



MISSOURI
DEPARTMENT OF
NATURAL RESOURCES

Stakeholder Meeting

Hazardous Waste Generator Fee Increase
Stakeholder Comments Discussion
February 25, 2020



The purpose of this meeting is:

- To discuss the 9 comments, identified by stakeholders, required for continued discussions.
- To determine stakeholder interest in continued dialog.

Agenda

- Current Situation
- Stakeholder Comments
- Efforts to Reduce Cost
- Efforts to Increase Federal Funds
- What Happens Without Funding
- Next Steps

Current Situation

Budget Cliff - Comparison of July 2019 / Present

Status of Current Hazardous Waste Generator Fee Rulemaking

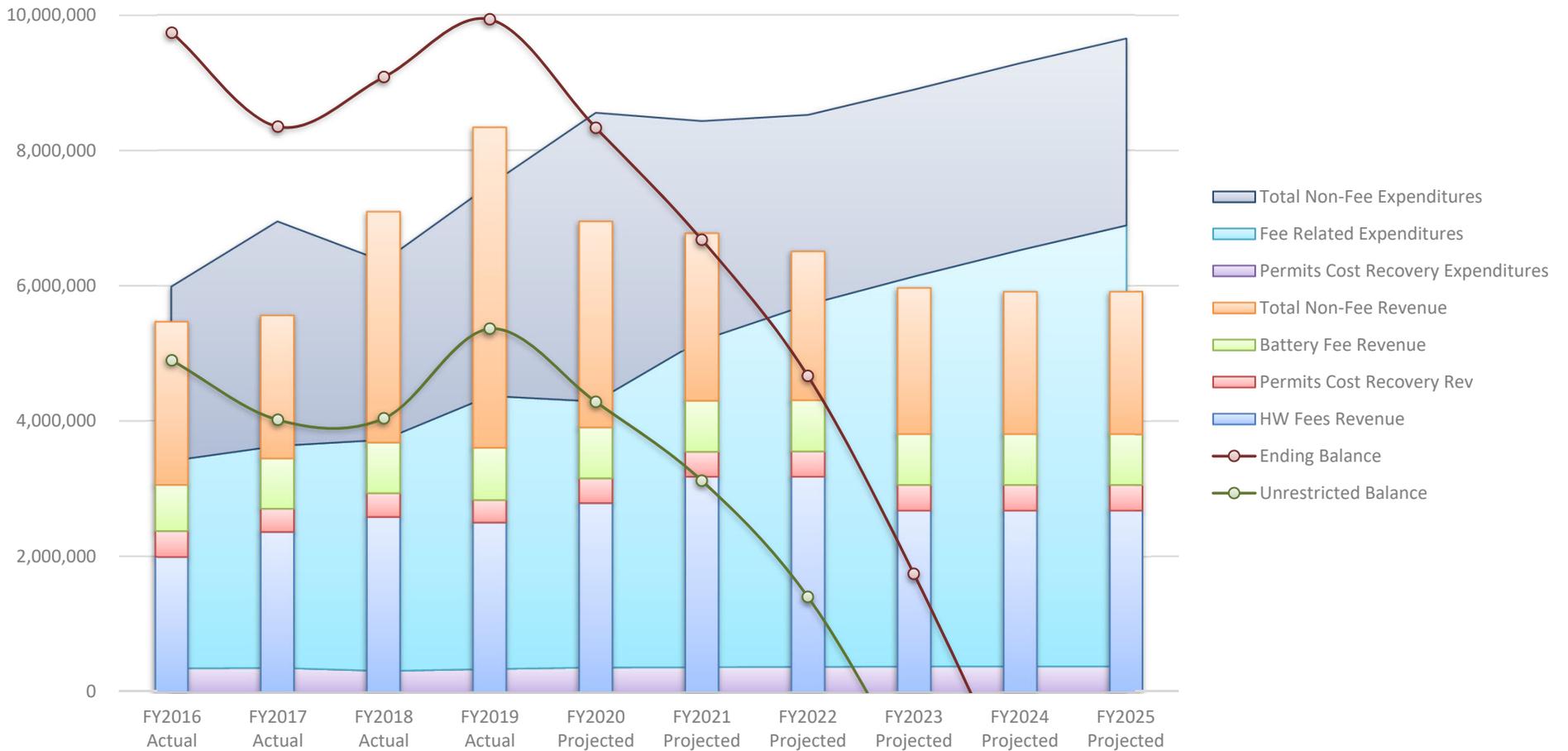
- Currently in legislative review period, Legislature can reject fee rulemaking.
- Senate Concurrent Resolution (SCR) 38 – voted out of Senate, sent to House.
- House Concurrent Resolution (HCR) 80 - Introduced
 - Both disapprove the Hazardous Waste Generator Fee registration increase proposed to 10 CSR 25-12.010
- Per statute, to reject fee rulemaking, a concurrent resolution must be passed by the General Assembly in the first 60 days of the Legislative Session

