

# Petroleum Underground Storage Tank Release Compensation Board

## Role and Overview

The Petroleum Underground Storage Tank Release Compensation Board (UST) administers Ohio's Financial Assurance Fund (FAF). The Fund provides coverage for clean-up costs and compensation for 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 petroleum USTs, interest earned on the moneys in the Fund, and proceeds from revenue bonds authorized by the board. Currently there is approximately \$13.1 million in unobligated funds with an obligated amount of \$7.8 million for anticipated fiscal year 2013 claim reimbursement payments. Payroll expenses of the board are the only appropriated funds of the board. 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 employs a staff of sixteen employees who perform the daily operations of the board.

More information regarding the Petroleum Underground Storage Tank Release Compensation Board is available at [www.petroboard.org/](http://www.petroboard.org/).

## Agency Priorities

- Preserve and protect the public health, safety, convenience, and welfare of Ohioans by providing financial assistance to remediate contamination caused by releases from petroleum USTs, contributing to the preservation and protection of water resources and improving damaged property.
- Provide an affordable mechanism for Ohio's petroleum UST owners to meet federally- and state-mandated financial responsibility requirements.
- Preserve the solvency of the Financial Assurance Fund through the efficient use of funds and innovative cost control measures.
- Issue claim reimbursement payments within reasonable amounts of time while maintaining an affordable fee structure and current staffing levels.

## Funding Recommendation for 2014 and 2015

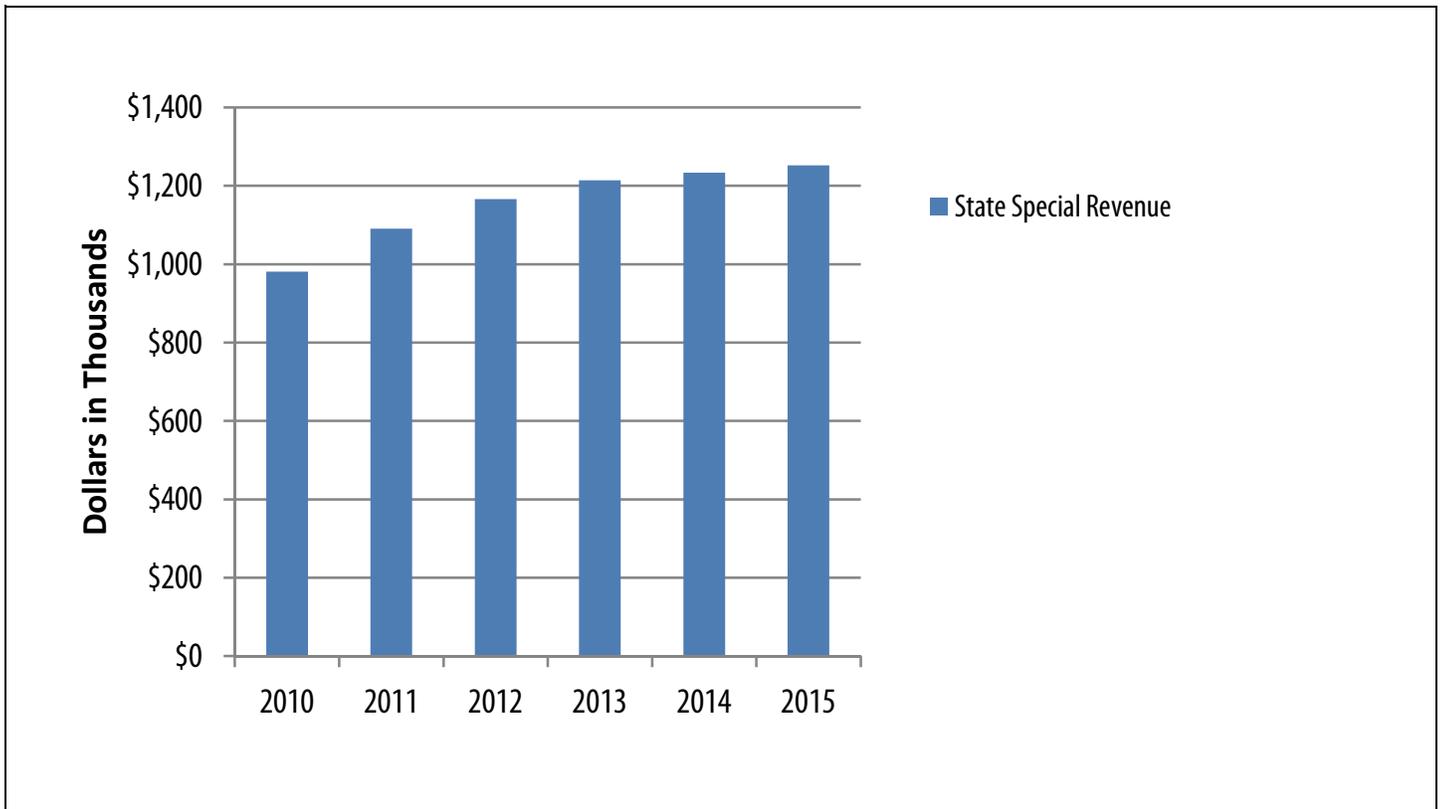
- All Funds: Funding for fiscal year 2014 is \$1.2 million (or a 1.6% increase from fiscal year 2013). Funding for fiscal year 2015 is \$1.3 million (or a 1.5% increase from fiscal year 2014).

