

**Petroleum Underground Storage Tank Release Compensation Board**

**Role and Overview**

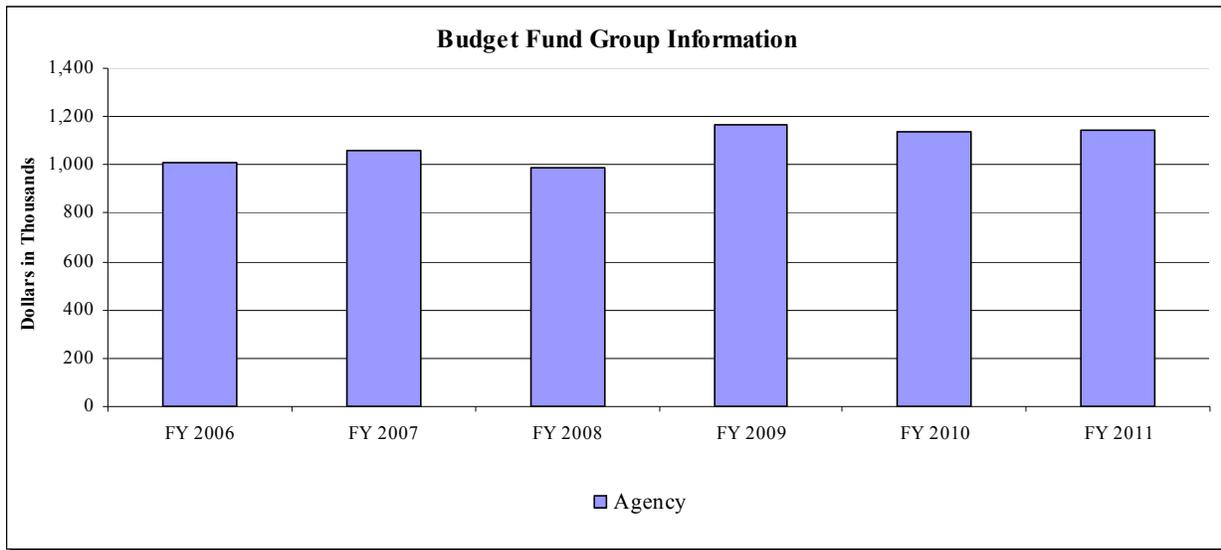
The Petroleum Underground Storage Tank Release Compensation Board administers Ohio's Financial Assurance Fund. The fund provides coverage for clean-up costs and third-party property and bodily damages associated with accidental releases of petroleum from underground storage tanks (USTs).

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 September 2008, there is approximately \$11.4 million in unobligated funds and an additional obligated amount of \$8.1 million for anticipated fiscal year 2009 claim reimbursement payments. Payroll expenses of the board, which are about \$1.14 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 \$1.14 million.

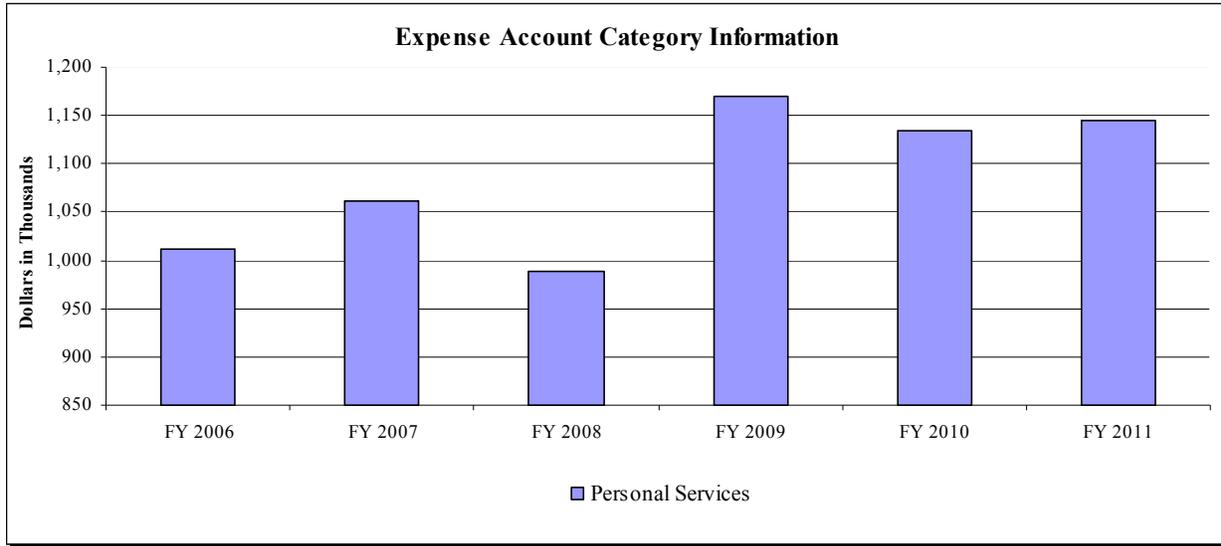
Additional information regarding the Petroleum Underground Storage Tank Release Compensation Board is available at <http://www.petroboard.com/>.

