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Edmund G. Brown, Jr.
Governor

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Updated Information for Fiscal Year 2011/2012 Annual Claim Budget Allocations

This update provides information on procedures to follow if you believe your claim's budget allocation is in error. It also provides information on several new requirements that will affect your claim's reimbursement processing.

Claim Budgets

The annual claim budget allocations for Fiscal Year (FY) 2011/2012 were released by the Underground Storage Tank Cleanup Fund (Fund) on June 30, 2011. The letter that accompanied the budget listing explained the Fund's rationale for allocating individual budgets. We are, as expected, receiving numerous responses to the budgets. Within the next couple of weeks the Fund will be reviewing the responses we have received to the budget allocations and responding to individual comments and questions.

From this point forward, all projected revenues for FY 2011/2012 have been allocated to either "old costs" (those incurred prior to July 1, 2011) or to "budgeted costs". The only source of additional money for claim budgets will be from claims that will be closing and will not need all of their budget allocation or claims that do not need all of the money allocated to them. As this money becomes available throughout the year it will be reallocated to claims requiring additional budget.

Existing Fund Requirements Limiting Claim Reimbursement

In a few instances claims were budgeted amounts that, if used in their entirety, would cause the claim to exceed the statutory cap amount of \$1.5 million minus the appropriate deductible. This occurred as reimbursement requests were being processed simultaneously with the preparation of the new budgets. Claims will not be reimbursed in excess of the statutory cap minus the appropriate deductible, regardless of the budgeted amount.

Budget Change Procedures

The Fund has written [Budget Change Order Request](#) procedures and a request form which are posted to our web site. Please use this form to request a change to your claim's budget. The Fund may not be able to accommodate all requests due to the limited amount of funding available for budgets this year.

Budget Adjustments Due to Fund Errors

Although Fund staff made every effort to ensure claim budgets were properly allocated in the budgeting process, a few instances have been brought to our attention where this did not happen. If we determine that a budget has not been properly allocated due to Fund staff error, we will rectify those to the best of our ability. These budgets will be corrected as soon as possible using reallocations.

Budget Adjustments Due to Incorrect Budget Categorization

In a few instances, the claim's allocated budget was based on an incorrect budget category. Specifically, claimants installed remedial systems at the end of FY 2010/2011 to have these system installation costs be reimbursed as an "old cost". Typically the Fund staff was not aware of these system installations, and the claim remained in the system start-up category instead of being moved to the operation and maintenance category.

Submit changes for budget category using the [Budget Change Order Request](#) form. Reallocation of funds for these claims will be accommodated where possible, largely based on the amount of available funding. Please be advised that the Fund policy is still to place claims into Site Closeout (SC) if the latest Five Year review has recommended closure. This policy is being maintained in order to keep the budget allocation consistent with the Five year Review program.

Frequently Asked Questions

The [Frequently Asked Questions](#) (FAQs) concerning claim budgets is posted on our website. These FAQs cover most of the common questions that we have been receiving concerning the new budgets and the process for changing those budgets.

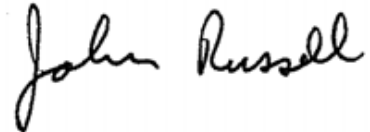
Reimbursement Request (RR) Spreadsheet

As part of the new business model, the Fund will be gathering and reporting expenditure information by work phases. In order to facilitate this change, the Fund will need claimants to submit their requested costs using the new spreadsheet to breakdown the expenditures according to the appropriate work phase(s). Detailed instructions are included with the [new spreadsheet](#) and are posted on the website.

Effective August 15, 2011, the Fund will be discontinuing the usage of the former spreadsheet and returning any RR packages that are not using the new spreadsheet.

We thank you for your patience during this transition period. Please continue to check the Fund web site for updates to the Annual Claim Budget process.

Sincerely,

A handwritten signature in black ink that reads "John Russell". The signature is written in a cursive style with a large initial "J" and "R".

John Russell, Fund Manager
Underground Storage Tank Cleanup Fund