

Department of Environmental Quality

	FY 2011 ACTUAL	FY 2012 ESTIMATE	FY 2013 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	467.4	467.4	467.4
Personal Services	12,545,100	15,572,300	15,572,300
Employee Related Expenditures	5,328,700	6,816,600	6,816,600
Professional and Outside Services	1,349,200	5,561,600	5,561,600
Travel - In State	269,900	437,200	437,200
Travel - Out of State	3,300	43,300	43,300
Other Operating Expenditures	12,821,200	16,048,300	16,048,300
Equipment	474,800	327,900	327,900
OPERATING SUBTOTAL	32,792,200	44,807,200	44,807,200
SPECIAL LINE ITEMS			
Emissions Control Contractor Payment	20,832,800	20,119,500	20,119,500
WQARF Priority Site Remediation	7,000,000	7,000,000	7,000,000
AGENCY TOTAL	60,625,000	71,926,700^{1/}	71,926,700
FUND SOURCES			
General Fund	7,000,000	7,000,000	7,000,000
<u>Other Appropriated Funds</u>			
Air Permits Administration Fund	4,962,900	7,008,600 ^{2/}	7,008,600
Air Quality Fund	2,262,500	5,370,400 ^{2/}	5,370,400
Clean Water Revolving Fund	4,162,500	0	0
Emissions Inspection Fund	24,039,800	25,536,100 ^{2/}	25,536,100
Hazardous Waste Management Fund	942,600	1,712,100 ^{2/}	1,712,100
Indirect Cost Recovery Fund	11,705,500	12,873,200 ^{2/}	12,873,200
Solid Waste Fee Fund	1,147,000	1,917,500 ^{2/}	1,917,500
Underground Storage Tank Revolving Fund	0	22,000	22,000
Used Oil Fund	13,200	138,900	138,900
Water Quality Fee Fund	4,389,000	10,347,900 ^{2/}	10,347,900
SUBTOTAL - Other Appropriated Funds	53,625,000	64,926,700	64,926,700
SUBTOTAL - Appropriated Funds	60,625,000	71,926,700	71,926,700
Other Non-Appropriated Funds	288,558,100	259,442,300	259,442,300
Federal Funds	35,601,900	20,571,600	20,571,600
TOTAL - ALL SOURCES	384,785,000	351,940,600	351,940,600

AGENCY DESCRIPTION — The Department of Environmental Quality (ADEQ) enforces air, water, and land quality standards. The department's Office of Air Quality issues permits to regulate industrial air pollution sources, regulates vehicle emissions, monitors and assesses the ambient air, and develops air quality improvement strategies. The Office of Waste Programs implements programs to minimize waste generation, identifies and corrects improper waste management practices, and oversees the clean up (remediation) of hazardous waste sites. The Office of Water Quality regulates drinking water and waste water systems, monitors and assesses waters of the state, and provides hydrologic analysis to support hazardous site remediation.

^{1/} In addition to these amounts, a total of \$759,900 OF is appropriated in FY 2012 for costs associated with an additional pay period.

^{2/} These amounts reflect revised State Lease-Purchase and Rental Rate Adjustments. These changes align the allocation with the actual fund sources.

Operating Budget

The Baseline includes \$44,807,200 and 467.4 FTE Positions in FY 2013 for the operating budget. These amounts consist of:

	FY 2013
Air Permits Administration Fund	\$7,008,600
Air Quality Fund	5,370,400
Emissions Inspection Fund	5,416,600
Hazardous Waste Management Fund	1,712,100
Indirect Cost Recovery Fund	12,873,200
Solid Waste Fee Fund	1,917,500
Underground Storage Tank Revolving Fund	22,000
Used Oil Fund	138,900
Water Quality Fee Fund	10,347,900

These amounts are unchanged from FY 2012.

Emissions Control Contractor Payment

The Baseline includes \$20,119,500 from the Emissions Inspection Fund in FY 2013 for the Emissions Control Contractor Payment. This amount is unchanged from FY 2012.

