State of State Funds

National Perspective Based on FY24 State Fund Reviews
Emily Khuong
September 24, 2025



State Funds by Type

Map of State Financial Assurance Funds (2025)





State Fund Review Process

The state fund soundness review process is a **collaborative** process between EPA and the state. The review analyzes the **environmental** and **financial** performance of the state fund.



How **quickly** is the fund **reducing** its federally-regulated, <u>fund-eligible</u> (FRFE) cleanup caseload?



Has the fund had enough resources to address its FRFE caseload?



Will the fund have the resources to **further reduce** the caseload?



Are there any major or pending changes to the fund?



General Standing of State Funds

Approximate Annual Revenue: \$710M

Approximate Current Balance: \$1.39B

Outstanding Claims: \$57.74M

Approximate Total Amount Paid:

Total: \$10.98B

Annual: \$292.65M

Source: ASTSWMO 2024 Annual Tanks Update Summary



FY24 Year in Review: High Level Findings

- Most funds are doing well
- Some areas of concern:
 - Insufficient revenue and high unpaid claims
 - Small percentage of sites getting payment
 - States with few closures and/or long cleanup times (start and finish)
 - Resource challenges: staffing shortage, legislative changes
 - Large EOY balances at risk for potential diversions
- EPA follow-up with state funds facing challenges: additional data and Tier 2 Review



FY24 Year in Review: Topline Numbers

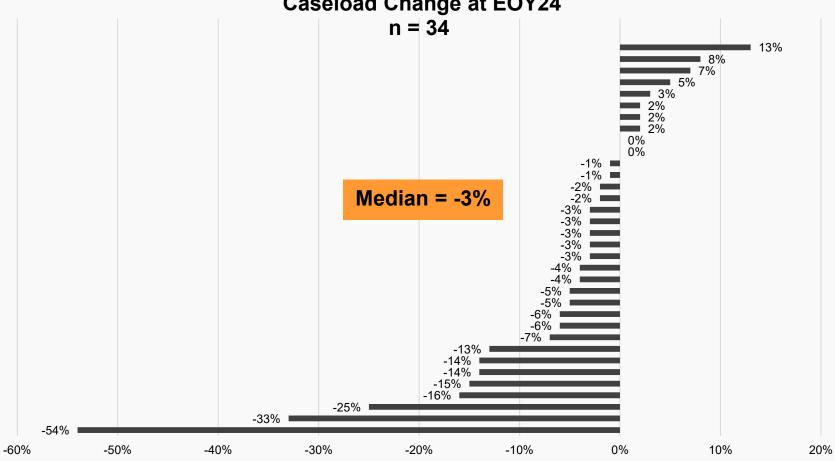
34 funds reviewed

State data is compared to its own performance over time

- Median caseload reduction: -3%
- Median percent of money available spent: 35%
- Median percent of FRFE sites that received payment: 49%
- Median time from release to start of remediation: 5 months
- Median time from start of remediation to close: 63 months

