

3.A. STRATEGY REQUEST
 80th Regular Session, Agency Submission, Version 1
 Automated Budget and Evaluation System of Texas (ABEST)

DATE: 8/30/2006
 TIME: 4:00:21PM

Agency code: **582** Agency name: **Commission on Environmental Quality**

GOAL: 4 Pollution Cleanup Programs to Protect Public Health & the Environment

Statewide Goal/Benchmark: 6 5

OBJECTIVE: 1 To Identify, Assess and Clean Up Contaminated Sites

Service Categories:

STRATEGY: 1 Storage Tank Administration and Cleanup

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
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Output Measures:

1	Number of Petroleum Storage Tank Self-certifications Processed	18,403.00	18,000.00	18,000.00	18,000.00	18,000.00
2	Number of Emergency Response Actions at Petroleum Storage Tank Sites	9.00	16.00	16.00	16.00	16.00
3	Number of Petroleum Storage Tank Reimbursement Applications Processed	5,843.00	6,000.00	5,500.00	3,500.00	0.00
4	Number of Petroleum Storage Tank Cleanups Completed	921.00	900.00	600.00	400.00	200.00

Objects of Expense:

1001	SALARIES AND WAGES	\$5,540,188	\$5,270,262	\$5,294,960	\$4,980,106	\$4,673,803
1002	OTHER PERSONNEL COSTS	\$211,568	\$201,260	\$202,203	\$190,180	\$178,483
2001	PROFESSIONAL FEES AND SERVICES	\$9,385,212	\$2,404,756	\$11,656,040	\$29,790,265	\$24,004,736
2002	FUELS AND LUBRICANTS	\$35,332	\$53,295	\$3,166	\$3,166	\$3,166
2003	CONSUMABLE SUPPLIES	\$267,957	\$14,313	\$23,329	\$23,329	\$23,329
2004	UTILITIES	\$111,552	\$104,026	\$150,650	\$150,650	\$150,650
2005	TRAVEL	\$74,726	\$108,160	\$111,725	\$111,725	\$111,725
2006	RENT - BUILDING	\$99,730	\$122,354	\$529,089	\$529,089	\$529,089
2007	RENT - MACHINE AND OTHER	\$44,628	\$64,315	\$0	\$0	\$0
2009	OTHER OPERATING EXPENSE	\$67,177,514	\$57,713,574	\$94,484,041	\$29,184,041	\$1,184,041
4000	GRANTS	\$0	\$5,391	\$0	\$0	\$0
5000	CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$82,948,407	\$66,061,706	\$112,455,203	\$64,962,551	\$30,859,022

Method of Financing:

549	HAZARDOUS/WASTE FEE ACCT	\$9,114,992	\$7,284,020	\$7,933,331	\$6,997,150	\$6,997,150
655	PETRO STO TANK REMED ACCT	\$71,987,546	\$56,548,734	\$102,300,000	\$55,743,529	\$21,640,000

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OBJECTIVE: 1 To Identify, Assess and Clean Up Contaminated Sites

Service Categories:

STRATEGY: 1 Storage Tank Administration and Cleanup

Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$81,102,538	\$63,832,754	\$110,233,331	\$62,740,679	\$28,637,150
Method of Financing:						
555 FEDERAL FUNDS						
	66.605.000 PPG PERFORMANCE PARTNERSH	\$50,324	\$116,716	\$119,519	\$119,519	\$119,519
	66.805.000 Leaking Underground Stora	\$1,795,545	\$2,112,236	\$2,102,353	\$2,102,353	\$2,102,353
CFDA Subtotal, Fund	555	\$1,845,869	\$2,228,952	\$2,221,872	\$2,221,872	\$2,221,872
SUBTOTAL, MOF (FEDERAL FUNDS)		\$1,845,869	\$2,228,952	\$2,221,872	\$2,221,872	\$2,221,872
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$64,962,551	\$30,859,022
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$82,948,407	\$66,061,706	\$112,455,203	\$64,962,551	\$30,859,022
FULL TIME EQUIVALENT POSITIONS:		130.9	115.5	114.5	107.2	100.2

STRATEGY DESCRIPTION AND JUSTIFICATION:

The TCEQ seeks to ensure that that leaking petroleum storage tanks are identified and soil and water contamination is cleaned up to state and federal health and safety standards. Currently, there are 50,071 active underground storage tanks (USTs) and 15,783 active aboveground storage tanks (ASTs) registered at 27,571 facilities. Tank owners/operators are required to annually self-certify compliance with PST administrative and technical requirements including registration, payment of fees, and financial assurance. TCEQ provides technical assistance with application of UST and AST rules and requests for variance from rule requirements.

Texas has an estimated 3,665 LPST sites. Since the program began, 24,586 contaminated sites have been identified and 20,921 cleaned up. Approximately 30 new contaminated sites are reported each month.

