

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund	How Success is Measured
AK	Net worth limitations for owners/operators.	All application deadlines have passed - working on a closed list of projects.	
AL	None.	The AL Tank Trust Fund continues to provide reimbursement for site assessment and corrective action costs, as well as third party coverage. The Fund is basically providing the same type of coverage as it did in 1989.	Basically, the Fund is providing reimbursement to eligible tank owners in a timely manner as required in the Trust Fund statute. The Fund has provided a financial means to address UST releases which may have otherwise not been addressed.
AR	None	Healthy: The fund still paying all eligible, reasonable and necessary claims.	
AZ	No major changes.	We continue to accept applications on all sites upgraded or not. There will be a reduction of coverage amount to 50% for any applications received after June 30, 2000.	Stakeholder acceptance.
CA	I ncreased coverage for occurrence from \$1.0 to \$1.5 million. Extended sunset date by 6 years to 1/1/11.	We continue to accept new claims for costs incurred after 1/1/88. The vast majority of claims unpaid to date are those from major oil companies, other large corporations and municipalities.	Able to obligate 100% of annual appropriation for claims each year. (\$180 million for FY 99-00).
CO	2000 legislation made the following changes to the CO fund: a. Extends current 4-tiered funding structure to 7/1/04 (was scheduled to drop 7/1/01). b. Reduces maximum surcharge from \$100 to \$75. c. Allows fund monies to be used to cover costs related to petroleum storage tank facility inspections and meter calibrations performed by Oil Inspection Section field inspectors.	The state fund of CO continues to function efficiently. New releases are covered by the Fund. Current revenue sources are anticipated to remain stable and adequate. Fund activity has increased slightly over the past few months, as the number of claims and amount requested for reimbursement have both gone up.	We consider the CO fund a success for the following reasons: The legislature is pleased with how the fund functions. This was demonstrated by the fact that recent legislation making minor financial adjustments to the fund passed unanimously. Tank owners/operators are pleased with how the fund functions. This was demonstrated by lobbying efforts on the part of tank owner trade associations in passing the recent legislation. The fund is solvent and is anticipated to remain so. In addition to the traditional UST owner/operator, the fund provides reimbursement for AST owners/operators. The fund also provides reimbursement for certain non-responsible parties such as property owners, persons with abandoned & orphan tanks, and lenders who foreclose on contaminated property. In addition, 14 NRP's have taken advantage of the statutory provision allowing them to ask the state to perform the cleanup, using fund monies. The fund serves as an incentive for persons to clean up sites promptly. The fund serves as an incentive for AST and UST owners/operators to maintain their facilities in regulatory compliance with regulations pertaining to registration, release detection, corrosion protection, spill/overflow prevention, SPCC plans, release reporting, closure, corrective action, etc. The fund served as an incentive to meet the 1998 UST upgrade requirements: <ul style="list-style-type: none"> • by waiving the \$10k deductible for certian small businesses who upgraded 1 year early • by denying fund benefits if USTs are not upgraded to meet the 1998 requirements (or closed). The fund removed many of the impediments to selling contaminated property by allowing fund eligiibity to transfer to the buyer. EPA has approved the fund as a financial assurance mechanism. Recent performance an financial audits of the fund found it to be a sound program.
CT	Added coverage for residential heating oil storage tanks.		Maintaining solvency, prompt review of claims, cost control, fraud prevention, site cleanup and regulation compliance.
DE	Legislative re-authorization of the funding source took place this year.	The state fund of Delaware is requiring all sites that pre-registered for the program to submit a claim by June 15, 2007. No new claims will be accepted after this date.	Delaware's ECDI fund is a success for the 240 sites that registered for the program. To date 54 sites have been closed at an average cost of \$76,400. The backlog of 1 year until processing has been cut to just 6 claims and a liability for those of only \$70,000. Processing is currently completed in the quarter the application is received.

