

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdcf Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration												
Office of the Commissioner												
FY2006 Development of State Oceans Strategies	Inc	48.7	35.8	5.0	0.0	1.0	6.9	0.0	0.0	0	1	0
A full time coordinator for the State's ongoing work on the science and politics of oceans is being established within the Department of Fish and Game. DEC and two other agencies are able, through a federal grant, to establish part time positions in each agency to provide support for the coordinator.												
The State has participated, with leadership from a variety of agencies, in this effort for over a year but needs staff consistently assigned primary responsibility for following NOAA, CEQ, the Oceans Commission, and all of the related research and science arrangements. There are also many non-governmental organizations operating in Alaska whose mission is predominantly oceans research and programs. The State is not adequately informed or involved in any of these endeavors.												
1002 Fed Rcpts (Fed)		48.7										
FY2006 Adding staff and support costs for EVOS activities	Inc	46.0	46.0	0.0	0.0	0.0	0.0	0.0	0.0	1	-1	0
This amendment adjusts the department's original request to include EVOS activities, changing the part-time position to a full-time position and adding necessary support costs.												
1018 EVOS Civil (Other)		46.0										
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	27.5	27.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed)		13.2										
1004 Gen Fund (UGF)		14.3										
FY2006 Ch. 53, SLA 2005 (HB 98) Commissioner increase	FisNot	35.1	35.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		35.1										
FY2008 AMD: Annualize funding from RPL	Inc	38.9	38.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
An RPL was requested and approved at the December 15th, 2006 Legislative Budget and Audit Committee meeting to provide additional EVOS authority to continue activities as approved by the Trustee Council in the annual program development and implementation budget. This transactions annualizes that funding.												
1018 EVOS Civil (Other)		38.9										
FY2008 Village Safe Water Program Implementation and Accountability	IncOTI	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed)		250.0										
FY2009 Climate Impact Work Group	IncOTI	184.0	10.0	10.0	160.0	4.0	0.0	0.0	0.0	0	0	0
In September 2007, Governor Palin established the Alaska Climate Change Sub-Cabinet through Administrative Order #238. The purpose of the Climate Change Sub-Cabinet is to advise the Office of the Governor on the preparation and implementation of an Alaska climate change strategy. This strategy will include building the state's knowledge of the actual and foreseeable effects of climate warming in Alaska, developing appropriate measures and policies to prepare communities in Alaska for the anticipated impacts of climate change, and providing guidance regarding Alaska's participation in regional and national efforts addressing the causes and effects of climate change.												
This funding will be used for the work group process. The Climate Change Sub-Cabinet plans to develop recommendations on an Alaska climate change strategy. The Sub-Cabinet is envisioning three advisory work groups, one each covering adaptation, mitigation and research needs. Under each of the adaptation and mitigation advisory groups there will be five or six technical subgroups looking at particular sets of issues. For example, one of the technical subgroups under the adaptation advisory work group will be looking at current and predicted changes to fish and wildlife in the state. The Climate Change Sub-Cabinet plans to begin this work												

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06-19GIncdDecF Column**

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	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Administration (continued)												
Office of the Commissioner (continued)												
FY2009 Climate Impact Work Group (continued) group effort in March 2008.												
<p>In addition to the work groups described above, immediate actions work groups are currently engaged in holding meetings (including with local representatives from communities most at risk from coastal erosion) and developing recommendations for the Sub-Cabinet. An initial report is due from the immediate actions work groups in March 2008 and it is anticipated that they will continue to meet and work on more detailed recommendations into fiscal year 2009. Funding for this request requires an extended lapse date through June 30, 2009.</p> <p>For the work groups to be successful, they will need good technical support, including access to technical information and assistance in analyzing the economic and other feasibility aspects of various options. The work groups will also need to contract with a facilitator and other logistical support. Although most meetings will be by teleconference, funding is needed for travel and meeting space for several key face-to-face meetings.</p> <p>To assure the work groups are truly independent and not being lead to any conclusions that are not in Alaska's best interest, it is important to have a local facilitator. Current plans are to hire a local facilitator for the mitigation work groups and to use a facilitator from the University of Alaska for the adaptation and research needs work groups. The University has offered to donate up to \$25.0 of that facilitator's time.</p> <p>The state will also contribute to a biennial meeting of the Conference of Parliamentarians of the Arctic Region. This meeting will take place August 12-14, 2008 at the University of Alaska Fairbanks. Members will discuss subjects such as International Polar Year, climate change, energy, and maritime traffic (http://www.arcticparl.org).</p>												
<p>Following are the anticipated expenditures to support the work group efforts:</p> <ul style="list-style-type: none"> - \$110.0 Contract(s) for local facilitator(s) - \$50.0 Anticipated match for technical and logistical support grant for work groups - \$40.0 Logistical support for work groups, including travel, phone charges, meeting rooms, and copying - \$20.0 Personal services expenditures and support costs for the department - \$10.0 State contribution to the biennial meeting of the Conference of Parliamentarians of the Arctic Region 												
1004 Gen Fund (UGF)		184.0										
FY2011 Correct Unrealizable Fund Sources in the Health Insurance Increases for Non-Covered Employees	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Correct unrealizable fund sources for existing bargaining unit agreements applicable to this component. EVOSS is an uncollectable fund source.												
1002 Fed Rcpts (Fed)		0.5										
1004 Gen Fund (UGF)		0.5										
1018 EVOS Civil (Other)		-1.0										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-2.5	0.0	-2.5	0.0	0.0	0.0	0.0	0.0	0	0	0

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration (continued)												
Office of the Commissioner (continued)												
FY2011 Reduce general fund travel line item by 10 percent. (continued)												
1004 Gen Fund (UGF)		-2.5										
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	8.4	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : \$8.4												
1002 Fed Rcpts (Fed)		4.2										
1004 Gen Fund (UGF)		3.2										
1018 EVOS Civil (Other)		1.0										
FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase	FisNot	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		1.0										
1018 EVOS Civil (Other)		-1.0										
FY2011 COASTAL MANAGEMENT PROGRAM (SB 4)	FisNot	118.7	93.1	7.5	11.2	0.5	6.4	0.0	0.0	1	0	0
1007 I/A Rcpts (Other)		118.7										
FY2011 DID NOT PASS: COASTAL MANAGEMENT PROGRAM (SB 4)	FisNot	-118.7	-93.1	-7.5	-11.2	-0.5	-6.4	0.0	0.0	-1	0	0
1007 I/A Rcpts (Other)		-118.7										
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Correct unrealizable fund sources for personal services increases applicable to this component. Only 10% of the EVOSS funding source was collectible in FY10 and no increase is expected in FY11 or FY12.												
1002 Fed Rcpts (Fed)		1.6										
1004 Gen Fund (UGF)		1.6										
1018 EVOS Civil (Other)		-3.2										
FY2012 Transfer funding from Personal Services to Services for the deleted Special Assistant to the Commissioner II position	LIT	0.0	-96.2	0.0	96.2	0.0	0.0	0.0	0.0	0	0	0
FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	15.0	5.0	7.0	3.0	0.0	0.0	0.0	0.0	0	0	0
This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.												
1004 Gen Fund (UGF)		5.0										
1007 I/A Rcpts (Other)		10.0										
FY2012 DID NOT PASS: (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	-15.0	-5.0	-7.0	-3.0	0.0	0.0	0.0	0.0	0	0	0
This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.												
1004 Gen Fund (UGF)		-5.0										
1007 I/A Rcpts (Other)		-10.0										
FY2015 Replace Uncollectible EVOSS Authority	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A technical update to funding sources in this component is required. Exxon Valdez Oil Spill authority is substantially overstated. Over the past several fiscal years, funding received has ranged from a high of \$4.1 to a												

