

Department of Environmental Quality

	FY 2012 ACTUAL	FY 2013 ESTIMATE	FY 2014 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	467.4	322.0	322.0
Personal Services	10,930,700	15,653,900	15,653,900
Employee Related Expenditures	4,831,400	6,974,400	6,974,400
Professional and Outside Services	1,358,900	6,800,200	6,800,200
Travel - In State	252,500	442,500	442,500
Travel - Out of State	3,100	48,000	48,000
Other Operating Expenditures	14,535,700	17,010,300	15,210,300
Equipment	90,200	432,400	432,400
OPERATING SUBTOTAL	32,002,500	47,361,700	45,561,700
SPECIAL LINE ITEMS			
Emissions Control Contractor Payment	21,519,500	21,119,500	21,119,500
WQARF Priority Site Remediation	7,000,000	7,000,000	7,000,000
AGENCY TOTAL	60,522,000^{1/}	75,481,200^{2/}	73,681,200
FUND SOURCES			
General Fund	7,000,000	7,000,000	7,000,000
<u>Other Appropriated Funds</u>			
Air Permits Administration Fund	3,976,600	7,038,800	7,038,800
Air Quality Fund	2,817,600	5,379,100	5,379,100
Emissions Inspection Fund	28,074,500	28,354,300	26,554,300
Hazardous Waste Management Fund	990,700	1,718,900	1,718,900
Indirect Cost Recovery Fund	11,425,300	13,008,700	13,008,700
Recycling Fund	0	1,200,000	1,338,900
Solid Waste Fee Fund	690,700	1,226,600	1,226,600
Underground Storage Tank Revolving Fund	0	22,000	22,000
Used Oil Fund	132,900	138,900	0
Water Quality Fee Fund	5,413,700	10,393,900	10,393,900
SUBTOTAL - Other Appropriated Funds	53,522,000	68,481,200	66,681,200
SUBTOTAL - Appropriated Funds	60,522,000	75,481,200	73,681,200
Other Non-Appropriated Funds	161,446,900	171,154,600	172,203,100
Federal Funds	18,689,600	16,539,500	16,539,500
TOTAL - ALL SOURCES	240,658,500	263,175,300	262,423,800

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/} Includes a total of \$759,900 OF appropriated in FY 2012 for costs associated with an additional pay period. These expenditures were not reflected in the individual agency tables in the *FY 2012 Appropriations Report*.

^{2/} In addition to these amounts, the FY 2013 General Appropriation Act included one-time FY 2013 adjustments for a state employee health insurance premium holiday and employee retention payments. The adjustments include an increase of \$444,500 OF for the employee retention payment.

Operating Budget

The Baseline includes \$45,561,700 and 322 FTE Positions in FY 2014 for the operating budget. These amounts consist of:

	FY 2014
Air Permits Administration Fund	\$7,038,800
Air Quality Fund	5,379,100
Emissions Inspection Fund	5,434,800
Hazardous Waste Management Fund	1,718,900
Indirect Cost Recovery Fund	13,008,700
Recycling Fund	1,338,900
Solid Waste Fee Fund	1,226,600
Underground Storage Tank Revolving Fund	22,000
Water Quality Fee Fund	10,393,900

FY 2014 adjustments would be as follows:

Shift Administration of Used Oil Program **OF** **0**

The Baseline includes an increase of \$138,900 from the Recycling Fund and a corresponding decrease of \$(138,900) from the Used Oil Fund in FY 2014 to shift administration of the Used Oil Program to the Solid Waste Program. The Used Oil Fund does not receive any revenue from its statutory fund sources. However, the department's Solid Waste Program includes the Recycling Fund, which generates revenues sufficient to continue the Used Oil Program.

Emissions Inspection Appropriation **OF** **(1,800,000)**

The Baseline includes a decrease of \$(1,800,000) from the Emissions Inspection Fund in FY 2014 to eliminate a one-time increase for the Safe Drinking Water Program.

The FY 2013 Environment Budget Reconciliation Bill (BRB) (Laws 2012, Chapter 303) required the State Agency Fee Commission to recommend reductions to Emissions Inspection fees by December 31, 2012, along with any proposed changes to the statutory use of monies from the Emissions Inspection Fund. The Fee Commission has recommended that the current fee structure remain unchanged and that the Legislature set a statutory cap of 140% of Emissions Inspection contract costs.

The Fee Commission also recommended allowing Emissions Inspection fees to be used for general purposes. In that context, for example, the Legislature will need to determine whether to continue to allow the use of Emissions Inspection Fund monies for the Safe Drinking Water Program in FY 2014.

Emissions Control Contractor Payment

The Baseline includes \$21,119,500 from the Emissions Inspection Fund in FY 2014 for the Emissions Control

Contractor Payment. This amount is unchanged from FY 2013.

WQARF Priority Site Remediation

The Baseline includes \$7,000,000 from the General Fund in FY 2014 for the Water Quality Assurance Revolving Fund (WQARF) Priority Site Remediation. This amount is unchanged from FY 2013.

