

WELCOME
Air Media Fees
Stakeholder Meeting
December 11, 2009



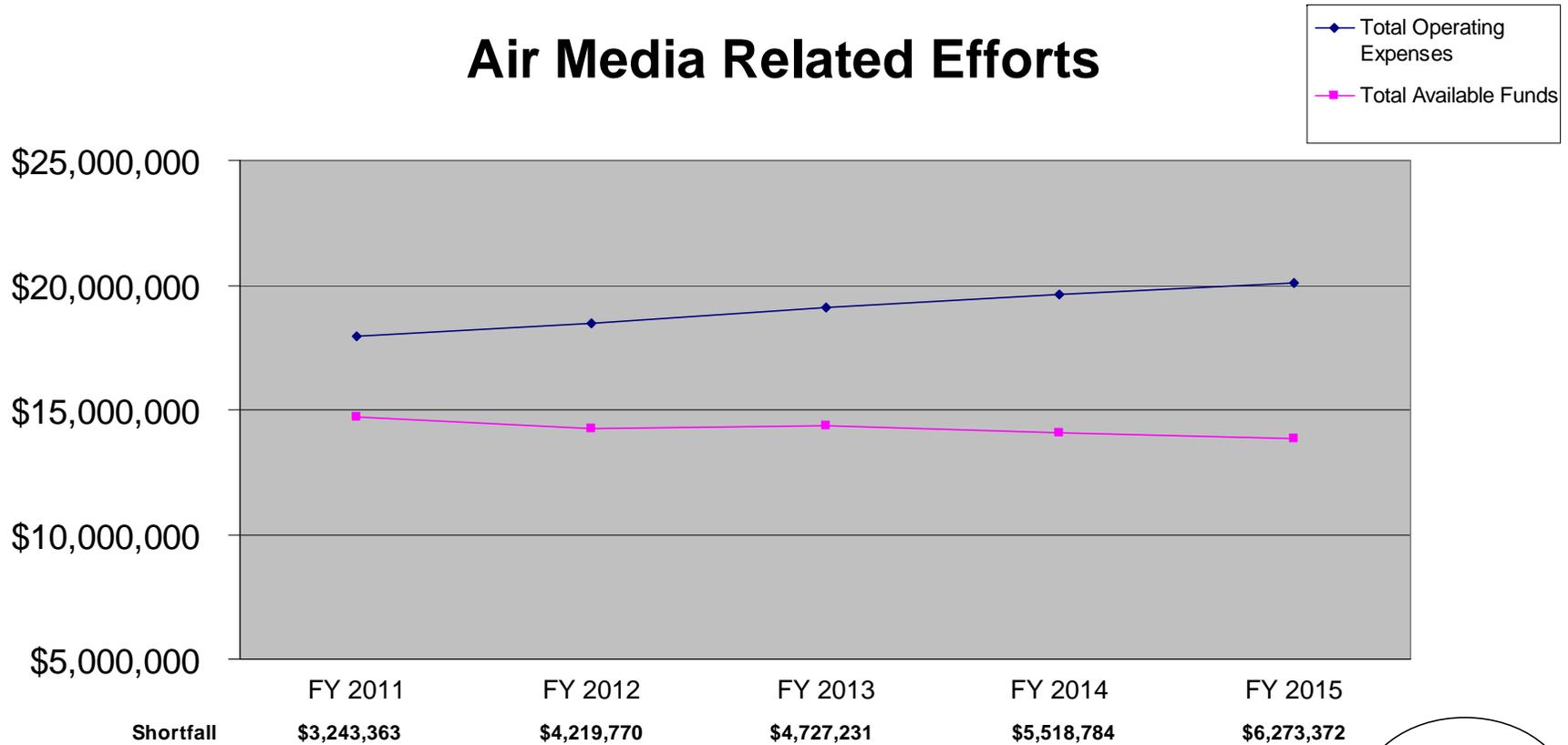
Missouri
Department of
Natural Resources

DNR'S CORE ENVIRONMENTAL FUNDS ARE VERGING ON INSOLVENCY



Five Year Projection

Air Media Related Efforts



5 Year Average Shortfall
\$4,796,504

The 5 year average shortfall is \$4,796,504

Fee Levels Based on Discussions at the November 4, 2009 Stakeholder Meeting

Note: The potential fee levels in this document are based on discussions at the November 4, 2009, Air Media Fees Stakeholder Meeting and does not represent a final proposal.