Current Situation

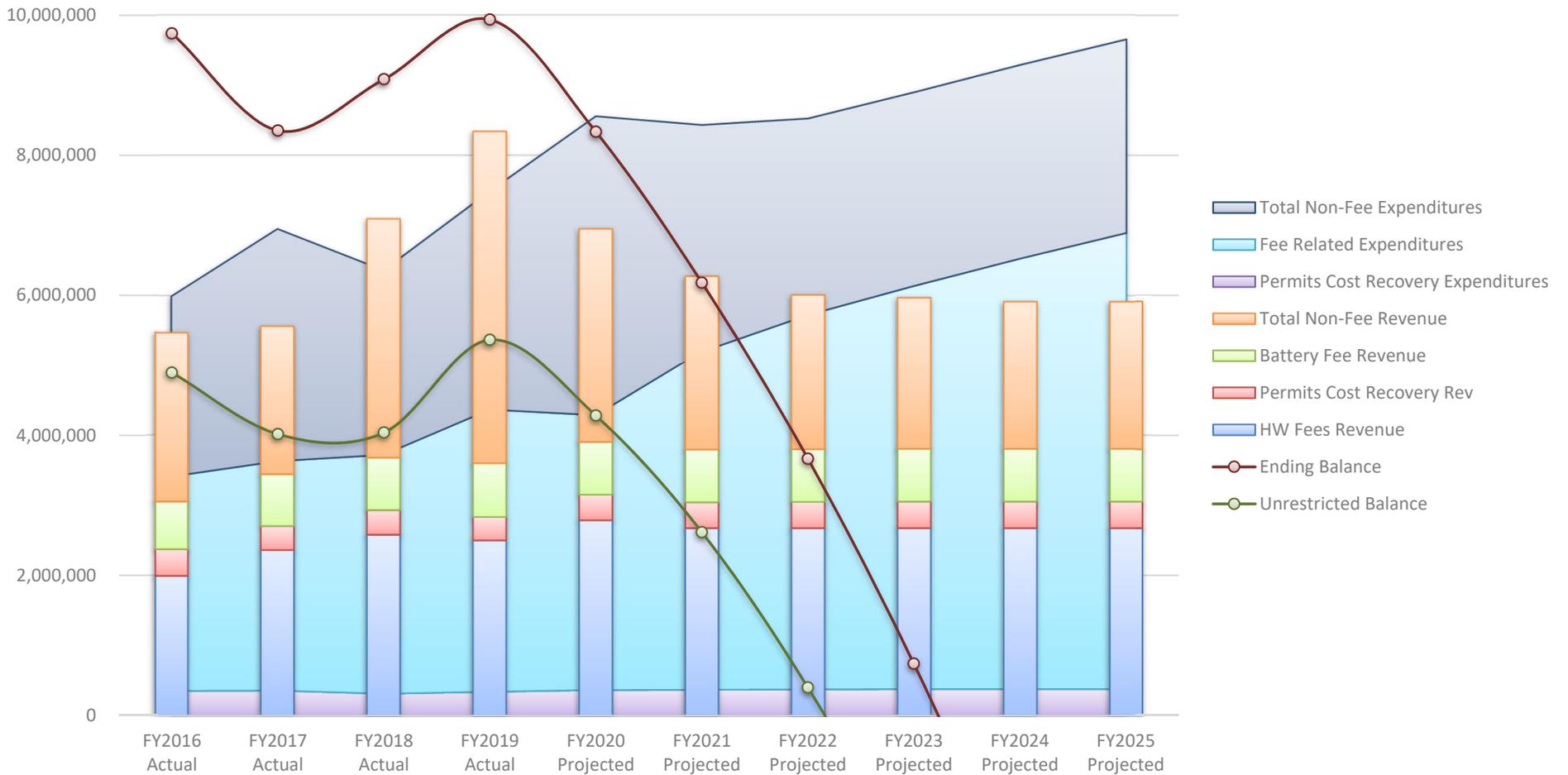
Status of Battery Fee Proposal

- HB 2370, sponsored by Rep. Remole
- Increases battery fee from fifty cents to one dollar and extends sunset date from December 31, 2023 to December 31, 2026
- Filed Feb. 4th – not yet referred to committee

Includes \$500k FY21-FY22 Fee Increase



Without a Hazardous Waste Generator Fee Increase



Stakeholder Comment 1 - An adjustment of the hourly engineering review fee so that permit review activities do not need to be supported by generator fees.

