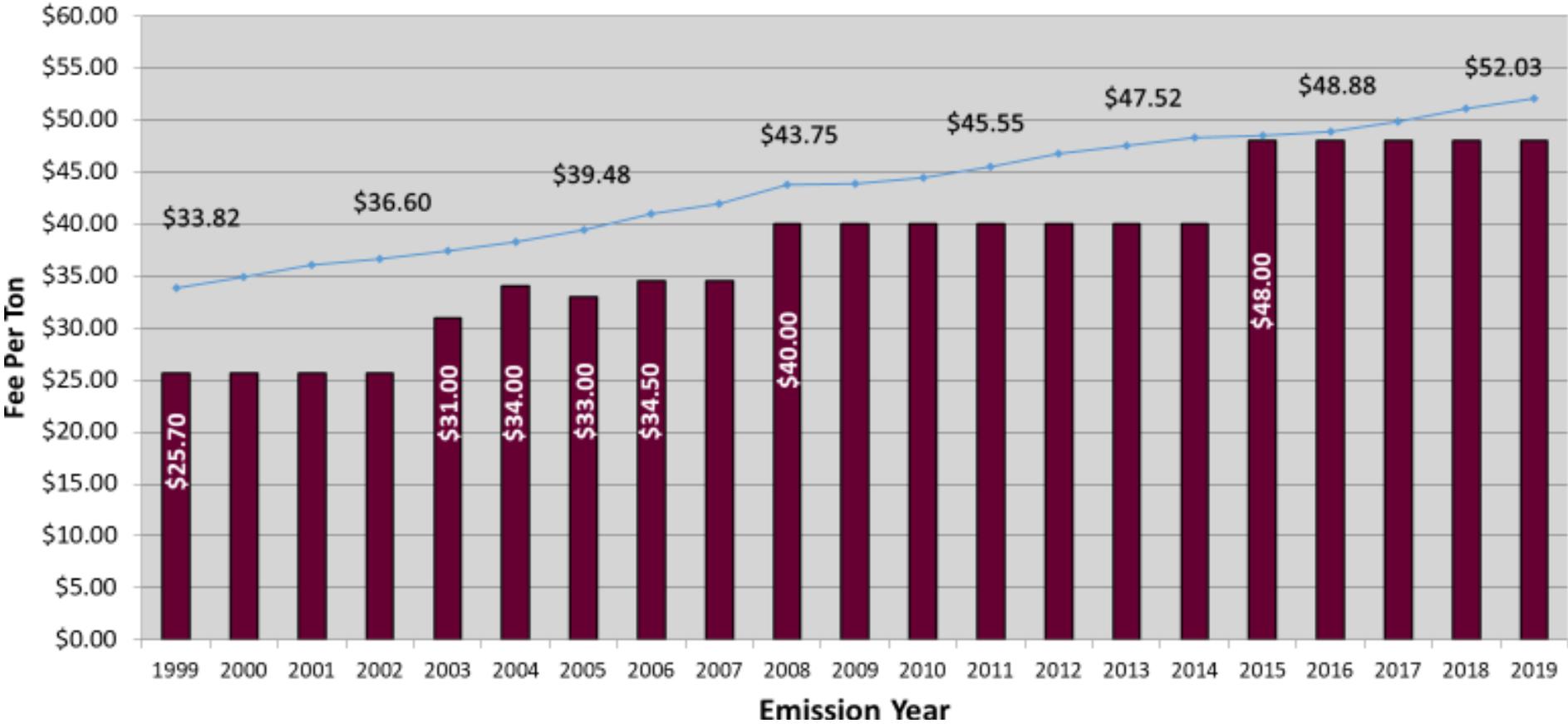
Background

Fees adjusted based on 2014/2015 Fee Stakeholder discussions:

- Emission Fee – \$48/ton (increased from \$40), effective 2016
- Permit Fees – effective 2017
 - \$75 per hour for construction permit review (increased from \$50)
 - New tiered approach for operating permit
 - New filing fees for construction permits and portable plants
- Asbestos Fees – effective 2017
- GVIP Fees – unchanged

Historic Trend of the Emission Fee Rate

■ MDNR Emission Fee
 ◆ EPA Emission Fee



Background

- Meetings:
 - March 2 – in-person and virtual kickoff
 - April 6 - virtual
 - May 5 – virtual
 - May 28 – virtual

- Averaged nearly 50 attendees each meeting

Background

- All fee stakeholder items posted:



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Air Program Advisory Forum

What is the Air Program Advisory Forum?