Fee Type	Current Fee Level	Current Average Revenue	Average # of Permits/Applications/Hours/Tests/Tons per Year	* Potential Fee Level	Potential Additional Tons	Projected Additional Revenue
CONSTRUCTION PERMITS						
Portable Source Filing Fee Adjustment	\$200 per Application	\$13,200	66	\$500		\$19,800
Construction Permit Review Fee Adjustment (Per Hour)	\$50 per Review Hour	\$280,530	5611	\$115		\$364,735
Deminimis & Minor Construction Permit Filing Fee Adjustment	\$100 per Application	\$44,100	441	\$250		\$66,150
Major (PSD) Construction Permit Filing Fee Adjustment	\$100 per Application	\$400	4	\$1,500		\$5,600
Establish a Emissions Test Review Fee (Per Hour)	No Fee Established	\$0	2100	\$115		\$241,500
OPERATING PERMITS						
Basic Operating Permit Filing Fee Adjustment	\$100 per Application	\$24,003	240	\$250		\$36,005
P70 & Intermediate Operating Permit Filing Fee Adjustment	\$100 per Application	\$14,097	141	\$1,500		\$197,358
ASBESTOS PROGRAM						
Establish a Asbestos Demolition Review Fee (Per Hour)	No Fee Established	\$0	600	\$400		\$240,000
Asbestos Certification Fee Adjustment						
Worker Asbestos Certification	\$25 for Workers	\$9,775	391	\$75		\$19,563
Other Disciplines Asbestos Certification	\$75 for All Other Disciplines	\$28,200	376	\$150		\$28,175
Asbestos Recertification Fee Adjustment						
Worker Asbestos Recertification	\$5 for Workers	\$9,885	1977	\$25		\$39,539
Other Disciplines Asbestos Recertification	\$5 for All Other Disciplines	\$520	104	\$75		\$7,284
OPEN BURNING PERMITS						
Establish a Open Burning Permit Fee	No Fee Established	\$0	1377	\$40		\$55,080
EMISSION FEE CAP ADJUSTMENT						
	\$40 per Ton	\$9,645,760	241,144	\$45		\$1,205,720
CHARGEABLE EMISSION LIMITS ADJUSTMENT (1,000 Ton Increase)						
From 4,000 tons of any one pollutant and 12,000 tons of all pollutants combined to 5,000 and 13,000 tons respectively				\$45	31,018	\$1,395,810
Total Additional Revenue with Potential Adjustments:						\$3,922,317
5 YEAR AVERAGE SHORTFALL:						\$4,796,504
DIFFERENCE:						(\$874,187)

* Reflects the discussion at the November 4, 2009, Air Media Fees Stakeholder Meeting.
Note: Further investigation is needed to identify potential mobile source funding opportunities.

Following are potential options for consideration if sufficient revenue is not generated through potential fee adjustments.

The Department understands that the shortfall is a projection and the exact dollar amounts may vary, but the following slides help demonstrate possible options.

Potential Across the Board Reduction if \$1,000,000 were the remaining shortfall....