Current Process

- Multiplier is 3 ½ times salary
- Not all engineering review hours are captured in billing
- PPG match is 75% Federal – 25% State

Proposed Change

- Efficiency review to evaluate permitting functions from beginning to end, including coding, billing, etc.
 - Revise time coding and billing process to capture 100% of review hours

Stakeholder Comment 2 - An adjustment to fees, rates, and billing approaches for site remediation [RCRA Corrective Action] project review and oversight activity so that costs for those activities do not need to be supported by generator fees.

Current Process

- Multiplier is 3 ½ times salary.

Proposed Change

- Efficiency review to evaluate functions from beginning to end, including coding, billing, etc.
- Review time coding and billing process to capture 100% of review hours.
- Add a sub-account to track generator funds separate.
- Note: The trade off is additional administrative tracking cost.

Stakeholder Comment 3 - Department work by generator category (Estimated Inspection Hours)

Generator Class	Total Facility Universe	Average inspection time by Generator Class (Hours) *	Average # of Inspections per year**	Total Inspection Hours by Generator Class/year***
LQG	470	22	112	6725
SQG	1660	16	216	10218
CESQG	3332	10	120	3996

*This average time includes estimated file review, inspection, report writing, and related review times but does not include investigations hours related to concerns (averaging 183 investigation per year)

**Inspection #s are based on latest 3-year average

***Includes compliance assistance time to resolve unsatisfactory features, Letters of Warning, and non-referred Notice of Violation (NOVs) as well as preparation of referral NOV reports.

Stakeholder Comment 3 - Department work by generator category (Estimated Enforcement Hours)

Generator Class	Total Facilities in Enforcement/Year *	Average staff time/enforcement case (hours) **	Total Enforcement Hours by Generator Class/year***
LQG	2	185	370
SQG	5.6	185	1036
CESQG	0.33	185	61

*The number of enforcement cases are based on latest 3-year average. However, cases can span multiple years.

** Average case time is approximately the same for all generator classifications and does not assume time associated with AGO referral cases (time associated with AGO referred cases can vary greatly)

***Does not include time associated with AGO referred cases or general compliance assistance provided by Enforcement

Stakeholder Comment 4 - A detailed understanding of the work staff are doing to support generators who are so small they would not be in the rule if Missouri tracked quantities of hazardous waste generated, not accumulated.

Current Process

- Services provided to CESQG include: Administrative, registration, fees, investigation, inspection, compliance assistance, and enforcement.

Proposed Change

- Discussion

Stakeholder Comment 4

Generate vs Accumulate

Reduces fee revenue by either \$371,429 or \$196,784

Assumptions	With HW Gen. Fee Increase	Without HW Gen. Fee Increase
In-State Waste Fee	\$151,984 *	\$151,984 *
Registration Renewal	\$219,445 **	\$44,800 ***
Total	\$371,429	\$196,784

- * Reduction of in-state waste fees. Happens regardless of temporary fee rule increase or not.
- ** Reduction of registration renewal fees – new fee rule structure will happen if the temporary fee passes.
- *** Registration renewal fee – current fee structure will happen if the temporary fee does not pass.
- **** Scenarios all assume every CESQG assessed fees, pays.

Estimate of In-State Waste Fee Revenue Reduction

\$151,984.95

- Happens regardless of a temporary fee increase or not.

Background information:

FY18 reporting year, total 2018 reduction is \$155,251.40

74 sites paid \$206.10 = \$15,251.40

700 sites paid \$200.00 = \$140,000.00

FY19 reporting year, total reduction is \$148,718.50

85 sites paid \$206.10 = \$17,518.50

656 sites paid \$200.00 = \$131,200.00

Stakeholder Comment 4

Registration Renewal Fee – New Fee Structure

If the temporary Generator Fee passes, the total reduction could be \$219,445.