The Air Program Advisory Forum consists of people in industry, consulting, regulatory agencies and environmental groups who want to exchange information regarding air quality. The forum helps maintain open communication as well as identify, evaluate and develop ways to better protect human health and the environment. Anyone with an interest in air quality may participate.

Upcoming Meetings

Notice: The health and safety of all visitors to state office buildings are a priority. Due to recent concerns regarding novel coronavirus, or COVID-19, we encourage remote participation at meetings. The department will livestream the meeting at [MoDNR-TV](#). Participants can use the chat feature of this platform to ask questions or comments and relaying those to the group. The department will also make a call-in number available for the meeting.

May 28 - 1 p.m.
Call in number: 866-289-6713 - Note: If you call in you must mute the speakers on your computer to avoid audio feedback.
[Watch the Livestream on MoDNR-TV](#)

June (tentative)

Email bulletins

The air program regularly sends email bulletins about red tape reduction. Subject matter includes rules and amendments on which the public may comment as well as upcoming public hearings and votes during meetings of the Missouri Air Conservation Commission. Subscribers to the topic "Air Public Notices" regularly receive these notices. Click on the above envelope to sign up for emails. [Click to review your subscription and update it, if necessary.](#)

Forum and Stakeholder Meetings, 2014-2020

REGFORM Air Seminars, 2014-2018

Additional Links

Program Home Page
[Air Conservation Commission](#)
[Air Pollutants](#)
[Air Program Advisory Forum](#)
[Air Quality](#)
[Asbestos](#)
[Forms and Applications](#)
[Gateway Vehicle Inspection Program](#)
[Laws and Regulations](#)
[Ozone](#)
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[Publications and Reports](#)
[Public Notices-Comment Periods](#)
[QAPP Template](#)
[Air Pollution Compliance/Regulatory Assistance](#)
[State Plans and Boundary Designations](#)
[Vapor Recovery Information and Compliance Requirements](#)
[Volkswagen Trust](#)

Contact Information

Air Pollution Control Program
P.O. Box 176
Jefferson City, MO 65102
800-361-4827
573-751-4817
[Contact Us](#)
[Report an Environmental Concern](#)
[Meet the Air Pollution Control Program Director](#)

<https://dnr.mo.gov/env/apcp/airadvisory/index.html>

Background

- Anticipating an average annual shortfall of \$2.9 million in Fiscal Year 2023 to 2027 using updated projections
- FY23 begins July 1, 2022
- Any changes made to fees this year will be collected starting Jan-Jun 2022

What We've Done – Examples (1 of 3)

- ✓ Rule Changes:
 - ✓ Removed Basic Operating permits
 - ✓ Removed Open Burning permits
 - ✓ Red Tape Reduction process eliminated rule backlog
- ✓ Monitoring network savings
 - ✓ Outsourced filter weighing, remote quality checks, discontinued sites and equipment, plan for equipment replacement, reduce sample frequency
- ✓ Discontinued evaluation of certain federal area source rules

What We've Done – Examples (2 of 3)

- ✓ Shared lease of building will save rent
- ✓ Continue and expand electronic systems
 - ✓ Scanning hardcopy reports
 - ✓ Converting to electronic fileroom
 - ✓ Electronic correspondence
- ✓ Eliminated one copier and one printer
 - ✓ Multi-function machines save under contract
- ✓ General streamlining of workflows