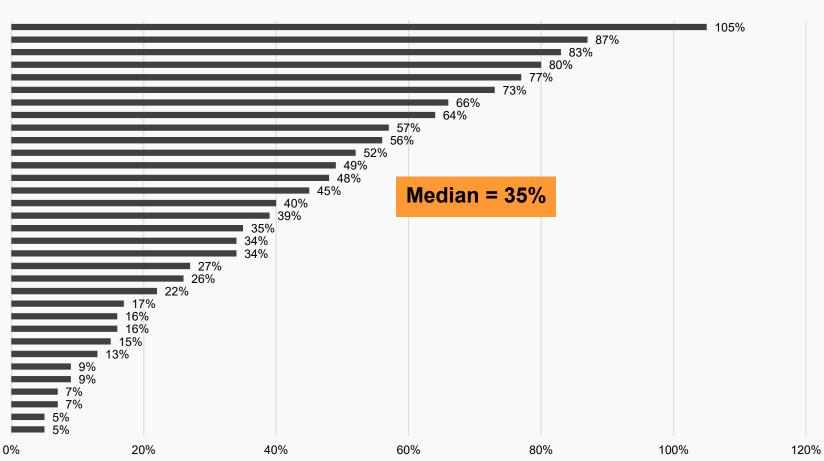


Percent of Federally Regulated Fund Eligible (FRFE) Caseload Change at EOY24



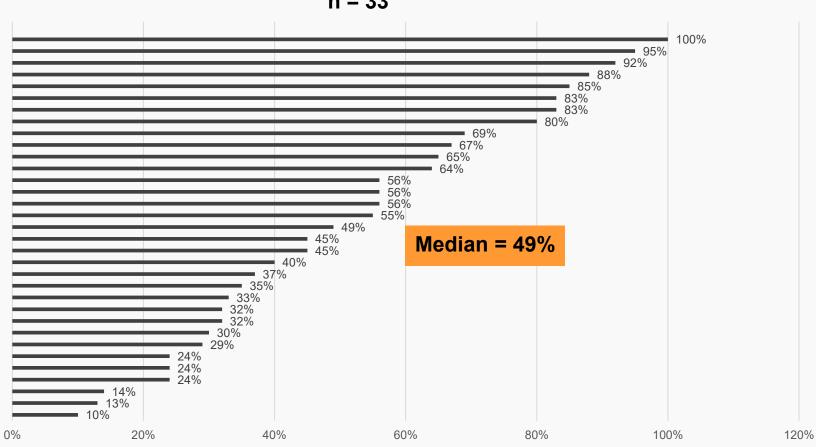


Percent of Money Available Spent (programmatic costs) in FY24 n = 34



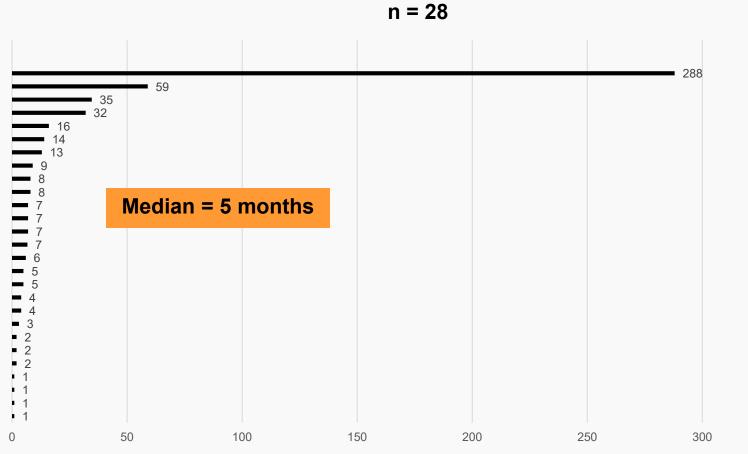


Open FRFE Cleanups that Received Payment in FY24 n = 33



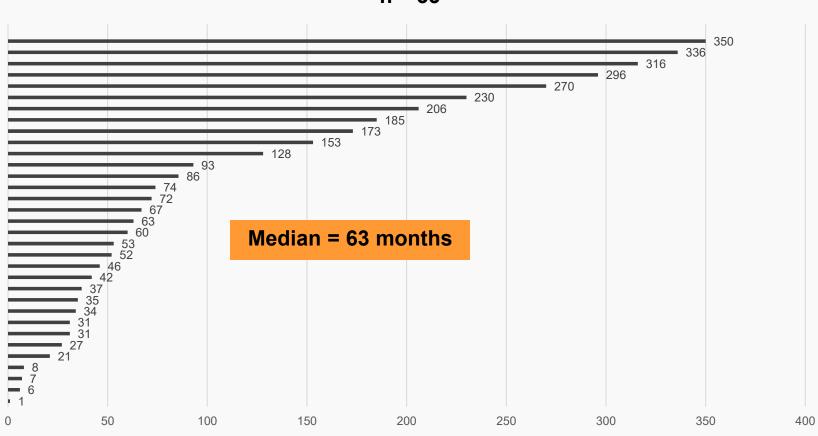


Months from Release Report to Start of Remediation for Cleanups Started in FY24





For Cleanups Closed in FY24: Time from Release Report to Close of Remediation n = 33





Takeaways

- Most of the state funds are in good standing
- National data shows a wide range of state funds which reflects the unique structure of each program
- Certain characteristics may clue in on the underpinnings of each program
- Still more work to be done new releases each year



On the Horizon for FY25

35 state fund reviews

- August: Workbooks distributed
- Early October: Workbooks due
- Now: OUST & Regions reviewing workbooks
- December: FY25 Reviews are closed out

Contact Emily Khuong at Khuong.Emily@epa.gov or 202-566-0465



GEORGIA'S UST TRUST FUND

A Story of Four Decades

Jay Kemberling, GA UST Program Manager

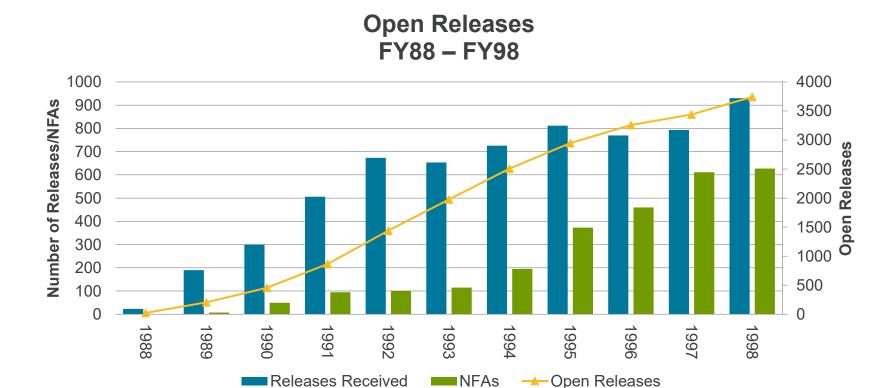
THE BEGINNING: 1988-1998

The Georgia UST Program and Trust Fund are created on July 1, 1988.

- Initially funded by \$0.001 per gallon fee
- Voluntary participation
- \$10,000 deductible
- No set costs
- Ceases collection at \$50 MM unobligated balance

Guiding principle: "...no costs may be reimbursed to the participating owner or operator until such time as corrective action has been completed in accordance with a plan approved by EPD."

- GUST Rule 391-3-15-.13(e)(2)(vii)





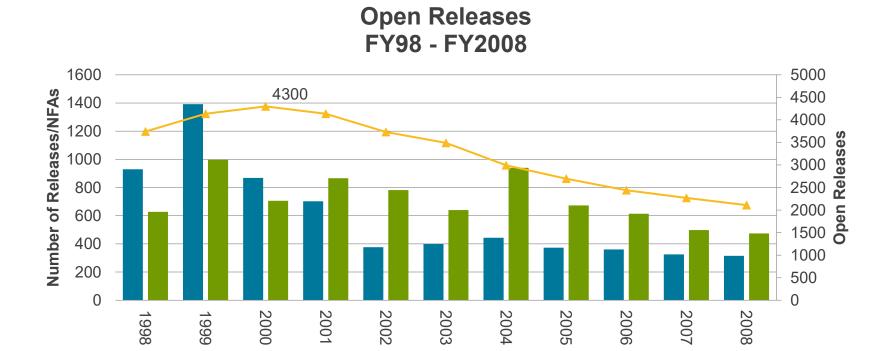
DIGGING OUT OF A MOUNTAIN: 1998-2008

The 1998 upgrade requirements create a mountain of release notifications and fund applications. The focus turns to hiring staff and digging out of the mountain.