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Administration (continued)												
Office of the Commissioner (continued)												
FY2015 Replace Uncollectible EVOSS Authority (continued) low of zero. Overstated EVOSS authority is being replaced with interagency receipt authority for an existing reimbursable services agreement with all divisions of the department for department-wide workforce development activities.												
1007 I/A Rcpts (Other)		90.0										
1018 EVOS Civil (Other)		-90.0										
FY2015 Ch. 87, SLA 2014 (HB 140) REGULATIONS: NOTICE, REVIEW, COMMENT	FisNot	250.9	95.2	0.0	155.7	0.0	0.0	0.0	0.0	1	0	0
SFC removed the travel and commodities costs.												
1004 Gen Fund (UGF)		250.9										
FY2016 AMD: Office of the Commissioner Reductions due to Efficiencies from Reorganization of Administrative Functions												
The Office of the Commissioner will be reduced \$43.1 in general funds and eliminate one position. There will also be an associated reduction of \$71.0 interagency receipts that partially funded the position. The reduction eliminates a Program Coordinator I focused on workforce development and special projects within the Department. These duties will be redistributed within the Department and will have minimal impact to the delivery of direct services to the public. This decrement will also reduce the amount of contractual funds available to support the Department's regulations review. The 2014 legislature passed House Bill 140 which requires development of the estimated costs to the public to comply with proposed regulations.												
1004 Gen Fund (UGF)	Dec	-114.1	-109.3	0.0	-4.8	0.0	0.0	0.0	0.0	-1	0	0
1007 I/A Rcpts (Other) -71.0												
FY2017 Eliminate Economist III Position Associated with Ch. 87, SLA 2014 (HB 140)												
1004 Gen Fund (UGF)	Dec	-109.8	-109.8	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
FY2017 Eliminate Manager for Rural and Tribal Environmental Issues												
1004 Gen Fund (UGF)	Dec	-145.1	-145.1	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
FY2017 Delete 1 PFT Information Officer III												
1004 Gen Fund (UGF)	Dec	-6.5	-6.5	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
* Allocation Total *												
		511.5	-170.0	12.5	657.1	5.0	6.9	0.0	0.0	-2	0	0
Administrative Services												
FY2006 Change in Funding for Ongoing Administrative Support												
Financial Assistance activities within the Storage Tank Program have been eliminated. However, ongoing program support more appropriately funded by Response Funds will continue. This transaction makes the necessary fund source change.												
1052 Oil/Haz Fd (DGF)	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1079 Tank RLF (DGF)		-65.0										
FY2006 Switch Fund for Clean Air Act/Title I activities (construction permits)to Receipt Supported Services(AS 37.05.146(c)(17)												
As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits - Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund (CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation												

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Administration (continued)												
Administrative Services (continued)												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee												
Salary and Benefit (continued)												
1061 CIP Rcpts (Other)		0.5										
1093 Clean Air (Other)		0.1										
1156 Rcpt Svcs (DGF)		0.1										
1166 Vessel Com (Other)		0.1										
FY2008 AMD: Additional Resources for Compliance Oversight and North Slope Flow Line Integrity	Inc	100.5	84.5	10.0	5.0	1.0	0.0	0.0	0.0	0	0	0
The Alaska Department of Environmental Conservation (ADEC), under AS 46.03 and 46.04, provides regulatory oversight of oil and gas exploration, production, refining, transportation, and storage within Alaska, including protective standards for the construction and operation of certain oil pipelines.												
Substantial revisions to the oil spill prevention regulations have recently been completed that subject multi-phase and produced water pipelines, generally referred to as flow lines, to new requirements for design, construction and operation. There are approximately 1,500 miles of these multi-phase pipelines within the State.												
The primary focus of two Governor's amendments is for compliance oversight and integrity of North Slope flow lines. One provides the Industry Preparedness and Pipeline Operations (IPP) component with additional inspection and engineering staff and appropriate equipment and training to assure integrity of North Slope flow lines, while this amendment adds funding in the Information and Administrative Services component for a civil investigator position tasked with focusing on civil investigation, compliance and enforcement of Alaskan oil and hazardous substance pollution control statutes and regulations for the oil and gas sector.												
1004 Gen Fund (UGF)		100.5										
FY2009 Create and Use a Fund Source Code to Enable Tracking of Ocean Ranger Revenues and Expenditures	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1166 Vessel Com (Other)		-38.2										
1205 Ocn Ranger (Other)		38.2										
FY2011 Budget Clarification Project fund change	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other)		33.8										
1156 Rcpt Svcs (DGF)		-33.8										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-3.5	0.0	-3.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-0.2										
1004 Gen Fund (UGF)		-0.8										
1052 Oil/Haz Fd (DGF)		-2.5										
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts (Other)		1.5										
1156 Rcpt Svcs (DGF)		-1.5										
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	2.5	2.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase												
: \$2.5												
1002 Fed Rcpts (Fed)		0.8										
1003 G/F Match (UGF)		0.1										

