

State Fund Survey Results

Chuck Schwer
16th Annual State Fund
Administrators' Meeting
St Petersburg, FL
June 4, 2007

Thank You
For All
Your Responses

100% Response once again!!!

Fastest Survey Response

Jim Miceli, PA

Honorable Mention

John Menatti

(7 hours later!)

GAO

United States Government Accountability Office
Report to Congressional Requesters

February 2007

LEAKING UNDERGROUND STORAGE TANKS

EPA Should Take Steps to Better Ensure the Effective Use of Public Funding for Cleanups



GAO-07-152

GAO Concluded

That State Assurance Funds
accounted for 96% of state
cleanup resources in 2005

GAO Concluded

\$12 billion in public funds
needed for backlog

(9/30/05)

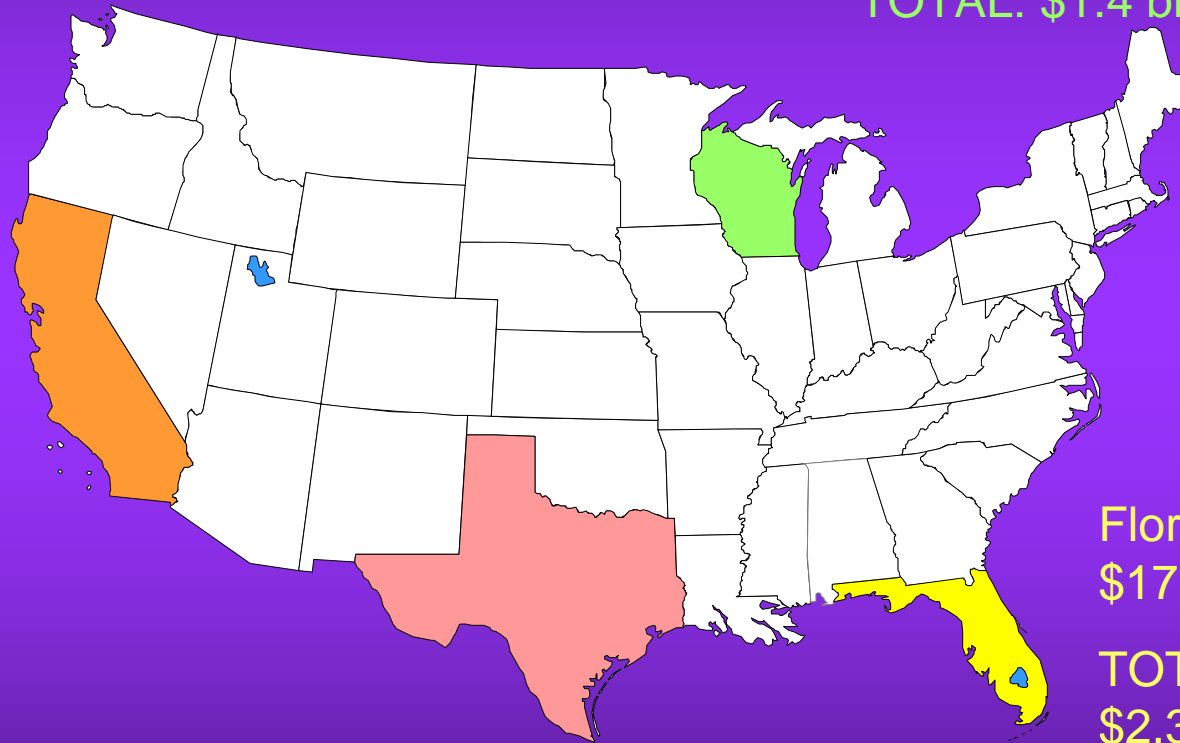
Annual Total Spent \$1.01 Billion

Grand Total = \$15.45 Billion

Wisconsin:

