

**HEB**

**167**

**SFIN**

**FILE**

FISCAL NOTE

STATE OF ALASKA  
1993 LEGISLATIVE SESSION

3  
Bill Version: CSHB 167 (FIN)  
(H) Publish Date: 4/20/93

Revision Date: April 15, 1993  
Title: "An Act relating to air quality, and the prevention, abatement, and control of air pollution..."  
Sponsor: Representative Hanley  
Requestor: Governor's Office/OMB

Department Affected: Law  
BRU: Legal Services  
Component: Operations  
COMPONENT SERIAL NO. 0093

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND &						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx

CAPITAL						
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REVENUE FUND SOURCE:						
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FUNDING:

1002 Federal						
1003 GF Match						
1004 GF						
1005 GF/Program						
1006 GF/MHTIA						
OTHER						
TOTAL	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx

Changes in SCS CS HB167 (JUD) reflect NO FISCAL CHANGE from the original fiscal note. This fiscal note is appropriate.  
4/28/93 KRL  
date Comte Aide (initial)

POSITIONS:

FULL-TIME	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
PART-TIME						
TEMPORARY						

Estimate of current year (FY93) impact: \_\_\_\_\_

ANALYSIS: (Attach a separate page if necessary.)

Please see attached analysis.

Prepared by: Richard I. Peques, Director  
Division: Administrative Services Division  
Approved by Commissioner: Charles E. Cole, Attorney General  
Agency: Department of Law

Phone: 465-3672  
Date: April 15, 1993  
Date: April 15, 1993

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# FISCAL NOTE

No. 2  
 Bill Version: CSHB 167 (FIN)  
 (H) Publish Date: 4/20/93

STATE OF ALASKA

Revision Date: 19-Apr-93  
 Title: Alaska Air Permit Statutes  
 Sponsor: Representative Mark Hanley  
 Requestor: House Finance Committee

Department Affected: Environmental Conservation  
 BRII: Environmental Quality  
 Component: Air Quality Management

COMPONENT SERIAL NO. 1428

**EXPENDITURES/REVENUES:**

(Thousands of Dollars)

OPERATING	FY 94(Note 1)	FY 95(Note 2)	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES	(707.1) 259.7	3,125.2	3,125.2	3,125.2	3,083.1	3,083.1
TRAVEL	(103.4) 48.0	284.6	287.9	291.2	334.2	334.2
CONTRACTUAL	(182.6) 135.1	106.8	495.1	726.5	259.6	259.6
SUPPLIES	(50.5) 0.0	73.7	75.4	77.2	65.8	65.8
EQUIPMENT	(50.7) 0.0	156.8	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
<b>TOTAL OPERATING</b>	<b>(1094.3) 442.8</b>	<b>3747.1</b>	<b>3983.6</b>	<b>4220.1</b>	<b>3742.7</b>	<b>3742.7</b>

CAPITAL						
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REVENUE						
FUND SOURCE: 1005	(1094.3) 442.8	3747.1	3983.6	4220.1	3742.6	3742.6

**FUNDING:**

1002 FEDERAL RECEIPTS						
1003 GF MATCH						
1004 GF						
1005 GF/PROGRAM REC'PT	(1094.3) 442.8	3747.1	3983.6	4220.1	3742.7	3742.7
1006 GF/MHTIA						
OTHER						
<b>TOTAL</b>	<b>(1094.3) 442.8</b>	<b>3747.1</b>	<b>3983.6</b>	<b>4220.1</b>	<b>3742.7</b>	<b>3742.7</b>

**POSITIONS:**

FULL-TIME	(Note 3)	4.0	22.4	22.4	22.4	21.7	21.7
PART-TIME							
TEMPORARY							

Estimate of current year (FY93) impact: \$ 0

<b>ANALYSIS:</b> (See attachment)	
Note 1:	Indicates FY 94 funding authorization required above legislative approved FY 94 operating budget to implement this Act. Values in ( ) indicate permit program cost increases relative to FY 93 budget.
Note 2:	For FY 95 and beyond, federal law requires the permit program be 100% funded by program receipts.
Note 3:	Indicates net increase in positions relative to authorized FY 94 operating budget.

