# Superfund Special Accounts Senior Management Committee

July 28, 2011

# Agenda

- Using special accounts for ATSDR activities
- Impact of new financial system on special account management and utilization
- Long-term use of special accounts
- Efficient management of special accounts
- Special account topics to research

# Special Accounts for ATSDR Activities

See briefing paper "Providing Special Account Funds to ATSDR for Health Assessments Conducted Pursuant to CERCLA § 104(i)"

# Background

- ATSDR is interested in using special account funds to conduct public health assessments at Superfund Alternative Approach (SAA) sites
- SAA sites meet the following criteria:
  - NPL-caliber sites
  - Long-term response action (e.g., remedial action) is anticipated
  - PRP is conducting the work at the site under a SAA agreement

# Pros

- Exemption 5 - Deliberative Process [redacted]

# Cons

- Exemption 5 - Deliberative Process [redacted]
- Exemption 5 - Attorney-Client Privilege [redacted]
- Exemption 5 - Deliberative Process [redacted]

# Outstanding Issues

- Should EPA provide special account funds to ATSDR for health assessments at SAA sites?
  - Exemption 5 - Attorney-Client Privilege [redacted]

[redacted]

# Implementation of New Financial System (Compass)

# Compass

- Go-live October 21, 2011
  - Financial system will be down October 1st – October 20th
- All Superfund financial data is not being migrated into Compass
  - Migrating ten years of Superfund payment data
  - IFMS data available in a data warehouse
- Concern in Superfund community with accessing historical and current Superfund financial information if data is in 2 different sources

# Special Account Reporting

- Reporting concerns
  - Determining amount available in special accounts
  - Identifying appropriated expenditures for reclassification
- Exemption 5 - Deliberative Process [redacted]

  Exemption 5 - Deliberative Process [redacted]

# Special Accounts Interest Database (SAID)

- OTS is working with CFC to develop reports to pull special account information from Compass to support the SAID
- CFC will test and QA data
  - Ensure information is accurate and complete
  - Data converted from IFMS to Compass is not duplicated in the new process
- Available balance information for special accounts will be available through the SAID after go-live
- Security risk assessment for SAID is underway

# Special Account Reclassifications

- Expenditures more than 10 years old will not need to be migrated into Compass
- Exemption 5 - Deliberative Process [redacted]
- Propose following interim business process for reclassifications in the 1st and 2nd Quarters of FY 2012
  - No reclassifications will be processed during the 1st Quarter
  - CFC will process all KV transactions during the 2nd Quarter
  - Once the proposed Superfund Data Mart is available, OFM will work with staff to develop a new business process for reclassifications

# Long-term Planning of Special Account Funds

# Long-term Planning of SA Funds

- Long-term uses for SA funds include:
  - Five year reviews
  - Payroll and site travel
  - Operation and maintenance
  - Protectiveness contingencies
    - Long-term effectiveness of remedies
    - Additional contamination found at the site

# Long-term Planning Estimates

| | Total Planned | Account High | Account Low | Account Average | # Accounts |
|---|---|---|---|---|---|
| Outyear FYRs | $22.3M | Exemption 5 - Deliberative Process [redacted] | [redacted] | [redacted] | 140 |
| Intramural Use | $60.9M | Exemption 5 - Deliberative Process [redacted] | [redacted] | [redacted] | 360 |
| Protectiveness Contingencies | $9.9M | Exemption 5 - Deliberative Process [redacted] | [redacted] | [redacted] | 4 |
| Other Plans | $68.9M | Exemption 5 - Deliberative Process [redacted] | [redacted] | [redacted] | 142 |

*As of March 30, 2011 from CERCLIS*



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# Long-term Planned Obligations in CERCLIS

| BFY | Planned Obligations in CERCLIS by Action | Planned Obligations Total |
|---|---|---|
| >2021 | O&M<br>PRP RA<br>PRP LR<br>GW Monitoring Post-ROD<br>Records Management<br>State Support CA<br>Other<br>Total | $40.7M<br>$11.2M<br>$6.9M<br>$2.8M<br>$1.6M<br>$503.3K<br>$144.0K<br>$63.8M |
| >2031 | O&M<br>PRP LR<br>Records Management<br>State Support CA<br>Other<br>Total | $20.9M<br>$2.6M<br>$1.2M<br>$225.0K<br>$154.0K<br>$25.1M |
| >2041 | O&M<br>Records Management<br>Total | $10.1M<br>$928.0K<br>$11.1M |



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# Long-term Planning

- Should we establish a general time frame for planning to use funds in special accounts?
  - 10, 20, 30 years from current planning fiscal year?
  - 10, 20, 30 years from account inception or deposit of funds?
  - 5, 10, 15 years after RA-Complete, CC, or Deletion?
  - Removal accounts?
  - Other non-NPL accounts?