Fee increased to \$0.005 per gallon

Guiding principle: "However, provisions for interim payments may be made if the corrective action is being conducted in accordance with a plan approved by EPD which allows interim payments;"

- GUST Rule 391-3-15-.13(e)(2)(vii)



NFAs

→ Open Releases

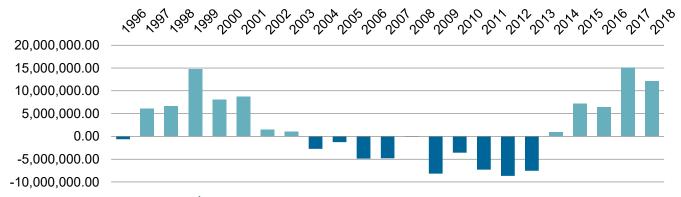
Releases Received



PUT DOWN THE SHOVEL!: 2008-2018

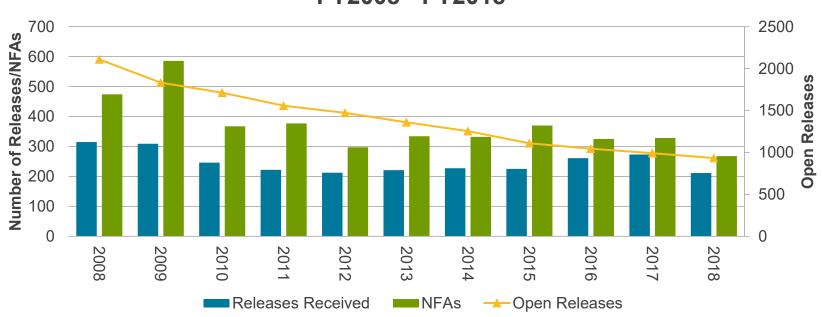
The new focus on efficiency overburdens the trust fund!

Surplus or Deficit 1996-2018



Fee increased to \$0.0075 per gallon in 2014







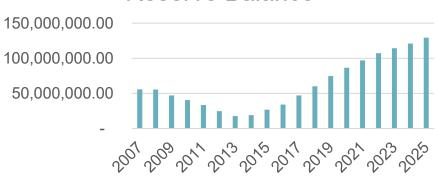
THE GOLDEN AGE: 2018-TODAY

\$130 MM Balance

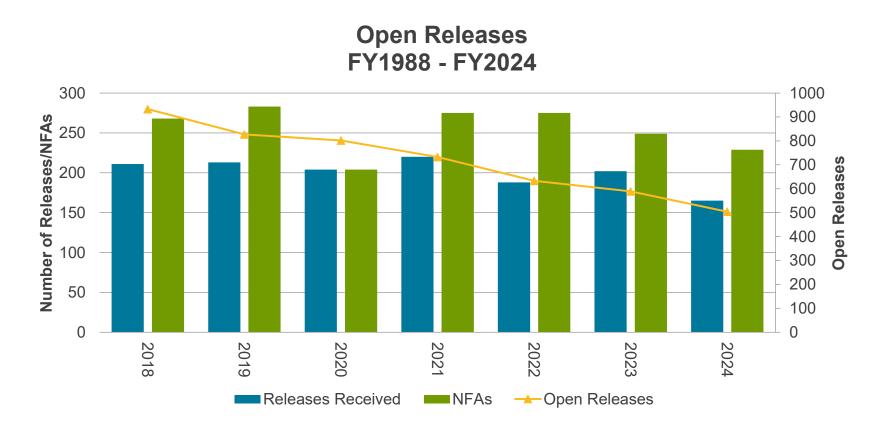
Fully funding all cleanups based on average cleanup cost

\$105 MM Obligated to cleanups 30-day payment time 2020- Risk Based Corrective Action implemented.

Reserve Balance



Reserve Balance



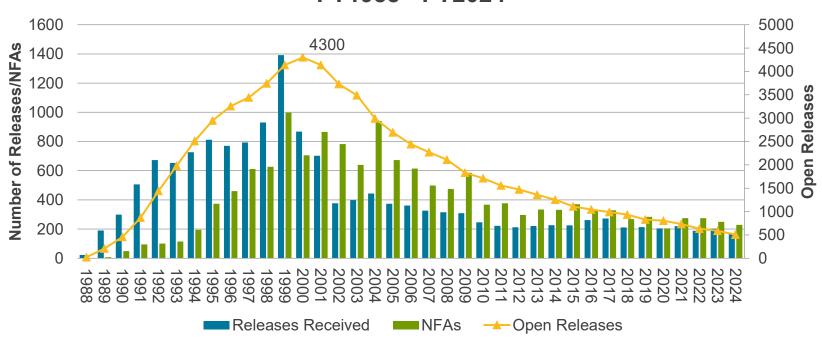


THE FUTURE

Although all is well now, there are challenges ahead:

- The financial assurance marketplace is more competitive making a higher fee rate difficult and maintaining the current rate more challenging.
- Increasing costs for labor and material increase the costs to the fund.







THE TAKE AWAY

The Georgia UST Act created enough structure to ensure its intended purpose and enough flexibility to adapt to changes.

Voluntary participation

- Weakness- lower revenue
- Strength- No one would participate if it was raided

No set costs

- Weakness- more work to determine reasonable costs for each project
- Strength- adapts to changing market conditions

THANK YOU!

Jay Kemberling
Program Manager
Georgia UST Management Program
Jay.Kemberling@dnr.ga.gov | tel. 470-251-4025





Brief History

Colorado Petroleum Storage Tank Fund (PSTF)

- Created in 1989 to reimburse operators for release costs
- Funded by a \$0 to \$100 fuel delivery charge based on PSTF balance
- Increased from \$1M to \$2M per release in 2005
- \$10,000 deductible (for RP releases)



Eligibility

- Open to tank owner/operators or any landowner who discovers an orphan petroleum tank
- PST Committee reviews /approves application
- Applicant is asked to explain rule violations (if any)
- Reimbursement may be reduced for
- compliance or reporting violations

