

TABLE 5. STATE FUND UPDATES

	Major Legislative Changes	Current Status of Fund	How Success is Measured
AK	<i>Net worth limitations for owners/operators.</i>	<i>All application deadlines have passed - working on a closed list of projects.</i>	
AL	<i>None.</i>	<i>The AL Trust Fund continues to provide cleanup and 3rd party coverage for existing eligible USTs and AST releases and for future releases. Since the '98 upgrade, we have seen a reduction in the number of new eligible releases.</i>	<i>The Fund continues to provide both cleanup and third party coverage for eligible tank owners to meet their financial responsibility requirements. Overall, the Fund reimburses tank owners within 60 days of payment request receipt as required in the Trust Fund regulations. There has never been an absence of Funds to make reimbursements. This has been accomplished through pre-approval of cost proposals and projections of long term obligations.</i>
AR	<i>Act 1471 of 2001 requires tank owners to complete and submit a self-inspection audit. Payments may be denied if the audit is later found to be inaccurate or a release is not reported as required by regulations and thus delaying corrective action.</i>	<i>Healthy; The fund still paying all eligible, reasonable and necessary claims. AR is not implementing fund reimbursement on a percentage of a cleanup goal as a type of pay-for-performance. We issue prior approval on corrective action work plans that include cleanup activities (specific performance to remove contamination) with an estimated cost per activity. When specific activities are completed, we pay for those completed activities upon approval from our project manager. Also, random projects are audited by a third party auditing firm on a contract with the state.</i>	
AZ	<i>The Fund will pay for tank closure if the release was from a tank and the tank cannot be repaired. The Fund will pay for appeal cost for consultant and attorney fees if the appellant prevails. Appeals caosts cannot exceed the amount of which the applicant prevailed on the appeal.</i>		
CA	<i>None.</i>	<i>The CA fund is still receiving and processing new claims.</i>	<i>We measure average time it takes to complete processing of a payment.</i>
CO	<i>None. HB 01-1375 upgrades the Oil Inspection Section to the Division of Oil and Public Safety.</i>	<i>The CO Petro Storage Tank Fund is stable and solvent. We continue to accept claims for new releases and to pay out on claims for site discovered before 12/22/98. During the last 12 months, we reimbursed \$20.5 million to a record 877 claimants.</i>	<i>Fund is solvent; claims are processed rapidly; fund projections indicate it will be able to meet future demands; fund is not scheduled to sunset; efficient, fair process to appeal claims; thorough claim review before reimbursement to ensure integrity of fund administration; fund meets needs of regulated community; state legislative support; industry support; environmental consultant support; fund serves as incentive to clean up petroleum contamination; fund encourages lenders to make loans; fund facilities real estate transactions; external auditor approval; EPA has approved Fund as an acceptable financial assurance mechanism; fund extends reimbursement beyond UST owners/operators.</i>
CT			
DE		<i>The state reimbursement fund of DE is currently sending letters to all fund eligible tank owners informing them that if they have not submitted a claim to date they must do so by October 31, 2001. No new claims will be accepted after that date.</i>	<i>For the first time in ten years there are no claims pending so we have been successful in eliminating any backlog. Of the 115 sites that have submitted claims 56 have received NFAs at an average cost less than the national average. We have been successful in creating other financial programs such as the PLUS loan program; Small Retail Gasoline Station Loan Assistance Program; and FIRST Fund for orphan tanks. Tank owners in DE are responsible for obtaining financial assurance mechanisms on their own. We feel successful in having created financial assistance programs that allow tank owners to finance work needed to achieve operational compliance and thus qualify for the purchase of commercial insurance.</i>
FL	<i>No major changes</i>	<i>Still paying reimbursement claims (<80 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.</i>	<i>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.</i>
GA	<i>None</i>	<i>The State fund of GA is accepting claims on sites with new releases, and we are paying out claims for sites discovered before 04/40/01.</i>	<i>The fund remains viable and the processing time for a claim has been reduced by almost six months. In addition, the amount of outstanding claims has been reduced.</i>
IA	<i>Expanded eligibility under innocent landowner fund to include past owners or operators of tanks at otherwise eligible sites. Legislature took \$18 million to use for general State Fund.</i>	<i>The State Fund of IA is currently accepting no claims on sites with new releases. We are still paying out on claims for sites reported before 10/26/90. We pay for assessment of releases where IDNR cannot find a responsible party, on a contractual basis. We have a separate fund, the innocent landowner Fund, that newly discovered sites may make.</i>	<i>Closure of sites. The objective is to address and close all eligible claims so that the fund may cease.</i>