Statutory deadlines for corrective action milestones require demonstration of remediation progress for phases of cleanup to remain eligible for reimbursement. New statutory requirements, resulting from SB 485, HB 1987 and SB 1863, 79th Legislature, provide extension of reimbursement fund deadlines, the application for transfer to the PST State Lead Program for eligible owners/operators, and reimbursement of non-preapproved claims for corrective action expenses. These statutory requirements will require commensurate rule changes. The PST account cannot be used to reimburse the cost of any cleanup work performed by eligible owners or operators after August 31, 2007, or to pay any reimbursement claims filed after March 1, 2008.

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EXTERNAL/INTERNAL FACTORS IMPACTING STRATEGY:

Funding for the regulation of underground and above ground storage tanks is directly related to the Petroleum Storage Tank Remediation (PSTR) Account 0655. Annual registration and bulk petroleum fees are its primary source of funding. Current trends indicate a decline in the number of tanks subject to regulation as tank closures/removals exceed the number of new tanks installed. The collection of fees on the bulk delivery of fuel will end August 31, 2007 and no reimbursement can be made to tank owners and/or operators as of September 1, 2008. The balance, if any, in the PSTR Account may be used for state-lead remediation of sites where a responsible party cannot be found or is unable to remediate the site.

The Federal Energy Policy Act of 2005 amended the original legislation that created the underground storage tank (UST) program. This new law significantly affects federal and state underground storage tank programs by expanding the eligible uses of the Leaking Underground Storage Tank (LUST) Trust Fund, and includes provisions regarding inspections, operator training, delivery prohibition, secondary containment and financial responsibility.

The fee assessed on the bulk delivery of fuel which funds the PSTR Account only extends through August 31, 2007, while reimbursement demands on the account extend through September 1, 2008. Amounts necessary to meet the requirements of the State Lead Program and to meet new federal requirements will need to be addressed.

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GOAL: 4 Pollution Cleanup Programs to Protect Public Health & the Environment
 OBJECTIVE: 1 To Identify, Assess and Clean Up Contaminated Sites
 STRATEGY: 2 Hazardous Materials Cleanup

Statewide Goal/Benchmark: 6 5
 Service Categories:
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
Output Measures:						
1	Immediate Response Actions to Protect Health & Environment	8.00	5.00	5.00	5.00	5.00
2	Number of Superfund Site Assessments	92.00	87.00	72.00	72.00	72.00
3	Number of Voluntary and Brownfield Cleanups Completed	86.00	154.00	70.00	80.00	80.00
4	Number of Superfund Evaluations/Cleanups Underway	53.00	49.00	55.00	67.00	73.00
5	Number of Superfund Cleanups Completed	6.00	5.00	5.00	4.00	4.00
6	# of Corrective Action Documents Approved/Industrial Solid & Municipal	596.00	550.00	550.00	550.00	550.00
7	# of Dry Cleaner Remediation Program Applications Received	40.00	41.00	30.00	30.00	30.00
Efficiency Measures:						
1	Average Time to Process Dry Cleaner Applications	16.70	90.00	90.00	90.00	90.00
Explanatory/Input Measures:						
1	Number of Potential Superfund Sites to Be Assessed	546.00	549.00	552.00	555.00	558.00
2	Number of Federal Superfund Sites	52.00	52.00	54.00	56.00	58.00
3	Number of State Superfund Sites	80.00	89.00	102.00	112.00	120.00
4	# Approved Industrial Solid and Municipal Hazardous Waste Cleanups	326.00	300.00	300.00	250.00	250.00
Objects of Expense:						
1001	SALARIES AND WAGES	\$7,721,619	\$9,278,147	\$9,765,290	\$9,765,290	\$9,765,290
1002	OTHER PERSONNEL COSTS	\$362,422	\$435,479	\$458,344	\$458,344	\$458,344
2001	PROFESSIONAL FEES AND SERVICES	\$16,019,902	\$14,819,085	\$27,264,213	\$20,896,513	\$20,896,513
2002	FUELS AND LUBRICANTS	\$0	\$5,000	\$0	\$0	\$0
2003	CONSUMABLE SUPPLIES	\$13,732	\$15,601	\$9,451	\$9,451	\$9,451

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 Service Categories:
 Service: 36 Income: A.2 Age: B.3

CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
2004	UTILITIES	\$39,050	\$11,726	\$10,310	\$10,310	\$10,310
2005	TRAVEL	\$99,134	\$123,344	\$141,993	\$147,547	\$147,547
2006	RENT - BUILDING	\$14,565	\$21,962	\$35,118	\$33,590	\$33,590
2007	RENT - MACHINE AND OTHER	\$1,485	\$5,850	\$13,850	\$11,350	\$11,350
2009	OTHER OPERATING EXPENSE	\$865,641	\$535,329	\$498,465	\$491,745	\$491,747
4000	GRANTS	\$1,050,834	\$46,750	\$250,000	\$250,000	\$250,000
5000	CAPITAL EXPENDITURES	\$93,425	\$155,487	\$83,333	\$0	\$0
TOTAL, OBJECT OF EXPENSE		\$26,281,809	\$25,453,760	\$38,530,367	\$32,074,140	\$32,074,142

