

- Funding in FY 2004 and FY 2005 is equal to funding for FY 2003

Petroleum Underground Storage Tank Release Compensation Board

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ROLE

The Petroleum Underground Storage Tank Release Compensation Board serves Ohio's underground storage tank (UST) owners and operators through administration of the Financial Assurance Fund. In accordance with federal law, the fund assures UST owners reimbursement of up to \$1 million, minus a deductible, for corrective actions and for compensating third parties for injury or property damage caused by accidental releases of petroleum from underground tanks. The Board requires all UST owners to make annual payments to the fund. Coverage under the standard deductible of \$55,000 is currently provided at an annual fee of \$450 per tank. Owners of six or fewer tanks may opt to pay \$600 per tank and reduce their deductible to \$11,000 per release.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
16	\$1.1 million	\$1.1 million	\$0	\$0	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

OVERVIEW

Appropriations for FY 2004 and FY 2005 total \$1,075,158 each year. This amount is equivalent to the total appropriated in FY 2003 and is \$174,131 more than actual expenditures for FY 2003. Funding levels over the 2003-2005 biennium match those requested by the Board and recommended by the Executive.


The Petroleum Underground Storage Tank Release Compensation Board uses no General Revenue Fund moneys and maintains one State Special Revenue account. Moneys in this account are used solely for personnel costs. The Board consists of nine members appointed by the Governor and three ex-officio members: the Treasurer of State, the Director of the Department of Commerce, and the Director of the Environmental Protection Agency. The Board has a current staff of 16 employees who perform the daily operations of the Board.

BUDGET ISSUES

FINANCIAL ASSURANCE FUND

The United States Environmental Protection Agency issued mandates to upgrade, remove, or replace aging USTs by December 1998, which resulted in a substantial decrease in the number of assured USTs for which fees are collected and credited to the Financial Assurance Fund. In the first year of the Board's existence, fees were collected for approximately 50,000 USTs. Today the number of assured USTs has decreased to approximately 23,000. In order to minimize the effects on the solvency of the Financial Assurance Fund, the Board has increased per tank fees incrementally over the years, and has succeeded in maintaining a relatively stable amount of fee revenue.

Although a fee increase is not anticipated for FY 2004, the Board annually reviews its fee structure and operating budget based on the unobligated balance of the Financial Assurance Fund, the claims paying experience of its members, and the claims expenses projected to be certified for payment in the coming fiscal year. Based upon these claims projections and the expected tank population, the Board establishes the annual tank fee for the upcoming fiscal year.

As of December 31, 2002, there were a total of 2,278 sites for which the Board has received requests for claims reimbursement since its establishment in 1990. Of these, 903 are closed sites, meaning no additional claims for reimbursement can be submitted. With respect to these closed sites, 2,222 claims were submitted (for an average of 2.5 claims per site) at an average corrective action cost of \$64,205 per site. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency			FY 2001:	FY 2002:	FY 2003:	FY 2004 Appropriations:	% Change 2003 to 2004:	FY 2005 Appropriations:	% Change 2004 to 2005:
Report For: Main Operating Appropriations Bill			Version: Enacted						
UST Petroleum Underground Storage Tank Release Compensation Board									
691	810-632	PUSTRCB Staff	\$ 735,510	\$ 862,295	\$901,027	\$ 1,075,158	19.33%	\$ 1,075,158	0.00%
State Special Revenue Fund Group Total			\$ 735,510	\$ 862,295	\$ 901,027	\$ 1,075,158	19.33%	\$ 1,075,158	0.00%
Petroleum Underground Storage Tank Release Compe			\$ 735,510	\$ 862,295	\$ 901,027	\$ 1,075,158	19.33%	\$ 1,075,158	0.00%