**Summary of Budget History and Recommendations**



(In Thousands)	ACTUAL			EST.	% CHANGE	RECOMMENDED			
	FY 2006	FY 2007	FY 2008			FY 2009	FY 08-09	FY 2010	% CHANGE
Agency	1,011	1,061	988	1,169	18.3	1,135	-2.9	1,145	0.9
<b>TOTAL</b>	<b>1,011</b>	<b>1,061</b>	<b>988</b>	<b>1,169</b>	<b>18.3</b>	<b>1,135</b>	<b>-2.9</b>	<b>1,145</b>	<b>0.9</b>

**Petroleum Underground Storage Tank Release Compensation Board**



(In Thousands) EXPENSE ACCOUNT CATEGORY	ACTUAL			EST.	%	RECOMMENDED			
	FY 2006	FY 2007	FY 2008	FY 2009	FY 08-09	FY 2010	% CHANGE	FY 2011	% CHANGE
Personal Services	1,011	1,061	988	1,169	18.3	1,135	-2.9	1,145	0.9
<b>TOTAL</b>	<b>1,011</b>	<b>1,061</b>	<b>988</b>	<b>1,169</b>	<b>18.3</b>	<b>1,135</b>	<b>-2.9</b>	<b>1,145</b>	<b>0.9</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; preparation of an annual actuarial study of the Financial Assurance Fund's estimated claim liability; and coordination of the annual audit with an independent accounting firm and the State Auditor's Office.

**The Executive Recommendation will fund the following objectives:**

- 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 21,900 USTs;
- Perform an annual actuarial study of the Financial Assurance Fund's estimated claim liability;
- 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 2010	FY 2011
AGY	6910	810632	PUSTRCB Staff	514,208	518,040
<b>TOTAL FOR PROGRAM</b>				<b>514,208</b>	<b>518,040</b>

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**Petroleum Underground Storage Tank Release Compensation Board**
**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 fund the following objectives:**

- Administer 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 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
- 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 2010	FY 2011
AGY	6910	810632	PUSTRCB Staff	620,652	626,587
<b>TOTAL FOR PROGRAM</b>				<b>620,652</b>	<b>626,587</b>

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**Petroleum Underground Storage Tank Release Compensation Board**
**LINE ITEM SUMMARY - Petroleum Underground Storage Tank Release Compensation Board**

<b>FUND</b>	<b>ALI</b>	<b>ALI NAME</b>	<b>FY 2006 ACTUAL</b>	<b>FY 2007 ACTUAL</b>	<b>FY 2008 ACTUAL</b>	<b>FY 2009 ESTIMATE</b>	<b>FY 2010 RECOMMENDED</b>	<b>% CHANGE</b>	<b>FY 2011 RECOMMENDED</b>	<b>% CHANGE</b>
6910	810632	Pustreb Staff	1,011,189	1,061,085	988,138	1,169,181	1,134,860	-2.9	1,144,627	0.9
<b>TOTAL Agency</b>			<b>1,011,189</b>	<b>1,061,085</b>	<b>988,138</b>	<b>1,169,181</b>	<b>1,134,860</b>	<b>-2.9</b>	<b>1,144,627</b>	<b>0.9</b>
<b>TOTAL Petroleum Underground Storage Tank Release Compensation Board</b>			<b>1,011,189</b>	<b>1,061,085</b>	<b>988,138</b>	<b>1,169,181</b>	<b>1,134,860</b>	<b>-2.9</b>	<b>1,144,627</b>	<b>0.9</b>