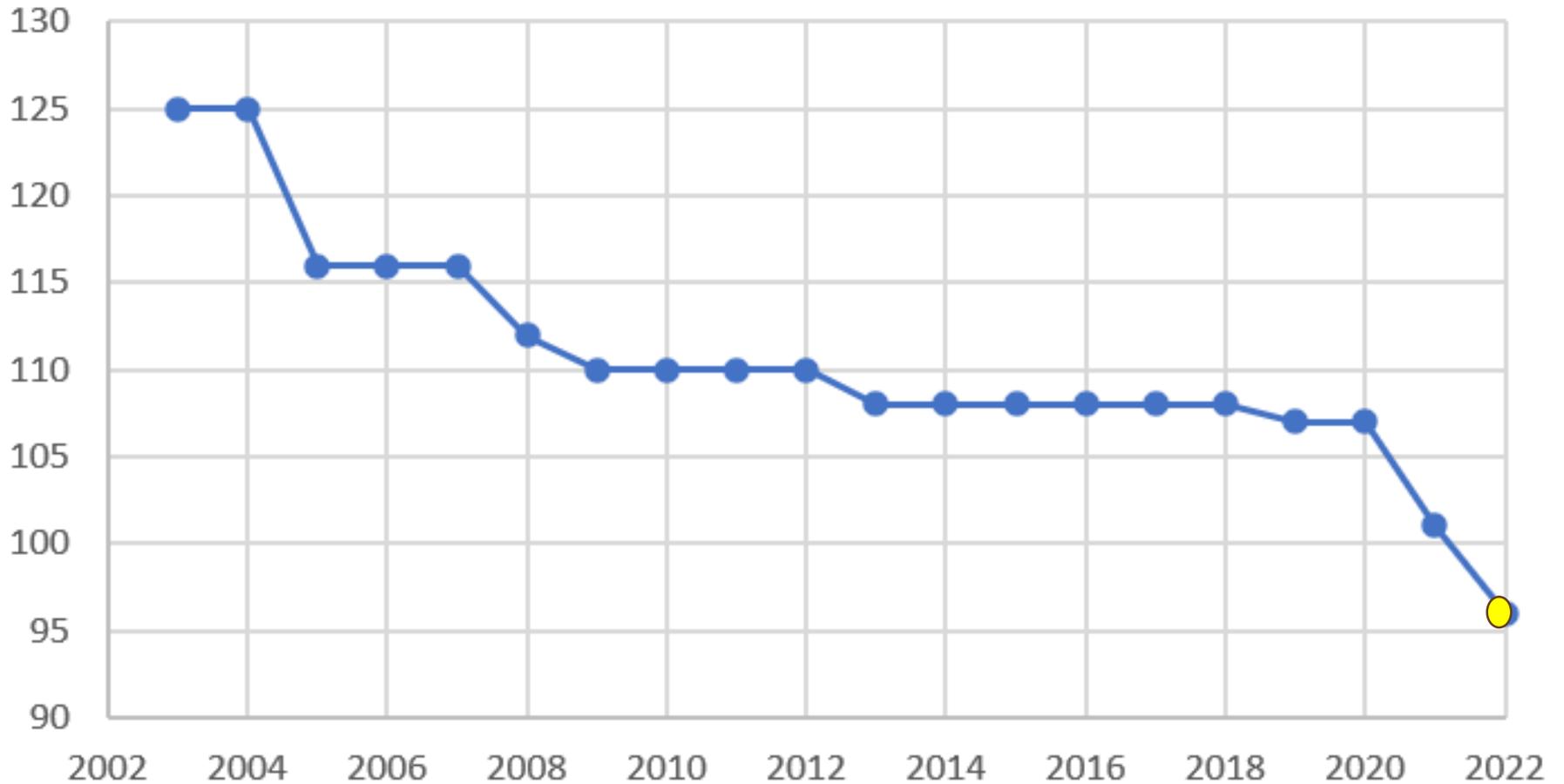
What We've Done – Examples (3 of 3)

- ✓ Only essentials:
 - ✓ Training costs, electronic options when possible
 - ✓ Office supplies
 - ✓ “Core function duty” travel
- ✓ Reduced spending on commission meetings
- ✓ Scrutinize every vacancy prior to filling