Monies appropriated to this line item are to pay the Emissions Control Program contractor. Under the contract, the contractor remits the entire amount of the fee to ADEQ for deposit in the Emissions Inspection Fund. ADEQ then determines the amount due to the contractor, based on the number of vehicles inspected, and makes payments to the contractor on a regular basis.

The Emissions Control Program is operated by an independent contractor in Maricopa and Pima Counties, with the purpose of identifying and repairing polluting motor vehicles. Pima County vehicle owners are subject only to the idle inspection. The program is funded through test fees that are charged to motorists at the time of inspection.

WQARF Priority Site Remediation

The Baseline includes \$7,000,000 from the General Fund in FY 2013 for the Water Quality Assurance Revolving Fund (WQARF) Priority Site Remediation. This amount is unchanged from FY 2012.

WQARF is funded in part from an annual \$15,000,000 transfer from the Corporate Income Tax (CIT), as stipulated in A.R.S. § 49-282. Funding for this program, therefore, does not appear in the General Appropriation Act. In addition, WQARF generates other revenue from various license and registration fees. A.R.S. § 49-282 directs the State Treasurer to adjust the \$15,000,000 CIT transfer so that, when combined with the WQARF fee generated revenue, the program receives \$18,000,000 annually.

The Environment Budget Reconciliation Bill (BRB) (Laws 2011, Chapter 36) notwithstanding these statutory provisions and reduced the General Fund allocation to \$7,000,000. *Table 1* describes program activity for FY 2011 and FY 2012. The Baseline continues the deposit at the reduced level.

WQARF Activity		
	Actual	Estimated
	FY 2011	FY 2012
Balance Forward	\$ 5,060,200	\$ 3,502,300
General Fund	7,000,000	7,000,000
Other Revenue	<u>3,910,000</u>	<u>4,085,500</u>
Total Funds Available	\$15,970,200	\$14,587,800
General Fund Expenditures	\$ 6,958,200	\$ 7,000,000
Other Funds Expended	4,699,100	1,142,800
Funds Transferred		
Dept. of Water Resources	\$ 300,000	\$ 300,000
Legislative Fund Transfers	<u>510,600</u>	<u>550,100</u>
Year-End Fund Balance	\$ 3,502,300	\$ 5,594,900

The WQARF program is similar to the federal Superfund program in that it is designed to monitor and remediate contaminated groundwater at specified sites. Program expenditures include searching for responsible polluters, conducting risk assessments and remediation feasibility studies, and contracting for remediation services.

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FORMAT — Operating Lump Sum with Special Line Items by Agency

FOOTNOTES

Standard Footnotes

The Department of Environmental Quality shall report annually on the progress of WQARF activities, including emergency response, priority site remediation, cost recovery activity, revenue and expenditure activity and other WQARF-funded program activity. This report shall also include a budget for the WQARF program that is developed in consultation with the WQARF Advisory Board. The FY 2013 report shall be submitted to the Joint Legislative Budget Committee by September 1, 2012. This budget shall specify the monies budgeted for each listed site during FY 2013. In addition, the department and the advisory board shall prepare and submit to the Joint Legislative Budget Committee, by October 2, 2012, a report in a table format summarizing the current progress on remediation of each listed site on the WQARF registry. The table shall include the stage of remediation for each site at the end of FY 2012, whether the current stage of remediation is anticipated to be completed in FY 2013, and the anticipated stage of remediation at each listed site at the end of FY 2013, assuming FY 2013 funding levels. The department and advisory board may include other relevant information about the listed sites in the table.

Pursuant to A.R.S. § 49-282, the Department of Environmental Quality shall submit a FY 2014 budget for the Water Quality Assurance Revolving Fund before September 1, 2012, for review by the Senate and House of Representatives Appropriations Committees.

All Air Permits Administration revenues received by the Department of Environmental Quality in excess of \$7,008,600 in FY 2013 are appropriated to the department. Before the expenditure of Air Permits Administration receipts in excess of \$7,008,600 in FY 2013, the Department of Environmental Quality shall report the intended use of the mines to the Joint Legislative Budget Committee.

