



Department of
**Environment &
Conservation**

Division of Remediation Financial Update

Steve Sanders, Director, Division of Remediation

2 December 2020

Revenues and Expenses

| REVENUES | FY18 | FY19 | FY20 |
|-----------------|-------------|-------------|-------------|
| Appropriation | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| Federal Grants | \$1,228,256 | \$1,221,288 | \$1,175,313 |
| HW Fees | \$2,299,969 | \$1,964,939 | \$2,216,321 |
| Cost Recovery | \$966,639 | \$949,407 | \$1,104,362 |

| EXPENSES | FY18 | FY19 | FY20 |
|-----------------|-------------|-------------|-------------|
| Personnel | \$3,686,856 | \$3,727,825 | \$4,025,908 |
| Operations | \$2,221,143 | \$2,959,756 | \$2,431,126 |

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.