Annual: \$16.1 million

TOTAL: \$1.4 billion



California:
\$211 million

TOTAL:
\$2.1 billion

Florida:
\$171 million

TOTAL:
\$2.34 billion

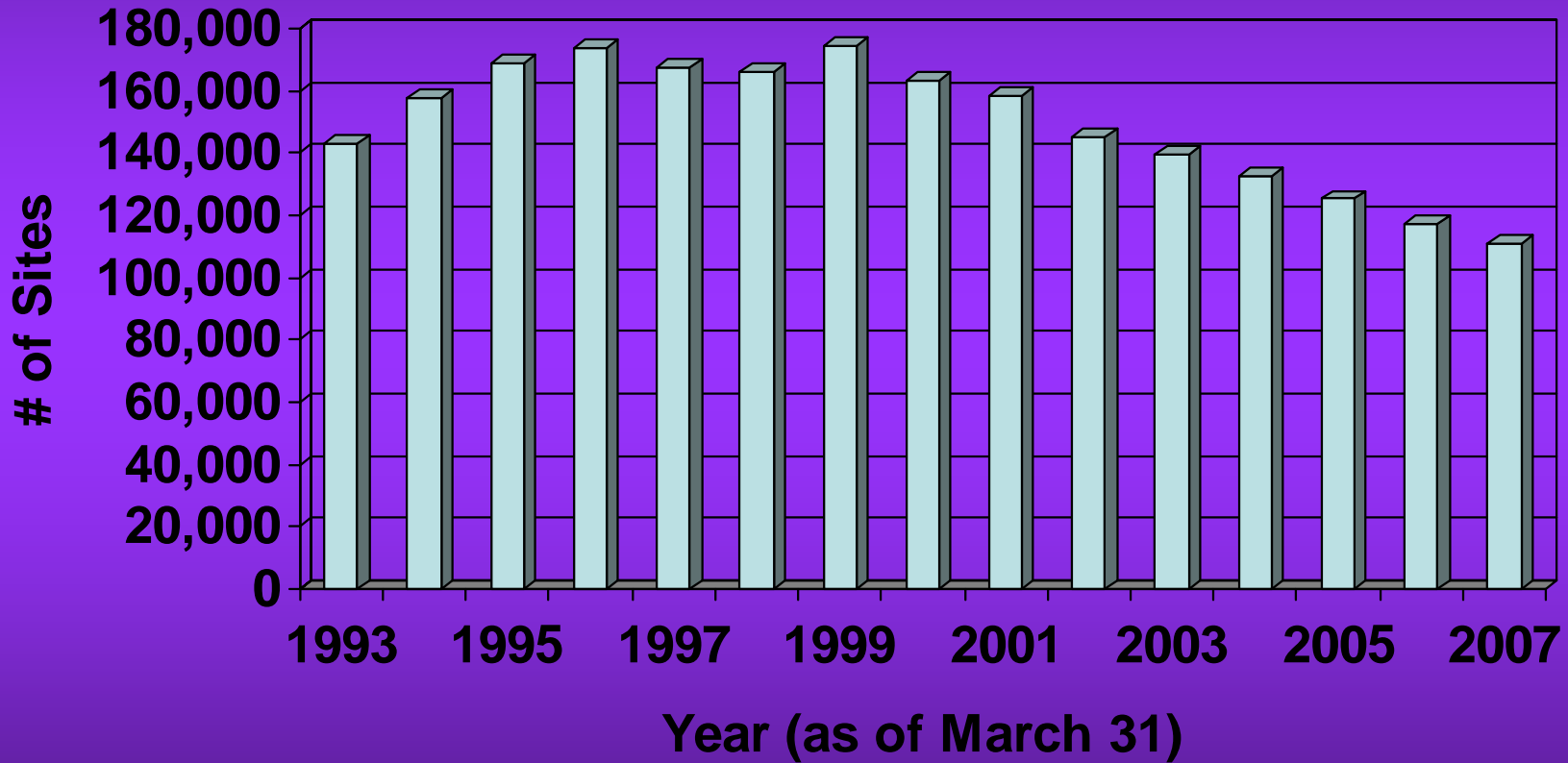
\$437.6 million
43% of annual total

\$6.89 billion
45% of grand total

