

## Petroleum Underground Storage Tank Release Compensation Board

### Role and Overview

The Petroleum Underground Storage Tank Release Compensation Board administers Ohio's Financial Assurance Fund. The fund provides coverage for clean-up costs and third-party property and bodily damages associated with accidental releases of petroleum from underground storage tanks (USTs).

The Financial Assurance Fund consists of fees and charges paid by owners of underground storage tanks, interest earned on the moneys in the fund, and proceeds from revenue bonds authorized by the board. As of February 2007, there is approximately \$11.2 million in unobligated funds and an additional obligated amount of \$2.2 million for anticipated fiscal year 2007 claim reimbursement payments. Payroll expenses of the board, which are about \$1.1 million annually, are the only funds of the board that are appropriated.

The board consists of nine members appointed by the Governor and three ex-officio members: the Treasurer of State and the directors of the Department of Commerce and the Ohio Environmental Protection Agency. The board has a staff of 16 employees that perform the daily operations of the board with an annual operating budget of \$1.1 million.

Additional information regarding the Petroleum Underground Storage Tank Release Compensation Board is available at <http://www.petroboard.com/>.



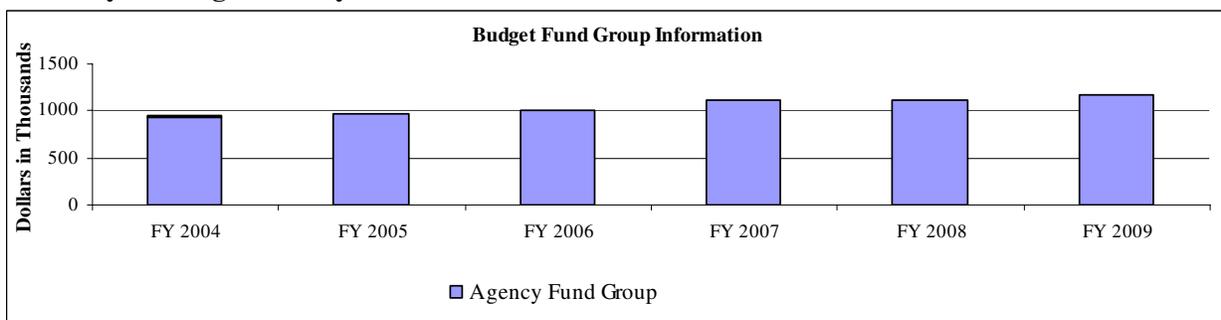
### Turnaround Ohio Initiatives

- Strengthen channels of communication to Ohio's petroleum storage tank owners to help ensure their participation in the Financial Assurance Fund.
- Continually improve the claims review process to facilitate fairness and efficiency in reimbursement.

### Agency Priorities

- Execute sound fiscal practices and strategies to preserve the solvency of the Financial Assurance Fund.
- Implement competent management systems to guide the Board's operations.
- Deliver effective services through a motivated and well-trained team of employees.

### Summary of Budget History and Recommendations



(In thousands)	ACTUAL			ESTIMATE	% CHANGE	RECOMMENDED			
	FY 2004	FY 2005	FY 2006			FY 2007	FY 06-07	FY 2008	% CHANGE
Agency Fund Group	940	972	1,011	1,117	10.4	1,117	.0	1,169	4.7
<b>TOTAL</b>	<b>940</b>	<b>972</b>	<b>1,011</b>	<b>1,117</b>	<b>10.4</b>	<b>1,117</b>	<b>.0</b>	<b>1,169</b>	<b>4.7</b>

## Petroleum Underground Storage Tank Release Compensation Board

(In thousands) OBJECT OF EXPENSE	ACTUAL			ESTIMATE	%	RECOMMENDED			
	FY 2004	FY 2005	FY 2006	FY 2007	FY 06-07	FY 2008	%	FY 2009	%
Personal Services	940	972	1,011	1,117	10.4	1,117	.0	1,169	4.7
<b>TOTAL</b>	<b>940</b>	<b>972</b>	<b>1,011</b>	<b>1,117</b>	<b>10.4</b>	<b>1,117</b>	<b>.0</b>	<b>1,169</b>	<b>4.7</b>

### PROGRAM SERIES 01: Reporting and Compliance

This program series provides Ohio's petroleum UST owners with \$1 million (less a deductible) of assurance coverage for taking corrective action and compensating third parties for bodily and property damage caused by accidental releases from petroleum USTs. The program satisfies the federal EPA regulations requiring all U.S. petroleum UST owners to demonstrate \$1 million of financial responsibility.