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Administration (continued)												
Administrative Services (continued)												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered												
Employees Salary Increase (continued)												
			0.3									
			1.2									
			0.1									
FY2012 Increase Federal Authorization for Federal Grant Management												
	IncM	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
The Department requests a fund source switch of \$250.0 from Inter-Agency Receipts to Federal Receipts to realize indirect revenues earned as a result of the increased workload associated with the federal grant process. There has been a 51% increase in the number of federal grants being managed since FY2007.												
			250.0									
FY2012 Reduce I/A Receipt Authorization for Federal Grant Management												
	Dec	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
The Department requests a fund source switch of \$250.0 from Inter-Agency Receipts to Federal Receipts to realize indirect revenues earned as a result of the increased workload associated with the federal grant process. There has been a 51% increase in the number of federal grants being managed since FY2007.												
			-250.0									
FY2013 Shared Departmental Costs												
	IncM	280.0	228.5	5.0	37.5	9.0	0.0	0.0	0.0	0	0	0
Many positions in the Administrative Services component perform duties that serve the entire Department, including the travel coordinator, reception positions, and the Department's time tracking system coordinator. The current budget authority is not sufficient to budget all internal RSAs and is resulting in unnecessary administrative and accounting burden to staff. This will streamline and bring efficiency to the management and accounting of these services.												
			280.0									
FY2014 Indirect Revenues Related to Federal Grants												
	Inc	400.0	266.6	0.0	123.4	10.0	0.0	0.0	0.0	0	0	0
The number of federal grants in the Department of Environmental Conservation (Department) has increased by 53% since FY2007 and has generated a growing demand on accounting and information technology services to fulfill federal requirements that are handled centrally within the Department. The Division of Administrative Services (Division) applies an administrative or indirect cost to billable services paid for by cooperators and grants which provides funding for the Division.												
A portion will be used for existing personal services costs associated with managing federal awards and for human resource positions recently transferred in from the Department of Administration. This will also fund information technology development contracts for applications such as BillQuick and CRITTS (Cost Recovery, Invoicing, and Time Tracking), which are both critical for the efficient and responsible management of federal awards.												
Increased federal receipt authority will allow the Division to more effectively provide support to divisions so that the programs can continue to focus on the Department's priorities of protecting human health and the environment.												
			400.0									
FY2015 Replace Declining Federal Receipts with Fees for Loans Made from the Clean/Drinking Water Funds												
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Administration (continued)												
Administrative Services (continued)												
FY2015 Replace Declining Federal Receipts with Fees for Loans Made from the Clean/Drinking Water Funds (continued)												
Each drinking water and wastewater project loan issued by the Municipal Grant and Loan program is charged a 0.5% administrative fee. This adjustment is a change from federal authority to funds from those fee accounts (Alaska clean water administrative operating account (AS 46.03.034(a)(1)) in the Alaska clean water administrative fund (AS 46.03.034) and the Alaska drinking water administrative operating account (AS 46.03.038(a)(1)) in the Alaska drinking water administrative fund (AS 46.03.038).) This will allow the department to access those fees to cover expenses associated with managing the loans. Expenditures from the fee account will be offset by reduced spending from federal ACWF/ADWF capitalization grant set-asides. This adjustment will maintain the department's capacity to administer the programs.												
Money received in payment of fees charged by the department (a fixed fee of one-half of one percent of the total amount of financial assistance disbursed) and earnings on the Alaska clean water administrative fund are deposited in the Alaska clean water and drinking water administrative income accounts and may be used to pay for the department's operational and administrative costs necessary to manage the Alaska clean water/drinking water fund and the Alaska clean water/drinking water administrative fund and for such other purposes permitted by federal law. The fees have been collected to be used to maintain the loan processing capacity as federal receipts decline.												
1002 Fed Rcpts (Fed)		-96.0										
1230 CleanAdmin (Other)		48.0										
1231 DrinkAdmin (Other)		48.0										
FY2016 Replace Federal with Clean Air and Comm Pass Vessel Funds for Core Service and Lease Cost Realloc per Fed Ind Cost Plan	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
The Division of Administrative Services is an administrative support unit that provides the majority of the finance, procurement, human resources, information technology, and budget services to the Department. It also pays a portion of the overhead expenses, including shared lease costs and core service charges from the Department of Administration. This division is intentionally funded in direct proportion to the funding source breakdown of the Personal Services costs in the Department. This method complies with an approved federal indirect cost allocation plan. An analysis of Department personal services funding in comparison to the funding of the Division of Administrative Services shows that the Division is overfunded by federal receipts, and underfunded by clean air protection fund and commercial passenger vessel funds.												
This is a technical adjustment that brings expenditures and available revenues into proportional alignment. No programmatic impact is anticipated.												
1002 Fed Rcpts (Fed)		-510.0										
1093 Clean Air (Other)		400.0										
1166 Vessel Com (Other)		110.0										
FY2016 Replace Federal Receipts with Clean Water Fund Administrative Fees	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
The department requests a fund source change from federal authority to funds from the administrative fee account of the Alaska Clean Water Funds (ACWF). The fund source change for the Administrative Services components coordinates to the fund source change in the Facilities component and maintains the proportional balance of funding in Administrative Services.												

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	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Administration (continued)												
Administrative Services (continued)												
FY2016 Replace Federal Receipts with Clean Water Fund												
Administrative Fees (continued)												
<p>In FY2015 the department began shifting away from the use of federal set-asides toward the use of administrative fee receipts to manage the department's municipal loan program. It accomplished this with a fund source change of \$800.0 (\$400.0 ACWF / \$400.0 ADWF) from federal funds in the Facilities Construction component and a coordinating fund source change of \$96.0 (\$48.0 ACWF / \$48.0 ADWF) in the Administrative Services component. If approved, this FY2016 fund source change will fully support the Department's loan management program with these administrative fees. Federal agencies that established, funded, and govern the activities of this loan program have requested that States to move away from use of the capitalization grant set-asides and toward the use of administrative fees. Loans from the two funds currently under management now produce enough income from administrative fees to fully support loan management costs.</p> <p>This is a status quo request that maintains the current level of service. No programmatic impact is anticipated.</p> <p>Federal agencies have further requested that Alaska works to balance the existing imbalance between the Clean Water and Drinking Water administrative fee accounts. With this fund source change, the department intends to bring the administrative fee accounts into balance over the next five years. Federal agencies have confirmed that administrative fees received for loans from the Clean Water fund may be used to manage both water and wastewater loans. The department expects the administrative fee accounts to be sufficient to fully support the management of the loan program in perpetuity. A projection of future revenue and expense to/from the administrative fee accounts of the funds is available upon request.</p> <p>Background: Municipal Water/Wastewater Loan Administrative Fees Each drinking water and wastewater project loan issued by the Municipal Grant and Loan program is charged a 0.5% administrative fee. This adjustment is a change from federal authority to funds from those fee accounts (Alaska clean water administrative operating account (AS 46.03.034(a)(1)) in the Alaska clean water administrative fund (AS 46.03.034) and the Alaska drinking water administrative operating account (AS 46.03.038(a)(1)) in the Alaska drinking water administrative fund (AS 46.03.038).) This will allow the department to access those fees to cover expenses associated with managing the loans. Expenditures from the fee accounts will be offset by reduced spending from federal ACWF/ADWF capitalization grant set-asides. This adjustment will maintain the department's capacity to administer the programs. Money received in payment of fees charged by the department (a fixed fee of one-half of one percent of the total amount of financial assistance disbursed) and earnings on the Alaska clean water administrative fund are deposited in the Alaska clean water and drinking water administrative income accounts and may be used to pay for the department's operational and administrative costs necessary to manage the Alaska clean water/drinking water fund and the Alaska clean water/drinking water administrative fund and for such other purposes permitted by federal law.</p>												
	1002 Fed Rcpts (Fed)	-84.0										
	1230 CleanAdmin (Other)	84.0										
	FY2016 AMD: Administrative Services Reduction due to Efficiencies and Streamlining Services	-25.0	0.0	0.0	-25.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	<p>The Division of Administrative Services provides centralized administrative support services to the department programs. The division will streamline various administrative functions to create efficiency and reduce use of general funds. This reduction will have minimum impact on the delivery of direct services to the public.</p>											
	1004 Gen Fund (UGF)	-25.0										
	FY2016 Reduce Oil/Hazardous Release Prevention & Response Fund in Personal Services Line by \$50.0	-50.0	-50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**2018 Legislature - Operating Budget
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Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Administration (continued)												
Administrative Services (continued)												
FY2016 Reduce Oil/Hazardous Release Prevention & Response Fund in Personal Services Line by \$50.0 (continued)												
		1052 Oil/Haz Fd (DGF)	-50.0									
FY2017 Delete Shared Receptionist Position due to Recognized Efficiencies	Dec	-65.0	0.0	0.0	-65.0	0.0	0.0	0.0	0.0	0	0	0
<p>The Department will eliminate an Office Assistant II position in the Fairbanks office that serves the entire department. An existing Administrative Assistant I in the Division of Administration (DAS) will take on all non-program specific duties such as mail distribution, answering the main phone line, and greeting the public. Program staff for each division will absorb any additional duties related to their programs.</p> <p>This position resides in the Food Safety & Sanitation (FSS) component, but is paid for by all the Department's divisions through common cost pool structure coordination through DAS. The position will be deleted in FSS, but the cost savings from these efficiencies will be reflected in DAS. This reduction is reflected in the Contractual line because the common cost pool structure works as an RSA to the components and comes out of contractual costs.</p>												
		1004 Gen Fund (UGF)	-17.6									
		1052 Oil/Haz Fd (DGF)	-47.4									
FY2018 Savings from Shared Services of Alaska Implementation	Dec	-17.2	-17.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>The Department of Environmental Conservation is transferring an initial wave of positions to the Shared Services of Alaska organization for accounts payable and travel activities.</p> <p>It is anticipated that an initial ten percent savings in personal services costs can be realized in FY2018 for these activities, with increased savings in future fiscal years as the organization matures.</p> <p>The remaining personal services authority will be used to fund a reimbursable services agreement with Shared Services of Alaska for the cost of services provided.</p> <p>The Shared Services organizational structure provides back-office support for common administrative functions, allowing the agency to focus more closely on core mission responsibilities.</p> <p>The Shared Services organization model will increase the quality and speed of service delivery, and increase client satisfaction while decreasing the overall cost to the department for performing these functions. This is achieved through a business structure focused on continuous process improvement that includes standardizing business processes and improving transaction cycle-times.</p>												
		1002 Fed Rcpts (Fed)	-2.3									
		1003 G/F Match (UGF)	-0.3									
		1004 Gen Fund (UGF)	-1.2									
		1007 I/A Rcpts (Other)	-9.1									
		1052 Oil/Haz Fd (DGF)	-2.9									
		1093 Clean Air (Other)	-0.8									
		1166 Vessel Com (Other)	-0.2									
		1205 Ocn Ranger (Other)	-0.1									
		1230 CleanAdmin (Other)	-0.2									
		1231 DrinkAdmin (Other)	-0.1									