These are some of the items we've done, and we'll continue to look for

Efficiencies at APCP

APCP FTE by Year



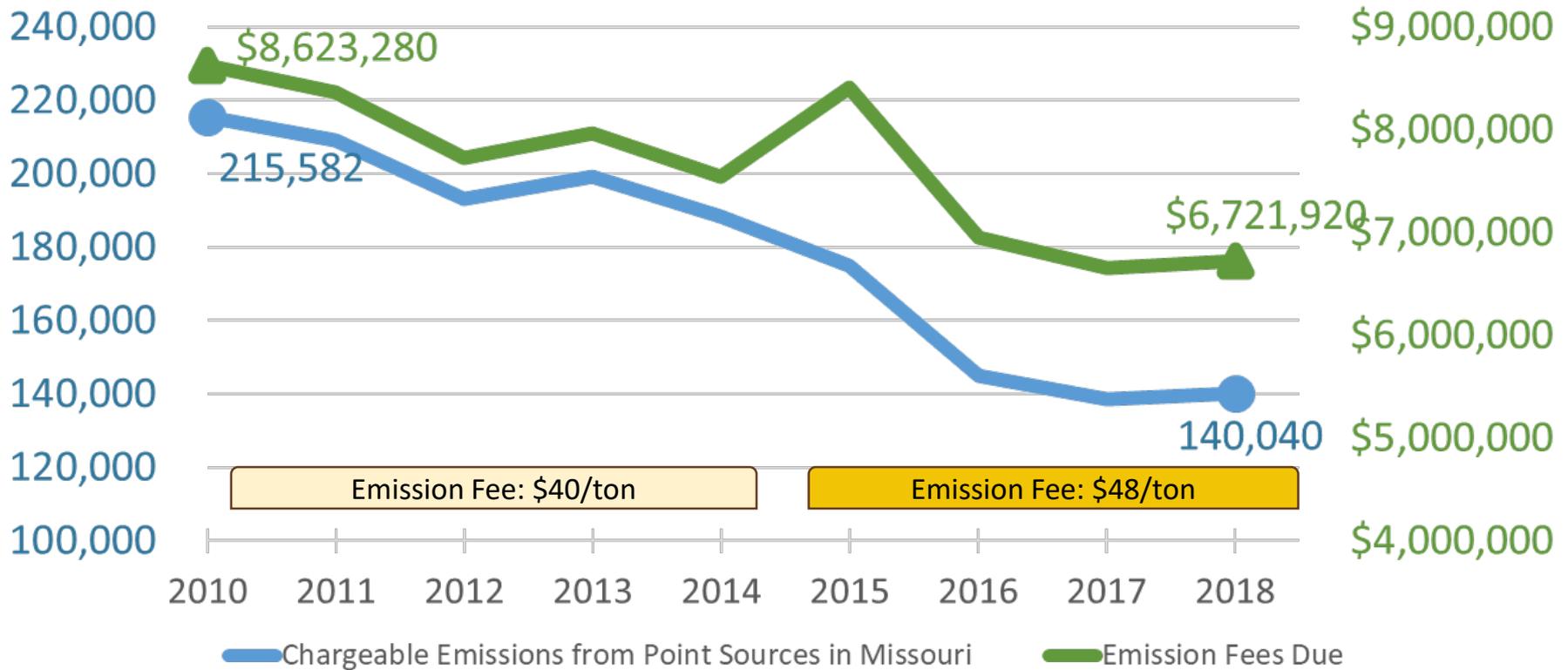
Overview

Trends in Eight-hour Ozone Design Values St. Louis and Kansas City Areas and Rural Site (Mark Twain)

(^EPA Quality assured data through October 2019)