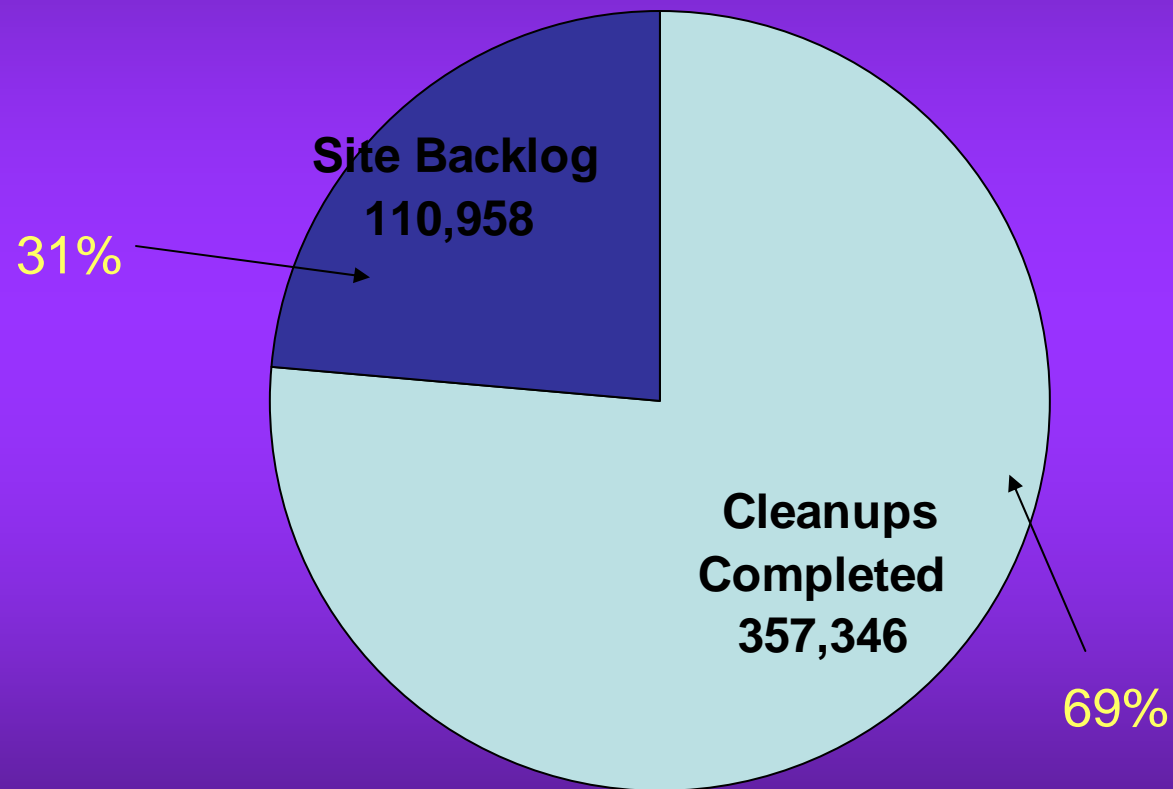
Texas: \$39.5 million

TOTAL: \$1.05 billion

Site Backlog over Time

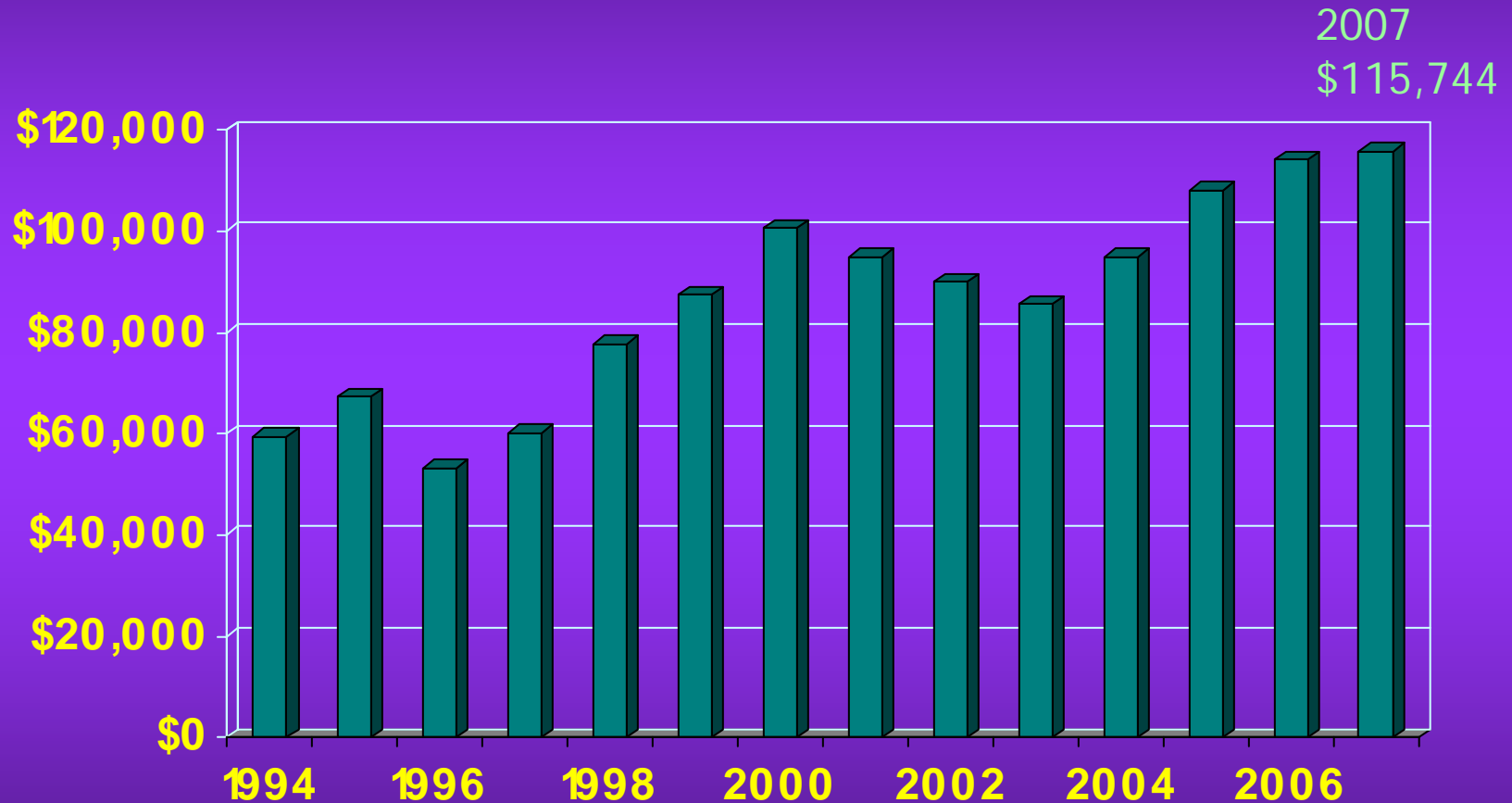


Cleanups Completed vs. Backlog



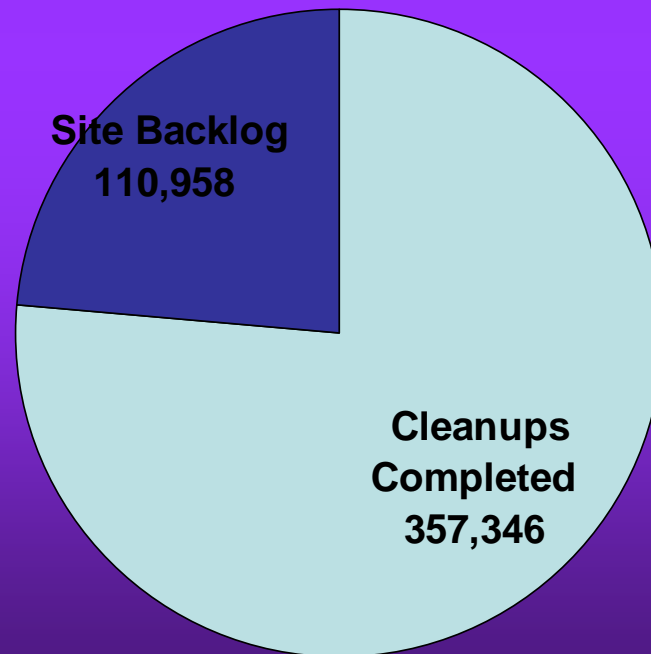
Cleanups as of 3/31/07

Average Cost per Site