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Phone: 465-5100  
 Date: 4/19/93

Approved by Commissioner: Janice Adair, Assistant Commissioner  
 Agency: Department of Environmental Conservation

Date: 4-19-93

Distribution (by preparer): Legislative Finance, Legislative Sponsor, Requestor, OMB, & Impacted Agency(ies).

Rev. 12/92

Changes in SCS CS HB167 (JUD) of 5  
 reflect NO FISCAL CHANGE from the original  
 fiscal note. This fiscal note is appropriate.

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1993 AIR PERMIT BILL FISCAL NOTE  
SUPPLEMENTARY EXPLANATION

No. 2.  
CS HB 167 (Fisc)  
Pg. 2

Title V of the 1990 Clean Air Act (the Act) requires each state to develop and implement a permit program under the approval and direction of the U.S. Environmental Protection Agency. Though Alaska currently maintains an air quality permit program, the mandates imposed by the Act are expected to result in a substantially increased workload for ADEC. The Act also mandated that each state collect fees from permittees necessary to fund the total direct and indirect costs of the permit program.

ADEC performed a comprehensive analysis during the fall of 1992 for the purpose of estimating the staff and budget increases over FY 93 due to implementing an approvable Title V permit program. The findings of this analysis are presented in a document entitled "Proposed Permit Program - Estimated Budget and Staffing," a copy of which is available from the Air Quality Management Section at ADEC. This analysis also provides estimates of fees which will be charged to permittees for the purpose of funding an approvable program. The enclosed spreadsheets on page 4 and 5 reflect the findings of this analysis and document the assumptions used to calculate the entries in the Air Permit Bill's Fiscal Note.

ADEC expects that the number of permitted facilities will increase from the current of 175 to 450. The Act requires that each state permit all facilities within three years of starting a permit program. ADEC plans to distribute the permitting workload equally over the first three years, so that a stable number of permitting engineers are required. In the fourth year of the permit program, the permitting workload will decrease since all existing facilities should be permitted. The inspection workload will increase as more facilities are permitted, and is expected to stabilize in year four when all facilities are permitted. ADEC plans to reassign staff, who no longer will be needed in permitting, to inspection duties. In addition, ADEC plans to contract some inspection work to private consultants. These measures are intended to avoid hiring personnel on a temporary basis; therefore stabilizing the number of personnel employed in the permit program.

The line item entries in the Operating Block of the Fiscal Note reflect the total costs of the Title V air permit program for FY 93 and beyond. The budget line item allocations for ADEC's FY 93 permit program are listed at the top of page 4. ADEC's current permit program employs 21.5 FTE (full-time equivalents) at a total cost of \$1.922 million in FY 93. The existing program is funded by federal grant, state matching monies and program receipts. New federal law requires that the permit program be 100 % funded by program receipts managed in a dedicated fund. Following federal approval of the new program, current federal grant and state matching monies will not be used to support the permit program portion of the entire budget for the air quality management section.

1993 AIR BILL FISCAL NOTE BACK-UP

FY 93 TOTAL PERMIT PROGRAM COSTS

Pers. Services	Travel	Contractual	Supplies	Equipment	FTE
1390.4	130.9	294.3	49.5	57.2	21.5

FY 93 TOTAL 1922.3

FY 95 TOTAL PERMIT PROGRAM COSTS

Group	Pers. Services	Travel	Contractual	Supplies	Equipment	FTE
Per Ton Services	917.0	89.7	31.0	21.3	N/A	12.7
Permits	1558.5	50.0	54.2	29.0	N/A	22.3
Compliance	536.1	124.8	18.2	9.8	N/A	7.5
Monitoring	113.5	20.1	3.4	13.6	N/A	1.4
Totals	3125.2	284.6	106.8	73.7	156.8	43.9

FY 95 TOTAL 3747.1

FY 96 TOTAL PERMIT PROGRAM COSTS

Group	Pers. Services	Travel	Contractual	Supplies	Equipment	FTE
Per Ton Services	917.0	89.7	76.5	21.3	0.0	12.7
Permits	1558.5	50.0	133.9	29.0	0.0	22.3
Compliance	536.1	124.8	276.4	9.8	0.0	7.5
Monitoring	113.5	23.4	8.4	15.3	0.0	1.4
Totals	3125.2	287.9	495.1	75.4	0.0	43.9

FY 96 TOTAL 3983.6

No 2.  
CS HAS 167 (Final)  
pg. #