

Major Source Construction Permitting Program Fee Memo

History

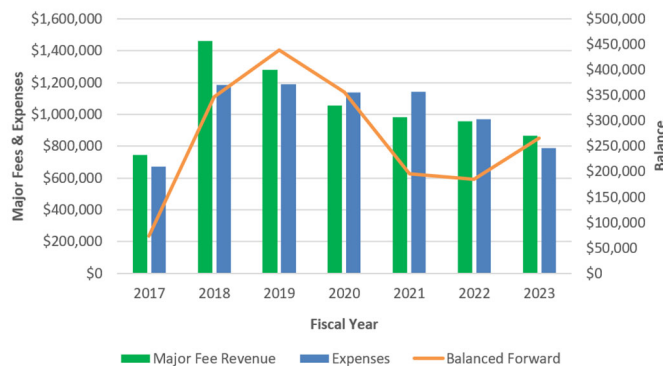
Prior to 2015, the major source construction permitting program was funded by state and federal funds and Title V emissions fees. The Air Quality Fund (Iowa Code 455B.133C) was created and established a major source account within the fund. The account cannot project anticipated revenue greater than \$1,500,000 during any state fiscal year (455B.133C(5)). The fees were adopted by the Environmental Protection Commission (EPC) and became effective on January 15, 2016 and have not changed since their inception.

Major Source Construction Permitting Program Fees

The current Fee Schedule approved by the EPC specifies a \$115/hour fee for major source construction permit applications and \$90/hour for dispersion modeling. These fee amounts are at the maximum amounts currently allowed in 567 IAC Chapter 30. Setting higher fee amounts would require a rulemaking followed by a change in the fee schedule, both of which would have to be approved by the EPC.

Chart 1 shows the revenues and expenses from FY 2017 to FY 2023. Unspent funds in the account (balance forward) from earlier years have steadily declined since FY 2019 as the funds are depleted to cover revenue shortfalls. The account projection was a concern as early as FY 2023. The Bureau spent \$169,000 of state/federal funds toward major source non-billable expenses to address the long term projected revenue shortfall. The revenues will no longer meet expenses by FY 2026.

Chart 1: Major Source Construction Permitting Program Revenue & Expenses
FY 2017-FY 2023



Proposed Fee Revision

The purpose of the budget calculator spreadsheet is to provide a user-friendly tool to explore alternate funding mechanisms for FY 2026 and beyond. Each tab contains a row called “Estimated Expenses” that reflects the expenses for FY 2025 and future years using known programmatic costs and a 3.5% annual increase in personnel expense. No increases in current staffing levels are proposed. Details on how to use the spreadsheet are located on the first tab.