

Title V Fee Committee Frequently Asked Questions

1. Why does the Title V fee schedule expire?

The Title V fee schedule is outlined in 7 Del. Code Chapter 60 Section 6097. This Section specifically states that the current fee scheduled will expire on December 31, 2008. Title V fees are related to facility emissions, for which inventories are conducted every three years. Since fees and emissions are related, a fee adjustment schedule of every three years has been set.

2. What should Title V fees cover?

Title V fees are required to cover all reasonable direct and indirect costs of administering the Title V program. A full listing of what Title V fees should cover can be found in Section 502(b) of the 1990 Clean Air Act Amendments, 40 CFR 70.9(b) and 7 Del. Code Chapter 60 Section 6097. Several EPA guidance documents have also been published covering this topic. See the Environmental Protection Agency guidance memoranda dated August 4, 1993 and July 21, 1994 for additional information.

3. What services are provided from Title V fees?

Title V fees cover all of the activities associated with administering a Title V permit including, but not limited to:

- Title V and Synthetic Minor permit issuance, renewals, and modifications;
- Natural Minor (Regulation No. 1102) permit issuance and modifications at Title V and Synthetic Minor sources;
- Compliance activities at Title V and Synthetic Minor sources;
- Enforcement activities at Title V and Synthetic Minor sources;
- Stack testing and emissions monitoring at Title V and Synthetic Minor sources;
- Air monitoring associated with Title V and Synthetic Minor sources;
- SIP development and regulatory development associated with Title V and Synthetic Minor sources;
- Training associated with Title V and Synthetic Minor sources; and
- Overhead costs for equipment and personnel assigned to Title V and Synthetic Minor sources.

4. What is the Workload Analysis and how was it conducted?

The Workload Analysis was conducted by the Air Quality Management (AQM) Section to define our current and future financial and programmatic needs. The Workload Analysis evaluated the time required to complete core responsibilities by Branch for state fiscal year 2008. The following steps were taken to conduct the workload analysis:

- Branch-specific missions were developed for each of the Branches within Air Quality Management;
- Objectives were then created for each Branch to support the mission;
- The objectives were then evaluated by position, detailing the level of effort required to successfully meet each objective. To conduct this analysis, the objectives were broken down into the specific activities conducted to meet them. The amount of time assigned to each activity was calculated based upon a combination of staff interviews, timesheet analysis, and analysis of reports generated from the Permit Tracking System;
- Staffing costs were then assigned to each of the objectives based upon employee salary and benefit costs; and
- The employee costs associated with each of the objectives were combined with program support costs (building rent, maintenance, computers, etc.) to determine an overall operating cost for the Air Quality Management Section.

5. How was the Title V portion of the overall AQM costs determined?

Once the overall Air Quality Management Section costs were determined, the portion of those costs that should be covered by Title V fees was determined. Two different methods were used for this determination. The first method estimated Title V costs based upon the current position allocations to Title V. The second method estimated Title V costs by determining whether each activity in the Workload Analysis was Title V eligible, partially Title V eligible, or non-Title V eligible. These determinations were made based upon the 1993 and 1994 EPA guidance documents. For additional information see “Menu of Options for Determining Title V Percentage of Total AQMS Costs.”

6. What is the bottom line required increase?

Year	Title V Cost	% Increase From Previous Year
2008	\$3,688,800.00	26%
2009	\$3,688,800.00	0%
2010	\$4,145,704.17	12%
2011	\$4,145,704.17	0%

7. Why is an increase necessary?

In the early years of the Title V program, a carryover balance was generated due to a high vacancy rate within the program. During the 2005 fee renewal development program, the Title V Fee Committee planned to underfund the program for three years to eliminate this carryover. Unfortunately, during these discussions, the Air Quality Management Section made an error in calculating the carryover balance. Specifically, in March 2005 the Air Quality Management staff

used a snapshot of the existing cash balance partway through the year, instead of analyzing the historic and expected trends for expenses and revenues. Consequently, by overestimating the carryover balance, the Air Quality Management Section underestimated the revenue needed to maintain our programs. In addition, shortly after the fee discussion period, the State of Delaware reevaluated all engineers' salaries, resulting in a significant increase in employee costs. These increased employee costs exacerbated the funding issues. In order to keep the program operational during this period, funds were borrowed from other programs within the Division of Air and Waste Management.

The complexity of Title V permitting also continues to increase. Over the past several years many new, complex rules have been promulgated. These rules include Compliance Assurance Monitoring, New Source Performance Standards, National Emission Standards for Hazardous Air Pollutants (also known as MACT standards), and other multi-state rules. These new rules add a significant amount of time to permit development and compliance demonstrations. Thus, the level of effort required to issue Title V permits has not decreased in the current renewal phase. A workload analysis was conducted to determine the amount of time and the cost associated with Title V related activities. This workload analysis demonstrated that the current level of Title V revenue was not sufficient to cover all Title V activities and that many of these activities were being supplemented by General Funds.

Please note that Air Quality Management is not targeting the Title V fee program. AQM is reviewing all of its fee schedules including Natural Minor (Regulation No. 1102) permitting fees and asbestos demolition and removal fees.

8. Where can I find additional information?
For additional information see the Title V Fee Committee Webpage at: <http://www.awm.delaware.gov/Title+V+Committee+Information.htm> or contact Ali Mirzakhali at (302) 739-9402 or Amy Mann at (302) 323-4542.