FY 2011 Projected	% of Total Expenditures	*		\$ Remaining after Reduction	FTE Remaining after Reduction
		\$ Reduced	FTE Reduced		
APCP - Permitting	7%	\$ 69,977	1.68	\$ 1,009,367	21.18
APCP - Compliance/Inspections	9%	\$ 94,756	2.27	\$ 1,366,798	28.69
APCP - Air Quality Monitoring\Analysis	8%	\$ 83,895	2.01	\$ 1,293,095	25.40
APCP - Other **	5%	\$ 48,135	1.15	\$ 694,314	14.57
FSD - Permitting	3%	\$ 30,169	0.72	\$ 477,602	10.84
FSD - Compliance/Inspections	4%	\$ 40,852	0.98	\$ 646,727	14.68
FSD - Air Quality Monitoring\Analysis	4%	\$ 36,169	0.87	\$ 572,595	13.00
FSD - Other **	2%	\$ 20,752	0.50	\$ 328,528	7.46
AGO - Permitting	0%	\$ 730		\$ 8,204	
AGO - Compliance/Inspections	0%	\$ 988		\$ 11,109	
AGO - Air Quality Monitoring\Analysis	0%	\$ 875		\$ 9,836	
AGO - Other **	0%	\$ 502		\$ 5,643	
Subtotal:		\$ 427,799		\$ 6,423,818	
Fringe 50.06% (Retiree Benefits, Deferred Comp, Medical & Life Ins)	21%	\$ 214,156		\$ 3,215,763	
Expense & Equipment	7%	\$ 71,594		\$ 1,400,488	
Indirect (ITSD/Department/Division Admin)	18%	\$ 177,305		\$ 2,756,117	
PSD - Local Air Agencies	11%	\$ 109,145		\$ 2,524,031	
Subtotal:		\$ 572,201		\$ 9,896,399	
Total:	100%	\$ 1,000,000	10.19	\$ 16,320,217	135.81

Note: Average salary of \$41,680 was used to calculate the FTE reduction.

* "FTE Reduced" only represents the Department of Natural Resources' FTE, not all the FTE who could be impacted.

**The activity of "Other" includes Administrative Support, Directors Office Staff, Financial & Budget Section, and training.

Potential Across the Board Reduction if \$2,269,997 were the remaining shortfall....

FY 2011 Projected	% of Total Expenditures	*		\$ Remaining after Reduction	FTE Remaining after Reduction
		\$ Reduced	FTE Reduced		
APCP - Permitting	7%	\$ 158,847	3.81	\$ 920,497	19.05
APCP - Compliance/Inspections	9%	\$ 215,097	5.16	\$ 1,246,458	25.80
APCP - Air Quality Monitoring\Analysis	8%	\$ 190,441	4.57	\$ 1,186,548	22.84
APCP - Other **	5%	\$ 109,266	2.62	\$ 633,183	13.11
FSD - Permitting	3%	\$ 68,483	1.64	\$ 439,287	9.92
FSD - Compliance/Inspections	4%	\$ 92,734	2.22	\$ 594,845	13.43
FSD - Air Quality Monitoring\Analysis	4%	\$ 82,104	1.97	\$ 526,661	11.89
FSD - Other **	2%	\$ 47,107	1.13	\$ 302,173	6.82
AGO - Permitting	0%	\$ 1,656		\$ 7,277	
AGO - Compliance/Inspections	0%	\$ 2,243		\$ 9,854	
AGO - Air Quality Monitoring\Analysis	0%	\$ 1,986		\$ 8,725	
AGO - Other **	0%	\$ 1,139		\$ 5,006	
Subtotal:		\$ 971,103		\$ 5,880,514	
Fringe 50.06% (Retiree Benefits, Deferred Comp, Medical & Life Ins)	21%	\$ 486,134		\$ 2,943,785	
Expense & Equipment	7%	\$ 162,518		\$ 1,309,564	
Indirect (ITSD/Department/Division Admin)	18%	\$ 402,483		\$ 2,530,939	
PSD - Local Air Agencies	11%	\$ 247,759		\$ 2,385,417	
Subtotal:		\$ 1,298,894		\$ 9,169,706	
Total:	100%	\$ 2,269,997	23.13	\$ 15,050,220	122.87

Note: Average salary of \$41,680 was used to calculate the FTE reduction.

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**The activity of "Other" includes Administrative Support, Directors Office Staff, Financial & Budget Section, and training.

Permit Timeframes

For every 3.00 Permit FTE reduction, it is estimated the Statutory timeframe to issue Construction Permits would need to be increased by 30 days each.

De Minimus & Minor Construction Permits – from 90 days to 120 days
Major Air Construction Permits – from 184 days to 214 days

For example, at the \$2.26 million reduction, we would need a 60 day change in statute to cover the 6.45 FTE reduction.

Discussion