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FL	No major changes	Still paying reimbursement claims (<200 left) for old pre 1997 work. All cleanup now under pre-approval program - directly contract with contractor designated by site owner for priority sites within budget - no reimbursement.	Since we do not provide coverage any longer for new discharges, the measure is how many contaminated sites can be brought to closure and how cost effective that end point can be reached.
GA	None	The State fund of Georgia is still accepting claims on sites with new releases, and we are still paying out claims for sites discovered before 4/30/2000.	The fund remains viable and the time for processing a claim (total cost of corrective actions at a site) is decreasing. Also the amount of outstanding claims is being lowered as well.
IA	Legislature deappropriated no further action fund and placed potential liabilities for claims under Remedial Fund.	The State fund of Iowa is privatizing the insurance function which covers releases after 10/26/90. We are still paying remedial claims for claims on releases prior to 10/26/90.	Moving sites to closure. Maintaining solvency through control of costs. Making timely payments to eligible claimants.
ID	The State Legislature borrowed \$10 million from our Fund with the provision that it will be repaid with interest. They also lowered the ceiling cap from \$30 to \$25 million and the floor from \$20 to \$15 million.	PSTF is still providing coverage for losses from an insured tank that occurred during the policy period. We continue to function as an insurance company providing coverage for ASTs, regulated and non-regulated farm and home tanks, and both home and commercial heating oil tanks.	There are several factors that support the overall success of ID's State Fund. Operating as a bonafide and actuarily sound insurance company, the PSTF continues to provide the State's tank owners with affordable coverage for their tanks, immediate response to handling their claims and outreach risk awareness and management services to help keep everyone's losses to a minimum.
IL		The State of Illinois Fund is solvent and we are processing and paying claims in a timely manner.	The Fund in Illinois has paid over 9,700 claims totaling \$344 million. Thorough and conscientious claim reviews have resulted in the "re-direction" of nearly \$45 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 9,300 sites.
IN		The Indiana State Fund has already received 846 claims in 2000. So far less than 168 claims have been paid for a total of \$8,691,644.32.	Accurately review and process all claims and technical documents within 60 days of receipt.
KS	None	The Kansas fund is still accepting new sites until the program sunsets in June of 2004. The program is operating well within the budget and reimbursements are proved within 30 days for sites where the appropriate approvals and bidding have been completed. RBCA are expected to be performed at low risk sites within the upcoming year. The program is still using the priority ranking system to establish site specific priorities based on risk as sites approved for assistance from the funds.	The sites are tracked based on the priority ranking numbers assigned to each site. Sites with public or private water supplies near them are assigned a multiplier to increase the scores of sites near receptors. The site ranking are tracked by management to insure that higher risk sites are remediated in a timely basis. The site application date is also tracked so management can determine how quickly those sites were moved from the awaiting action status through investigation to remediation or to the appropriate status such as monitoring for lower risk sites. Additionally, the Kansas funds have reimbursed most owner's claims with 30 days and remained well within the programs budget.
KY	Two new state laws: 1) requires State Fund and State Enforcement Agency to jointly develop an MOU to clearly identify roles, responsibilities and areas where shared-actions are required; 2) Requires that lead or prime contractors pay vendors and subcontractors in full prior to the UST owner submitting a reimbursement claim to the Fund, unless vendor or subcontractor waives the right to payment.	Fund is financially solvent. Will continue to accept application as for assistance an reimbursement claims from all UST facilities that register tanks prior to July 16, 2002. Will continue to reimburse for eligible, reasonable and necessary corrective action costs until State Legislature decides to sunset the 1.4¢ assessment fee.	1) Number of reimbursement claims processed and amount; 2) Timeliness of processing claims; 3) Number of Applications for Assistance processed and amount obligated; 4) Timeliness of processing Applications for assistance; 5) Maintaining positive Fund balance; 6) Detection of erroneous or fraudulent claims; 7) Positive financial audit report; 8) Number of complaints from UST owners, contractors, legislators, attorneys and other stakeholders.