Chargeable Emissions and Fees Due

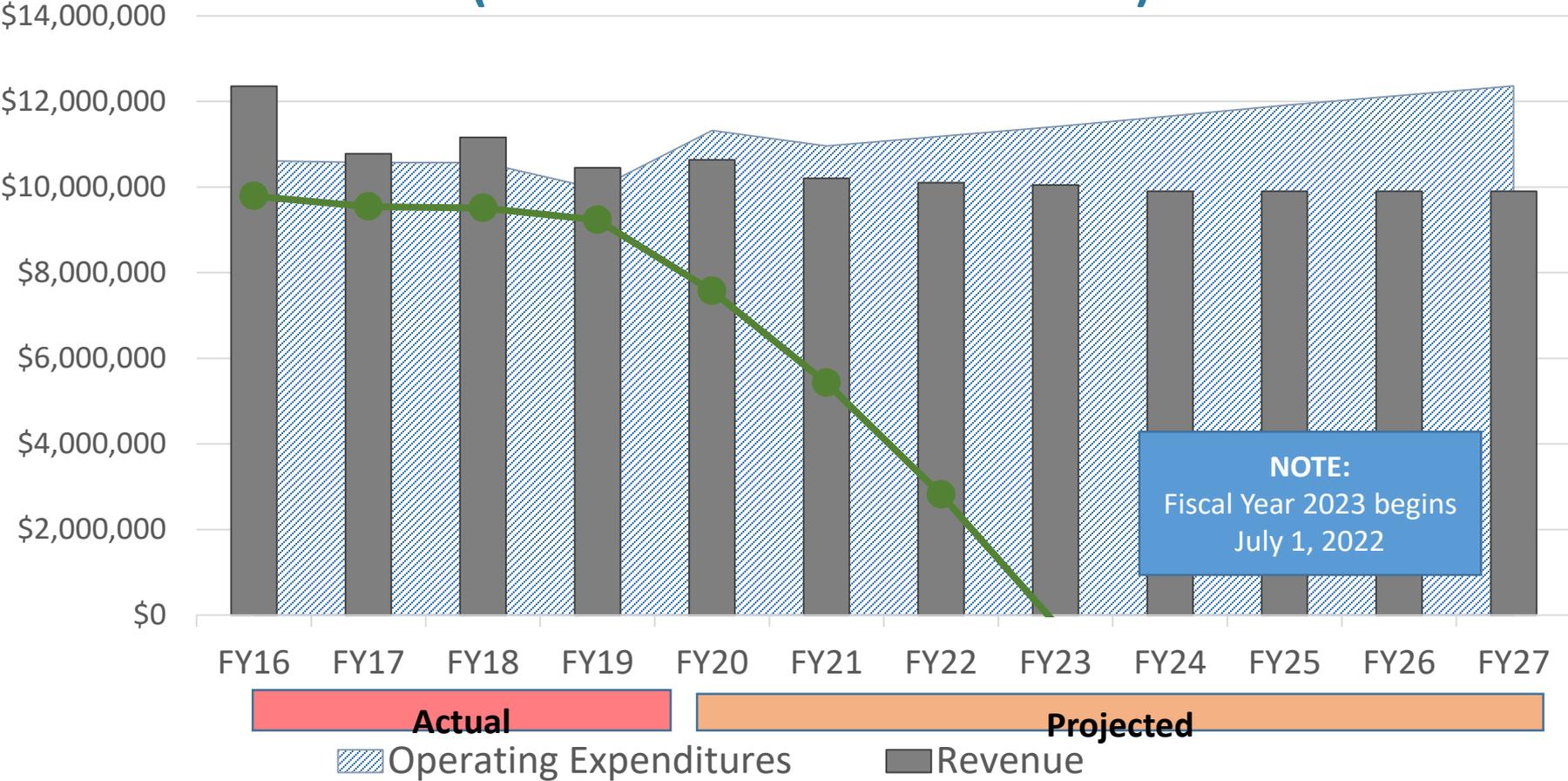


Goal for Fee Stakeholder Process: Long term funding viability

- While air quality continues to improve...fee revenues to operate program decrease
- We've reduced workload where we can, but it is not reducing proportionally.
 - Still have Clean Air Act requirements to maintain delegation such as planning, monitoring, permitting
- We have projected for an increase in expenditures due to factors outside our control while limiting expenditures that are within our control.