**2018 Legislature - Operating Budget
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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration (continued)												
Administrative Services (continued)												
FY2018 Eliminate Accounting Tech (18-7385)	Dec	-94.4	-81.0	0.0	-13.4	0.0	0.0	0.0	0.0	-1	0	0
Starting in FY2018, the Department will recognize efficiencies gained from the new integrated state accounting system, IRIS. As a result, the Department will eliminate an accounting technician and redistribute the workload within the accounts payable group. Conversely, the burden of implementing the IRIS Human Resources Module may have an adverse impact on the Division of Administration's ability to process transactions, clear revenue, and make payments to vendors in a timely manner.												
1004 Gen Fund (UGF)		-94.4										
FY2018 Increase Statutory Designated Program Receipts to More Accurately Reflect Spending Plan	Inc	30.0	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0	0	0
The reallocation of statutory designated program receipt authority from the Division of Air Quality to the Division of Administration will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1108 Stat Desig (Other)		30.0										
FY2018 Increase Interagency Receipts to More Accurately Reflect Spending Plan	Inc	400.0	376.0	0.0	24.0	0.0	0.0	0.0	0.0	0	0	0
The reallocation of interagency receipt authority from the Division of Spill Prevention and Response to the Division of Administration will bring the Department's budget closer in line with actual spending and reduce the need for unbudgeted reimbursable service agreements (RSAs) in the Administrative Services component. This is a technical adjustment and has no impact on services to the public.												
1007 I/A Rcpts (Other)		400.0										
FY2019 Reduce Administrative Costs through Process Redesign and Efficiency Measures	Dec	-64.1	0.0	0.0	-64.1	0.0	0.0	0.0	0.0	0	0	0
The Administrative Services component will reduce general funds through ongoing efforts to improve operational efficiency. Using process review and redesign methods, the component will review all payable, receivable, grant, budget, and human resources processes. These process review and redesign efforts increase efficiency by reducing processing steps, unnecessary routing, and re-work due to errors. Such process redesign efforts may result in the reduction of personnel. Process redesign resulting from budget reductions may have the effect of shifting some work from the Administrative Services component to the programmatic divisions which will likely further strain limited division-specific administrative resources.												
1004 Gen Fund (UGF)		-64.1										
* Allocation Total *		1,181.2	1,040.6	14.5	82.4	23.0	20.7	0.0	0.0	3	0	0
State Support Services												
FY2006 Change in Funding for Ongoing State Support Services	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Financial Assistance activities within the Storage Tank Program have been eliminated. However, ongoing program support more appropriately funded by Response Funds will continue. This transaction makes the necessary fund source change.												
1052 Oil/Haz Fd (DGF)		14.7										
1079 Tank RLF (DGF)		-14.7										
FY2006 Switch Fund for Clean Air Act/Title I activities (construction permits)to Receipt Supported Services(AS 37.05.146(c)(17)	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits - Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund (CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration (continued)												
State Support Services (continued)												
FY2012 AMD: Increased Lease Costs (continued)												
1093 Clean Air (Other)		18.4										
1166 Vessel Com (Other)		24.9										
FY2014 Department of Administration Core Services Rates	Inc	145.2	0.0	0.0	145.2	0.0	0.0	0.0	0.0	0	0	0
Rates for core services provided by the Department of Administration, including risk management, personnel, information technology services, and public building fund, are estimated to be \$7.2 million higher in FY2014. Funding in the amount of \$4 million is being provided to departments.												
1004 Gen Fund (UGF)		145.2										
FY2018 Recognized Savings from Lease Consolidation	Dec	-185.5	0.0	0.0	-185.5	0.0	0.0	0.0	0.0	0	0	0
In FY2016 the Department of Environmental Conservation consolidated office space in Anchorage into one building reducing overall lease costs to the Department. This has no impact on services to the public.												
1004 Gen Fund (UGF)		-185.5										
FY2019 Reduce Funds for Juneau Building Lease	Dec	-72.1	0.0	0.0	-72.1	0.0	0.0	0.0	0.0	0	0	0
The Department undertook a review of its Juneau lease in 2017, and the resulting analysis pointed to the need for a significantly smaller space. The Department released a public solicitation in September 2017 for new Juneau office space with the goal to reduce total square footage and per-square-foot cost. The end result is expected to generate general fund savings. This effort follows a successful lease realignment in Anchorage that resulted in savings in FY2017. If the resulting lease agreement in Juneau does not result in this level of general fund savings, the remainder will be reduced from a department-wide lease subsidy, which would have the net effect of increasing allocated lease costs to all Department programs.												
1004 Gen Fund (UGF)		-72.1										
* Allocation Total *		655.2	0.0	0.0	655.2	0.0	0.0	0.0	0.0	0	0	0
Agency-Wide Unallocated Reduction												
FY2006 Unallocated departmentwide travel reduction	Dec	-100.0	0.0	-100.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Proposed by House Subcommittee to curtail overall travel expenditures and eliminate unnecessary travel funding based on department history.												
1004 Gen Fund (UGF)		-100.0										
FY2006 Technical adjustment to GF Fund sources for purposes of spreading the agency-wide unallocated reduction in travel.	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-11.1										
1004 Gen Fund (UGF)		18.5										
1005 GF/Prgm (DGF)		-7.4										
FY2006 CC: Reduce Unallocated departmentwide travel reduction (House plus 50 GF)	Inc	50.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Conference Committee reduced this total reduction by \$50.0. Proposed by House Subcommittee to curtail overall travel expenditures and eliminate unnecessary travel funding based on department history.												
1004 Gen Fund (UGF)		50.0										
FY2008 Unallocated Reduction to Reflect Department's Response Fund Savings	Dec	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0	0	0
1052 Oil/Haz Fd (DGF)		-500.0										

