
State Water Resources Control Board

UST CLEANUP FUND PROGRAM UPDATE REIMBURSEMENT OF FY 2012/13 COSTS (October 17, 2013)

[Update to "UST Cleanup Fund Program Update: Fiscal Year (FY) 2012/2013
Year-End Update (As Of May 22, 2013)," found at:
http://www.waterboards.ca.gov/water_issues/programs/ustcf/docs/budget/upd052213.pdf]

Submittal of FY 2012/13 Reimbursement Requests (RRs):

The following is a brief update on the results of the September 30, 2013, deadline for claimants to submit their RRs to the Cleanup Fund for costs incurred during FY 2012/13. To date, FY 2012/13 is on a similar track as FY 2011/12 where more than 75 percent of the RRs, by dollar amount, were not submitted until the end of September 2012, 15 months after the corrective action costs began to be incurred. The Cleanup Fund's receiving a surge of 75% of the total dollar amount of the prior year's RRs after the end of the fiscal year creates significant delays in payments.

- Similar to FY 2011/12, there has been a surge of submittals of RRs for FY 2012/13. From July 1, 2012, to September 30, 2013, we received a total of 4970 RRs. Of the 4970 RRs, 923, or about 20%, were received in September 2013.
- Of the \$195.7 million budgeted for FY 2012/13 to pay RRs, we have received RRs in the amount of \$121.4 million or about 62% as of September 30, 2013.
- We have not received RRs for the remaining approximately 40% of the budgeted money for FY 2012/13. We anticipate these RRs will be submitted by the end of December 2013, assuming the pattern is the same as last year.
- Similar to FY 2011/12, it is likely that some or all FY 2012/13 costs were not incurred and the Cleanup Fund was not notified. Last year, we did not know the amount for several months.

Impact on Reimbursement of FY 12/13 Costs:

- The end of year surge nearly doubles our normal processing times. As a result, those who submitted RRs after July 1, 2013, should expect an increase in payment processing times. Upon submittal, RRs are triaged for completeness, but must then wait a few months until staff is available to fully process them, which generally takes

a few days. The length of the wait time is entirely dependent on the rate of RRs submitted over the year.

- FY 2013/14 RRs will be processed before FY 2012/13 RRs submitted after September 30, 2013. Payment of these FY 2012/13 eligible costs will be pended until funds are available. This will allow faster reimbursement of eligible costs submitted timely.