All Indirect Cost Fund Recovery revenues received by the Department of Environmental Quality in excess of \$12,873,200 in FY 2013 are appropriated to the department. Before the expenditure of Indirect Cost Recovery Fund receipts in excess of \$12,873,200 in FY 2013, the Department of Environmental Quality shall report the intended use of the monies to the Joint Legislative Budget Committee.

STATUTORY CHANGES

The Baseline would:

- As session law, continue to suspend the Underground Storage Tank Revolving Fund Assurance Account administrative cap for FY 2013 to allow the department to utilize up to \$6,531,000 for program operating costs.

- As session law, continue to decrease the General Fund appropriation to the Water Quality Assurance Revolving Fund from \$15,000,000 to \$7,000,000.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

FY 2012 Revisions

The Baseline includes no net change for funding lease-purchase/rent payments in FY 2012. The Operating appropriations were reallocated in order to allow ADEQ to fund its lease-purchase/rent entirely from the Indirect Cost Recovery Fund. The summary number table has been updated to reflect these changes from the original FY 2012 appropriation:

Air Permits Administration Fund	19,400
Air Quality Fund	4,400
Emissions Inspection Fund	17,800
Hazardous Waste Management Fund	5,200
Indirect Cost Recovery Fund	(88,100)
Solid Waste Fee Fund	10,100
Water Quality Fee Fund	<u>31,200</u>
Total	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Air Permits Administration Fund (EVA2328/A.R.S. § 49-455)		Appropriated
Source of Revenue: Permit fees and interest.		
Purpose of Fund: To develop and administer permit programs and to conduct inspections.		
Funds Expended	4,962,900	7,008,600
Year-End Fund Balance	2,200,400	1,052,900
Air Quality Fund (EVA2226/A.R.S. § 49-551)		Appropriated
Source of Revenue: Monies received from a \$1.50 fee assessed on motor vehicle registrations; gifts, grants, and donations; and legislative appropriations.		
Purpose of Fund: To pay the costs of air quality research, experiments, education, and programs conducted by or for the department. Also to provide an annual \$400,000 transfer to the Department of Administration for state employee travel reduction programs and annual appropriations for the Department of Weights and Measures Oxygenated Fuels and Vapor Recovery programs. (<i>See individual agencies for further description.</i>)		
Funds Expended	2,262,500	5,370,400
Funds Appropriated		
Department of Weights and Measures	1,407,300	1,413,900
Arizona Department of Transportation	26,400	74,700
Arizona Department of Administration (Bus Subsidy)	596,500	714,100
Funds Transferred		
Arizona Department of Administration (Travel Reduction)	400,000	400,000
Year-End Fund Balance	2,094,400	500,600