ID	<i>None.</i>	<i>Idaho's Fund continues to provide insurance coverage for losses from insured tanks (ASTs, regulated and non-regulated farm and home tanks, and both home and commercial heating oil tanks) that occurred during the policy period.</i>	<i>Several factors support the overall success of Idaho's State Fund. Operating as a bonafide and actuarily sound insurance compnay, the Fund provides: 1) affordable coverage to the state's tank owners, 2) immediate response to claims, 3) outreach support risk awareness and management to minimize losses as well as petroleum released into the environment.</i>
IL	<i>None.</i>	<i>The State of IL Fund is solvent and we are processing and paying claims in a timely manner.</i>	<i>The Fund in IL has paid over 12,000 claims totaling nearly \$400 million. Thorough and conscientious claim reviews have resulted in the "re-direction" of nearly \$48 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 10,200 sites.</i>

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	<i>Major Legislative Changes</i>	<i>Current Status of Fund</i>	<i>How Success is Measured</i>
IN		<i>The Indiana State Fund accepts claims from eligible owners and operators that have a release that was reported after 4-1-88.</i>	
KS	<i>Sunset date extended until July 2014.</i>	<i>Fund is accepting applications for assistance. Claims are expected to be paid until 2014. Applications for assistance have leveled off over the past 2 years to a point where staff are able to keep up with any backlog.</i>	<i>The number of sites that have not been assessed is approaching 0. High priority sites where public and private water supplies are threatened or have been impacted have, for the most part, had remedial action mitigate the threat. Sites that have been delegated to monitored natural attenuation are being addressed through more aggressive methods based on potential environmental threat and suitable physical parameters.</i>
KY	<i>No significant changes in the past year.</i>	<i>Fund is financially solvent and continues to reimburse UST owners for the eligible, reasonable and costs associated with corrective actions.</i>	<i>1) Number and dollar amount of reimbursement claims processed. 2) Timeliness of processing claims. 3) Number of applications for financial 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.</i>
LA	<i>Pending legislation: 1) Beginning July 1, 2001, interest earnings from the Trust Fund (approx. \$100/month) will be used for removing abandoned contaminated UST sites. The State may place a lien against the properties for costs incurred. 2) Revises the eligibility criteria for the Trust Fund to require the owner of the UST to be in substantial compliance and redefines substantial compliance; 3) Clarifies those activities which must be performed by the response action contractor; and 4) Revises the membership of the Trust Fund Advisory Board to include two response action contractors, rather than one.</i>	<i>The LA Motor Fuels Underground Storage Tank Trust Fund pays out eligible claims on work performed at sites deemed eligible, provided the claim is submitted within two years of the date the work is performed.</i>	<i>We consider our fund successful as site cleanups are being completed, claims are processed in a timely manner and the fund is solvent.</i>
MA	<i>Reduction in Board quorum from seven to five for voting on claims. Expenditures from the fund are allowed to extend cash balance until 2007.</i>	<i>Claims paid in full through April 2001 Board vote.</i>	<i>Claims processing timelines, payment timelines.</i>
MD	<i>None</i>	<i>1) We are still paying out on claims for sites discovered before 12/22/98. 2) We are continuing to review and approve applications as funding allows. 3) A workgroup met during the last quarter of 2000 to develop reimbursement regulations for heating oil tanks and modify existing reimbursement regulations for motor fuel systems based on legislation that became effective July 1, 2000. 4) Proposed regulations are due for Public Hearing on May 24, 2001. 5) We have approximately 29 residential applications and 46 commercial applications to be processed.</i>	<i>Until 7/1/00, purpose of MD Fund was to assist owners/operators in the remediation of a release from a regulated motor fuel UST through reimbursement of certain approved expenditures. The program/fund has now been expanded to address heating oil systems, both commercial (USTs only) and residential (AST or UST). Approval of reimbursement is based on the petroleum release affecting Waters-of-the-State; utilities; or odors within a dwelling, 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.</i>
ME	<i>Increased revenue by modifying surcharge trigger. Prohibit deliveries to USTs in violation of Oct. 1, 1998 removal deadline. Require submittal of third party annual inspection of leak detection and operating requirements and prohibit deliveries to tanks won't inspection report. Prohibit installaion of USTs in groundwater protection zone.</i>	<i>The ME Fund accepts claims from newly discovered releases from UST's and AST's except that newly discovered releases from UST's in violation of the Oct. 1, 1998 removal deadline are no longer accepted. Balance is showing a slightly upward trend.</i>	
MI	<i>None</i>	<i>No appeals in progress.</i>	<i>The number of sites which were closed and/or had risks abated.</i>
MN	<i>NA</i>	<i>Minnesota's Fund continues to be solvent. We currently process an average 150 reimbursement applications per month that includes costs associated with investigating and cleaning up petroleum tank releases that result from USTs, ASTs, home heating oil tanks and farm tanks.</i>	<i>Success is primarily measured in the time in which it takes to process a claim and make payment to the applicant. We also look at stakeholder feedback and our relationship with the MPLA and state legislature.</i>