## The Executive Recommendation will fund the following objectives:

- Administer the Financial Assurance Fund, which provides coverage for clean-up costs, third-party property, and bodily damages associated with accidental releases of petroleum from USTs.
- Provide for the issuance of Certificates of Coverage for \$1 million (less a deductible) of financial responsibility coverage to 3,300 owners of 21,000 petroleum USTs in Ohio.
- Assist in the development of innovative ways to reduce clean-up costs and provide owners with valuable information regarding proposed corrective action activities and costs through the evaluation and determination of over 200 corrective action cost pre-approval applications each year.
- Collect and apply approximately \$14 million in annual fees and coordinate the collection of delinquent fees with the Attorney General's Office.
- Evaluate 800 reimbursement applications per year.
- Provide the resources to remediate contamination through the reimbursement of approximately \$18 million for corrective action costs at almost 800 active petroleum release sites.
- Provide timely financial information to maintain the Financial Assurance Fund's solvency, including performing an annual actuarial study of long-term claim liability and coordinate an annual audit.

**Petroleum Underground Storage Tank Release Compensation Board**

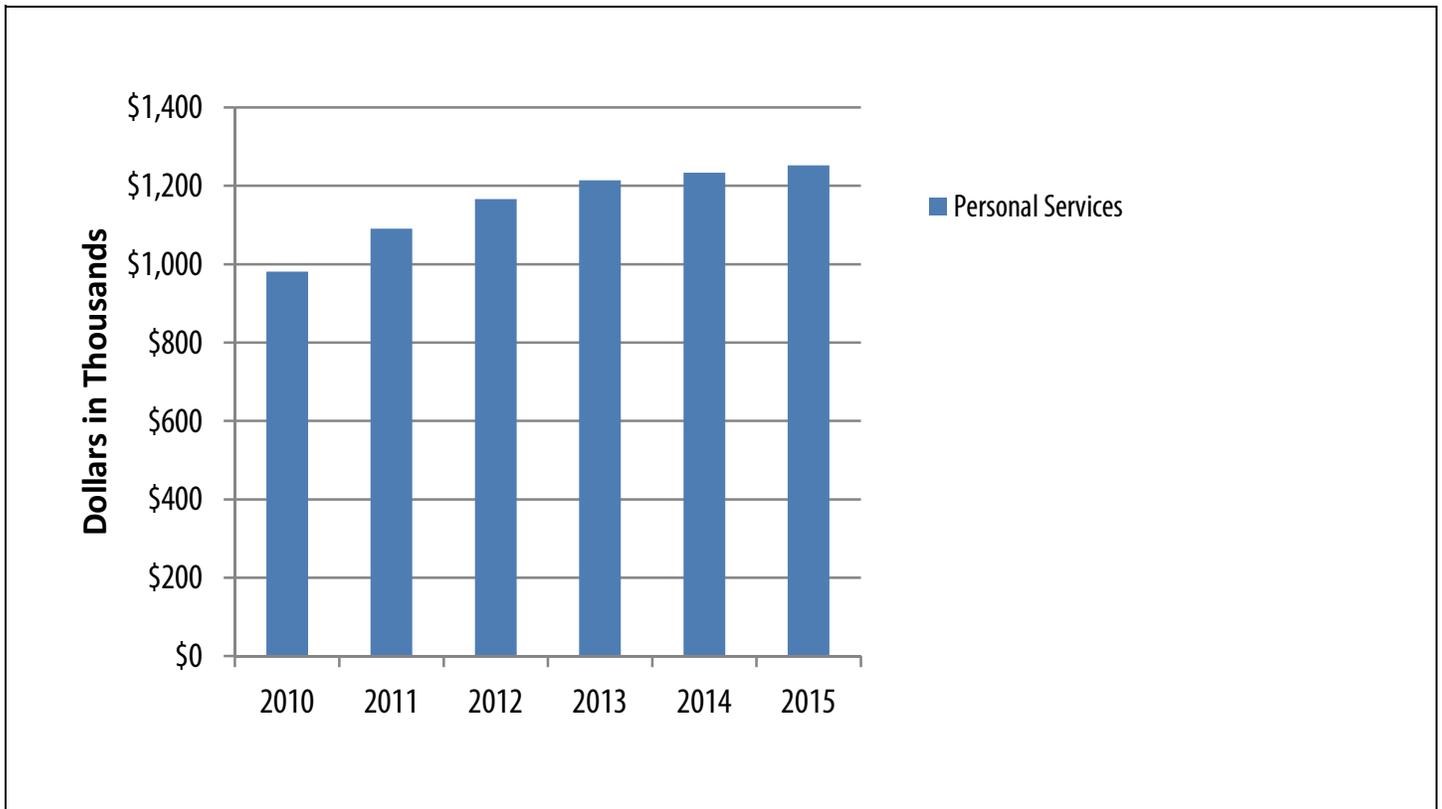
**Budget Fund Group Information**



(in Thousands) Budget Fund Group	Actual			Est.	% Change	Recommended			
	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
State Special Revenue	981	1,091	1,166	1,214	4.1%	1,233	1.6%	1,252	1.5%
<b>Total</b>	<b>981</b>	<b>1,091</b>	<b>1,166</b>	<b>1,214</b>	<b>4.1%</b>	<b>1,233</b>	<b>1.6%</b>	<b>1,252</b>	<b>1.5%</b>

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**Expense Account Category Information**