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Air Quality Fund - Clean Air Subaccount (EVA2240/A.R.S. § 49-551)		Partially-Appropriated
Source of Revenue: A fee which allowed owners of vehicles 5 years old or newer to pay in-lieu of the vehicle emissions inspections. This fee was repealed effective July 1, 2006. The FY 2009 budget transferred \$2,212,300 from the Air Quality Fund - Clean Air Subaccount to the General Fund.		
Purpose of Fund: 5% of fee revenues may be used for administrative costs, with the balance distributed for the following programs:		
1. 5% for the Voluntary Lawn and Garden Equipment Emissions Reduction Program;		
2. 15% for the Voluntary Vehicle Repair and Retrofit Program;		
3. 30% for the Diesel Vehicle Low Emissions Incentive Grant Program;		
4. 10% for the voluntary accelerate purchase of Tier 2 and Tier 3 non-road equipment;		
5. 15% for grants to counties with populations fewer than 400,000 for travel reduction programs;		
6. 25% for other air quality programs and measures.		
Appropriated Funds Expended	0	0
Non-Appropriated Funds Expended	0	0
Year-End Fund Balance	0	0
Arizona Clean Air Fund (EVA1238/A.R.S. § 41-411)		Non-Appropriated
Source of Revenue: Prior to its elimination, the Arizona Clean Air Fund (ACAF) received revenues from: the Arizona Department of Environmental Quality Vehicle Repair Grant program, fees that owners of vehicles 5 years old or newer may pay in lieu of the vehicle emission inspections fee; lottery proceeds; and gifts, grants, donations and interest.		
Purpose of Fund: To provide grants for alternative fuel vehicles and diesel vehicle conversion grants. Beginning July 1, 2003, the revenue source and activities of this fund shifts to the Air Quality Fund. <i>(See Arizona Clean Air Fund Balance for more information.)</i>		
Funds Expended	0	0
Year-End Fund Balance	0	0
Arizona Clean Air Fund Balance (EVA2250/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: A transfer in FY 2004 from the Arizona Clean Air Fund.		
Purpose of Fund: This fund was established to separate the Clean Air in lieu fee account from the remaining balance of the Arizona Clean Air Fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Brownfields Cleanup Revolving Loan Fund (EVA2456/A.R.S. § 49-218)		Non-Appropriated
Source of Revenue: Legislative appropriations, federal grants, loan repayments, interest, penalties, gifts and donations.		
Purpose of Fund: To provide loans to eligible parties to perform non time-crucial removal of hazardous waste contamination on sites accepted into the State Voluntary Remediation Program.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Clean Water Revolving Fund (EVA2254/A.R.S. § 49-1221)		Partially-Appropriated
Source of Revenue: Legislative appropriations, federal capitalization grants, loan repayments, loan servicing fees, donations, and interest.		
Purpose of Fund: To make loans for capital improvements at wastewater treatment facilities of political subdivisions and Indian tribes. The fund is also used for debt refinancing, bond insurance related to wastewater treatment plants, and for fund administration. The Water Infrastructure Finance Authority administers the fund.		
Appropriated Funds Expended	4,162,500	0
Non-Appropriated Funds Expended	182,139,300	149,101,100
Year-End Fund Balance	86,304,400	56,169,000
Donations Fund (EVA2449/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Various donations, settlements, and consent decrees.		
Purpose of Fund: To administer the intent of the donation, settlement or decree.		
Funds Expended	7,700	12,300
Year-End Fund Balance	1,000	1,000

