



Department of  
**Environment &  
Conservation**

# Division of Remediation Financial Update

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# Sources of DoR funding

- \$1,000,000 annual appropriation, required by statute (TCA 68-212-203(e))
- Five different EPA grants
- US Department of Defense cooperative agreement for DOD cleanup sites across the state, allows division provide oversight at the DOD projects
- Other revenue sources
  - Fees on hazardous waste (HWRAF)
    - The Division of Remediation collects fees on the generation of waste
    - The Division of Solid/Hazardous Waste Management collects fees on the disposal of waste
  - Cost recovery; voluntary and enforcement (VOAP)
  - Dry Cleaners Environmental Response Program (DCERP)

# Hazardous Waste Remedial Action Fund

	<b>Beginning Balance HWRAF</b>
FY17-18	\$2,299,729.22
FY18-19	\$2,552,731.46
FY19-20	\$3,172,364.93 (\$1.7M NPL cost share and Non-DCERP)
FY20-21	\$5,349,833.96 (\$2M NPL cost share)
FY21-22	\$2,704,888.84
FY22-23	\$3,235,643.17

TCA 68-212-204 establishes the Hazardous Waste Remedial Action Fund (HWRAF) to provide funding to implement the Act and includes all Division revenues, including obligated and unobligated funds.

# Hazardous Waste Remedial Action Fund

	<b>HWRA Fees Collected</b>
FY17-18	\$2,299,969.53
FY18-19	\$1,964,938.92
FY19-20	\$2,216,321.58
FY20-21	\$1,957,014.69
FY21-22	\$1,929,441.33
FY22-23	\$184,548.81 (collected to date)

Except for Voluntary program cost recovery, revenue is generally outside of the Division's control. Major trends impacting the division's funding include personnel cost increases and TDEC internal costs. Due to its funding structure, costs associated with Pay for Performance are borne entirely by the Division of Remediation.

# Hazardous Waste Generator Fees

- The revenue from the generation and off-site shipping of hazardous waste currently represents 1/3 of the total funding for the Hazardous Waste Remedial Action Fund.
- The remainder of the funding includes \$1,000,000 in State appropriations (unadjusted since 1994), federal funds for performing work of interest to both the federal government and the State, and recovery of costs from Voluntary Parties.
- In previous FYs, \$3,653,922 in SSC match payments were paid using funds from the HWRAF, however, beginning in FY18-20, the Division was able to use funds from the legislature to pay State matches at NPL sites.
- \$1,473,581.27 of the \$2,000,000 from FY20-21 was used at the Smalley-Piper site in Collierville, the Southside Lead Site in Chattanooga, and the Velsicol Hardeman County site in Toone. Excess funds are maintained in the Hazardous Waste Remedial Action Fund for additional future SSC match payments.

# Federal Funding Update through the BIL

- EPA has already committed over \$102M to NPL sites in TN:
  - \$3.7M for the Former Custom Cleaners site (Memphis)
  - \$4.0M for the Smokey Mountain Smelters site (Knoxville)
  - \$6.6M for the Walker Machine Shop site (Collierville)
  - \$87.7M for the Chattanooga Southside site (Chattanooga)
- DoR is currently reviewing the SSC for an additional \$70M at the Velsicol Chemical Corp site in Hardeman County.
- Field work is currently ongoing at Former Custom Cleaners and Chattanooga Southside and is expected to begin at Smokey Mountain Smelters in mid-February.