Challenges

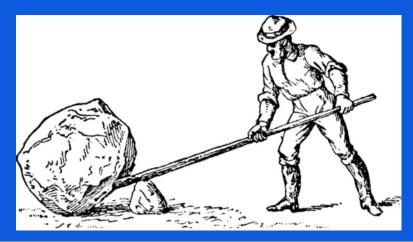
- 600+ open releases(high caseload / staff member)
 - Increasing abandoned/orphaned tanks
- Late detection of releases
- Increasing assessment/remediation costs
- Decreasing revenue as EVs adopted
- Legislative raids on the PSTF when the state budget is tight



Leveraging the Fund

Release Prevention

- PSTF authorized to address costs other than releases in
 2014
- Effective 2016
- ❖ Four examples are ----



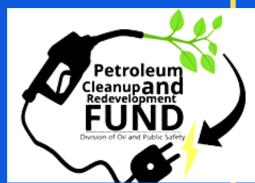
1 - Brownfields

Petroleum Cleanup and Redevelopment Fund (2014)

- Only where property redevelopment is planned
- For tanks abandoned before 1988
 - These are not eligible to the PSTF
 - Never registered, no RP



Funded by enforcement fines



2 - Deductible Waiver

Encourage equipment upgrades (2016-2019)

- Early testing of spill buckets and sumps (2017 EPA deadline)
 - No deductible charged if release found as result of a failed test



3 – PSTC Policy 29

Reimbursement for UST System Removal

- Started in 2019
- For systems older than 2008



- Originally \$1/gallon capacity
- Intended to get old systems <u>OUT!</u>



3 – PSTC Policy 29

- Amount adjusted in 2023. Now----
 - \$2/gallon if installed before 2008
 - \$1/gallon if installed after 2008
 - Rate up to 30,000 gallons paid per facility
 - USTs <2000 gallons paid flat \$2000/\$4000



4 – UST Removal Deductible Waiver

- Release discovered
- No USTs put back
- Outstanding compliance records



Colorado Department of Labor and Employment
Division of Oil and Public Safety – Petroleum Storage Tank Fund
633 17th Street, Suite 500
Denver, CO 80202-3610

Phone: 303-318-8525 Fax: 303-318-8488

Email: cdle_fund@state.co.us Web: www.ops.colorado.gov

Request for Waiver of Deductible Incentive

(Revised 3/23/2023

This form should be used when an applicant has discovered a new release as the result of tank removal and is requesting an incentive in the form of a waiver of the deductible.

Please note the following requirements:

- The applicant must sign this form.
- The confirmed release must have been discovered during the testing, upgrade or tank removal.
- The removed tanks are not replaced and the facility is no longer an active fuel dispensing facility.
- Tanks that are closed in place do not qualify for the incentive.
- The applicant must be in compliance with permanent tank closure requirements, including notification and assessment.

Applicant Information

Other - Consolidation

- One supervisor makes process more seamless (2024)
- Foster more understanding between remediation and PSTF staff
- Foster more communication between remediation and PSTF staff

TEAMWORK

MAKES

Success!

- 47 Brownfield Sites Redeveloped / 10 yrs
 - 8 with active Work Plans
- ❖ Total Reimbursed \$1.4 M



Success!

Waiver Incentives:



- □ 96
- □ \$960,000

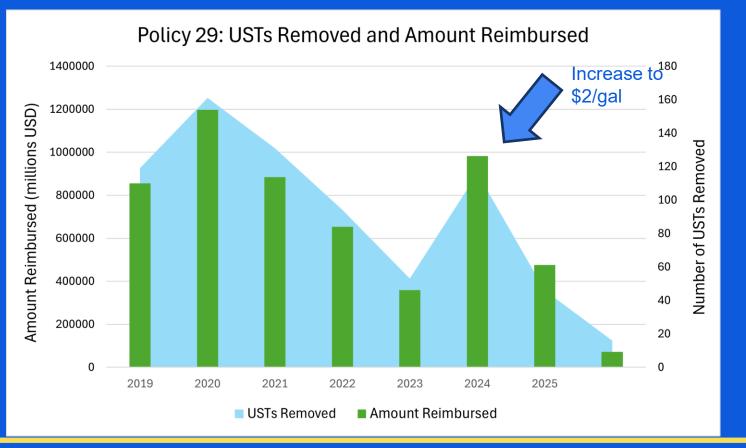
Success!

6 years of Policy 29:

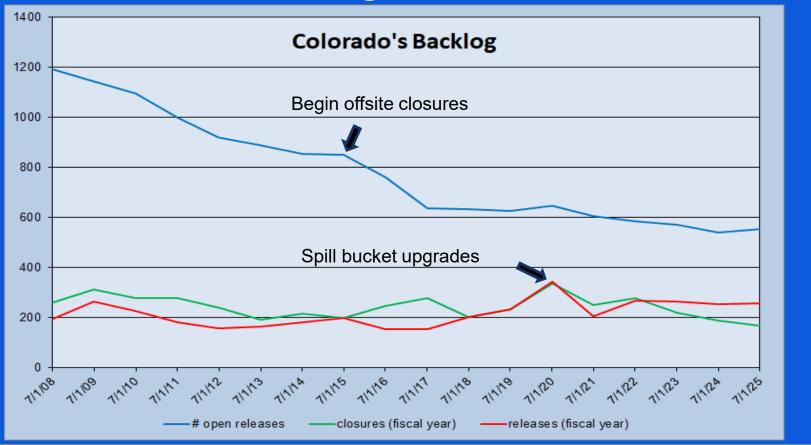
- √ 284 Applications
- √ 736 USTs removed
- √ 6,079,640 gallons of capacity removed
- √ \$5.4M paid out



Policy 29 – Amount per FY –



Effects on Release Backlog



Future Considerations

Percent Deductible

- 10% (not \$10K) for facilities with stellar compliance
- Allows for reimbursement of costs <\$10K
- Encourages reporting



Continued emphasis on release prevention

- Facilities with compliance issues = more state inspections
- Smaller releases = cheaper cleanup