LA		The LA Motors Fuels Underground Storage Tank Program pays out claims on all sites determined eligible. There are no time limitations with the exception of inception of the Trust Fund, which is July 15, 1988.	If site cleanups are being completed and the fund is solvent.
MA	N/A	Conducted pilot study for Contractor. Direct reimbursement.	Time line of processing and payment on claims.

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MD	A) July 1, 2000 - 1¢/barrel fee imposed at the point of first transfer in the State to be credited to the Oil Contaminated Environmental Site Cleanup Fund. B) The 1¢/barrel to be divided such that 1/4¢/barrel addresses site rehabilitation for releases from heating oil tanks and 3/4¢/barrel addresses regulated motor fuel systems. C) Applications for both programs accepted on or after October 1, 2000. D) Owners of heating oil systems can be reimbursed for certain costs incurred after October 1, 2000; owners of regulated motor fuel systems can be reimbursed for certain costs incurred on or after October 1, 1993 and before December 22, 1998.	A) Funding workgroup met several times in last half of 1999 and end result was legislation introduced by the Department (HB457) on changes in fees, qualified applicants, heating oil, etc. B) We are still paying out on claims for sites discovered before 12/22/98. C) We are continuing to review and approve applications as existing funding allows. D) We have approximately 35 applications waiting to be processed.	Purpose of MD fund is to assist owners/operators in the remediation of a release from a regulated motor fuel UST through reimbursement of certain approved expenditures. Approval of reimbursement is based on the release affecting groundwater, surface water or utilities and a pre-approved corrective action plan (CAP) that addresses site remediation in what is believed to be a cost effective manner using best demonstrated and available technology.
ME	Required to review current program for providing financial assurance for clean-up costs and third party damages and evaluate alternative financial responsibility mechanisms by May 15, 2001. Required to perform detailed budgetary analysis of sources of funding and disbursements by December 15, 2000. Extension of AST replacement program through December 31, 2005. Increased funding for AST replacement loan program by \$1M annually to allow a maximum of \$2.5M annually.	In calendar year 1999, Maine received only 13 applications from UST sites, and 100 applications from AST sites for the coverage of clean-up costs and third party damages. This is a reduction of 110 applications compared to 1998. We are actively managing the fund by approving expenditures on high priority sites only.	
MI	None	Fund ceased accepting new claims or invoices under existing claims at 5:00pm 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	Language was added to allow for up to \$10,000 reimbursement for the cost to decommission or upgrade bulk plants to comply with the new MN AST requirements. Reimbursement is capped at \$10,000 per site.	MN continues to provide coverage for petroleum tank releases that meet our statutory definition of a tank (e.g. USTs, ASTs, home heating oil tanks, lines dispensers, hydraulic lifts). This results in one of the most inclusive programs in the US.	Primarily by stakeholder feedback and the time in which it takes to process applications. Our relationship with the regulatory agency (MPCA) is a important factor too.
MO	None.	MO's fund insures owners/operators of USTs and ASTs containing petroleum. Owner/operator must annually demonstrate compliance to maintain coverage. 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 Dec. 31, 1997.	If tank owners and property owners receive timely, professional service, if cleanups are progressing expeditiously, and if Fund money is being spent efficiently and economically - we consider our Fund successful.
MS	none	The State Fund of MS is currently accepting all claims.	Financially sound and able to accept all claims. Presently have removed tax of \$.004/gallon - will re-instate when fund reaches \$6,000,000 per UST law.
MT	1) DEQ now provide all staff support to petroleum board 2) Board composition changed - fire marshall and director DEQ not on board. Attorney and banker replaced DEQ director and fire marshall.	Fund is solvent. Reimburse approximately \$500,000 per month in cleanup costs.	In transition to bids for corrective action cost; The more bids we obtain the greater the cost savings to fund. Previously, all work was reimbursed on time and materials basis.