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration (continued)												
Agency-Wide Unallocated Reduction (continued)												
FY2008 CC: Replace a Portion of Unallocated Reduction to Reflect Department's Response Fund Savings	Inc	250.0	0.0	0.0	0.0	0.0	0.0	0.0	250.0	0	0	0
1052 Oil/Haz Fd (DGF)		250.0										
* Allocation Total *		-300.0	0.0	-50.0	0.0	0.0	0.0	0.0	-250.0	0	0	0
** Appropriation Total **		2,047.9	870.6	-23.0	1,394.7	28.0	27.6	0.0	-250.0	1	0	0
DEC Buildings Maintenance and Operations												
DEC Buildings Maintenance and Operations												
FY2006 Split Funding for On Site Building Maintenance for the Environmental Health Laboratory between GF and I/A Receipts	Inc	89.2	75.7	1.5	9.5	1.0	1.5	0.0	0.0	1	0	0
The House Subcommittee intent in splitting the funding with I/A Receipts is that I/A Receipt funding would come from Food Safety & Sanitation due to increased receipt supported services. This transaction establishes a new maintenance position for the Environmental Health Laboratory (previously referred to as the seafood and food safety laboratory). Funding for construction of the laboratory was obtained through the sale of certificates of participation. This maintenance position is being established to assure appropriate protection of the investment.												
1004 Gen Fund (UGF)		44.6										
1007 I/A Rcpts (Other)		44.6										
FY2006 Operation and Maintenance Costs of New Laboratory per Fiscal Note for Ch. 79 SLA2003 (SB215)	Inc	215.5	0.0	0.0	215.5	0.0	0.0	0.0	0.0	0	0	0
Implementation of the fiscal note for SB215, construction of the Environmental Health Laboratory (previously referred to as the seafood and food safety laboratory). This funding supports annual operation and maintenance of the building.												
1004 Gen Fund (UGF)		215.5										
FY2007 AMD Increased Laboratory Facility Costs (not including increased cost attributed to natural gas of \$19.0)	Inc	240.9	0.0	0.0	210.9	30.0	0.0	0.0	0.0	0	0	0
The department took responsibility for building operation and maintenance costs when laboratory staff began moving into the new Environmental Health Laboratory in September of 2005. The original fiscal note, prepared in FY2002, for construction of the laboratory included estimates for out-year operating costs. Since that time, changes occurred in the types of building systems and technology employed in the laboratory; impacting both standard operating costs (technical support, maintenance and service agreements) and energy consumption rates. The cost of standard services (landscaping, snow removal, etc.), fuel and electricity have also increased since the fiscal note was first prepared.												
FY2002 estimates for ongoing fuel and utility costs were based on a percentage of costs associated with the similar, but larger Public Health Lab. A recent engineering estimate from the building's architect, Livingston Slone Inc., projects actual costs will be more than twice that of original estimates. A supplemental for FY2006 energy costs was necessary to support DEC's ten months of operation.												
This transaction increases base funding to meet current needs for ongoing maintenance and operation.												
1004 Gen Fund (UGF)		240.9										
FY2010 Reduce Uncollectible Funding from the Food Safety and Sanitation Program	Dec	-55.0	0.0	0.0	-55.0	0.0	0.0	0.0	0.0	0	0	0
Currently, the Building Maintenance and Operations (BMO) component is partially funded by the Food Safety and												

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
DEC Buildings Maintenance and Operations (continued)												
DEC Buildings Maintenance and Operations (continued)												
FY2010 Reduce Uncollectible Funding from the Food Safety and Sanitation Program (continued)												
Sanitation Program (FSS). FSS can no longer afford to transfer funding to contribute to the maintenance of this facility (-\$55.0). The FSS has vacancies to fill and needs these funds to provide mandated services.												
1007 I/A Rcpts (Other)		-55.0										
FY2011 Reduce Uncollectible Inter-Agency Receipts Authority	Dec	-0.7	0.0	0.0	-0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
This is a technical adjustment. In the FY10 budget, I/A Receipts was reduced but left \$0.7 in authority. This change record removes this last amount of uncollectible I/A Receipts.												
1007 I/A Rcpts (Other)		-0.7										
FY2011 Incorporate \$15 million of fuel trigger in FY11 base.	Inc	37.8	0.0	0.0	37.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trigger start point moves from \$36 to \$51.												
1004 Gen Fund (UGF)		37.8										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-0.1	0.0	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund (UGF)		-0.1										
FY2012 Incorporate partial FY11 distribution of fuel trigger in FY12 base. Trigger start point moves from \$51 to \$65.	Inc	67.7	0.0	0.0	67.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 Gen Fund (UGF)		67.7										
* Allocation Total *		595.3	75.7	1.4	485.7	31.0	1.5	0.0	0.0	1	0	0
** Appropriation Total **		595.3	75.7	1.4	485.7	31.0	1.5	0.0	0.0	1	0	0

**Environmental Health
Environmental Health**

FY2019 Solid Waste Management and Drinking Water Fee Studies	Inc	170.0	0.0	0.0	170.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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The Division of Environmental Health has seen grant funding decline in recent years, while at the same time two large, multi-year reimbursable service agreements funded by capital appropriations ended. This is in addition to reductions in staffing and services as the result of UGF reductions.

The Division of Environmental Health recently completed a fee study in the Solid Waste Management program and a fee study in the Drinking Water program is currently underway. New fee regulations for both programs are subject to public notice, review, and comment. It is estimated the Division will receive \$170.0 in additional general fund program receipts in FY2019 as a result of revised fees. These fees will fill the gap left by declining revenue from interagency receipts.

All fees established under AS 37.10.052 and AS 44.46.025 require regular review. This fee study process calculates the actual program expenses, and updated fees are proposed based on the findings. These fees may not exceed the average reasonable direct cost incurred.

Environmental Health does not currently have sufficient program receipt authority for the additional fees projected in FY2019. Without this fund source change, the Department will be forced to make additional staffing and program cuts as a result of the lost federal and interagency receipt revenues.