Colorado Division of Oil and Public Safety

Mary KV White

marykv.white@state.co.us

Petroleum Remediation & Storage Tank Fund Supervisor







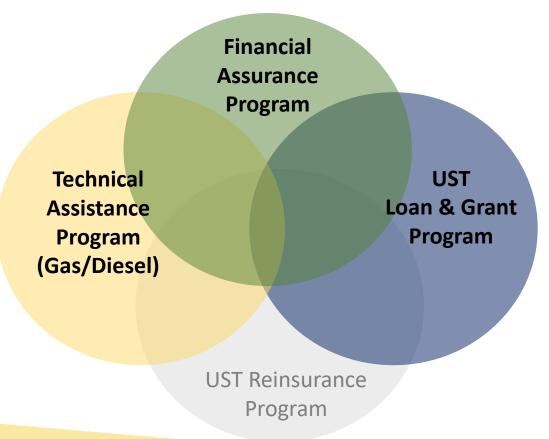
Washington State Financial Assurance Program





Pollution Liability Insurance Agency (PLIA)

PLIA Programs for Regulated USTs

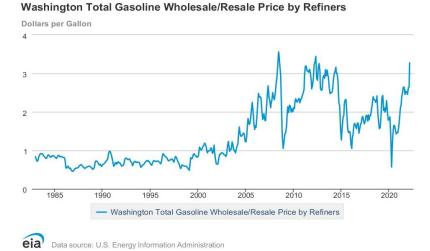


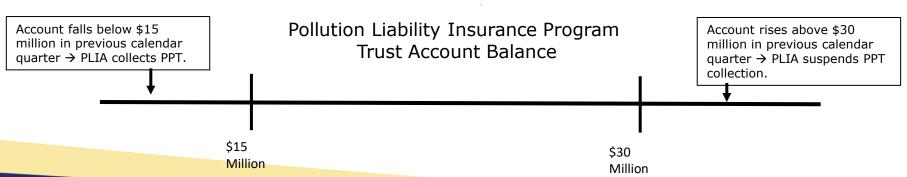


Fees/Funding: Petroleum Fee/Gallon

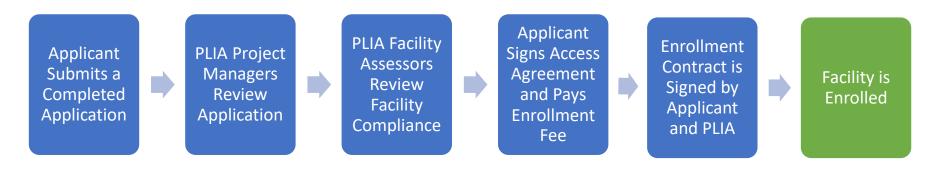
Washington's Petroleum Products Tax (PPT):

- Tax imposed on wholesale value of petroleum products in state; deposited into Pollution Liability Insurance Program Trust account.
- Rate: .0030





Application Process



Applicants must meet the following eligibility requirements:

- Maintain compliance with all applicable state and federal UST regulations.
- Grant PLIA access to the property for facility assessments or cleanup activities.
- Agree to conduct cleanup activities as applicable.

Application Process: Enrollment Fees

The FA Program assesses an annual enrollment fee based on tank age:

- 0-10 years old: \$1,000 per UST
- 11-20 years old: \$1,500 per UST
- 21-30 years old: \$2,000 per UST
- 30+ years old: \$2,500 per UST

Enrollment fees are payable in full at enrollment or through a quarterly payment plan.



PLIA Facility Assessor discussing incentives with FA Program Participant. Photo taken by PLIA - 9.5.2025.

Facility Assessments

PLIA's Assessor's Team visit enrolled facilities to:

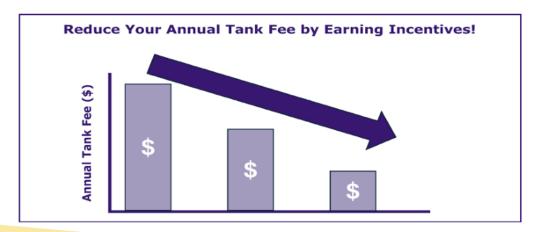
- Review and encourage best practices.
- Provide education and recommendations on release prevention to facility owners/operators.
- Verify submitted information for facility enrollment and/or incentives.
 - Enrollment: Compliance documentation
 - Incentives: Verify equipment, records, etc.

^{*}Facility assessments are conducted at facilities at random

Incentives

The FA Program offers incentives for facilities who apply best management practices at their facilities.

- Enrolled facilities can apply for incentives during their first year of enrollment in the FA Program.
- Discounts are applied toward second year enrollment fees.
- Some discounts require quarterly reporting, while others are due prior to reenrollment annually



Incentives (Discounts)

\$50 Tank Fee Discount

- Records Best Management
- 100% Trained Operators
- Rectifier Log Sheets
- Release Detection Records
- Completed Walkthrough Checklists

\$100 Tank Fee Discount

- Rubber Mats
- No Surface Cracks at Facility
- Corrosion Protection Testing Records
- Clean Spill Buckets and Sumps

\$200 Tank Fee Discount

- Passing Helium Detection Test
- Electric Vehicle Station Uptime

\$500 Tank Fee Discount

 Automatic Tank Gauge Release Detection System

Annual Tank Fee Ranges for 2025-2026									
Tank Age (Years)	0-10	11-20	21-30	30+					
Maximum Fee per UST With No Incentive Applied	\$1,000	\$1,500	\$2,000	\$2,500					
Minimum Fee per UST After the Maximum Amount of Incentives Applied	\$250	\$375	\$500	\$625					

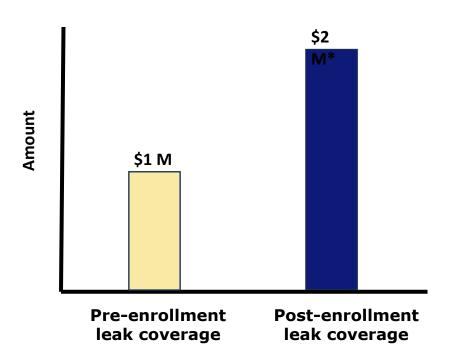
FA Program Coverage Amounts

Pre-existing Release Coverage:

