Dry Cleaner Environmental Response Fund (DERF) Program*

What Is It?
• Industry-developed initiative to provide financial protection for drycleaners should contamination occur from their operations (State Legislature passed in 1997)
• A reimbursement program – with cost controls including no financing costs/attorney costs, multiple-phase bidding requirements with DNR project manager approvals required
• Funded by 2.8% fee on drycleaning gross receipts, $5/gal perchloroethylene and $.75/gal other solvents fee paid by chemical distributors
• Collect approximately $1.5 million/year
• Drycleaner owner and operators and the property owner of a licensed facility are eligible
• Maximum award is $500,000 per facility
• Sliding scale deductible based on cost of response actions
• 13 states have similar programs

How Does It Work?
• Dept. of Revenue (DOR) collects fees from licensed drycleaners
• DOR has 1 position from fund for licensing
• DNR has 3 positions from fund (1 auditor/2 hydrogeologists)
• When contamination is discovered, drycleaner notifies DNR and follows process for conducting cleanups
• DNR staff approve selected bidders; provide technical assistance/program management
• Responsible parties must conduct cleanup consistent with Wis. Admin. § NR 700 cleanup rule series/get reimbursed as specific milestones are reached

Who Are The Clients?
• Individual drycleaners with contamination/property owners who are eligible
• Governor’s Council on DERF (four drycleaners, one equipment supplier, one consultant, one chemical manufacturer)
• Wisconsin Fabricare Institute (Brian Swingle, Exec Dir.; Don Gallo, attorney)

Program Status
• 157 licensed drycleaners in the state
• 230 sites with investigations initiated
• 126 sites with complete investigations
• 100 sites closed

*Note: The program is currently closed to new applicants

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