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 FY 2013 Environment BRB continues to notwithstanding these statutory provisions and reduces the General Fund allocation to \$7,000,000. *Table 1* describes program activity for FY 2012 and FY 2013. The Baseline continues the deposit at the reduced level in FY 2014.

Table 1		
WQARF Activity		
	Actual FY 2012	Estimated FY 2013
Balance Forward	\$ 7,175,800	\$ 8,273,400
General Fund	7,000,000	7,000,000
Other Revenue	<u>5,068,200</u>	<u>3,312,900</u>
Total Funds Available	\$19,244,000	\$18,586,300
General Fund Expenditures	\$ 5,021,700	\$ 7,000,000
Other Funds Expended	5,112,600	7,710,600
Funds Transferred		
Dept. of Water Resources	\$ 300,000	\$ 300,000
Legislative Fund Transfers	<u>536,300</u>	<u>0</u>
Year-End Fund Balance	\$ 8,273,400	\$ 3,575,700

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 2014 report shall be submitted to the Joint Legislative Budget Committee by September 1, 2013. This budget shall specify the monies budgeted for each listed site during FY 2014. In addition, the department and the advisory board shall prepare and submit to the Joint Legislative Budget Committee, by October 2, 2013, 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 2013, whether the current stage of remediation is anticipated to be completed in FY 2014, and the anticipated stage of remediation at each listed site at the end of FY 2014, assuming FY 2014 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 2015 budget for the Water Quality Assurance Revolving Fund before September 1, 2013, 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 \$7,038,800 in FY 2014 are appropriated to the department. Before the expenditure of Air Permits Administration receipts in excess of \$7,038,800 in FY 2014, the Department of Environmental Quality shall report the intended use of the monies to the Joint Legislative Budget Committee.

All Indirect Cost Fund Recovery Fund revenues received by the Department of Environmental Quality in excess of \$13,008,700 in FY 2014 are appropriated to the department. Before the expenditure of Indirect Cost Recovery Fund receipts in excess of \$13,008,700 in FY 2014, 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 allow the department to utilize up to \$6,531,000 from a combination of the Underground Storage Tank Fund and the Regulated Substance Fund for department administrative expenses.
- 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

Repeal of Underground Storage Tank Tax

Laws 1990, Chapter 328 established the Underground Storage Tax, a 1¢ excise tax on petroleum products and hazardous substances regulated under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980. The tax finances partial coverage for corrective action costs incurred by the department, owners, operators, or political subdivisions.

Laws 2004, Chapter 273 repealed the Underground Storage Tank (UST) Program and the associated 1¢ excise tax no later than December 31, 2013. The program is being replaced by the Regulated Substance Fund (RSF), which receives its funding from underground storage tank revenues, reimbursements, donations, monies encumbered by the department for implementing work plans and corrective action plans. The RSF will then be the funding source for underground storage tanks where the owner cannot be located. As a result, owners will no longer be eligible for corrective action assistance.

The UST Program and the 1¢ excise tax will be repealed once the RSF receives \$60,000,000 from the Assurance Account, or until December 31, 2013, whichever comes first. The FY 2013 beginning balance in UST was \$28,586,600, of which \$26,490,100 was transferred to RSF. The repeal of the UST Program and the 1¢ excise tax will occur December 31, 2013, since the RSF will not receive \$60,000,000 from the Assurance Account prior to that date.

The RSF will receive revenue from the 1¢ excise tax until the UST is repealed on December 31, 2013. Since the other RSF sources of revenue are minor, the RSF will not have a primary funding source once the 1¢ excise tax is repealed.

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 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	3,976,600	7,038,800
Year-End Fund Balance	4,607,000	4,018,200
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	2,817,600	5,379,100
Funds Appropriated		
Department of Weights and Measures	1,171,300	1,419,100
Arizona Department of Transportation	51,200	72,800
Arizona Department of Administration (Bus Subsidy)	621,800	714,100
Funds Transferred		
Arizona Department of Administration (Travel Reduction)	400,000	0
Year-End Fund Balance	4,103,000	4,125,900
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	0	0
Non-Appropriated Funds Expended	98,878,800	97,577,800
Year-End Fund Balance	185,445,800	178,520,400
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	5,300	1,400
Year-End Fund Balance	1,500	5,900
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	36,751,300	30,987,200
Year-End Fund Balance	86,266,200	126,814,000

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
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. As session law, the Environment Budget Reconciliation Bill (Laws 2012, Chapter 303) allows \$1,800,000 of these monies to be spent on the Safe Drinking Water Program in FY 2013.		
Funds Expended	28,074,500	28,354,300
Year-End Fund Balance	9,163,000	11,108,700
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	18,195,700	16,539,500
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	493,900	0
Year-End Fund Balance	0	0
Greater Arizona Development Authority Revolving Fund (EVA2311/A.R.S. § 41-2554)		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	43,900	46,000
Year-End Fund Balance	12,735,400	12,989,400
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
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