(in Thousands) Expense Account Category	Actual			Est.	% Change	Recommended			
	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
Personal Services	981	1,091	1,166	1,214	4.1%	1,233	1.6%	1,252	1.5%
<b>Total</b>	<b>981</b>	<b>1,091</b>	<b>1,166</b>	<b>1,214</b>	<b>4.1%</b>	<b>1,233</b>	<b>1.6%</b>	<b>1,252</b>	<b>1.5%</b>

**Program Series 1: Financial Assurance (174A0)**

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 injury and property damage caused by accidental releases from petroleum USTs. The program satisfies federal EPA regulations requiring all U.S. petroleum UST owners to demonstrate \$1 million of financial responsibility. The Reporting and Compliance program (174B1) is responsible for the assessment, collection, and application of an annual per-tank fee and the issuance of Certificates of Coverage for all underground storage tanks covered by the FAF. The Eligibility and Reimbursement Determination Program (174B2) performs cost pre-approvals and determines the eligibility of reimbursements from the FAF.

Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
6910	810632	PUSTRCB Staff	1,214,014	1,233,249	1.6%	1,252,202	1.5%
<b>Total for Financial Assurance</b>			<b>1,214,014</b>	<b>1,233,249</b>	<b>1.6%</b>	<b>1,252,202</b>	<b>1.5%</b>

**State of Ohio**

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Fund	ALI	ALI Name	Actual			Estimated	Recommended			
			FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
6910	810632	PUSTRCB Staff	980,954	1,090,559	1,166,326	1,214,014	1,233,249	1.6%	1,252,202	1.5%
<b>Total State Special Revenue</b>			<b>980,954</b>	<b>1,090,559</b>	<b>1,166,326</b>	<b>1,214,014</b>	<b>1,233,249</b>	<b>1.6%</b>	<b>1,252,202</b>	<b>1.5%</b>
<b>Grand Total Petroleum Underground Storage Tank Release Compensation Board</b>			<b>980,954</b>	<b>1,090,559</b>	<b>1,166,326</b>	<b>1,214,014</b>	<b>1,233,249</b>	<b>1.6%</b>	<b>1,252,202</b>	<b>1.5%</b>