- Up to \$1 million funding available
- Cleanup only (no infrastructure)
- Subject to cost recovery

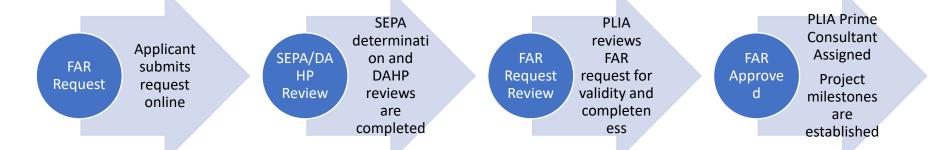
Post-enrollment Release Coverage:

- Up to \$2 million funding available
- Cleanup costs
- Infrastructure replacement
- *No deductible
- *Not cost recoverable



Financial Assurance Request (FAR) Process

The FA Program provides funding for remediation and infrastructure upgrades. Funding requests in the FA Program are called Financial Assurance Requests (FAR)



Two kinds of FARs

- 1. Pre-existing releases
- 2. Post-enrollment releases

Cleanup Milestones

Historic/Known Release Prior to Enrollment

- 1 on 1 Meeting with PLIA Site Manager to discuss cleanup milestones for Project
- Enrollment conditional upon milestone progress
- Up to \$1 million in funding available (cost recoverable)

Release after Enrollment

- Emergency response capability
- 1 on 1 meeting with PLIA Site Manager to discuss cleanup milestones for Project
- Up to \$2 million in funding available
 - Not subject to cost recovery
 - No deductible

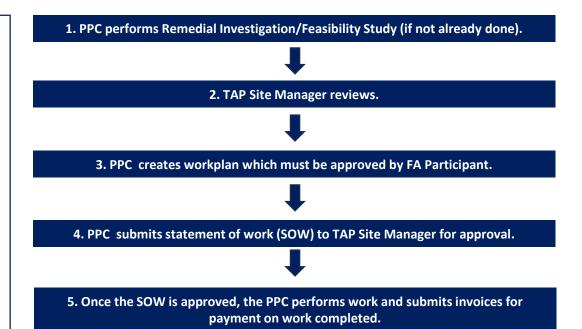
Cleanup Process

(after FAR Approval)

Cleanup: Once a FAR is approved by PLIA:

- FA Program participant enrolls in the Technical Assistance Program (TAP).
- PLIA assigns a Site Manager to the site.
- A PLIA-assigned Prime Consultant (PPC) performs any necessary cleanup and infrastructure upgrades/replacement.



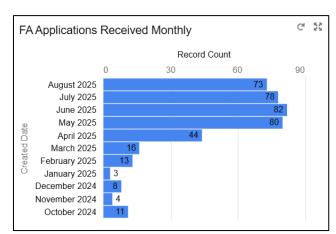


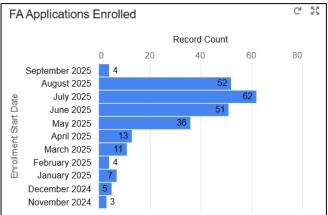
Cost Recovery Process

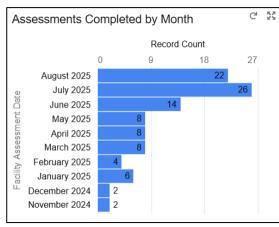
There are three types of cost recovery available: Property Liens, Civil Action, and Collections.

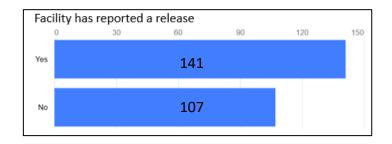
- Collections
 - Primarily used for recovery of unpaid enrollment fees, overpayments and fraud.
- Liens
 - Primarily used for remediation on unregistered tanks.
- Civil Action
 - Primarily used for pre-enrollment releases when the fact pattern of the site justifies collecting repayment from someone other than the property owner

FA Program Data - Year One









Additional Program Information



Financial Assurance Program

Last updated April 24, 2025.

You can now apply to the Financial Assurance Program through our online application.

You can learn more about the program in PLIA's Financial Assurance Program Guidance Document.

Our current application review timeline is about 36 days.

I WOULD LIKE TO ...

- Submit an application to the FA Program
- Make an enrollment fee payment
- Log into the Online Community

HOW-TO GUIDES

- Enrollment Guide (PDF)
- Guide to Reporting a UST Leak (PDF)

https://plia.wa.gov/financial-assurance-program/

FA Program Contact Information

General Program Inquiries

Jeremy Richtmyre (FA Program Supervisor)

• Email: jeremy.richtmyre@plia.wa.gov

Phone: (360) 407-0522

Financial Inquiries

Emily Cavanaugh (Finance Supervisor)

• Email: emily.cavanaugh@plia.wa.gov

Phone: (360) 515-2515

Facility Assessment Inquiries

Sonya O'Brien (Assessments Supervisor)

Email: sonya.obrien@plia.wa.gov

Phone: (360) 515-2603

Technical Assistance

Justin Woerth (TAP Program Supervisor)

Email: <u>justin.woerth@plia.wa.gov</u>

Phone: (360) 407-0524



Two of PLIA's Project Managers, Ea Kirkland & Tony Smith, on site at a facility assessment. Photo by PLIA, 9.5.2025

ANNUAL TANKS UPDATE SURVEY

Presented by:

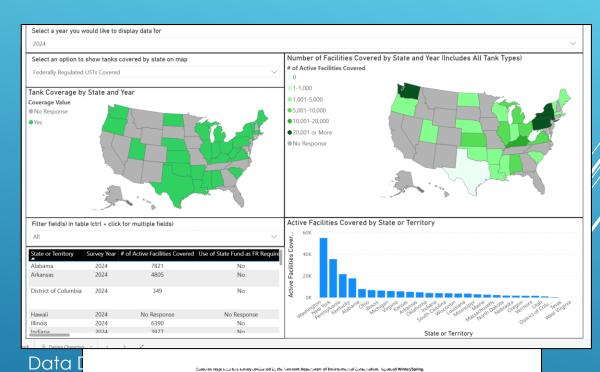
Keith Bradley-Hewitt Washington State Pollution Liability Insurance Agency





INTRODUCTION - WHAT IS THE ANNUAL TANKS UPDATE?