GAO reported Avg Cost \$125,000

\$8.5 billion in state funds needed for the backlog

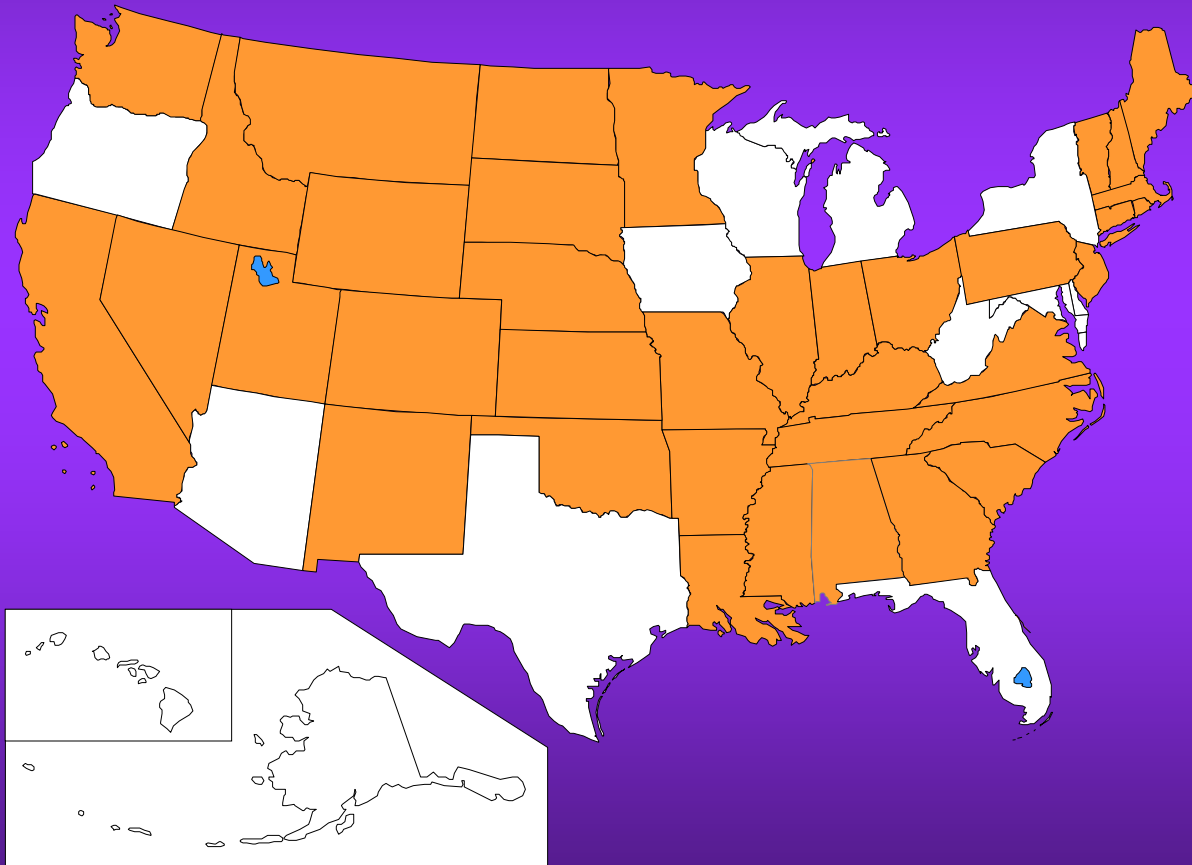


In Addition

3,500 new releases discovered
from October 1, 2001 to March
31, 2007.

35,000 new sites projected over
next 5 years.