Sites moving to SQG from LQG w/ Volume Discount 35 sites

LQG 5 sites @\$1150 + 30 sites @\$500 = \$20,750

SQG 10 sites @360 + 25 sites @\$150 = \$7,350

Resulting Reduction **\$13,400**

Sites moving to CESQG from LQG w/ Volume Discount 64 sites

LQG 5 sites @\$1150 + 59 sites @\$500 = \$34,750

CESQG 15 sites @175 + 49 sites @ \$150 = \$9,975

Resulting Reduction **\$24,775**

Sites moving to CESQG from LQG no volume discount 29 sites

LQG 29 sites @\$1150 = \$33,350

CESQG 29 sites @\$175 = \$5,075

Resulting Reduction **\$28,275**

Sites under 1.32 tons in both years 375 sites

SQG 375 sites @\$360 = \$135,000

CESQG 375 sites @\$175 = \$65,625

Resulting Reduction **\$69,375**

Sites under 1.32 tons one year but not over the other 452 sites

SQG 452 sites @\$360 = \$162,720

CESQG 452 sites @\$175 = \$79,100

Resulting Reduction **\$83,620**

Registration Renewal Fee – Current Fee Structure.

If the temporary Generator Fee does not pass, the total reduction is estimated at **\$44,800**

Sites moving from LQG to SQG or CESQG is 128 sites

LQG 128 sites @\$500 = **\$64,000**

SQG or CESQG 128 sites @\$150 = **\$19,200**



Stakeholder Comment 5 - Identification and involvement of entities that are handling hazardous waste in some manner but are not paying any fees, e.g., 10-day transfer facilities.

Facility Type	Number of Facilities	# of Facilities Active	Notes
10-day transfer	5	4	3 of 5 are also Used Oil Transfer
Used Oil Transfer	31	31	

Stakeholder Comment 6 - Adjustments to transporter fees.

Current Process

- Licensing fees- amount set in 260.395 RSMo. to \$600K cap.
- Current fees collected cover full cost of transporter oversight.
- 210 active licensed hazardous waste transporters.

Proposed Change

- This inspection category is a possible work reduction item.
- Inspections not required by EPA, no federal funding.
- Any transporter fee increase will be passed through to HW generators.

Stakeholder Comment 7 - A plan for eliminating expenses, such as the money used to support multiple attorneys at the AGO, that do not benefit generators who pay fees.

Changes Made

- Fleet reduction- 23% vehicle reduction in DEQ.
- Merged permits and enforcement staff sections, emphasized multi-media positions, reallocated or reduced 10 staff positions.

Proposed Changes

- Reallocating AGO cost to reflect RCRA Enforcement Case Load.
- Looking into DHSS costs as relates to Corrective Action.
- Rightsizing work plans (MGS, ESP, etc.) – ongoing.

Stakeholder Comment 7- continued

Annual cost savings to Hazardous Waste Fund is \$162,930

	FY20 Core (current year)	FY21 Gov Rec w/Pay Plans (budget year)
AGO PS	\$307,200	\$154,761
AGO EE	\$14,880	\$4,389
Total	\$322,080	\$159,150

Stakeholder Comment 8 - An analysis of low-priority work, work is less important and could be eliminated, if ultimately necessary due to staff and budget cuts.

Changes Made

- Re-organization, sharing overhead costs between media, multi-media positions/training, and core functions focus (reallocated or reduced 10 staff positions).

Potential Changes

- Compliance Assistance.
- HW transporter inspections, evaluating.
- Reviewing core function processes for efficiencies.
- Hold vacancies where it makes sense.

Stakeholder Comment 9 - A strategy for negotiating with US EPA for increased grant funding; if the State Program is no longer affordable, US EPA may have to operate the Program at much greater cost than the grant funds it currently provides.

Actions Taken

- Department sent a letter to EPA, funding formula (Nov. 8, 2019) and push back on PPG work plan goals to align with 33% grant funds reduction.
- ASTSWMO funding formula letter (Oct. 30, 2019).
- EPA- PPG 5-year update to funding formula (in process).
- EPA MPG one-time funding of approx. \$212K.
- EPA offered approx. \$35K in training assistance.
- Department grant application to EPA requesting COLA for Superfund.
- Department met with EPA R7 on authorization requirements. Discussed what a workload reduction might look like if cutbacks are needed.
- EPA workshare, gap filling inspections, enforcement, and permits where state can't meet goals.

What Happens Without Funding

- Evaluate Budget Requests
- Potential Reduction in Services
- State Authorization at Risk



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Discussion – Open Floor