NC	None		Feedback from customers; turn around time from claim receipt to check mailout; fund balances in the black and at or near breakeven; positive comments for legislators.
ND	In the 1999 Legislative session, HB1404 was introduced and passed. This allows any owner who is 1 st party who proposes or has taken corrective action in response to a release, the time of such release being unknown, may apply to the administrator for partial or full reimbursement up to max. of \$25,000. This is for cost incurred after July 1, 1989 even if the release was discovered before July 1, 1989 per location.	We are still paying out on claims for sites that have active cleanup in progress, and we are accepting new claims, as long as the tanks are registered and in compliance with both state & federal regulations.	
NE	None.	Our fund is currently paying for approved remedial activities at 111 active responsible person led sites and 13 orphan tank state led sites. In June 1999 the LUST program implemented RBCA Tier 1 investigations and about 40 sites per month have been activated from our backlog list for Tier 1's. Costs associated with these investigations are also being reimbursed when the initial deductible is met. Also, performing Tier1 investigations is closing many sites with low risk, focusing fund resources on higher risk sites.	Application processing time is within 60 days, currently averaging 28 days from receipt to payment.
NH	None.	The NH State Fund is active in all project areas and continues to accept claims for historical and new releases.	Fund's play an essential role in moving projects to regulatory closure.

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NJ	A 33/3% cap on grants came into effect 3/31/00. Meaning only 1/3 of all financial assistance (loans 7 grants) from the UST fund can be awarded as grants).	We are accepting only requests for reimbursements on sites where an application for financial assistance was filed by 1/1/99 for regulated tanks storing product other than heating oil and by 8/31/91 for regulated tanks storing heating oil.	The fund has been very successful in getting owners and operators of underground storage tanks the money they need for upgrades, closures and remediation. Over \$71M has been approved and obligated in financial assistance.
NM	None	The fund balance remains viable mechanism for financial responsibility for clean-up of contamination due to releases from regulated UST's.	We spend the revenue collected into the corrective action fund on cleaning up soil and groundwater contaminated by releases of regulated substances from underground storage tanks.
NV		Nevada's 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	None.	The Fund continues to accept claims for releases occurring before and after 12/22/98. The Board issued revenue bonds for the second time in 1998 in the amount of \$35 million. These bonds do not mature until 2013 and no changes in the Fund as the state's financial responsibility mechanism is anticipated before that date.	As the Financial Assurance Fund is supported solely by annual tank fees, revenue bond proceeds and interest income, the Board's challenge is to strike a balance between reasonable fee levels and timely reimbursements. Revenue bond debt is being created to allow timely claim reimbursements without excessive fee rates. The Fund's success is measured by the 1) maintenance of an affordable fee structure that generates sufficient revenues to maintain Fund solvency; 2) maintenance of claims claimed costs; and 3) conformance to all bond trust agreement covenants.
OK	The State legislature took \$1,000,000 from our general fund.	We are solvent, claim reimbursements are up to date and we are improving how the Fund is managed. We are reviewing a number of claim disallowances per statute requirements.	We base our success on the following factors: 1) we are and always have operated the Fund with positive cash flow, 2) we project based upon estimated future site remediation costs that we will have enough money in the Fund to clean-up our problem sites, 3) site remediation is processing at a faster rate than originally projected under the P-F-P program, and 4) the tank owners and consultants are pleased with our pre-approval program and the results of our P-F-P program.
PA	The Fund now covers tank installers for 3 rd party liability when they are negligent in installing, modifying, or removing a tank that results in a release up to \$1 million, the same limits as tank owners and operators.	Last year we paid 97% of all claims presented, have a surplus of \$263 million after all known claims are paid and reduced the fee to almost nothing, this adds up to a very solid fund.	1) Low interest loan for upgrading 2) \$500,000 for home heating oil tanks. 3) All claims paid within 30 days 4) \$263 million surplus after all current claims are concluded.
