

Doing more with MTCA Dollars...

...new solutions are being explored



State clean up program...

Since the 1980's:

6,300 sites resolved

2,750 in process

1,900 to be addressed

11,000 sites

“Demand for MTCA grant funding exceeds the availability of funds...”

- *Of the 1,000 public sites left 118 will need RAGs*
- *Clean up estimate is \$1,029,000,000 or \$532,000,000 in MTCA funds...over ten years*
- *Today's estimate of need is 2X what it was in 2006*
- *Even before the economic crisis, current RAG funding has been at half the projected need*

“Lack of certainty that clean up funding will be available for multi year projects ...”

- From the assessment stage of a clean up it takes about 6 years on average to get to ‘no further action’ required status
- Complex and multi site clean ups are more than likely to bridge a state budget cycle

“Controlling remediation costs is becoming more difficult...”

- Regulatory changes
- Inflationary pressure as clean up times lengthen
- Cost estimating challenges
- 3rd Party claims
- Discovering unknown contaminants

“Impact of changes in accounting rules on how liabilities are booked ...”

- GASB 49 Rules don't directly recognize grant sources as an offsetting asset to environmental liability

“Clean ups don’t come in one size fits all...”

- Remediation sites have differing sizes, costs, complexities, and durations, as well as community and economic benefits
- Different sites have different needs for State assistance

POSSIBLE CONSIDERATIONS

- Make environmental insurance more readily available
- Leverage available MTCA funds by borrowing against revenue stream
- Put funds into a protected trust
- Create special clean up agencies: Brownfield Authorities to pool smaller remediations
- Provide tax incentives for clean ups

Schedule...

- Report will be available in December, 2009