#### Program 01.01: Reporting and Compliance

This program is responsible for the collection and application of all fees and penalties; maintenance of the general ledger and fee invoice systems; all accounting and fiscal transactions; preparation of all financial statements and related documents; coordination of an annual study of the Financial Assurance Fund's estimated claim liability with an independent actuarial firm; and coordination of the annual audit with an independent accounting firm and the State Auditor's Office.

#### The Executive Recommendation will:

- Allow the collection and application of fees and penalties in accordance with law;
- Provide for the issuance of Certificates of Financial Assurance Fund Coverage for approximately 23,000 USTs;
- Coordinate the annual study of the Financial Assurance Fund's estimated claim liability with an independent actuarial firm;
- Coordinate the annual audit with an independent accounting firm and the State's Auditor's Office; and
- Fund the equivalent of 8.5 full-time employees for the daily operations for Reporting and Compliance program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	691	810-632	PUSTCB Staff	506,595	529,631
<b>TOTAL FOR PROGRAM</b>				<b>506,595</b>	<b>529,631</b>

#### Program 01.02: Eligibility and Reimbursement Determination

This program is responsible for maintaining the eligibility, pre-approval, and reimbursement databases that allow the board and staff members to execute their duties. The board's claim staff reviews appropriate documentation and rules governing the eligibility and reimbursement processes, and makes recommendations to the director regarding an owner's right to place claims against the Financial Assurance Fund and the amounts eligible for reimbursement. Tank owners have the rights of appeal as provided by Ohio Revised Code, Section 119.

#### The Executive Recommendation will:

- Administers the Financial Assurance Fund that provides coverage for clean-up costs and third-party property and bodily damages associated with accidental releases of petroleum from underground storage tanks;
- Allow the evaluation and determination of eligibility of 800 reimbursement claim applications per year;
- Provide the resources to remediate contamination through reimbursement payments;
- Assist in the development of innovative ways to reduce clean-up costs through the pre-approval process; and

**Petroleum Underground Storage Tank Release Compensation Board**

- Fund the equivalent of 7.5 full-time employees for the daily operations for Eligibility and Reimbursement Determination program.

FUND				RECOMMENDED	
GROUP	FUND	ALI	ALI NAME	FY 2008	FY 2009
AGY	691	810-632	PUSTCB Staff	610,063	639,550
<b>TOTAL FOR PROGRAM</b>				<b>610,063</b>	<b>639,550</b>

## LINE ITEM SUMMARY - Underground Storage Tank Release

FUND	ALI	ALI TITLE	FY 2004 ACTUAL	FY 2005 ACTUAL	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 RECOMMENDED	% CHANGE	FY 2009 RECOMMENDED	% CHANGE
691	810-632	PUSTCB Staff	940,220	971,730	1,011,189	1,116,658	1,116,658	.0	1,169,181	4.7
<b>TOTAL Agency Fund Group</b>			<b>940,220</b>	<b>971,730</b>	<b>1,011,189</b>	<b>1,116,658</b>	<b>1,116,658</b>	<b>.0</b>	<b>1,169,181</b>	<b>4.7</b>
<b>TOTAL Underground Storage Tank Rel</b>			<b>940,220</b>	<b>971,730</b>	<b>1,011,189</b>	<b>1,116,658</b>	<b>1,116,658</b>	<b>.0</b>	<b>1,169,181</b>	<b>4.7</b>