In the Solid Waste program, this would primarily impact regulatory services and technical assistance for landfills in

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Environmental Health (continued)												
FY2019 Solid Waste Management and Drinking Water Fee Studies (continued)												
rural Alaska. There would also be an expected slow down in the processing of permit requests for the use of pesticides in responding to invasive species such as elodea or northern pike. The Drinking Water program would see an increased turnaround time for engineering plan reviews and sanitary surveys, increasing the risk that public water systems could provide unsafe water and endanger public health. This would also impact program staff's ability to complete required filtration avoidance inspections that allow public water systems in communities like Kodiak, Unalaska, Sitka, Cordova, and Ketchikan to operate without costly infrastructure upgrades.												
1005 GF/Prgm (DGF)		170.0										
FY2019 Reduce Uncollectible Authority	Dec	-451.0	0.0	-81.0	-370.0	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectable receipt authority will bring the Department's budget closer in line with actual spending.												
1002 Fed Rcpts (Fed)		-415.0										
1007 I/A Rcpts (Other)		-36.0										
* Allocation Total *		-281.0	0.0	-81.0	-200.0	0.0	0.0	0.0	0.0	0	0	0
Environmental Health Director												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	6.3	6.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		6.3										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-0.2	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-0.2										
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	2.1	2.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : \$2.1												
1004 Gen Fund (UGF)		2.1										
* Allocation Total *		8.2	8.4	-0.2	0.0	0.0	0.0	0.0	0.0	0	0	0
Food Safety & Sanitation												
FY2006 Seafood Monitoring and Inspection	Inc	255.8	117.5	10.0	118.6	2.7	7.0	0.0	0.0	2	0	0
This request provides additional resources needed to increase services to protect citizens from unsafe sanitary practices in the shellfish industry and ensure the continued safety of the food supply. Previous legislation increased the number of shellfish sites available for lease (HB208 & SB141), which is increasing the classification work required of DEC. Increased paralytic shellfish poison (PSP) monitoring is required before and during the Geoduck harvest to ensure the safety of the product, primarily for the higher valued live product sale. As a result of recent Vibrio parahaemolyticus illnesses caused by the ingestion of Alaskan oysters, the department needs to set up surveillance and monitoring plans to address the emergence of this bacterium in shellfish.												
Increased monitoring, inspection, and laboratory testing costs will be funded by increasing seafood and shellfish permit fees. Fees for classification and recertification work will be increased as well, with discounts for growers who choose to perform some of the required annual water quality monitoring themselves.												
1156 Rcpt Svcs (DGF)		255.8										
FY2008 PERS adjustment of unrealizable receipts	Dec	-23.5	-23.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed)		-23.5										