# Long-term Planning: Proposal

- Exemption 5 - Deliberative Process [redacted]
- Next steps: Discuss with regional Superfund Division Directors

# Efficient Management of Special Accounts

# Efficient Management of SAs

| Available Balance | No. of Accounts | | Sum of Available Balance | | Sum of Obligations | |
|---|---|---|---|---|---|---|
| Greater than $10 Million | 33 | 3% | $984,481,893 | 55% | $459,532,561 | 22% |
| Between $1M and $10 Million | 214 | 22% | $637,556,927 | 36% | $844,930,534 | 41% |
| Between $500K and $1 Million | 136 | 14% | $96,082,184 | 5% | $160,724,572 | 8% |
| Between $250K and $500K | 135 | 14% | $47,887,767 | 3% | $70,024,601 | 3% |
| Between $10K and $250K | 359 | 37% | $35,699,351 | 2% | $255,862,942 | 13% |
| Less than $10K | 100 | 10% | ($11,432,784) | -1% | $254,768,025 | 12% |
| **Total** | **977** | | **$1,790,275,337** | | **$2,045,843,234** | |

- FY 2012 House Appropriation Committee mark-up includes language on special accounts
  - Expects EPA will accelerate obligation of funds in 2012 to address risks posed by contamination at these sites

*Data as of July 8, 2011 from FDW*

# Efficient Management of SAs

- Current regional responsibilities for managing open SAs include:
  - Plan for the use of funds within 3 months of establishing account.
  - Review and update plans for using SAs for work planning data pulls (July and October) and mid-years (March).
    - Reviews include coordinating with RPMs, OSCs, management, enforcement/legal staff, and finance staff regarding future use of funds available in accounts.
  - Ensure plans entered in CERCLIS are being completed (i.e., planned obligations become actual obligations).
  - Prepare notifications and financial transactions for reclassifications, transfers to the Trust Fund, and account closures.

# Efficient Management of SAs

- Current HQ responsibilities for managing open SAs include:
  - Establish and close accounts.
  - Calculate and apply interest to all open SAs.
  - Process financial transactions to transfer SA funds to the Trust Fund.
  - Process reclassifications upon request.
  - Review SAs for negative fund code and account available balances.
  - Ensure reporting tools are available and accurate.
  - Review plans for all open SAs after March, July, and October data updates.
  - Report to the SA Senior Management Committee on plans and utilization of SAs.



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# Possible Ways to More Efficiently Manage SAs

- Establishing/Closing SAs
  - Exemption 5 - Deliberative Process [redacted]
- Management & Planning SAs
  - Exemption 5 - Deliberative Process [redacted]
  - Review only certain accounts, such as:
    - Greater than $1M available
    - $0 disbursed more than 4 years old
    - Current FY planned obligations, reclassifications and transfers
    - Unassigned balances > $100K
- Reduce planning updates/review to twice a year
  - Currently update and review planning data three times a year



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# Efficient Management of SAs: Proposal

- Reduce planning cycles to twice a year:
  - Work planning reviews October – December
  - Mid-year reviews March – May
  - Reduce work for FY 2012 summer work planning exercise underway
- HQ review to focus only on highest risk accounts, such as:
  - >$1 million available
  - Contingency or Other plans
  - $0 disbursed/low utilization accounts more than 2 years old
  - Current FY planned obligations, reclassifications, transfers, and closures
  - Spot check sample of accounts with less than $1 million available
- Evaluate current practices for establishing and depositing funds in accounts

# Special Account Topics to Research

# Special Account Future Topics

- Background paper "Special Account Topics to Research" has additional information
- Proposed Topics
  - Special Account Establishment and Deposits
  - Providing Special Account Funds to States
- In addition, SASMC will need to address recommendations in GAO report when issued and any Compass implementation issues

# Review Action Items/Next Steps