- 1988: EPA regulation requires financial responsibility (FR) for underground storage tank (UST) owners and operators.
- 1992: Annual Tanks Update Survey established by South Dakota.
- 1993 2024: Vermont compiles survey results.
- 2024: Washington compiles survey results.



Later version of survey - PDF

Washington uses the Annual Tanks Update . . .

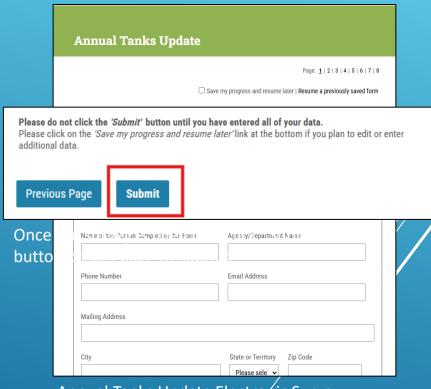


BENEFITS OF THE SURVEY

- Why consult the survey?
 - See what other states have done
 - What has worked?
 - How can it be applied to your program?

SUBMISSION OF SURVEY

- ASTSWMO sends out survey to each state's point of contact each year.
- Each point of contact fills out survey form and submits.
- Washington State compiles survey results.
- Data are posted on ASTSWMO's website.



Annual Tanks Update Electronic Survey

WHERE TO FIND ANNUAL TANKS UPDATE DATA

 Survey data are compiled at: https://astswmo.org/annual-tanks-update-survey/

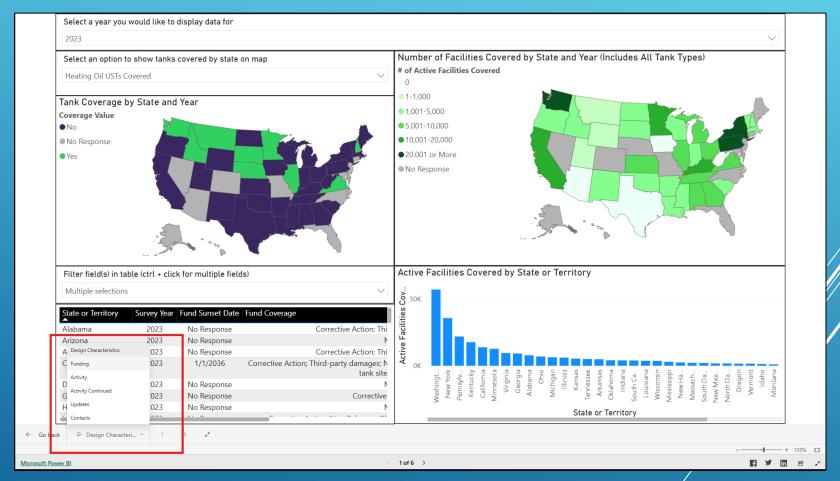


QR Code for Annual Tanks
Update Data page on ASTSWMO
website.

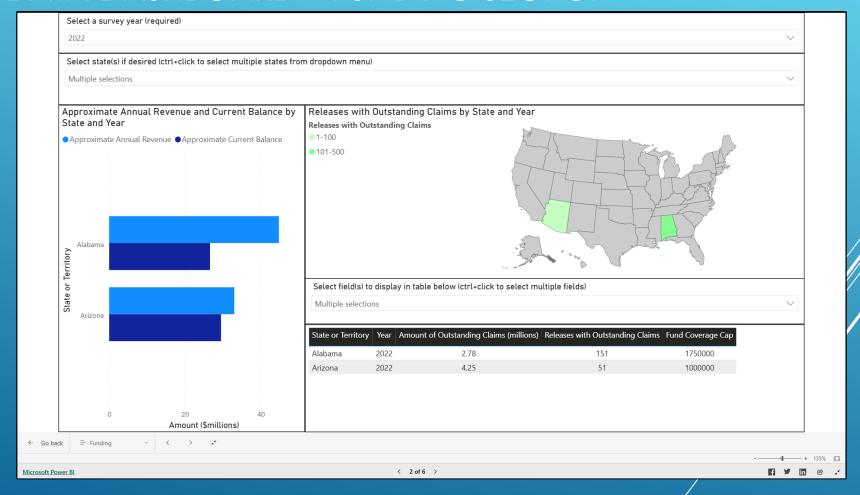
	2019	2020	2021	2022
No. of Responses	45	44	44	39
pproximate Annual Revenue (billions)	\$1.82 B	\$1.85 B	\$1.70 B	\$1.09 B
Average				\$28.2 M
Median				\$17.3 M
proximate Current Balance (billions)	\$2.53 B	\$2.35 B	\$1.65 B	\$1.68 B
Average				\$0.04 B
Median				\$0.01 B
Outstanding Claims (millions)	\$354.91 M	\$343.06 M	\$184.25 M	\$57.43 M
Average				\$1.55 M
Median				\$0 M
# of releases with claims	362,788	359,793		263,198
# of claims received	1,471,537	1,503,788		1,105,860

