

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund	How Success is Measured
AK*			
AL	None.	The Alabama Tank Trust Fund continues to serve as the primary financial assurance mechanism for motor fuel tanks. New releases from sites will continue to be covered as long as eligibility requirements are met.	Our fund is a success due to the number of sites which are covered and the assessment and remediation activities which are occurring at the sites. Many of our releases are from sites that are owned by small business owners. Without the fund, these releases may not have been addressed properly or in a timely manner. The fund is successful because cost controls are in place that have allowed the fund to continue to operate smoothly. Future obligations are tracked through short-term obligations and long term obligations. This allows the fund to know when demands are placed on the revenues that are generated. The Fund Advisory Board and most tank owner/operators are comfortable with the fund's operation and do not have any plans or requests to have the fund sunset.
AR	Reduction in the trust fund deductible. Facilities found to be out of compliance will be red tagged and sealed at the fill pipe with a numbered identification strap, somewhat like the electric company places on meters. Almost tamper proof.		
AZ	The legislature appropriated \$500,000 to the fund in 1999-2000 and \$1,300,000 in 2000-2001 to partially repay the fund for money that was taken from the fund in previous years. 1. The fund will pay for tank closure after July 1, 1999 if certain conditions exist. 2. The fund will pay for appeal costs if the applicant prevails on the appeal. 3. The applicants financial need evaluation will include all activities being performed on all that owners sites in AZ. 4. As of 2001 there will be a cap on expense of the department for administration of the fund. 5. The department is required to establish new broad based cost ceilings based on phases of corrective actions. 6. "Wait don't wait." The fund will pay financially needy owner/operator without waiting to define the extent of contamination. If the contamination does not present a risk to health or the environment, the financially needy applicant can submit a workplan to the department for the remediation and wait until funds are available to conduct the work. If the site does present risk to health or the environment, the department will encumber funds immediately for the remediation.	We are still accepting claims on all sites. If a release is reported after July 1, 1996 the applicant must have financial responsibility and must apply to that financial mechanism prior to accessing the fund.	
CA	Proposed Legislative changes (active session): 1. Increase coverage from \$1M to \$1.5M per occurrence 2. Extension of sunset date of program to January 1, 2010	The CA fund is in excellent shape. We have funded all priority A, B & C claims and are currently funding D claims. The fund is solvent and continues to carry a surplus from \$5 to \$10 M (after obligations). We continue to receive 99% favorable ratings from the public we serve through customer service surveys.	1. No. of favorable customer service comments (99% favorable to date over last 4 yrs). 2. Length of time it takes to service preferences (from pay request to payment) - average time - 34 days. 3. Able to commit 100% of funds available each year. 4. Claim applications received to approval average about 60 days.
CO		The best description of CO's fund is that it is stable, fully functional, and operating in accordance with legislative intent. There are no sunset dates for release discovery or application submittal. There are no sunset dates for the reimbursement program or for its revenue source (environmental response surcharge). Monthly revenues are roughly equal to monthly reimbursements. A tiered funding mechanism both ensures the Fund's continued solvency and also prevents the Fund's balance rising to where it could be an attractive target for legislative raiding.	Some measurements of success are: EPA approval as a financial assurance mechanism. Legislative satisfaction with the program. Tank owner/operator, property owner, lender, realtor and consultant satisfaction with the program. Fund acts as an incentive (rather than an impediment) to prompt remediation, compliance with tank regulatory requirements, property transactions, and loan approvals. Efficient and consistent determinations of reimbursement awards. Current solvency. Projected future solvency.
CT			Maintaining solvency, prompt review of claims, cost control, fraud prevention, site cleanup and regulatory compliance.

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DE	DE recently began utilizing RBCA (known in DE as DERBCAP).	The State fund in DE required that sites sign up between 7/16/87 and 1/16/89. No new sites have been accepted since that time.	
FL	<ul style="list-style-type: none"> • Authorize free product recovery out of priority - max \$5 M total/year • Require cost share agreements for new ineligible discharges on top of old eligible one • Authorize \$1.5 M/yr for innovate technologies at low priority sites • Authorize Dept. to revoke eligibility if responsible party does not enter cost share agreements with Dept. within 120 days of start of negotiation. 	FL Fund no longer covers new discharges (>12/31/98). However, ~12,000 eligible sites pending cleanup under priority based preapproval program. Currently ~1,500 active preapproval cleanup. Backlog of old reimbursement claims <500.	By measure of % of sites reaching closure (cleanup) or natural attenuation monitoring - while maintaining adequate cost control and addressing highest risk sites first.