Average Annual Shortfall Projection

Projected Revenues, Expenditures and Fund Balances (excludes GVIP and Asbestos)



Air Program Fee Recommendation

Air Program Fee Recommendation

- Amend the emission fee per ton
 - Increase from current \$48 per ton to:
 - \$53 per ton for emission year 2021
 - \$55 per ton for emission years 2022 and after
- Expected to move fiscal cliff from Fiscal Year 2023 to Fiscal Year 2025

Air Program Fee Recommendation

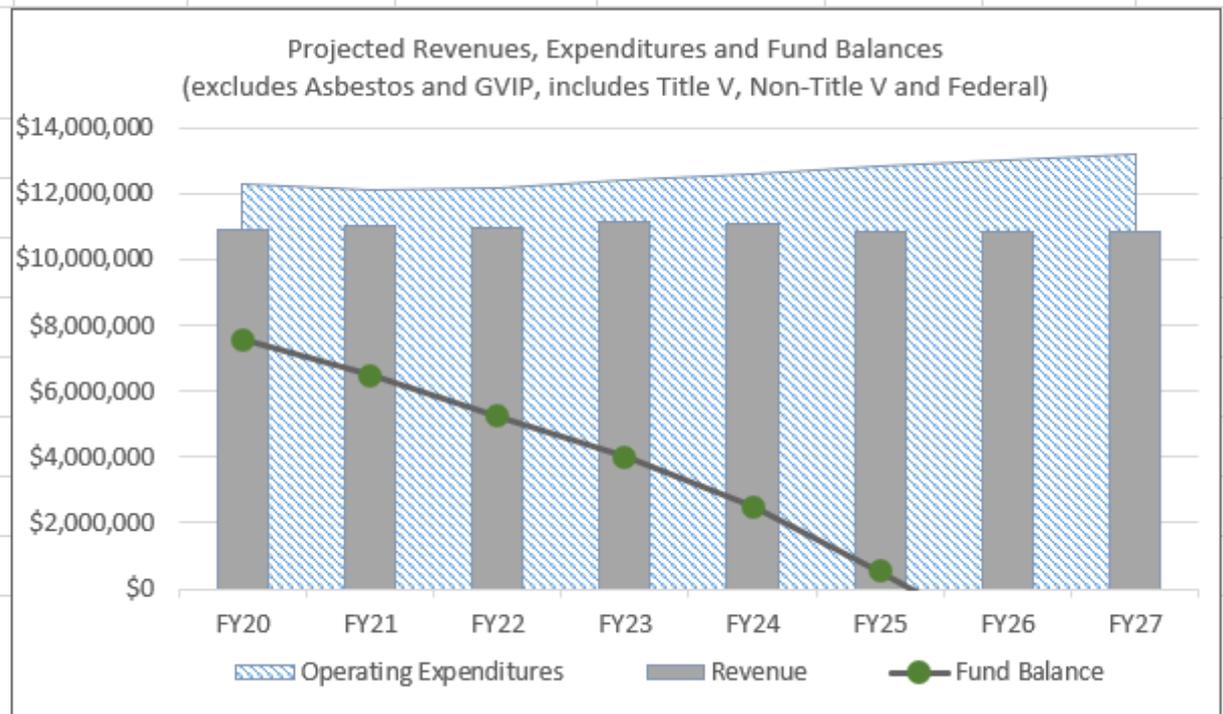
Continue discussions on fees

- Need a long-term solution
- Additional outreach and analysis
 - Base fee
 - Exempt sources
 - Emission cap
 - Permit fees
 - Mobile source surrogate



Air Program Fee Recommendation

Emission Fee Rate	
Emission Fee Rate 2020	\$ 48.00
Emission Fee Rate 2021	\$ 53.00
Emission Fee Rate 2022	\$ 55.00
Emission Fee Rate 2023	\$ 55.00
Emission Fee Rate 2024	\$ 55.00
Emission Fee Rate 2025	\$ 55.00
Emission Fee Rate 2026	\$ 55.00
Emission Fee Rate 2027	\$ 55.00



Timeline

Timeline

- **Step 1: Now.** Move forward with initial fee increases by December 2020 (for fees payable by June 2022)
- **Step 2: This fall/next spring.** Continue Air Forum Fee Workgroup to continue fee work in 2020 and 2021
 - Items for discussion:
 - Base/Filing Fee
 - Air program efficiencies/billing
 - Other sources of revenue