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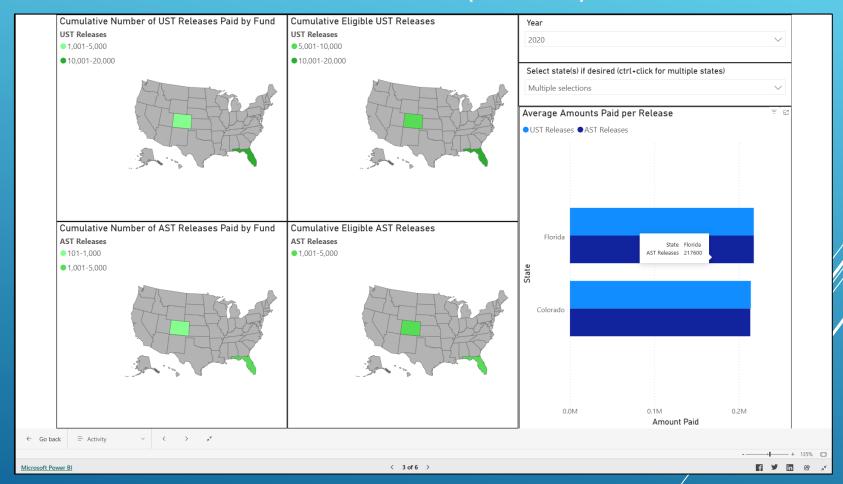
DATA DASHBOARD - DESIGN CHARACTERISTICS SECTION



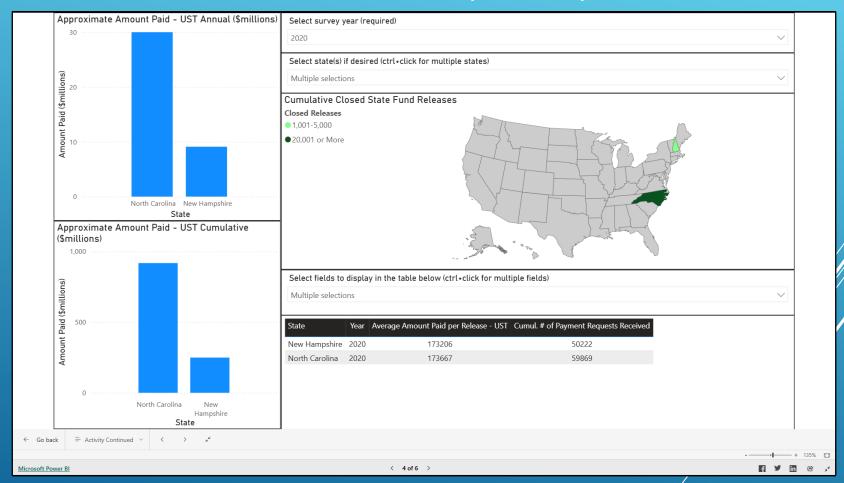
DATA DASHBOARD - FUNDING SECTION



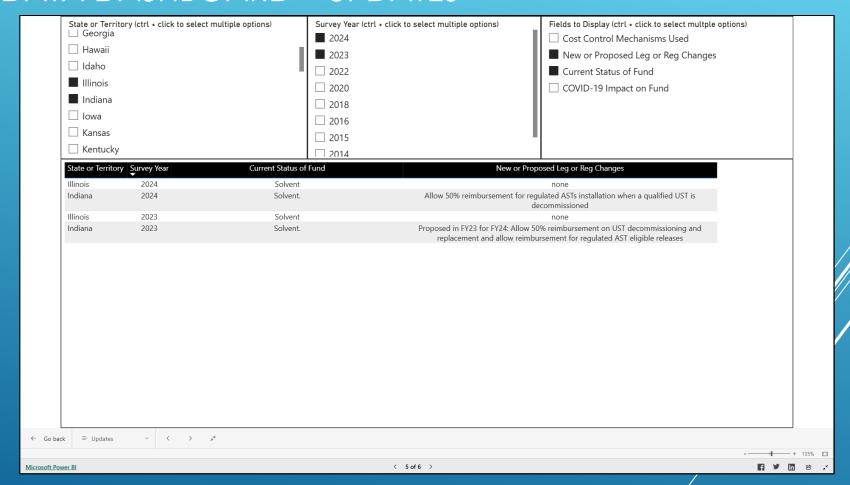
DATA DASHBOARD - ACTIVITY (PART 1)



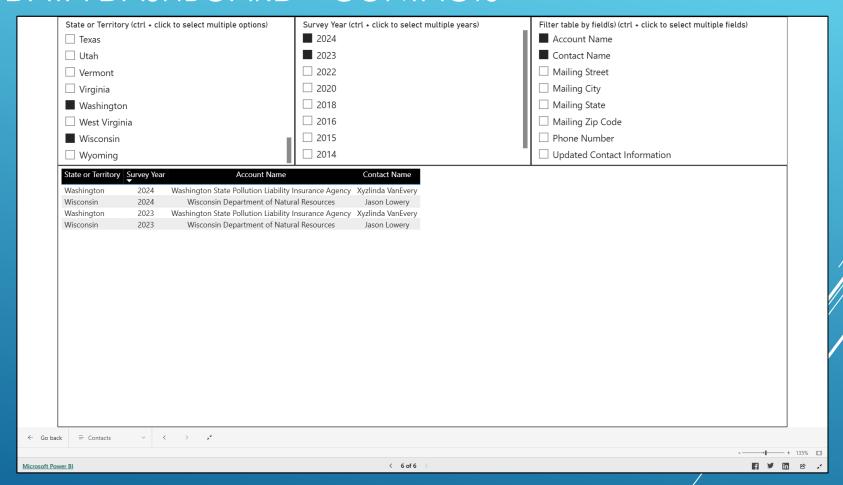
DATA DASHBOARD - ACTIVITY (PART 2)



DATA DASHBOARD - UPDATES



DATA DASHBOARD - CONTACTS



SURVEY DATA REQUEST

If you have not filled out and submitted the 2024 survey but would still like to, please contact <u>keith.bradley-hewitt@plia.wa.gov</u>. I will then send you the link to the survey form.

2025 Annual Tanks Survey coming soon!

CONTACT INFO

Keith Bradley-Hewitt
Washington State Pollution Liability Insurance Agency
Keith.Bradley-Hewitt@plia.wa.gov

Cassandra García
Washington State Pollution Liability Insurance Agency
Cassandra.Garcia@plia.wa.gov