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
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	990,700	1,718,900
Year-End Fund Balance	1,350,500	1,330,400
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	5,218,400	6,718,800
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	11,425,300	13,008,700
Year-End Fund Balance	2,008,300	1,901,200
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	18,500	41,100
Year-End Fund Balance	20,400	18,500
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	731,400	789,100
Year-End Fund Balance	776,400	997,300
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 with rulemaking authority. After September 30, 2013, statutory permission must be received to raise fees.		
Funds Expended	0	1,200,000
Year-End Fund Balance	648,800	1,204,800

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
Regulated Substance Fund (EVA2545/A.R.S. § 49-1015.01)		Non-Appropriated
Source of Revenue: Legislative appropriations, underground storage tank revenues, reimbursements, donations, monies encumbered by the director for implementing work plans and corrective action plans.		
Purpose of Fund: To pay the costs of administering and taking corrective actions of regulated substances, if the department cannot locate an owner or operator of an underground storage tank within 90 days, or within a shorter period as determined to be necessary to protect human health or the environment. <i>(Please see the Underground Storage Tank Revolving Fund for additional information.)</i>		
Funds Expended	0	19,111,500
Year-End Fund Balance	0	35,814,900
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	0	0
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 with rulemaking authority. After September 30, 2013, statutory permission must be received to raise fees.		
Funds Expended	690,700	1,226,600
Year-End Fund Balance	342,700	445,400
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	111,000	265,800
Year-End Fund Balance	797,600	532,400
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

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 Estimate
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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	
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Source of Revenue: See each account for specific revenue sources. Laws 2004, Chapter 273 established the Regulated Substance Fund (RSF), which partially consists of revenues from UST Assurance Accounts. Permanent law repeals the UST Program and the 1¢ excise tax that serves as its primary source of revenue once the RSF receives \$60,000,000 from the Assurance Account, or until December 31, 2013. The amounts below reflect a transfer of the majority of UST monies. The RSF will not receive \$60,000,000 prior to December 31, 2013. Once all claims against the Assurance Account have been paid, any remaining funds will be transferred to the Regulated Substance Fund, which will be the funding source for underground storage tanks where the owner cannot be located. The remaining balance forward will be used to fund the Regulatory, Policy Commission and Technical Appeal Accounts.

Purpose of Fund: See each account for specific account purpose.

Balance Forward	6,021,200	28,586,600
Revenue	37,858,300	0
Transfer to Regulated Substance Fund	0	(26,490,100)
Funds Available	43,879,500	2,096,500
Appropriated Funds Expended	0	22,000
Non-Appropriated Funds Expended	9,003,300	422,300
Intra-Fund Cash Transfer Out to Non-Maricopa Account	105,700	0
Intra-Fund Cash Transfer In from Area A Account	0	0
Legislative Fund Transfers	6,183,900	0
Year-End Fund Balance	28,586,600	1,652,200

UST - Area A Assurance Account (EVA2271/A.R.S. § 49-1015)	Non-Appropriated	
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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. As permanent law, the excise tax will be repealed no later December 31, 2013.

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	3,483,000	14,871,700
Revenue	18,232,900	0
Transfer to Regulated Substance Fund	0	(14,871,700)
Funds Available	21,715,900	0
Funds Expended	2,746,800	0
Intra-Fund Cash Transfer Out to Non-Maricopa	97,400	0
Legislative Fund Transfers	4,000,000	0
Year-End Fund Balance	14,871,700	0

UST - Municipal Tank Closure and Corrective Action Program Account (EVA2271/A.R.S. § 49-1073)	Non-Appropriated	
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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	95,600	200
Revenue	800	0
Transfer to Regulated Substance Fund	0	(200)
Funds Available	96,400	0
Funds Expended	96,200	0
Year-End Fund Balance	200	0

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 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. As permanent law, the excise tax will be repealed no later December 31, 2013.		
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	1,296,100	12,292,300
Revenue	18,937,000	0
Transfer to Regulated Substance Fund	0	(12,292,300)
Funds Available	20,233,100	0
Funds Expended	5,748,600	0
Intra-Fund Cash Transfer In from Area A Account	0	0
Cash Transfer Out	8,300	0
Legislative Fund Transfers	2,183,900	0
Year-End Fund Balance	12,292,300	0
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	7,800
Funds Available	3,200	11,000
Appropriated Funds Expended	0	11,000
Non-Appropriated Funds Expended	0	0
Year-End Fund Balance	3,200	0
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	1,143,300	1,419,200
Revenue	687,600	655,300
Funds Available	1,830,900	2,074,500
Funds Expended	411,700	422,300
Year-End Fund Balance	1,419,200	1,652,200
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	132,900	138,900
Year-End Fund Balance	41,400	177,600

SUMMARY OF FUNDS	FY 2012 Actual	FY 2013 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. This fund no longer receives an appropriation from the State Assurance Fund.		
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	145,000	183,000
Year-End Fund Balance	344,400	362,800
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	415,700	1,315,700
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 2012 and FY 2013 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	10,434,300	15,010,600
Year-End Fund Balance	8,273,400	3,575,700
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	5,413,700	10,393,900
Year-End Fund Balance*	2,130,500	(63,400)

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