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Drinking Water Revolving Fund (EVA2307/A.R.S. § 49-1241)		Non-Appropriated
Source of Revenue: Legislative appropriations, federal capitalization grants, loan repayments, loan servicing fees, donations, and interest.		
Purpose of Fund: To make loans to drinking water facilities, including forgivable principal, of political subdivisions and Indian tribes. The fund is also used for debt refinancing, bond insurance related to drinking water plants, and for fund administration. The Water Infrastructure Finance Authority administers the fund.		
Funds Expended	69,312,400	66,596,200
Year-End Fund Balance	57,994,600	43,237,400
Emissions Inspection Fund (EVA2082/A.R.S. § 49-544)		Appropriated
Source of Revenue: Legislative appropriations, test fees, fleet certificate fees, private grants, donations, and federal grants.		
Purpose of Fund: To pay for enforcement of fleet inspections, exemptions, and certificates of waiver programs; to pay Emissions Inspection program contract and administrative charges, including station auditing, contractor training and certification, and motorist assistance; to pay for the state portion of catalytic converter program costs; and to pay for research studies of the feasibility and effectiveness of new emission control technologies.		
Funds Expended	24,039,800	25,536,100
Year-End Fund Balance	6,911,400	5,411,300
Federal Funds (EVA2000/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Federal grants related to water quality management, underground storage tank enforcement provisions, air pollution control, research projects, and other programs.		
Purpose of Fund: To be used as specified by federal law.		
Funds Expended	17,047,000	19,206,100
Year-End Fund Balance	0	0
Federal Grants - American Recovery and Reinvestment Act (ARRA) (EVA2999/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: One-time Federal Funds allocated by the American Recovery and Reinvestment Act of 2009 (P.L. 111-5).		
Purpose of Fund: One-time Federal Funds to be used by the department for air and water quality programs, the Underground Storage Tank Program, and the Water Infrastructure Finance Authority.		
Funds Expended	18,554,900	1,365,500
Year-End Fund Balance	0	0
Greater Arizona Development Authority Revolving Fund (EVA2311/A.R.S. § 41-2254)		Non-Appropriated
Source of Revenue: Legislative appropriations, federal monies, gifts, grants, donations, loan repayments, administrative fees and penalties, and interest.		
Purpose of Fund: To help rural communities meet their infrastructure needs. GADA may issue bonds, guarantee debt obligations, and provide technical and financial assistance to political subdivisions, special districts, and Indian tribes. Legislative appropriations to the GADA Revolving Fund may only be used to secure bonds. The state funding only serves as collateral for the loans and is not directly loaned out. The fund was capitalized with \$20,000,000 from the General Fund between FY 1998 and FY 2000. Other revenue to the fund may be used for GADA's operating costs, as well as technical and financial assistance to communities. Laws 2011, 2nd Special Session, Chapter 1 requires the Water Infrastructure Finance Authority of Arizona (WIFA) to provide administrative support for this fund.		
Funds Expended	211,500	46,000
Year-End Fund Balance	0	0
Greenfields Program Fund (EVA2309/A.R.S. § 49-157)		Non-Appropriated
Source of Revenue: Legislative appropriations and program fees. Initial General Fund appropriations of \$100,000 in FY 1998 and \$70,000 in FY 1999 made at the beginning of the pilot program were intended as start-up monies and will be paid back as fees are collected.		
Purpose of Fund: To remediate parcels of land that have soil contamination and return them to productive use. ADEQ will review and approve remediation plans submitted by certified remediation specialists.		
Funds Expended	0	0
Year-End Fund Balance	0	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Hardship Grant Fund (EVA2437/A.R.S. § 49-1267)		Non-Appropriated
Source of Revenue: Legislative appropriations and monies received from the United States government, including monies that are awarded to this state pursuant to Title II of the Clean Water Act and that are no longer obligated to the Construction Grants program.		
Purpose of Fund: Providing hardship grants to political subdivisions or Indian tribes to plan, design, acquire, construct or improve wastewater collection and treatment facilities. Providing training and technical assistance related to the operation and maintenance of wastewater systems.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Hazardous Waste Management Fund (EVA2178/A.R.S. § 49-927)		Appropriated
Source of Revenue: Legislative appropriations, hazardous waste treatment, storage, and disposal permit fees, and hazardous waste generation and transportation fees.		
Purpose of Fund: To pay educational, permitting, planning, and enforcement costs of the Hazardous Waste Program, and to provide administration and state matching funds for federal source reduction grants. A portion of the fund is transmitted to the Emergency Response Fund for staffing and equipping local emergency management agencies. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
Funds Expended	942,600	1,712,100
Year-End Fund Balance	969,400	188,500
IGA & ISA Fund (EVA2500/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Grants and intergovernmental agreements between state agencies and local governments.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	4,377,900	6,739,000
Year-End Fund Balance	0	0
Indirect Cost Recovery Fund (EVA7000/A.R.S. § 49-104)		Appropriated
Source of Revenue: Monies transferred from the department's appropriated and non-appropriated funds, including federal grants.		
Purpose of Fund: To pay departmentwide administrative and overhead costs.		
Funds Expended	11,705,500	12,873,200
Year-End Fund Balance	1,490,200	1,508,400
Institutional & Engineering Control Fund (EVA2563/A.R.S. § 49-159)		Non-Appropriated
Source of Revenue: Application fees for department's assessment and verification of restricted, non-residential use of contaminated land, recovered costs for repair of engineering and institutional controls, grants, donations, and legislative appropriations.		
Purpose of Fund: To pay the department's cost of enforcing the use of engineering and institutional controls in environmental remediations on contaminated properties.		
Funds Expended	8,700	0
Year-End Fund Balance	0	0
Intergovernmental Agreement Fund (EVA2180/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Grants and intergovernmental agreements from various entities, including the Game and Fish Department and the Water Protection Commission.		
Purpose of Fund: To be used as specified in the grant or agreement.		
Funds Expended	0	0
Year-End Fund Balance	12,900	12,900
Monitoring Assistance Fund (EVA2308/A.R.S. § 49-360)		Non-Appropriated
Source of Revenue: Fees from public water systems that participate in the Monitoring Assistance program.		
Purpose of Fund: To assist public water systems in complying with monitoring requirements under the federal Safe Drinking Water Act.		
Funds Expended	658,000	779,000
Year-End Fund Balance	658,200	746,600