37 States Cover New Releases



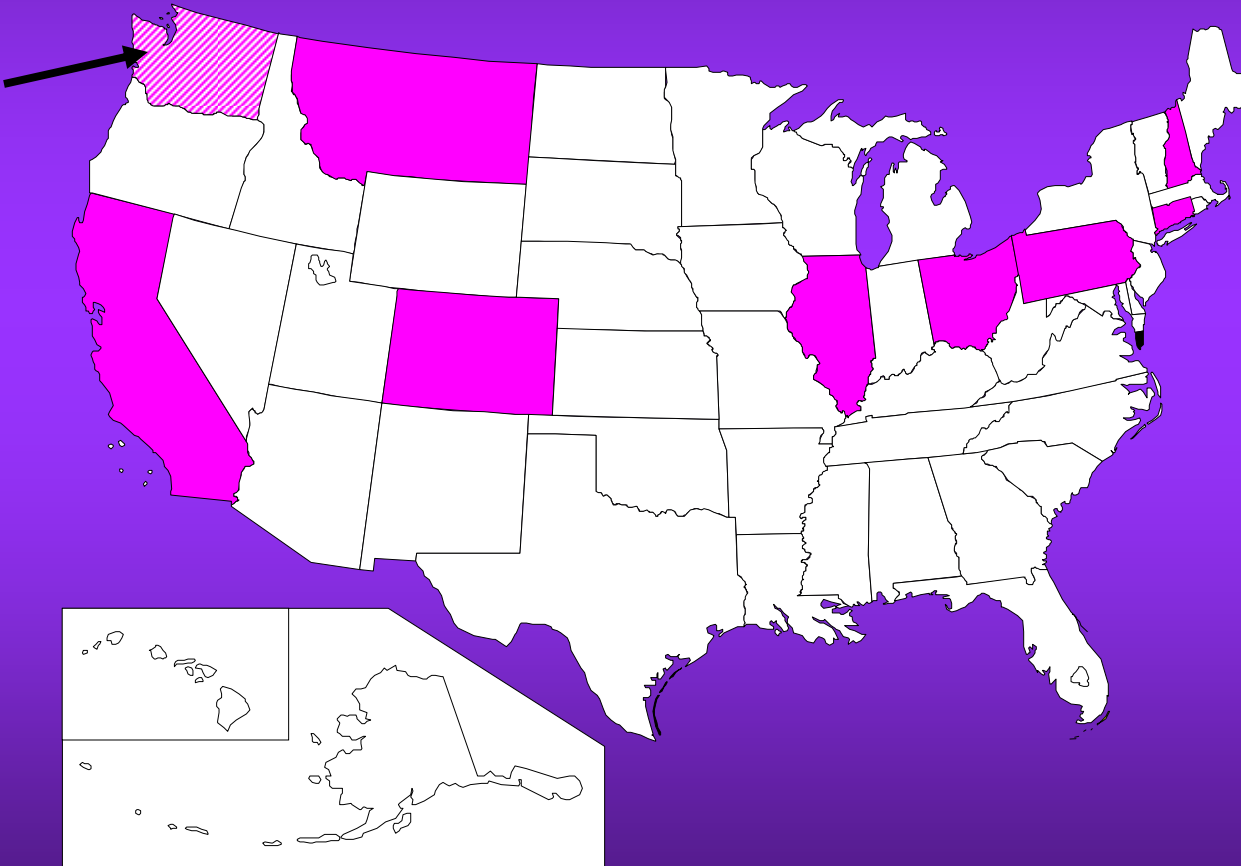
\$4 billion will be needed for
35,000 new sites

GAO Reported

That several states may not have sufficient resources to ensure timely cleanups.

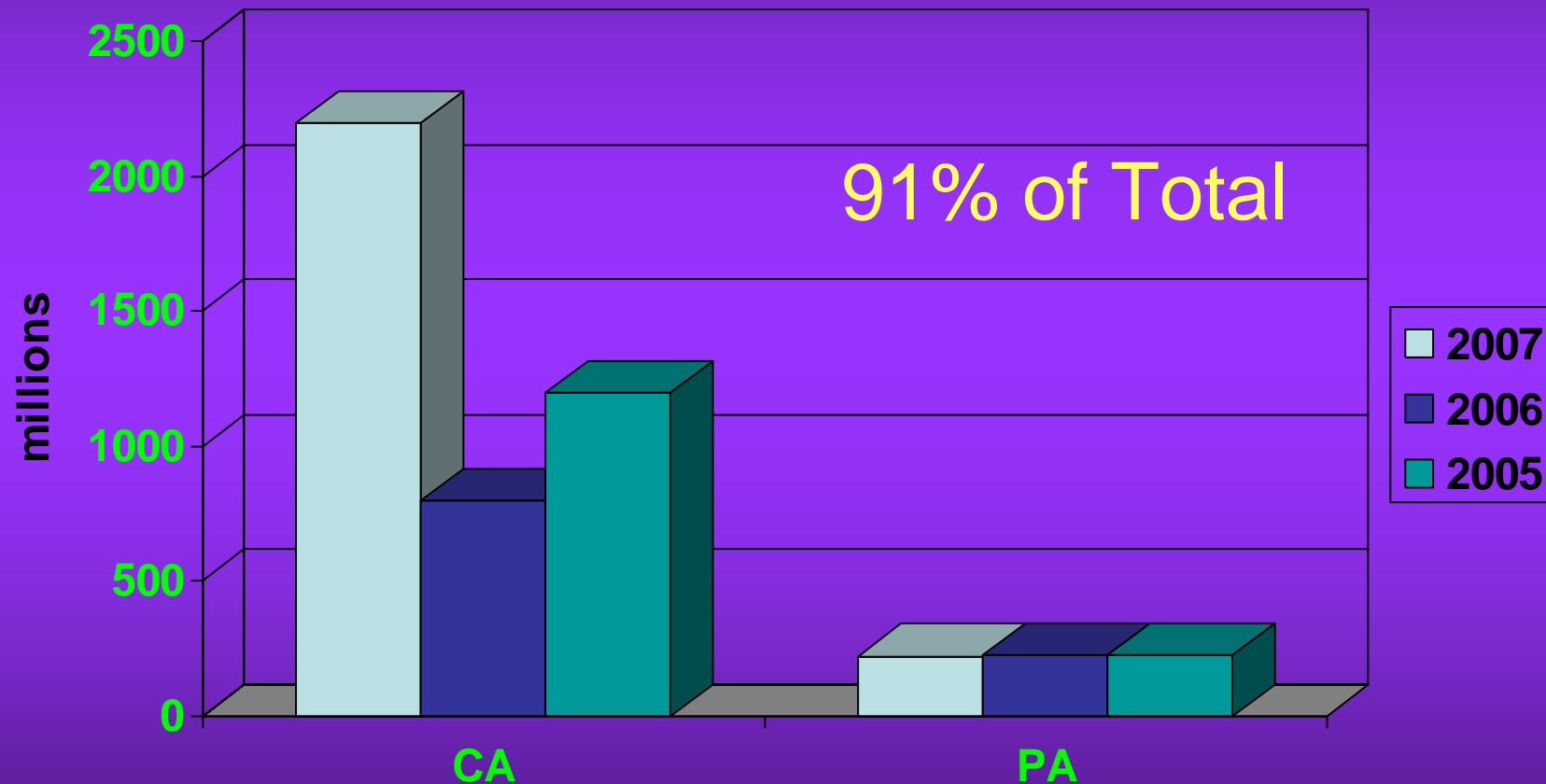
9 State Funds with Outstanding Claims Exceeding Balance