RI		The Fund continues to pay claims on a quarterly basis thus effectively eliminating a backlog, but in the meantime our fund balance is not accumulating. Government sites have added to the burdens of an already small fund, insolvency still continues to be a concern.	RI's fund remains a success as we continue to remain solvent, have no backlog, and we are still able to do this with limited staff and funding. Secondly, we have improved our relations with the Dept. of Environmental Management and we are now working towards a common goal - a cleaner environment.
SC	None	The state fund of South Carolina is accepting claims and has sufficient revenues to fund all class 1 and 2 releases. We are still paying out on claims for sites discovered before the 12/22/98 EPA deadline.	The number and percent of confirmed releases that are closed per year which were funded by the state fund is a measure of success. The number and percent of cases closed where costs were based on competition is another measure of success as it reflects an effective use of state funds. Efficiency of account administration is another indicator of success. Maintaining a steady cash flow (and account balance) reflects that monthly revenues are promptly being committed for new work (which maximizes cleanup activities in the State) and invoices are being processed in a timely fashion (ensuring accountability). The indicators listed in the Environmental Protection Agency Region IV solvency report (which includes claim payments, processing times, outstanding debt) are used to determine relative success.

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SD	The 2000 legislature enacted the abandoned tank removal program. Petroleum tanks that were taken out of service before 4/1/88 are eligible for removal under state lead program with the deductible being replaced with a 5 year for the cost of the cleanup or \$10,000, whichever is less. All costs are funded by the PRCF.	The SD PRCF continues to pay claims on existing releases. New releases are still being reported on a regular basis. The abandoned tank removal program has just gotten underway. We expect to cleanup over 800 abandoned sites within the next few years at a cost of about \$10M.	1) The range and number of "no further action" letters (minimization or elimination of risks). 2) The speed of claims processing. 3) The reasonableness of claims submitted - costs reimbursed. 4) Satisfaction and personal development of staff. 5) Good data management and ability to strategically plan for future needs. 6) Good relationship with stakeholders. 7) Trust of stakeholders.
TN	No recent changes.	Releases discovered after the 12/23/98, tanks must be in substantial compliance with release detection requirements and the 1998 tank standards or the release will not be covered. The fund is maintaining its viability as an instrument for corrective action and financial responsibility and is projected to gain strength in the next few years.	In 1997 legislators authorized \$15 million in bonds to cover projected short falls in funding, because of cost control methods and the use of risk based assessment we have been able to maintain a viable fund without the issue of bonds. FY 98-99 revenues exceeded net claims for first time in more than 5 years and this trend is expected to continue in the future.
TX	None.	The state fund of Texas is currently accepting no claims on site with new releases. We are still paying out claims on sites discovered before 12/23/98.	
UT	None.	The Fund is actuarial ly sound. We pay claims as received. We accept all new claims for releases at participating facilities.	Yearly outside actuarial study. Sites cleaned up. Reception in the legislature.
VA	None.	Virginia's fund continues to cover all eligible releases, but is delaying payments based on available revenue.	Cleanup completed and timely processing and payment of claim as funds become available.
VT	The VT legislature of 2000 amended the UST residential removal grant program by increasing the grant amount from \$500 to \$1000, increased the annual amount authorized from the fund from \$50,000 to \$100,000, removed an income cap for those eligible for the grant and required that a site assessment be performed during UST removal. They also amended the UST loan program to allow the award of interest free loans to facilities that need to upgrade their overfill and spill containment equipment.	The State Fund of Vermont is still accepting claims for new and old releases. We reimburse all eligible uninsured costs for releases from USTs and ASTs. We are working to move all our cleanup sites to PPP.	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	Extension of expiration from 7/1/01 to 6/30/07.	Solvent. Functioning as legislature intended.	Average policy # per site. Average policy cost per tank. Average cost UST claim. Average cost heating oil tank claim.
WI *			
WV			
WY			

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