MO	<i>Legislation passed 5/18/01, (yet to be signed by Governor), extending sunset date by 7 years, giving Board authority to raise transport load fee, and authorizing "fail coverage". Legislation enacted 5/18/01 allows increase of transport lod fee from \$0.003125 per gallon to \$0.0075 per gallon.</i>	<i>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 clean up old tank sites, if tanks were taken out of use by December 31, 1997.</i>	<i>If tank owners and property owners receive timely, professional service, if cleanups progress expeditiously; and if fund money is spent efficiently and economically - we consider our Fund successful.</i>
MS	<i>NA</i>	<i>Reimbursing current claims.</i>	<i>Success in corporate America is measured by the bottom line profit. Since we have no "bottom line" in state government, we must ensure that we are getting the best value for the public dollar. Therefore, success is not necessarily defined as an end result, but it is everyday management of the trust fund to assure fund solvency and accurate and timely reimbursement to our tank owners. We also try to remain proactive with the management of our trust fund, evaluating and changing, when we discover a better process.</i>
MT	<i>Eligibility requirements were changed to allow owner/operator that fails to remain in compliance to regain eligibility when site becomes compliant. Board has yet to establish criteria reduced reimbursement rates.</i>	<i>Fund is currently reimbursing money at a rate faster than revenue is being collected.</i>	<i>MT uses claim processing time and cost of cleanup to evaluate success of program.</i>

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NC	<i>None</i>	<i>Both commercial and noncommercial funds are solvent.</i>	<i>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.</i>
ND	<i>Annual registration fee will be reduced to \$5 if on the first day of July in any year the amount of money in the Fund exceeds \$9,000,000. The Fund may purchase a contract for insurance that reimburses an owner or operator for property damage claims by third parties, other than claims for costs of corrective action.</i>	<i>We are still paying out on claims for sites discovered before 12/27/98. We are also accepting claims for new releases after 12/22/98.</i>	<i>We measure success by the reduction of releases occurring.</i>
NE	<i>Legislative changes are proposed.</i>	<i>The Nebraska fund is currently paying for approved remedial activities at 179 active RP led sites and 40 orphan tank sites. Activating backlog sites for RBCA Tier 1 investigations continues. The LUST/RA program is also developing RBCA Tier 2 investigation procedures. The regulation changes needed to implement Tier 2 are in final approval stages. Also, in development is a PFP program for orphan tank sites that will be expanded to include responsible person sites.</i>	<i>Application processing time is within 60 days, currently averaging 36 days from receipt to payment.</i>
NH	<i>Pending legislation would create a new fund for orphan MTBE and other ether contaminated sites.</i>	<i>The NH State Fund is active in all project areas and continues to accept claims for historical and new releases.</i>	<i>Fund's play an essential role in moving projects to regulatory closure. Success is measured by number of projects closed.</i>
NJ	<i>Bill passed allowing reimbursement of costs incurred prior to submitting application and cap for limiting grants to business was lifted until March 2004. Law now allows reimbursement of past costs.</i>	<i>Fund is only open to businesses that submitted applications by 1-1-99 and that need "supplemental" funding and is open to homeowners with leaking USTs.</i>	<i>We look to see the number of tanks in compliance.</i>
NM	<i>The 2001 Legislature amended the Hazardous Waste Act (74-4 NMSA 1978) and Ground Water Protection Act (74-6B NMSA 1978) to include above ground storage tanks. Certain above ground storage tank owners have access to the Corrective Action Fund (CAF), see Section 74-6B-7 NMSA1978. Senate Bill 333 was passed during the 2001 Legislative Session. It incorporated the regulations, standards of operation and management of releases from above ground storage tanks not used for retail purposes into the existing underground storage tank program.</i>	<i>The Fund does not have a sunset clause. The Fund will continue to pay claims and the funding source (the Petroleum Products Loading Fee) is stable.</i>	
NV	<i>None.</i>	<i>Fund is alive, well & adding improvements.</i>	<i>1) Track sites where remediation goals are accomplished and site is closed. 2) Track and handle on an individual basis sites where a) technology in place is under-performing b) costs to date are in the upper 10%</i>
NY	<i>None.</i>	<i>A non-reimbursement fund.</i>	<i>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.</i>
OH	<i>None.</i>	<i>The Fund continues to accept claims for released 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 change in the Fund as the state's financial responsibility mechanism is anticipated before that date.</i>	<i>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 claims submissions standards that encourage cost-effective remediations; 3) timely reimbursement of eligible claimed costs; and 4) conformance to all bond trust agreement covenants.</i>