Oil Heat Program



8 reported in 2006

Outstanding Claims \$2.67 Billion in 2007



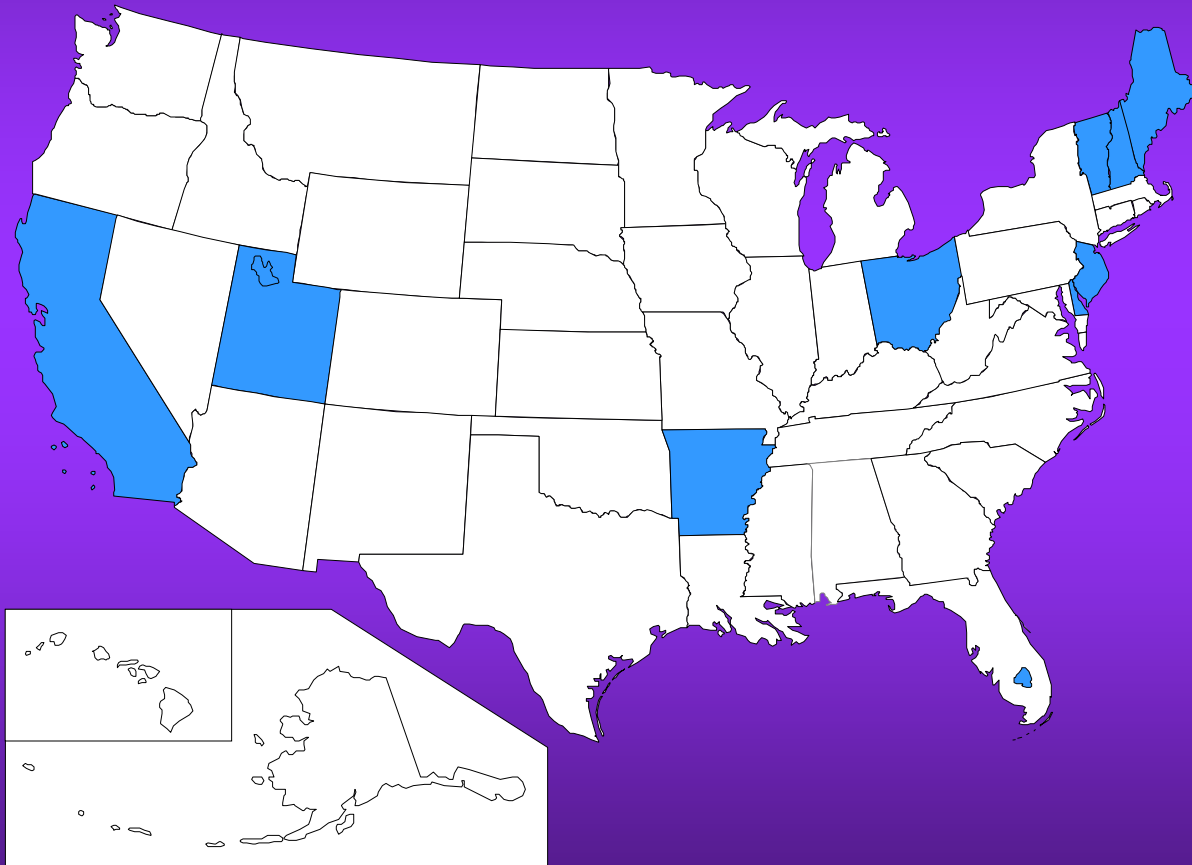
Up from \$1.32 Billion reported in 2006

GAO Concluded

State Assurance Funds may provide disincentive to prevent leaks.

- Most states have an active UST enforcement and compliance program.

