

# Petroleum Underground Storage Tank Release Compensation Board

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- No GRF funding
- To date, more than \$165 million has been disbursed for the reimbursement of corrective action costs

## OVERVIEW

### Duties and Responsibilities

The Petroleum Underground Storage Tank Release Compensation Board (PUSTRCB) was established in July 1989 in response to the 1984 federally mandated requirements established in Subtitle I of the Resource Conservation and Recovery Act (RCRA).

The Board consists of nine members appointed by the Governor, with the State Treasurer and the directors of the Department of Commerce and the Ohio Environmental Protection Agency serving as ex-officio members. The Board has an administrative staff of 16 full-time employees.

The Board serves Ohio's underground storage tank (UST) owners and operators through administration of the Financial Assurance Fund (Fund 691). The fund provides a mechanism for all UST owners and operators to meet United States Environmental Protection Agency (USEPA) regulations requiring them to demonstrate financial responsibility to pay for costs of corrective actions and/or third-party liability for property damage or bodily injury caused by an accidental release of petroleum from regulated USTs. The Fund assures UST owners reimbursement of up to \$1 million, minus a deductible, for necessary corrective actions. Effective in FY 2007, UST owners are charged an annual per-tank fee of \$600 for a standard \$55,000 deductible. Owners of six or fewer USTs pay an additional \$200 per tank for a reduced \$11,000 deductible. These fees are estimated to generate approximately \$14.6 million in annual revenue to Fund 691.

To date, the FAF assures approximately 3,500 UST owners and 22,200 USTs. Also, UST owners have been reimbursed over \$165 million for costs related to clean-up of petroleum contamination at more than 2,400 facilities located across Ohio.

## Agency in Brief

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2008	2009	2008	2009	
26	\$1,116,658	\$1,169,181	\$0	\$0	Am. Sub. H.B. 119

\*Employee count obtained from the Department of Administrative Services (DAS) payroll reports as of June 2007. Total includes all full-time employees (16), part-time employees (1), and board members (9).

The budget provides funding of \$1,116,658 in FY 2008, the same as the FY 2007 adjusted appropriation. The budgeted amount for FY 2009 is \$1,169,181, or 4.7% above FY 2008 levels.

## ANALYSIS OF THE BUDGET

### Single Program Series Petroleum Underground Storage Tank Release Compensation Board

**Purpose:** The Petroleum Underground Storage Tank Release Compensation Board provides a low cost mechanism for owners of Ohio's underground storage tanks (UST) to comply with the United States Environmental Protection Agency's regulations.

The following table shows the line item that is used to fund the Petroleum Underground Storage Tank Release Compensation Board, as well as the enacted funding levels.

Fund	ALI	Title	FY 2008	FY 2009
<b>Agency Fund Group</b>				
691	810-632	PUSTRCB Staff	\$1,116,658	\$1,169,181
<b>Agency Fund Group Subtotal</b>			<b>\$1,116,658</b>	<b>\$1,169,181</b>
<b>Total Funding: Petroleum Underground Storage Tank Release Compensation Board</b>			<b>\$1,116,658</b>	<b>\$1,169,181</b>

Funding for the Petroleum Underground Storage Tank Release Compensation Board supports the following two programs:

- **Program 1.01: Reporting and Compliance**
- **Program 1.02: Eligibility and Reimbursement Determination**

### Reporting and Compliance

**Program Description:** This program handles all the administrative responsibilities to ensure Ohio's UST owners are well informed and in compliance with federal financial responsibility requirements and the rules of the Board and the State Fire Marshal. Staff members in this program determine UST owners' rights to a Certificate of Financial Assurance Coverage and provide valid Certificates of Coverage for those owners demonstrating compliance with regulations. Only holders of a valid Certificate of Coverage can be granted eligibility to receive reimbursement of corrective action costs in the event of an accidental petroleum release at an assured site. This program annually issues Certificates of Coverage to more than 3200 owners of about 23,000 petroleum USTs in Ohio.

**Funding Source:** Fund 691 (a portion of UST fee revenue transferred from the Financial Assurance Fund to Fund 691 for the Board's personnel costs)

**Implication of the Budget:** The appropriations will cover personnel costs only and allow staff to continue reporting and compliance functions at current levels.

## Eligibility and Reimbursement Determination

**Program Description:** The primary function of the Eligibility and Reimbursement Determination program is to determine who is eligible for reimbursement costs and how much money to grant in the event of an accidental release. For owners to seek reimbursement from the FAF, they must first submit an eligibility application to the Board for review. If an owner is deemed eligible for reimbursement, that owner may then submit a claim reimbursement application. Once the application is reviewed, the Board may reimburse tank owners for the costs of corrective action through two methods: an installment payment and a settlement payment. To date, the Board has received approximately 9,350 applications for reimbursement. About 8,000 of these have been settled or are below the deductible amount and, therefore, review is not required at this time. Applications for reimbursement are at an average of 65 per month.

**Funding Source:** Fund 691 (a portion of UST fee revenue transferred from the FAF to Fund 691 for the Board's personnel costs)

**Implication of the Budget:** The appropriations will allow the Board to cover mandated pay increases and increasing health insurance costs while continuing to provide service at the current levels. It will also permit staff to continue to work towards reducing the backlog of applications waiting review, thereby decreasing response times while continuing to manage incoming reimbursement requests.

**FY 2008 - 2009 Final Appropriation Amounts**

**All Fund Group**

<b>Line Item Detail by Agency</b>			<i>FY 2005:</i>	<i>FY 2006:</i>	<i>FY 2007 Adj. Appropriations:</i>	<i>FY 2008 Appropriations:</i>	<i>% Change 2007 to 2008:</i>	<i>FY 2009 Appropriations:</i>	<i>% Change 2008 to 2009:</i>
<b>Report For: Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>						
<b>UST Petroleum Underground Storage Tank</b>									
691	810-632	PUSTRCB Staff	\$ 971,730	\$ 1,011,189	\$ 1,116,658	\$ 1,116,658	0.00%	\$ 1,169,181	4.70%
<b>Agency Fund Group Total</b>			<b>\$ 971,730</b>	<b>\$ 1,011,189</b>	<b>\$ 1,116,658</b>	<b>\$ 1,116,658</b>	<b>0.00%</b>	<b>\$ 1,169,181</b>	<b>4.70%</b>
<b>Petroleum Underground Storage Tank Total</b>			<b>\$ 971,730</b>	<b>\$ 1,011,189</b>	<b>\$ 1,116,658</b>	<b>\$ 1,116,658</b>	<b>0.00%</b>	<b>\$ 1,169,181</b>	<b>4.70%</b>