OK	<i>None</i>	<i>The OK indemnity fund remains solvent. All work must be pre-approved and encumbered, and the fund will not commit for work in excess of its available balance.</i>	<i>The fund remains solvent; it continues to remediate and close sites; and industry is happy with the way the fund operates.</i>
PA	<i>None.</i>	<i>We now pay 97% of all claims presented with a release date of 2/1/94 or later.</i>	<i>We currently have a surplus of \$227 M which is the amount left after all open claims are paid.</i>
RI	<i>Legislation pending in the house right now does the following: A. Limits gov. site participation 1) must be a release from a UST that is required to have FR; 2) must pay deductible; 3) must be in compliance; 4) must pay into fund. B. Allows Review Board to establish alternate means of FR</i>	<i>Currently, the Board is unable to pay last quarter's disbursement of \$2 M due to a severe shortfall in funds. The government entities have taken the majority of funds in the last three quarters, for example, last quarter 11 sites took 48% of total recommended amount.</i>	<i>For a small fund, with little staff, we have managed to get approx \$20 million out to claimants and we are continuously implementing changes such as our new database, streamlining our review process, and looking at alternative mechanisms for FR. Therefore, as we are constantly trying to better the fund while still giving out funds, I would consider RI a success.</i>
SC	<i>None</i>	<i>The State Fund of South Carolina is accepting new claims. Revenue is used to fund primarily those releases in RBCA classes 1 and 2. Cases in RBCA classes 3-5 are addressed as funding allows.</i>	<i>The fund must maintain EPA approval as a FR mechanism. The fund effectively responds with resources to eliminate risk at emergency situations. Fund efficiency - maintaining a steady cash flow 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). Relatively low administrative cost. Cases closed with funding. The indicators listed in the EPA Region IV solvency report (which includes claim payments, processing times, outstanding debt) are used to determine relative success.</i>

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SD	<i>The 2001 South Dakota legislature passed a bill to remove the lien requirements in the abandoned tank removal program</i>	<i>The DS PRCF is capable of paying all eligible claims. We currently have 893 active sites in our regular program. To date we have received over 1400 applications for the abandoned tank program. Of these, work has been bid on 352 sites.</i>	<i>A successful cleanup in a reasonable amount of time. Capable of paying claims as they are approved. Turnaround time- payments made within 30 days. Satisfied stakeholders.</i>
TN	<i>N/A</i>	<i>The Fund is still accepting claims for all sites, but now must be in compliance for the release to be covered. The Fund is solvent and net balance is starting to grow.</i>	<i>Timely payment keeps the clean-up continuing / In 1997 the legislators authorize \$15 million dollars in bonds, as of to-date we have not had to issue those bonds. The fund has remained solvent from day one.</i>
TX	<i>None. The Texas legislature is currently in session. Legislation pending would extend the fund and change the fund structure if approved.</i>	<i>The fund for Texas is only paying out on claims for sites with releases discovered before 12/23/98.</i>	<i>Maintaining liquidity of the fund while paying claims in a timely manner.</i>
UT	<i>None.</i>	<i>The Fund is actuarial ly sound. We pay claims as received. We accept all new claims for releases at participating facilities. Claims payments currently exceed income by two to one.</i>	<i>Yearly outside actuarial study. Sites cleaned up. Input from owners and legislators.</i>
VA	<i>None.</i>	<i>VA's fund is currently active covering all new releases with no sunset provisions. However, due to increased demand, payments are backlogged.</i>	<i>We measure the success of our fund both environmentally and financially. Statistics such as case closure rate, average cleanup cost, and claim turnaround time are monitored on a regular basis.</i>
VT	<i>Annual cap on AST cleanups raised from \$250,000/yr to \$500,000 for one year only. Directed a study be completed for next year with recommendations on long term solution.</i>	<i>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.</i>	<i>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.</i>
WA		<i>Pollution Liability Insurance Agency (PLIA) continues to provide low cost reinsurance to commercial insurance companies providing coverage in WA for regulated USTs and heating oil tanks.</i>	<i>The primary mission PLIA is to provide pollution liability insurance to owners and operators of regulated USTs - insurance that is available and affordable. We measure success with average premiums per site and per tank. We also measure against the rest of the industry. In that area, the other companies must ???</i>
WI		<i>The State of Wisconsin is still accepting new sites as well as claims on old sites. We have thousands of active sites where contamination was discovered before 12/28/98. New releases from new or upgraded UST systems are not eligible for reimbursement if the release was reported after 1/1/96.</i>	<i>We judge whether or not our program is a success by the timely review and payment of claims for activities conducted under the Fund, and timely review and closure of petroleum contaminated sites.</i>
WV	<i>None</i>	<i>Insurance fund in West Virginia stopped providing coverage on 9/30/00. We will continue to process and pay claims until the current covered sites reach "no further action" levels.</i>	<i>We still have enough funds to pay the current claims.</i>
WY			