Division of Remediation Financial Update

Steve Sanders, Director, Division of Remediation

2 December 2020
# Revenues and Expenses

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriation</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Federal Grants</td>
<td>$1,228,256</td>
<td>$1,221,288</td>
<td>$1,175,313</td>
</tr>
<tr>
<td>HW Fees</td>
<td>$2,299,969</td>
<td>$1,964,939</td>
<td>$2,216,321</td>
</tr>
<tr>
<td>Cost Recovery</td>
<td>$966,639</td>
<td>$949,407</td>
<td>$1,104,362</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$3,686,856</td>
<td>$3,727,825</td>
<td>$4,025,908</td>
</tr>
<tr>
<td>Operations</td>
<td>$2,221,143</td>
<td>$2,959,756</td>
<td>$2,431,126</td>
</tr>
</tbody>
</table>
Revenues and Expenses Closeout High Points

Revenue
• Federal grant dollars continued to decline
• Cost Recovery (Voluntary fee collection) - $150K more than previous year
  – We automated part of this process in December 2019 (annual assessment) and now have voluntary fee assessments fully automated.
• HW Fees – $250K from previous year
  – Haz waste generation and disposal was up. (varies year to year, not predictable)
  – Collected some money long overdue (years) to the division through orders.

Expenses
• Personnel costs up (P4P rewarding good performance)
• Operational – cutbacks/tightening belt, COVID-19 effect on travel and training
Obligations 20-21

• US EPA National Priority List (NPL) sites when no responsible party exists
  – EPA pays 90% of remediation costs, while state pays 10%
  – Superfund State obligations on 2 Velsicol projects (West), Smalley-Piper (West), Southside Chattanooga (East), Alamo (West), Ross Metals (West)
  – **State portion for these sites for FY21 is estimated at $915,000**
    – Able to pay this year’s costs from one-time appropriation dollars, but that money will be gone in next fiscal year.
• GASB49 – gets low priority because of funding limitations
  – Accounting and Financial Reporting for Pollution Remediation Obligations include accounting and financial obligations the state has at hazardous substance sites
  – Sites that are listed by rule as Inactive Hazardous Substance Sites
  – $13,305,806 obligation non-NPL
Obligations 20-21 continued

- No money available for P4P this year, so above-the-line costs should remain roughly the same (COVID limitation)
- As COVID related restrictions are still in place until end of 2020, travel only in “must” situations.
- Many training/conference opportunities are not available, due to COVID. Meetings with EPA and DOD have been happening, but they are virtual and shorter. While we are saving money, networking/comparing notes with other states or planning mutually beneficial projects with federal agencies is down.