GA	Trust Fund legislation was amended to allow receipt of and processing of funding source outside traditional Environmental Assurance Fee.	The state fund of GA is still accepting claims on sites with new releases, and we are still paying out on claims for sites discovered before 4/30/99.	The fund remains viable and the time for processing a claim (total cost of corrective action at site) is decreasing. Also the amount of outstanding claims is being lowered as well.
IA	Expanded benefits to assist governmental subdivisions.	The IA Comprehensive Petroleum UST Financial Responsibility Program is paying all claims within 30 days, is fully funded, is providing financial assistance to the regulator to streamline RBCA processes and is in the process of transitioning insurance coverage from the state program to private control.	In 1989, the IA legislature wrote a lengthy preamble to the legislation which created the fund. The preamble listed the goals of the fund. The primary goals are: Assist business to comply with federal regulations; protect the environment; preserve the rural distribution network; and be an interim measure. All sites are upgraded. All known high risk sites are being addressed. Public water supplies are being tested to be sure there are no unknown sources. Every person in IA is within 15 miles of a fully upgraded facility. The insurance program is transitioning from state control to private control, ending the state's liability. All sites will have RBCA evaluations completed by June 1, 2000. Based upon achieving legislative goals, the program is a success.
ID	None.	The fund continues to insure all regulated tanks that meet the current federal regulations. The fund has insured marketer and non-marketer AST since 1991. We have started to provide pollution coverage on farm tanks, residential petroleum tanks, and commercial and residential heating oil tanks as of 1999.	<ol style="list-style-type: none"> 1. Remediation costs, trends, RBCA results 2. Number of sites insured.
IL		The State of IL fund is solvent and we are processing and paying claims.	The fund is IL has paid over 8,000 claims totaling \$302 million. Thorough and conscientious claim reviews have resulted in the "re-direction" of nearly \$40 million of ineligible, unreasonable and non-corrective action costs back into the fund to be used for further remediation. Closure letters have been issued for over 8,000 sites.
IN	House Enrolled Act 1578 - Reduces the annual tank fee from \$290 to \$90 per regulated petroleum UST (effective 5/13/99)	The Indiana Excess Liability Trust Fund accepts claims for reimbursement on a continuous, first come, first served basis. Claimants are informed of the amount to be reimbursed or the reason for denial of their claim within 60 days of the Agency's receipt of the claim. Indiana is still paying out on claims for sites discovered before 12/22/98.	Processing claims within 60 days and decreasing the number of appeals. We have successfully accomplished these goals over past 2 years.

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KS	None.	The KS funds operate as the FR program for all past and future releases. KDHE continues to accept new sites and has little backlog. High risk sites are remediated quickly, moderate risk sites are investigated quickly to evaluate the need for remediation. Low risk sites are delineated and monitored until closure can be accomplished. The equipment reuse is beginning to work well since most sites are being addressed using portable systems.	The success of the KS program is measured by several methods. The first is based on the priority ranking system which prioritizes sites based on the risks posed to the public. The highest scoring sites are assigned to staff first so they are remediated quickly to protect the public. Once sites are assigned they are tracked to insure that the higher risk sites move through the investigation phase into remediation within the established time schedule. The program is also required to document program commitments within the budget and report to the legislature about the performance of the program. KDHE also meets with stakeholder groups such as the KS Oil Marketer's Association and the consultants who perform the work for the reimbursement funds. Additionally, staff conduct public meetings at each site where remedial action is being implemented to provide information and to accept input. Although not all input is positive, staff evaluate the site based on all of the information and perform the remedial action which provides the most reasonable solution for the site based on all of the data available. The final measure used is to provide a hands on approach to overseeing the remedial systems funded by the program. All of the remedial designs are reviewed prior to being approved to determine if the technology proposed has been effective on other similar sites. The evaluation is performed by several staff who have reviewed hundreds of other systems through the years. This review process has improved the performance of the systems from an average of less than 50% which worked 5 years ago until at present the system performance is well over 90%.
KY	1. Amendment to KRS 224.60-120 Lowering Levels Of Financial Responsibility 2. Amendment to KRS 224.60-140 Prohibiting Reimbursement of Tank Removal Costs (Not Applicable to SOTRA) - Small Owners Tank Removal Account 3. Amendment to KRS 224.60-140 Prohibiting Reimbursement of Any additional Costs Related To Compliance With a Local Program 4. Amendment to KRS 224.60-142 Extending for Fund Purposes the Tank Registration Date Through July 15, 2000	Fund is currently able to reimburse all eligible applicatns.	Costs Reimbursed are reasonable and necessary, and reimbursement is made within a reasonable period of time.