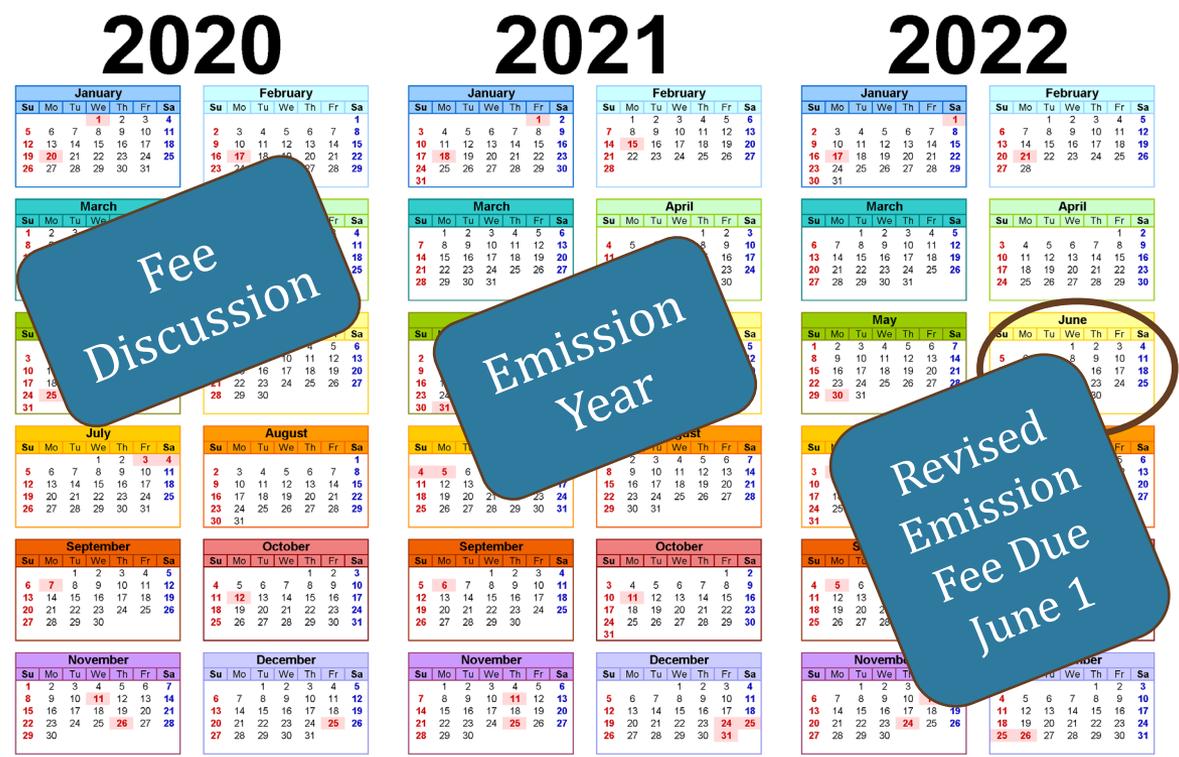
Timeline – Step 1 Initial Fee Increases

- Stakeholder Meetings
- Present to MACC: July 8 & 10, 2020
- Public Hearing: September 24, 2020
- Adoption Vote: November 17-25, 2020
 - *Note: one special meeting*
- File by: December 1, 2020
- Legislative Review: January-March 2021
- Fees Collected by: June 1, 2022 (for emission/calendar year 2021)



Timeline – Step 1 Initial Fee Increases

- For any fee discussions today, July 2020, the fees will not be due for 2 years
- Today's discussion would affect fees due by June 1, 2022



Timeline – Step 2 Ongoing Workgroup

- Stakeholder Meetings:
 - Late 2020 to early 2021
- Present to MACC: spring 2021
- File by: December 1, 2021
- Legislative Review: 2023
- Fees Collected by: June 1, 2023
(for emission/calendar year 2022)



Questions?

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