9 States have UST Removal Loan or Grant Programs

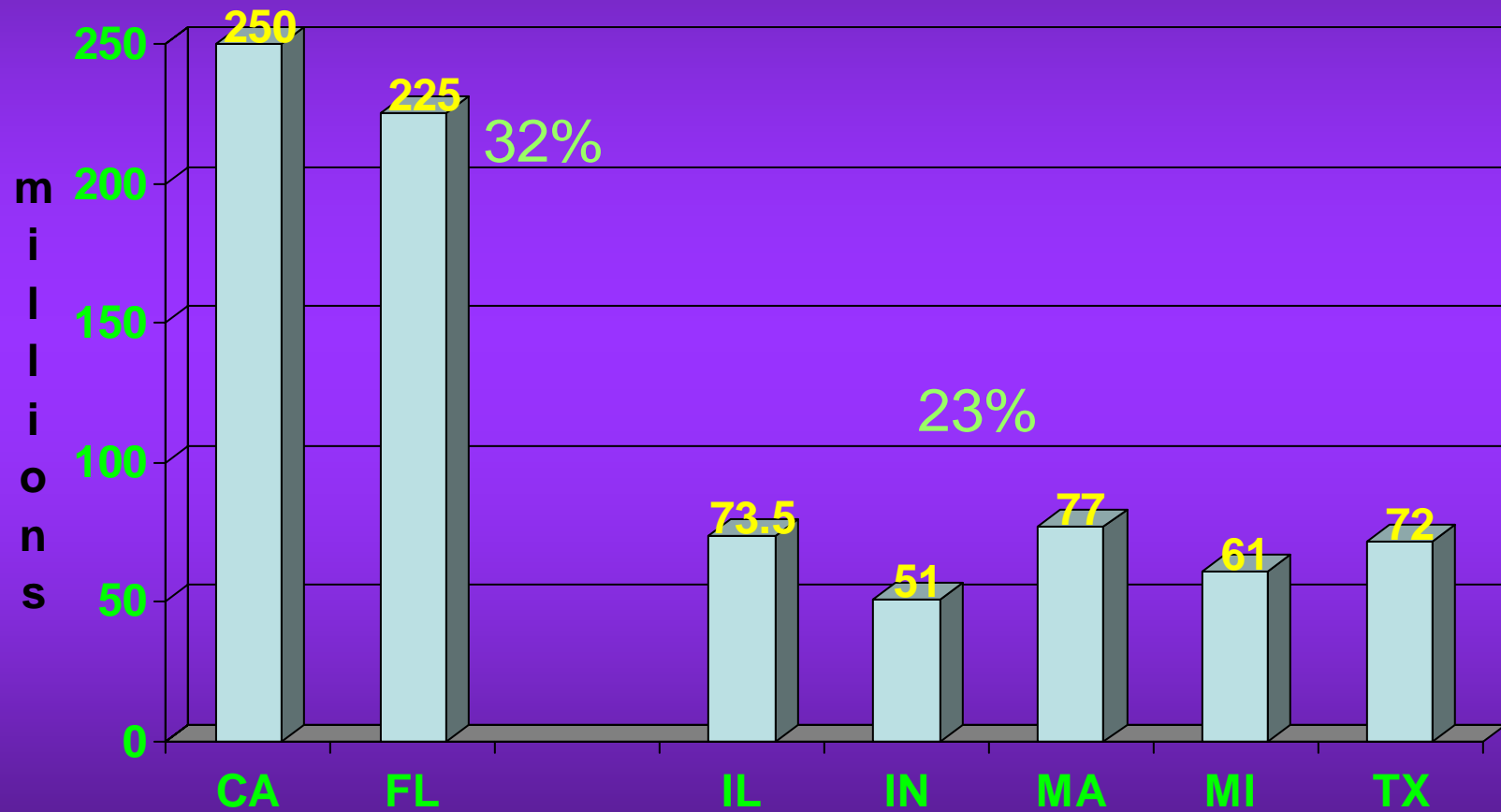


GAO Concerned

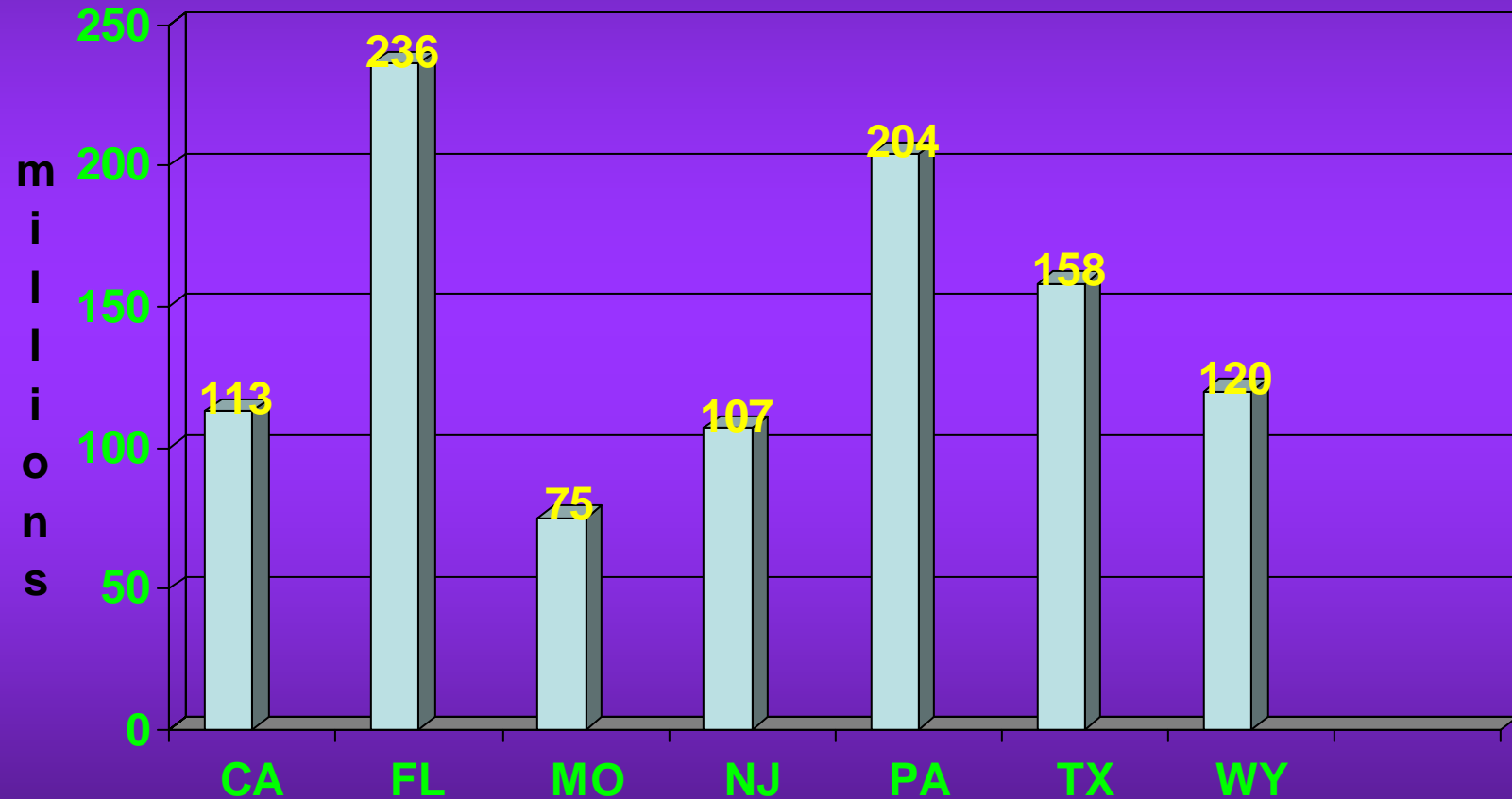
That there may be inadequate resources to respond to releases from tanks with no viable owner.

Annual Revenue

\$1.50 Billion



Current Balance \$1.7 Billion



58% from 7 states

Number of State Fund Staff

894 state fund staff reported in 2007 (70% technical staff and 24% financial staff).

This is a decrease from the 932 staff reported in 2006.

LEGISLATIVE CHANGES & UPDATES

CO effective 4/5/07

- Continuous spending authority granted which will help reduce delay in payments
- Program can now be more stringent than EPA
- Extends for 7 years the sunset date for station inspections
- Pending – fund to be used to provide for UST upgrades

LEGISLATIVE CHANGES & UPDATES

FL

- Clarified fund determinations for old vs. new releases

ID

- Raised the floor from \$15M to \$25 and ceiling from \$25M to \$35M effective 7/1/07

LEGISLATIVE CHANGES & UPDATES

LA

- Legislation passed in 2006 which eliminated the “cause or contribute” language for eligibility
- State given authority to place a lien on property in lieu of the deductible

LEGISLATIVE CHANGES & UPDATES

WV

- 2007 bill provides for the expiration of the fund and disposal of assets.
- Provides that DEP is not liable for claims against fund.
- Directs DEP to develop plan to cause remediation at sites