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	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Environmental Health (continued)												
Food Safety & Sanitation (continued)												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.</p> <p>The federal funds received in the Food Safety and Sanitation (FSS) program are from a federal contract with the Food and Drug Administration primarily for facility inspections. In FY09 the FSS Program received \$16.6 in federal authorization to cover increased personal service costs. Attempts to collect additional federal funding to cover these additional costs as well as additional travel costs have been unsuccessful. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in service levels a fund source transfer from federals to receipt supported services is being requested.</p>												
1002 Fed Rcpts (Fed)		-3.0										
1156 Rcpt Svcs (DGF)		3.0										
FY2011 Budget Clarification Project fund change to reflect GF/PR for fees assessed by the division	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>Fees are charged to seafood & food processors, seafood harvesters and food service facilities for inspections, audits, training, re-inspections, permits and plan reviews.</p>												
1005 GF/Prgm (DGF)		1,857.5										
1156 Rcpt Svcs (DGF)		-1,857.5										
FY2011 Add Environmental Health Technician and Related Costs in Support of Permit and Inspection of New Shellfish Farms	Inc	100.4	78.9	20.0	1.0	0.5	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF)		100.4										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-24.5	0.0	-24.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-11.8										
1005 GF/Prgm (DGF)		-12.7										
FY2011 Add One Environmental Health Officer and Related Costs to Focus on Retail Food Establishment Safety Inspections	Inc	100.4	78.9	20.0	1.0	0.5	0.0	0.0	0.0	1	0	0
1004 Gen Fund (UGF)		100.4										
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		54.9										
1156 Rcpt Svcs (DGF)		-54.9										
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>FY2011 Noncovered Employees Year 1 increase : \$1.0</p>												
1004 Gen Fund (UGF)		1.0										
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Environmental Health (continued)												
Food Safety & Sanitation (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
<p>The federal funds received by the Food Safety and Sanitation Program are received through a negotiated contract with the Food and Drug Administration (FDA). The contract covers a percentage of the costs for inspections performed by the program. The FDA is extremely resistant to negotiating for increases to per-inspection costs. After several denials, the program was successful in getting a small negotiated increase in FY2011. However, the negotiated per-inspection cost increase resulted in reducing the number of FDA inspections performed. An increase in the per-inspection costs for FY2012 will be sought, but it is unlikely the FDA will agree, as the funds available for all the States are insufficient to fully fund any one State's program.</p> <p>Congressional legislation is being considered to increase the funding at a national level for food safety programs, but the current political climate is not conducive to increases in federal funding. The program will continue to diligently negotiate, but does not anticipate an increase in federal funds in FY2012. Therefore these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. Additional GFPR collection is possible due to fee implementation in FY2011 for the Food Worker Card program.</p>												
	1002 Fed Rcpts (Fed)		-11.6									
	1005 GF/Prgm (DGF)		14.0									
	1007 I/A Rcpts (Other)		-2.4									
	FY2013 Travel for Food Safety Inspections at High-Risk Facilities or to Meet Federally-Mandated Inspection Requirements	Inc	124.6	0.0	114.6	0.0	10.0	0.0	0.0	0.0	0	0
<p>Many establishments in remote communities with high-risk facilities and highly-susceptible populations or federally-mandated inspection requirements (e.g. school food services, Headstart Programs, and institutions) have not been inspected in over five years.</p> <p>There are 157 communities in Alaska that are not easily accessible by the road system. These include communities such as Deadhorse/Prudhoe Bay, Bethel, Barrow, Nome, Skagway, Wrangell, Coldfoot, Dillingham, Galena, Haines, King Salmon, Kotzebue, Naknek, Thorne Bay, and Yakutat. Particularly, the inspection staff will travel to communities to focus on high-risk facilities where the potential impacts of foodborne illness outbreaks would significantly impact the public's health and would cause economic harm.</p> <p>Within the 157 communities not easily accessible by the road system, there are a total of 577 facilities that have not been inspected within the last five years. The Department will focus their efforts on the high-risk facilities and inspect other risk categories in those communities as time allows.</p> <ul style="list-style-type: none"> -- 163 high risk facilities -- 207 medium risk facilities -- 199 low risk facilities -- 8 unranked facilities <p>This funding will be used for travel to address two high-risk areas:</p> <ol style="list-style-type: none"> 1. Highly-Susceptible Populations <p>Examples of these at risk populations are the communities of Deadhorse and Prudhoe Bay. There are 75 facilities in these communities including labor camps providing exclusive food service to thousands of workers each day.</p>												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Environmental Health (continued)												
Food Safety & Sanitation (continued)												
FY2013 Travel for Food Safety Inspections at High-Risk Facilities or to Meet Federally-Mandated Inspection Requirements (continued)												
In 2005, DEC staff and the Department of Health and Social Service's (DHSS) Section of Epidemiology investigated an outbreak of norovirus gastroenteritis at a large mining camp in Interior Alaska that employed and housed approximately 300 workers. Approximately one-third of workers reported vomiting or diarrhea that significantly disrupted mine productivity. Increasing inspection rates will reduce these outbreaks.												
2. Federally Mandated Inspection Requirements												
The Department of Education and Early Development (DEED) recently cancelled a Memorandum of Understanding between DEC and the DHSS Child Nutrition Program due to lack of available funding and resources within DEED. This MOU supported the need for comprehensive food safety inspections in federal meal programs and to help fulfill the US Department of Agriculture requirement for food safety inspections in these agencies. The Food Safety inspectors will be required to travel to these remote communities to meet this federal inspection requirement.												
1004 Gen Fund (UGF)		94.6										
1005 GF/Prgm (DGF)		30.0										
FY2016 AMD: Reduction of Inspections of Retail Food Facilities, Public Accommodations, and Non-Food Facilities	Dec	-869.3	-750.3	-50.0	-50.0	-19.0	0.0	0.0	0.0	-8	0	0
The Food Safety & Sanitation (FSS) component will be reduced \$869.3 in general funds and eliminate eight positions.												
The reduction eliminates four Environmental Health Officers, one Environmental Program Manager I, one Environmental Health Technician, one Publications Specialist III, and one Office Assistant I. The reduction of services will focus primarily on retail food inspections and, to a lesser degree, administrative support and program outreach in the following ways:												
FSS will discontinue all inspection, training, and plan review activities associated with pools and spas. These facilities are not permitted, so there will be no corresponding reduction to general fund program receipts. The Department anticipates the larger municipalities will have the ability to take on some of this work, and Anchorage is already conducting its own inspections, however the Department will not retain the capacity to support and train communities in the highly technical work required to conduct their own inspections. Smaller communities will likely need to contract out to third parties to ensure their pool and spa facilities are operating safely.												
Inspections previously completed on a complaint basis will no longer be offered for barbers and hairdresser facilities and public accommodations. Routine inspections for body art and piercing facilities will only be completed if the Department of Commerce, Community, and Economic Development can continue to fully reimburse costs through a Reimbursable Services Agreement.												
Eliminating inspections of public accommodations and non-food facilities (pools and spas, barbers and hairdressers, public toilets, etc.) increases the public's risk of contracting certain viruses or diseases, and increases the risk of harm from chemical burns or inhalation due to improper storage.												
At existing staffing levels, FSS has been able to inspect approximately 40% of permitted retail facilities each year. The staff and funding reduction proposed is expected to reduce the percentage of permitted retail facility												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdcf Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>		
Environmental Health (continued)														
Food Safety & Sanitation (continued)														
FY2016 AMD: Reduction of Inspections of Retail Food Facilities, Public Accommodations, and Non-Food Facilities (continued)														
inspections to between 20-25% annually. Studies have found that restaurants with poor inspection results were at increased risk of foodborne illness outbreaks and that routine inspections help identify restaurants with an increased risk of an outbreak. In the last five years, inspections of retail food service establishments revealed that poor personal hygiene (hand washing, working while sick, and touching ready-to-eat food with bare hands) was the most frequently observed risk factor violation in Alaska.														
As a consequence of fewer inspections, FSS staff will spend more time responding to complaints about facilities for issues that would have been addressed during an inspection. There will also likely be an increase in the number of individual complaints of illness from food to the Section of Epidemiology and FSS. Increased customer complaints regarding sanitation, outbreaks, or recalls may result in loss of business reputation and other business-related costs. Consumer confidence in retail facilities may decrease the amount of money spent at Alaska restaurants, resulting in negative economic effects to restaurants and Alaska economy.														
Unlike retail food inspections, all manufactured food inspections currently completed are required under the FDA inspection contract. The remaining staff in FSS will focus efforts and resources to maintain this existing level of inspection activity for manufactured food and fully maximize federal receipts.														
The effects of this reduction in retail food inspections will be felt statewide, and it is difficult to say which communities will be most impacted. Where it is possible, FSS will prioritize high risk facilities that serve vulnerable populations such as nursing homes and hospitals. Anchorage already conducts its own retail food inspections, and larger communities such as Juneau and Fairbanks could be encouraged to take on this work.														
FSS will significantly reduce or eliminate a variety of outreach and training services that are currently offered. This includes less participation on a variety of boards such as the Alaska Seafood Marketing Institute, Food Policy Council, Alaska Environmental Health Association, and Alaska Food Coalition. This also means eliminating specialized training for interested groups, developing handouts and guidance materials, limiting participation in tradeshow and conferences, and relying on FDA's distribution of food recall notices.														
As demonstrated in numerous studies, a reduction in food protection capacity and services results in an increase in foodborne illnesses. Without sufficient resources to inspect facilities, investigate outbreaks, and protect the public from foodborne threats, public health is compromised. A less robust food protection program will not have the capacity to protect the food supply as effectively. As resources are diminished, the inevitable outcome is less public health protection for people eating away from home.														
		1004 Gen Fund (UGF)	-869.3											
		FY2017 Reduce Funding by \$357.1	Dec	-357.1	0.0	0.0	-357.1	0.0	0.0	0.0	0	0	0	
		1004 Gen Fund (UGF)		-357.1										
		FY2017 Restore \$89.0 to Food Safety and Sanitation	Inc	89.0	0.0	0.0	89.0	0.0	0.0	0.0	0	0	0	
		1004 Gen Fund (UGF)		89.0										
		* Allocation Total *		-603.2	-497.5	90.1	-197.5	-5.3	7.0	0.0	0.0	-4	0	0
Laboratory Services														
		FY2006 New Fish Tissue Testing - Federal Grant	Inc	400.0	45.9	1.0	311.9	40.2	1.0	0.0	0.0	1	0	0

