

Grants and Loans for Cleanup of Underground Storage Tanks

FY2002 Request: \$1,000,000
Reference No: 33939

AP/AL: Appropriation

Project Type: Health and Safety

Category: Health/Human Services

Location: Statewide

Contact: Larry Dietrick

House District: Statewide (HD 1-40)

Contact Phone: (907)465-5255

Estimated Project Dates: 07/01/2001 - 06/30/2006

Brief Summary and Statement of Need:

Cleanup grants, based on net worth, and low-interest loans to existing applicants to minimize the financial burden imposed on tank owners and operators by federal and state requirements.

Funding:	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>	<u>FY2006</u>	<u>FY2007</u>	<u>Total</u>
Storg Tank	\$1,000,000						\$1,000,000
Total:	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$1,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

The program has received prior appropriations of 2,340.5 in FY98, 5,123.5 in FY 99, and 5,000.0 in FY 00. No new grants were issued in FY 00 because the program was under revision.

Project Description/Justification:

The Storage Tank Assistance Program was modified by SB 128, effective FY 2000. The legislation reduced the number of applicants eligible for upgrade and cleanup grants based on net worth and created a new low-interest loan program for existing applicants. During FY 2000 the program was modified through revision to regulations to reflect the legislative changes and new net worth information was requested from applicants on the prior-year eligible list. No new grants were issued in FY 2000 because the program was under revision. Grant work in FY 2000 was limited to close out of prior year grants for upgrade, closure, and cleanup.

As a result of the changes to the program the number of eligible grant applicants dropped from 458 to 56. Award of grants has resumed in FY 2001 and is expected that all eligible grant projects will be funded in a phased approach where initial funding will be provided to each applicant followed by continuation funding in subsequent years. It is estimated that \$2.0 million will be used for these cleanup grants in FY 2001 leaving \$3.0 million of the \$5 million remaining in the Storage Tank Assistance Fund for use in FY 2002.

Since these cleanup projects are phased and multiyear, it is estimated that additional cleanup work and grant awards will be required in FY 2002. Projections indicate that 39 continuation cleanup grants will be necessary for FY 2002 for a total cost of \$2.5 million.

In addition, a survey has been completed of applicants interested in the new cleanup loan program. No loans were issued in FY 2000 and none are planned for FY 2001. However, over 40 applicants have expressed interest for loans starting in FY 2002. It is projected that 30 loans will be issued in FY 2002 for a total of \$1.5 million.

Projections for both grants and loans for FY 2002 as described above total \$4 million. Since only \$3 million will be

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available in FY 2002 from the Storage Tank Assistance Fund, an additional CIP request of \$1 million will be necessary.

PROJECT FUNDING NEED

FISCAL YEAR	INITIAL AWARDS	CONTINUATIONS	CIP APPROPRIATION
FY 2000	None	None	\$5,000,000
FY 2001	\$2,000,000	None	None
FY 2002	\$1,500,000	\$2,500,000	\$1,000,000
TOTAL	\$3,500,000	\$2,500,000	\$6,000,000