Chapter 92a Three-Year Regulatory Fee and Program Cost Analysis Report

Environmental Quality Board

Harrisburg, PA

February 18, 2014
• Chapter 92a, NPDES Permitting, Monitoring and Compliance, was published as final rulemaking on October 9, 2010.

• 25 Pa. Code §§ 92a.26(h) and 92a.62(e):

  “The Department will review the adequacy of the fees established in this section at least once every 3 years and provide a written report to the EQB.”
• NPDES permit application reviews
• Monitoring and compliance
• Program administration
• Program management
• Surface water assessment
Fee Related Activities

Program Expenses - Fiscal Year 2012

- NPDES Permit Application Reviews: 28.26%
- Monitoring and Compliance: 35.82%
- Surface Water Assessment: 27.79%
- Program Management: 5.88%
- Program Administration: 2.24%
Program Implementation: Personnel

- Managers / Supervisors
- Engineering Staff
- Inspectors
- Biologists
- Administrative Staff
FTEs¹ - Fiscal Year 2012

¹ FTEs include both DEP Central Office and regional staff
Approximately 30 SOPs developed to streamline permit reviews.

Electronic management of permits and enforcement documents.

Automated notices to regulated community to improve compliance.

Electronic monitoring data and automated compliance assessment.
## Chapter 92a Revenues

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2010</th>
<th>FY2011</th>
<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application Fees</td>
<td>$554,549</td>
<td>$2,261,755</td>
<td>$1,764,458</td>
<td>$2,300,000</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>Annual Fees</td>
<td>$1,795,900</td>
<td>$1,370,500</td>
<td>$2,361,100</td>
<td>$1,300,000</td>
<td>$1,300,000</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$2,350,449</td>
<td>$3,632,255</td>
<td>$4,125,558</td>
<td>$3,600,000</td>
<td>$3,600,000</td>
</tr>
<tr>
<td>106 Grant (^2)</td>
<td>$6,504,160</td>
<td>$6,905,078</td>
<td>$6,648,800</td>
<td>$6,648,800</td>
<td>$6,648,800</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td>$8,854,609</td>
<td>$10,537,333</td>
<td>$10,774,358</td>
<td>$10,248,800</td>
<td>$10,248,800</td>
</tr>
</tbody>
</table>

NOTES:

1. 92a Application and Annual Fees are deposited into multiple sub-funds within the Clean Water Fund.

2. The EPA Section 106 Grant requires a state match. Historically the match was approximately $5 million. The 92a fee package intended to generate $5 million from Application and Annual Fees, but has generated only 70-80% of this objective. In addition to the Section 106 base grant, DEP also receives a supplementary 106 grant and a 604(b) grant, and these funds are included in this line item.
### Revenues vs. Expenses

<table>
<thead>
<tr>
<th></th>
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<th>FY2012</th>
<th>FY2013</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$8,854,609</td>
<td>$10,537,333</td>
<td>$10,774,358</td>
<td>$10,248,800</td>
<td>$10,248,000</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>$14,110,585</td>
<td>$17,515,972</td>
<td>$18,713,590</td>
<td>$19,120,015</td>
<td>$19,502,415</td>
</tr>
<tr>
<td><strong>Ratios</strong></td>
<td>0.63</td>
<td>0.60</td>
<td>0.58</td>
<td>0.54</td>
<td>0.53</td>
</tr>
</tbody>
</table>
Comparison – Fees

5-Year NPDES Fee Total for 1 MGD Sewage Discharger, Selected States

- PA
- VA
- NJ
- NY
- IL

5-Year Fee Total for 1 MGD Sewage Discharger
• The 92a fee package approved in 2010 was not intended to cover complete program expenses but rather the match for the EPA Grant.
• The actual revenues to date indicate that only 70-80% of the objective was met.
• In future years, approximately 50% of program expenses will be paid for using non-NPDES program revenues unless changes are made.
Thank you.

Kelly Jean Heffner, Deputy Secretary
Office of Water Management

Lee A. McDonnell, P.E., Director
Bureau of Point and Non-Point Source Management