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Recycling Fund (EVA2289/A.R.S. § 49-837)		Appropriated
Source of Revenue: Landfill disposal (tipping) fees and legislative appropriations.		
Purpose of Fund: For grants to local governments and others developing recycling markets and programs; for public information and assistance on source reduction and recycling; solid waste control programs, and for revenue collection and fund administration. Laws 2011, Chapter 220 allows DEQ to raise recycling registration fees through September 2013 with rulemaking authority. After September 30, 2013, statutory permission must be received to raise fees.		
Funds Expended	0	0
Year-End Fund Balance	319,900	414,500
Small Water Systems Fund (EVA2225/A.R.S. § 49-355)		Non-Appropriated
Source of Revenue: Legislative appropriations and interest.		
Purpose of Fund: To provide information and assistance to small water systems for improving compliance with drinking water system standards, and to provide emergency grants to small water systems for infrastructure repair.		
Funds Expended	0	0
Year-End Fund Balance	10,700	10,700
Solid Waste Fee Fund (EVA3110/A.R.S. § 49-881)		Appropriated
Source of Revenue: Fees, donations, and legislative appropriations.		
Purpose of Fund: To pay solid waste program costs, including waste tire removal expenses, special waste facility staff education, special waste management compliance monitoring, and used oil handling education and enforcement. Laws 2011, Chapter 220 allows DEQ to raise solid waste fees through September 2013 with rulemaking authority. After September 30, 2013, statutory permission must be received to raise fees.		
Funds Expended	1,147,000	1,917,500
Year-End Fund Balance*	233,600	(390,100)
Specific Site Judgment Fund (EVA3006/A.R.S. § 49-104)		Non-Appropriated
Source of Revenue: Fines, forfeitures, and penalties paid by parties responsible for site contamination.		
Purpose of Fund: For administration of court settlements, judgments, or consent decrees.		
Funds Expended	12,600	450,000
Year-End Fund Balance	2,053,900	538,000
Technical Appeals Program Fund (EVA3411/A.R.S. § 49-116)		Non-Appropriated
Source of Revenue: Legislative appropriations and dispute resolution fees.		
Purpose of Fund: To pay the costs of implementing and administering a technical appeals process for specified WQARF site registry and work plan review decisions.		
Funds Expended	0	0
Year-End Fund Balance	0	0
NOTE: The Underground Storage Tank (UST) Fund is displayed first as a fund summary, then by individual account.		
Underground Storage Tank Revolving (UST Summary) (EVA2271/A.R.S. § 49-1015A)		Partially-Appropriated
Source of Revenue: See each account for specific revenue sources.		
Purpose of Fund: See each account for specific account purpose.		
Balance Forward	5,379,000	6,021,200
Revenue	29,494,000	28,304,600
Funds Available	34,873,000	34,325,800
Appropriated Funds Expended	0	22,000
Non-Appropriated Funds Expended	22,679,100	22,689,200
Intra-Fund Cash Transfer Out to Non-Maricopa Account	3,500,000	0
Intra-Fund Cash Transfer In from Area A Account	3,500,000	0
Legislative Fund Transfers	6,172,700	6,200,700
Year-End Fund Balance	6,021,200	5,413,900