LA	2 bills in the legislature which will affect the fund, if passed: 1) The third party definition is being changed, hopefully tightened. 2) The definition of eligibility is being changed - requires that under routine circumstances, applications for reimbursement be submitted within two years of the date the work is performed.	We are still reimbursing claims for old release as well as new releases that have met the criteria for eligibility.	We measure our success rate by meeting our customer's needs. This means that we process all routine reimbursement applications within a 30 day turnaround; we have enough money in the Fund to pay out all eligible costs; we perform training annually as well as on an individual basis; when requested, we notify the interested parties of any changes; we take into consideration any changes the customer questions; and we streamline the program for efficiency and effectiveness. Our backlog was processed July-November 1996, and since this time period we have continued to maintain a 30 day turnaround with an ever increasing application workload and with one less person reviewing applications. We started with 5 reviewers and now have 4. Increase in workload is shown as follows: 1994 - 274 applications paying \$6,000,745; 1995 - 475 applications paying \$6,492,292; 1996 - 926 applications paying \$7,100,076; 1997 - 1533 applications paying \$25,963,983 (backlog period); 1998 - 1466 applications paying \$14,571,997; and 1999 - to date 1067 applications paying \$13,216,686.
MA			Claims processing turnaround time frames.

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MD	None.	Last sum of money to be transferred to this Fund by no later than June 30, 1999. A work group, required by law, to meet during 1999 to decide if this Fund will continue and if so, what will be the funding mechanism. There are approximately 35 applications waiting to be processed for eligibility and the funds to be transferred may only cover 10-15 eligible sites. We are still paying out on claims for sites discovered before 12/22/98.	We believe that many of these sites would not have been remediated and/or would have become State funded cleanup sites.
ME	ME Legislature approved an increase in expenditures of \$500,000 per year for loans and grants to retrofit, repair or replace aboveground and underground oil storage tanks and piping at single family residences. ME Legislature approved legislation to clarify that costs incurred to undertake removal of underground storage facilities are a lien against the real estate of the owner.	Based on current trends, revenue is predicted to exceed expenditures needed to complete remediation of known and estimated sites by 12/31/05. Owners of aboveground tanks (172) submitted three times as many requests for fund coverage as owners of underground tanks (57) in FY98. Increased availability of natural gas may result in a decrease of oil imports and a reduction in revenue. If predictions of increased contamination by MTBE occur, increased clean-up expenditures may be realized.	Annual report to legislature regarding administration of program and adequacy of funding. Periodic meetings with stakeholders to discuss criticisms and suggestions for improvement.
MI	None	Fund ceased accepting new claims or invoices under existing claims at 5:00 pm on June 29, 1995. Appeals of denied invoices are still in progress.	The number of sites which were closed and/or had risks abated.
MN	Small businesses not involved in the petroleum industry that are located on sites found to have abandoned underground petroleum storage tanks are eligible for reimbursement of tank removal costs, regardless of whether a release is discovered at the site. Legislation is pending to offer \$10,000 grants for upgrade of certain aboveground and underground bulk facilities.	MN Petrofund currently reimburses claims on releases discovered before and after 12/22/98. The backlog for review of claims is approximately 60 days.	Petrofund places a great deal of emphasis on maintaining a good working relationship with all involved stakeholders and endeavoring to provide clear and accurate guidance to the regulated community regarding the rules and requirements of the program. This effort results in applicants receiving maximum reimbursement of their cleanup costs, as well as minimizing Petrofund staff's application review time and backlog.
MO	Sunset date was extended from December 1998 to December 2003. Board is considering paying costs of resurfacing property, after cleanup, on depreciated or actual cash value basis.	MO's fund insures owners/operators of USTs and ASTs containing petroleum. Owner/Operator must annually demonstrate compliance in order to renew coverage for another year. Fund pays for cleanup and third-party claims if release occurs or is discovered while insurance is in effect. MO's fund also pays to cleanup old tank sites, if tanks were taken out of use by December 1997.	If tank and property owners receive timely professional service, if cleanups are progressing at a reasonable pace, and if Fund money is being spent efficiently and economically - we consider our fund successful.
MS	Elimination of the sunset date, originally set for 6/30/99.	Currently paying claims and accepting new sites.	Monthly cash receipts exceed monthly expenditures, along with a unencumbered cash balance which is maintained at ten times average monthly expenditure.
MT		The MT fund is currently accepting claims on all eligible releases. The definition of an owner has been changed, the Board clarified requirements for compliance, the composition of the Board changed. As of July 1, 1999 the Board no longer has staff. DEQ will provide staff support.	