- Directs DEP to assist in reclaiming sites that were insured by Fund.

LEGISLATIVE CHANGES & UPDATES

MD

- Legal definition for oil modified to include ethanol and biodiesel
- After 12/31/07, only residential AST & UST heating oil systems will be eligible for reimbursement

LEGISLATIVE CHANGES & UPDATES

MI

- Between 11/1/06 – 4/30/07 the Temporary Reimbursement Program (TRP) has received approximately 633 applications, 500 approved

MT

- Fund decided not to borrow from state board of investors
- Current rate of claims exceeding balance

LEGISLATIVE CHANGES & UPDATES

ND

- Phase II required for existing tank sites not properly registered with Fund.

NJ

- Fund reopened to regulated tank applicants through 6/30/2010.
- Closure & replacement costs fund eligible for residential heating oil tanks.

LEGISLATIVE CHANGES & UPDATES

PA

- Fund reauthorized for another 5 years

SC

- Proposals pending which would increase revenue.

TX

- Sunset date extended to 9/1/08
- Bill pending which would push sunset for 4 more years and cut fees in half.

LEGISLATIVE CHANGES & UPDATES

VT

- Extended sunset date for fee on heating fuels from 2008 to 2011.
- Given authority to develop rules for residential ASTs.
- Expanded grant program for tank removal to mobile home parks.

WA

- Fund to reimburse increased cost to upgrade corrosion resistant tank.

LEGISLATIVE CHANGES & UPDATES

WY

- Completed rule revisions that regulate both USTs & ASTs.

Thank You
Again For
Your Responses!!