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
UST - Area A Assurance Account (EVA2271/A.R.S. § 49-1015)		Non-Appropriated
Source of Revenue: Area A (Maricopa County) excise tax revenues, cost recovery, and interest. The excise tax is a 1¢ per gallon tax on regulated substances, such as gasoline.		
Purpose of Fund: To provide partial coverage of corrective actions to underground storage tanks and to reimburse ADEQ if the state is required to take corrective action in Area A.		
Balance Forward	1,938,900	3,483,000
Revenue	14,654,900	10,808,200
Funds Available	16,593,800	14,291,200
Funds Expended	7,842,500	7,365,800
Intra-Fund Cash Transfer Out to Non-Maricopa	3,500,000	0
Legislative Fund Transfers	1,768,300	4,000,000
Year-End Fund Balance	3,483,000	2,925,400
UST - Cleanup Municipalities Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: A one-time transfer of \$5,000,000 of vehicle license tax revenues in FY 2001, as provided by Laws 2000, Chapter 354, and interest.		
Purpose of Fund: To partially reimburse school districts, counties, cities, towns, hospitals, and certain small businesses for costs of cleaning up leaking tanks.		
Balance Forward	0	0
Revenue	0	0
Funds Available	0	0
Funds Expended	0	0
Year-End Fund Balance	0	0
UST - Grant Account (EVA2271/A.R.S. § 49-1071)		Non-Appropriated
Source of Revenue: Interest earnings on account balance.		
Purpose of Fund: To provide grants, up to \$100,000 to UST owners/operators for the purposes of meeting tank performance standards, removing tanks for closure or replacement, or paying the portion of corrective action costs that are less than the deductible amount under the Assurance Fund. The Grant Account was divided into the Area A and Non-Maricopa Accounts by Laws 1993, Chapter 1, 6 th Special Session. The figures below depict the entire Grant Account.		
Balance Forward	0	0
Revenue	0	0
Funds Available	0	0
Funds Expended	0	0
Year-End Fund Balance	0	0
UST - Municipal Tank Closure and Corrective Action Program Account (EVA2271/A.R.S. § 49-1073)		Non-Appropriated
Source of Revenue: Legislative appropriations, gifts, grants and donations. Laws 2001, Chapter 341 transferred all unobligated funds in the UST Grant Account as of December 31, 2001 to this account. The estimated amount transferred was \$2,300,000.		
Purpose of Fund: To perform permanent closures and corrective actions on underground storage tanks in cities and towns requesting assistance. Cities and towns must have less than 15,000 people to be eligible for the program.		
Balance Forward	430,100	95,600
Revenue	2,600	2,600
Funds Available	432,700	98,200
Funds Expended	337,100	98,200
Year-End Fund Balance	95,600	0

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
UST - Non-Maricopa County Assurance Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: Non-Maricopa County excise tax revenues, cost recovery, and interest. The excise tax is a 1¢ per gallon tax on regulated substances, such as gasoline.		
Purpose of Fund: To provide partial coverage of corrective actions to underground storage tanks and to reimburse DEQ if the state is required to take corrective action in areas other than Area A.		
Balance Forward	2,069,400	1,296,100
Revenue	14,191,200	16,824,000
Funds Available	16,260,600	18,120,100
Funds Expended	14,060,100	14,730,700
Intra-Fund Cash Transfer In from Area A Account	3,500,000	0
Legislative Fund Transfers	4,404,400	2,200,700
Year-End Fund Balance	1,296,100	1,188,700
UST - Policy Commission Account (EVA2271/A.R.S. § 49-1092)		Partially-Appropriated
Source of Revenue: This account receives \$11,000 from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To assist the UST Policy Commission review and provide recommendations to improve the UST program.		
Balance Forward	3,200	3,200
Revenue	0	11,000
Funds Available	3,200	14,200
Appropriated Funds Expended	0	11,000
Non-Appropriated Funds Expended	0	0
Year-End Fund Balance	3,200	3,200
UST - Regulatory Account (EVA2271/A.R.S. § 49-1051)		Non-Appropriated
Source of Revenue: Annual tank fees (\$100/tank) and interest.		
Purpose of Fund: To carry out the state regulatory program, state-initiated corrective actions, and cost recovery activities.		
Balance Forward	937,400	1,143,300
Revenue	645,300	647,800
Funds Available	1,582,700	1,791,100
Funds Expended	439,400	494,500
Year-End Fund Balance	1,143,300	1,296,600
UST - Technical Appeals Account (EVA2271/A.R.S. § 49-1093)		Partially-Appropriated
Source of Revenue: Fund receives an annual \$11,000 appropriation from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To assist the UST Technical Appeals panel.		
Balance Forward	0	0
Revenue	0	11,000
Funds Available	0	11,000
Appropriated Funds Expended	0	11,000
Non-Appropriated Funds Expended	0	0
Year-End Fund Balance	0	0
Used Oil Fund (EVA3500/A.R.S. § 49-818)		Appropriated
Source of Revenue: Legislative appropriations and penalties for misuse of used oil.		
Purpose of Fund: For costs associated with the collection and analysis of used oil fuel samples.		
Funds Expended	13,200	138,900
Year-End Fund Balance	41,400	38,700