NC	Costs of obtaining additional information required to assess the risk of releases reported prior to Jan. 2, 1998 may be paid prior to incurring deductible; costs of connection to municipal water line in order to reduce risk may not be considered as third party costs under certain conditions; landowners eligible for noncommercial fund coverage re-authorized; temporary rules for pre-approval of assessment and cleanup tasks and costs required to be enacted prior to Oct. 1999; petroleum UST operating permits subject to additional federal requirements applicable in 1998; assignment of reimbursements to other persons allowed; A de minimis reporting requirement established for petroleum UST spills and overfills of less than 25 gallons that are cleaned up within 24 hours; provide that federal limitations on lender liability apply to the leaking Ust cleanup program; rules applicable to commercial USTs do not apply to certain tanks; other related conforming and technical amendments.	After a year and a half of pending claims total amount exceeding the Commercial fund balance, the balance has recovered and fluctuates between exceeding the pending amount and lacking the pending amount, albeit by a small margin which is usually less than \$1 million. This may be due to the temporary suspension of cleanups of low priority sites which occurred in late 1996, the implementation of risk-based cleanup rules in January of 1998, a decrease of UST operating fee revenue due to fewer USTs, and the 1998 UST upgrade deadline. The Noncommercial Fund, which is primarily used by home heating oil UST owners, is sound, with a balance that exceeds demands by over \$7 million.	Feedback from our customers; turnaround time from claim receipt to check mailout; fund balances near breakeven.
ND*			

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NE	In March, 1999, the release eligibility sunset date was extended two years to June 30, 2001.	NE's program is in the process of implementing RBCA and revising the reasonable rate schedule. The Title 200 Fund currently reimburses costs related to approved remedial actions at 116 active sites. Also, some tank removal costs are reimbursable if the applicable deductible is exceeded. Beginning in May 1999, up to \$250,000 per month will be budgeted for performing investigations at the 2500+ backlog sites.	We are in the middle of change so this is hard to measure. However, we do have some measurable goals such as applications paid within 60 days of receipt.
NH	Legislation is expected to pass this year to increase funding for the Fuel Oil program. We have experienced significant cash-flow problems due to residential heating oil tank releases.	The NH state fund is active in all project areas and continues to accept claims for historical and new releases.	
NJ	<ul style="list-style-type: none"> homeowners no longer repays grants 10% grant cap lifted until March 2000 State-only regulated tanks (heating oil at non-residential sites have until August 1999 to apply for money provided they have a contract by 12/23/98 to do tank integrity test and perform test by August 31, 1999 and every 3 years thereafter. Tank upgrades are also extended to 8/31/03 in these instances. 	<ul style="list-style-type: none"> No regulated tanks can apply for funding after January 1, 1999. Only supplemental requests for remediation of regulated tanks are eligible to apply. 	<ul style="list-style-type: none"> this fund is a success if we are able to meet the financial needs of those who apply either thru a grant or loan. There have been very few denials for financial assistance.
NM		Currently the state fund in NM is healthy due to checks and balances that were in place a year and a half ago.	Due to timely processing of claims (30-45 days) and comprehensive coverage of reasonable costs of corrective action.
NV		NV State Fund is still actively providing reimbursement for site cleanups.	Continued ability to provide reimbursement for warranted cleanup efforts in a prompt manner.
NY	None.	A non-reimbursement fund.	Still trying to determine the best approach. Since NYS's Oil Spill Fund is a non-reimbursement fund, our success is minimizing the # of projects that are using State Funds.
OH	NA		
OK	Pending legislation to reduce deductible from \$5,000 to \$500. Rationale is the sooner leaks are reported, the less expensive cleanups will be. We'll spend more up front, but will save money in the long run.	Business as usual.	<ol style="list-style-type: none"> Solvency Closures Remediation Progress Days to pay claims
PA	Insure tank installers - Low interest loans. Heating oil tank coverage for small tanks. Funding to aid in cost of tank removal and \$5,000,000 for clean up of sites that are not covered by the fund.	We have a current balance of 430 million dollars so we accept all claims that are eligible. To be eligible the tank owner must support release occurrence before February 1, 1994. Current fees are paid and the person filing the claim is the owner and/or operator.	We have a large surplus of over 432 million dollars and one of the lowest fees. We now pay 97% of claims presented, pay or defend all third party claims.