Method of Financing:

549	HAZARDOUS/WASTE FEE ACCT	\$1,389,222	\$1,810,164	\$1,991,541	\$1,959,541	\$1,959,541
550	HAZARDOUS/WASTE REMED ACC	\$16,813,283	\$14,321,236	\$21,769,836	\$18,103,111	\$18,103,113
5093	Dry Cleaning Facility Release Acct	\$3,518,103	\$5,504,974	\$8,882,912	\$7,203,912	\$7,203,912
SUBTOTAL, MOF (GENERAL REVENUE FUNDS - DEDICATED)		\$21,720,608	\$21,636,374	\$32,644,289	\$27,266,564	\$27,266,566

Method of Financing:

555 FEDERAL FUNDS						
12.113.000	State Memorandum of Agree	\$296,141	\$393,527	\$393,704	\$393,704	\$393,704
66.605.000	PPG PERFORMANCE PARTNERSH	\$783,513	\$944,488	\$940,943	\$940,943	\$940,943
66.802.000	Superfund State Site_Spec	\$2,842,059	\$1,701,655	\$3,811,712	\$2,745,434	\$2,745,434
66.805.000	Leaking Underground Stora	\$0	\$0	\$11,305	\$11,305	\$11,305
66.809.000	Superfund State Core Pro	\$146,852	\$171,098	\$98,287	\$97,387	\$97,387
66.817.000	State and Tribal Response Program	\$492,636	\$372,032	\$392,373	\$381,049	\$381,049
81.092.000	ENVIRONMENTAL RESTORATION	\$0	\$234,586	\$237,754	\$237,754	\$237,754
CFDA Subtotal, Fund	555	\$4,561,201	\$3,817,386	\$5,886,078	\$4,807,576	\$4,807,576
SUBTOTAL, MOF (FEDERAL FUNDS)		\$4,561,201	\$3,817,386	\$5,886,078	\$4,807,576	\$4,807,576

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CODE	DESCRIPTION	Exp 2005	Est 2006	Bud 2007	BL 2008	BL 2009
TOTAL, METHOD OF FINANCE (INCLUDING RIDERS)					\$32,074,140	\$32,074,142
TOTAL, METHOD OF FINANCE (EXCLUDING RIDERS)		\$26,281,809	\$25,453,760	\$38,530,367	\$32,074,140	\$32,074,142
FULL TIME EQUIVALENT POSITIONS:		164.9	189.7	191.5	191.5	191.5

STRATEGY DESCRIPTION AND JUSTIFICATION:

Federal and state Superfund programs address contamination from closed and abandoned sites. Texas has 49 sites on the National Priority List (NPL), 1 proposed for NPL for federal program cleanup, and 53 sites on the state registry. Since the program began, about \$352M state/federal funds has supported the cleanup of federal sites. Approximately \$88M in state funds has been expended for the cleanup of state sites. Through FY2005, 82 state and federal sites were cleaned up. The agency expects to complete cleanup at 5 more sites in FY2006 and an additional 5 in 2007.

The Voluntary Cleanup Program, Texas Health and Safety Code (THSC) Chapter 361, provides incentives for owners to voluntarily clean up contaminated sites. 1,777 applications have been submitted and 1,150 certificates of completion have been issued.

The Dry Cleaner Remediation Program, THSC Chapter 374, created a fund to pay for the assessment and cleanup of contamination resulting from dry cleaner facility solvent releases. 75 applications for ranking have been submitted and 61 sites have been prioritized for cleanup.

The Innocent Owner/Operator Program, THSC Chapter 361, releases an owner or operator from liability when their property has become contaminated from a source not located on their property.

The Municipal Setting Designations (MSDs) Program, THSC Chapter 362, provides for an official designation that contaminated groundwater under certain properties is prohibited from future or current use as potable water.

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The Federal Superfund program is responsible for identifying and remediating the most contaminated sites. TCEQ will continue to evaluate the sites and rank them for consideration for listing on the National Priority List (NPL) and inclusion in this program.

The Voluntary cleanup program (VCP), which returns land to productive use, has spurred the economy and slowed urban sprawl. The incentive to enter the VCP continues to be effective, with 8 sites/month currently being submitted to the program.

The Dry Cleaner Remediation Program is responsible for handling the investigation and cleanup of eligible dry cleaner sites. Amendments to certain provisions of the Dry Cleaner statute, may affect program funding and the number of sites entering the program. The removal of the 5-year ownership requirement for real property landowner, and the deadline for allowing certain dry cleaners to "opt-out" of the program may potentially reduce the number of sites paying into the fund.

The Innocent Owner/Operator Program has eased the concerns of lenders and developers who are considering investing in property. Prior to the law, innocent owner or operator determinations were only made through court findings. The innocent owner/operator has shown to be an effective property development tool, with 4 sites/month currently being submitted to the program.

The Municipal Setting Designations program has expedited the cleanup and development of properties with groundwater contamination where the groundwater is not used for potable purposes.