SUMMARY OF FUNDS	FY 2011 Actual	FY 2012 Estimate
Voluntary Lawn and Garden Equipment Emissions Reduction Fund (EVA2306/A.R.S. § 49-474)		Non-Appropriated
Source of Revenue: An annual \$10,000 appropriation from the State Assurance Fund to cover operating costs.		
Purpose of Fund: To provide vouchers for the retirement of residential and commercial lawn mowers. Residential owners receive a \$100 voucher to be used toward the purchase of an electric mower. Commercial owners receive a \$200 voucher to be used toward the purchase of a mower that generates lower emissions.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Voluntary Remediation Fund (EVA2564/A.R.S. § 49-187)		Non-Appropriated
Source of Revenue: Legislative appropriations, program fees, cost reimbursements, gifts, grants, and donations.		
Purpose of Fund: To pay the department's oversight costs of voluntary clean-ups of contaminated properties, including application, monitoring, and enforcement activities.		
Funds Expended	164,200	177,200
Year-End Fund Balance	314,100	371,900
Voluntary Vehicle Repair & Retrofit Program Fund (EVA2365/A.R.S. § 49-474.03)		Non-Appropriated
Source of Revenue: Legislative appropriations, a \$10 fee on diesel vehicle registrations, gifts, grants and donations.		
Purpose of Fund: To provide monies for local programs intended to repair or retrofit vehicles that fail emissions tests.		
Funds Expended	0	0
Year-End Fund Balance	260,100	12,900
Water Quality Assurance Revolving Fund (WQARF) (EVA2221/A.R.S. § 49-282)		Non-Appropriated
Source of Revenue: Fees and taxes related to municipal water use, pesticides, fertilizers, hazardous waste, and groundwater withdrawal. As required by A.R.S § 49-282, \$15,000,000 is to be transferred to WQARF from the Corporate Income Tax. The \$15,000,000 is adjusted at the close of the fiscal year so that when combined with other revenues the fund receives \$18,000,000 annually. This statutory transfer was suspended for both FY 2011 and FY 2012 in favor of a transfer amount of \$7,000,000.		
Purpose of Fund: For the operation of the WQARF Priority Site Remediation Program. Expenditures include administration, legal support, identification of responsible polluters, community involvement, and contract costs for the clean-up of sites for which no responsible party can be found. There is a transfer of up to \$800,000 to the Department of Water Resources for well inspection and data management. Although this fund is not appropriated, A.R.S. § 49-282 requires the Appropriations Committees to review the annual budget for WQARF.		
Funds Expended	8,986,700	12,852,300
Year-End Fund Balance	7,175,800	3,900,900
Water Quality Fee Fund (EVA4100/A.R.S. § 49-210)		Appropriated
Source of Revenue: Legislative appropriations and fees received from several water quality protection programs.		
Purpose of Fund: To pay the costs of aquifer protection permit registration, dry well registration, technical review, inspections, and issuance of aquifer protection permits.		
Funds Expended	4,389,000	10,347,900
Year-End Fund Balance*	501,800	(3,850,900)

*As reported by the agency. Actual ending balance will not be negative.