RI	This year, RI is introducing legislation that will make cities, towns, state and state agency owned or occupied or formerly owned or occupied sites responsible for 50% of the cleanup related costs. An additional half-cent is also proposed - this half cent would go into what is called the public fund (used specifically for the cities, towns, state, etc.). The legislation also states that the Review Board must approve a CAP. In addition, the new bill would eliminate third-party claim coverage. Lastly, enabling language was put in the bill to allow the Board to establish rules and regulations to create a self-insurance fund. This legislation is currently pending in the House of Reps.	We are still paying out claims discovered before 12/22/98. We also have a limited amount of funds and with the cities, towns, and state sites participating, we will have an issue with solvency. The new legislation will hopefully, solve that issue.	I feel as though RI is a success - in the last year, we have decreased our backlog of historical claims by almost 100%. The only difficulty we have with these claims is that we are paying continuously for O&M expenses due to the fact that DEM appears reluctant to send "no further action letters". We have been able to achieve this with a small amount of money and limited staff. Therefore, I am measuring our success by our ability to get the job done despite the hindrance of low cash, staff, and bad relationship with the department.

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	Major Legislative Changes	Current Status of Fund	How Success is Measured
SC	None.	The state fund of SC is continuing to prioritize releases and state funds are expended based on this priority system. Currently, there are insufficient funds to address all open cases at this time.	It would be appropriate to say the fund is much more successful then in past years. Through the use of RBCA, pay for performance, and competition, cost for assessments and cleanups have been drastically reduced. The program has documented savings of over \$54 million in just two years over former time and material rates. Other successful components include efficiency in processing (time and volume) as well as prompt commitment of available revenues to maximize cleanup activity in the state. That being said, additional actions are needed so that the fund can address all releases in a timely fashion. At this point, it can not.
SD		The SD Petroleum Release Compensation Fund is currently able to handle all claims and usually make payment within 30 days. As expected, there was a substantial increase in the number of new releases within the last year due to the regulatory upgrade deadline. Consequently, a large increase in claims is expected over the next 3 years. The PRCF continues to provide coverage for future releases at sites that are cleaned up or currently undergoing cleanup.	The SD program relies on several indicators to determine success: 1. The number of sites successfully closed (risk abated, cleanup complete and no further action required). 2. The timeliness of claims payment. 3. The speed in which assessment is completed and cleanup started. 4. How well the project is managed and success of the cleanup efforts. 5. The reaction and comments (satisfaction) of stakeholders including tank owners, legislators, contractors and consultants. 6. The ability to produce necessary information (reports) quickly and accurately. 7. The ability to accurately predict workloads and budget. 8. Satisfaction and morale of staff. 9. Cooperation between agencies. 10. Meets the financial assurance requirements for regulated tank owners and maintains its EPA approval. 11. The progress made in continually decreasing cleanup costs. 12. The progress made in streamlining the claims process. 13. Progress made in being pro-active instead of reactive by stopping small problems before they become big problems.
TN		Tanks must be in full compliance with release detection and 1998 tank standard or releases will not be covered.	
TX	Legislature currently in session.	TX is currently accepting claims for sites for which the release was discovered and reported prior to 12/23/98. Those sites where the release is discovered and reported on or after 12/23/98 cannot access the reimbursement fund.	
UT	Fund floor and ceiling was enacted by the legislature in February, 1999. It was proposed by the petroleum marketers to help prevent raids on the fund by the legislature as was attempted in 1998.	The Utah State Fund is financially healthy. We are accepting and paying all valid claims on old and new releases. We do not expect any change in status in the foreseeable future.	Yearly outside actuarial study. Sites cleaned up. Reception in the legislature.
VA	Bill passed increasing fund floor from \$6 million to \$12 million.	We are in delayed payment. Claims are paid 3 months after claim is processed. The fund is solvent and has no sunset date.	VA measures its fund's success by the number of cleanups completed, prompt processing and payment of claims, and by our fund's solvency. We are getting a lot of cleanups done; our customers are happy, and we have remained solvent since the fund's inception!
VT	None	Our fund is currently still the primary method for meeting financial responsibility requirements. Still accepting new claims for new releases.	A solvent fund with effective forecasting of long term needs. Good working relationship with stakeholders. Enabling effective environmental cleanups. Providing protection to affected third parties.
WA			Average premium per UST per year; average cost per UST claim
WI	Requirement to prepare protocol for evaluation of risk based decision making, resulting in implementation of emergency rule COMM46 between COMMERCE and ANR.		

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	Major Legislative Changes	Current Status of Fund	How Success is Measured
WV	Changes to UST Act to give the director specific rights and duties in administering the fund such as subrogation. Changes in regs to allow loans for UST upgrades, removals and installations.	The insurance funds is accepting claims with new releases. We are exploring the changes that are necessary to privityze the program.	Revenue collected exceeds expenditures and that sites are being cleaned up.
WY*			

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