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Laboratory Services (continued)												
FY2006 New Fish Tissue Testing - Federal Grant (continued)												
The federal government appropriated \$1,000.0 in grant funds to DEC for the State of Alaska Fish Tissue Testing program. Indications are that this funding will continue. Half of the grant funds in the federal appropriation are earmarked for DHSS to evaluate the contaminant data that is generated by the Fish Tissue Testing in order to develop consumption advice for consumers. In addition, bio-monitoring studies will be performed to determine the prevalence of toxins and other contaminants that pass from Alaskan fish to humans that consume them. This increment increases federal authority in order to be able to collect the portion of federal funding available for FY2006.												
A new position is needed to coordinate and process the flow of fish samples through the Environmental Health Laboratory and the contract laboratory for testing and analysis.												
1002 Fed Rcpts (Fed)		400.0										
FY2006 Uncollectible Interagency Funding - Fish Tissue Testing	Dec	-200.0	0.0	-20.0	-130.0	-30.0	-20.0	0.0	0.0	0	0	0
In FY2004 \$400.0 of undefined interagency authority was appropriated for the Fish Tissue Testing program (then called Fish Monitoring). Only \$200.0 of this authority is usable long term for receipt of interagency funds for the program. One time funding was made available in FY2004 from other agencies but will not be available in the future. This transaction reduces authority by the uncollectible amount.												
1007 I/A Rcpts (Other)		-200.0										
FY2006 Lease Cost Reduction per Fiscal Note for Ch. 79 SLA2003 (SB215)	Dec	-18.4	0.0	0.0	-18.4	0.0	0.0	0.0	0.0	0	0	0
The fiscal note for construction of the new Environmental Health Laboratory (SB215) included a reduction in general fund for DEC's portion of the lease costs for the Palmer facility, which will be replaced by a state owned building.												
1004 Gen Fund (UGF)		-18.4										
FY2006 Add Assistant State Veterinarian Funded with Federal Receipts	Inc	48.5	48.5	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
1002 Fed Rcpts (Fed)		48.5										
FY2006 Increased Seafood Testing	Inc	60.0	45.6	1.0	10.2	2.2	1.0	0.0	0.0	1	0	0
A position is needed for the increased testing of shellfish related to vibrio and the PSP testing of Geoducks. Temporary staff and overtime has been used to address the testing requirements of recent outbreaks. This staffing approach cannot be used for ongoing testing associated with the increased monitoring for vibrio. Additionally, a pre-harvest testing plan (associated with a capital project) is being implemented which also increases the need for full-time staff. The new position will be funded with fees collected from shellfish growers and harvesters and, through a reimbursable services agreement with the Food Safety and Sanitation (FSS) component.												
FSS will purchase tests and analyses from the Environmental Health Laboratory as needed by growers or harvesters, as well as testing associated with an outbreak investigation.												
1005 GF/Prgm (DGF)		30.0										
1007 I/A Rcpts (Other)		30.0										
FY2007 Increased Support for Pesticide Testing	Inc	50.0	0.0	0.0	0.0	50.0	0.0	0.0	0.0	0	0	0
I/A Receipts will be collected from the Solid Waste Management component.												
1007 I/A Rcpts (Other)		50.0										

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Laboratory Services (continued)												
L	FY2007 Sec. 29, Ch. 82, SLA 2006 - Testing for paralytic shellfish poisoning in capbud	62.5	0.0	0.0	62.5	0.0	0.0	0.0	0.0	0	0	0
	1004 Gen Fund (UGF)	62.5										
	FY2008 PERS adjustment of unrealizable receipts	-70.6	-70.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	1002 Fed Rcpts (Fed)	-60.0										
	1007 I/A Rcpts (Other)	-10.6										
	FY2008 CC: One-time Item General Funds for Continued Paralytic Shellfish Poisoning Testing	80.0	0.0	0.0	0.0	0.0	0.0	0.0	80.0	0	0	0
	1004 Gen Fund (UGF)	80.0										
	FY2009 Discontinue Environmental Health Lab Response Fund Activities	-16.7	-15.7	0.0	-1.0	0.0	0.0	0.0	0.0	0	0	0
	The activities performed by the Environmental Health Laboratory are not essential services for the Division of Spill Prevention and Response and will be discontinued.											
	1052 Oil/Haz Fd (DGF)	-16.7										
	FY2009 PSP Testing for Commercial Shellfish Farmers	80.0	57.6	0.0	0.0	22.4	0.0	0.0	0.0	0	0	0
	Appropriation to reduce the cost of PSP testing for commercial shellfish farmers and dive fishermen.											
	1166 Vessel Com (Other)	80.0										
	FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: SU	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	Federal funds are received under multiple federal grants. These are small grants that are animal disease specific. The annual amounts rarely vary and are defined through an obscure distribution process by the federal agency. These cannot be increased to cover these costs.											
	1002 Fed Rcpts (Fed)	-6.2										
	1004 Gen Fund (UGF)	6.2										
	FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
	It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.											
	The federal funds received in Laboratory Services are very small grants that are primarily for a variety of animal testing. Personal service funding is very limited under these small grants. In FY09 the Laboratory Services Program received \$28.8 in federal authorization to cover increased personal service costs. A fund source change was requested, however, this request was rejected and a reduction in the level of animal testing has occurred. To avoid additional cuts in testing levels a fund source transfer from federals to general fund program receipts is being requested.											
	1002 Fed Rcpts (Fed)	-9.4										
	1005 GF/Prgm (DGF)	9.4										
	FY2010 Remove Remaining Oil/Hazardous Response Fund	-0.6	0.0	0.0	-0.6	0.0	0.0	0.0	0.0	0	0	0
	The activities performed by the Environmental Health Laboratory are not essential services for the Division of Spill											

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Laboratory Services (continued)												
FY2010 Remove Remaining Oil/Hazardous Response Fund (continued) Prevention and Response and were discontinued in FY2009. This change record removes the remaining Oil/Hazardous Response Fund balance in this component.												
1052 Oil/Haz Fd (DGF)		-0.6										
FY2010 Paralytic Shellfish Poisoning Testing	Inc	20.0	14.0	0.0	0.0	6.0	0.0	0.0	0.0	0	0	0
With the \$80.0 added in FY09 for PSP Testing, these additional funds will provide a total of \$100.0 for this purpose.												
1166 Vessel Com (Other)		20.0										
FY2011 Essential Public Health Equipment Maintenance and Service Contract Shortfalls	Inc	260.0	0.0	0.0	260.0	0.0	0.0	0.0	0.0	0	0	0
The Environmental Health Laboratory provides a variety of testing on environmental, animal, food, and water sources. Contracts to maintain equipment calibration cost \$260.0 more than allocated funds. The equipment must be calibrated annually to provide accurate results and maintain federal certification and licensing.												
If these items break down without a maintenance contract in place the entire facility will be shutdown and testing will cease. Industries that rely on this testing will be unable to sell their products because private laboratories are not certified to do these tests. Therefore, essential public health monitoring for animal diseases will end.												
The public's health and the State's reputation of protecting its citizens will be put in danger with the shutdown of laboratory services.												
1004 Gen Fund (UGF)		260.0										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-0.1										
1004 Gen Fund (UGF)		-1.9										
1005 GF/Prgm (DGF)		-0.2										
1166 Vessel Com (Other)		-0.1										
FY2011 Correct Unrealizable Fund Sources in the FY2011 GGU Year 1 Salary and Health insurance	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
No additional federal dollars are available.												
1004 Gen Fund (UGF)		2.7										
1007 I/A Rcpts (Other)		-2.7										
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
No additional federal dollars are available.												
1002 Fed Rcpts (Fed)		-6.8										
1005 GF/Prgm (DGF)		6.8										
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		0.4										
1007 I/A Rcpts (Other)		-0.4										
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Office of the State Veterinarian section of the Laboratory Services Program applies for and receives several												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdcf Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Environmental Health (continued)												
Laboratory Services (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
<p>Animal Disease related grants from the United State Department of Agriculture (USDA). These small grants, some \$10,000 or less, are disease specific and allocated by region at a fixed amount. The award amounts fluctuate annually, but have been decreasing. Additionally, opportunities available in one year are not always available the next year from the federal funding agency, making grant availability unpredictable. The grants available for the Laboratory Services Program are through competitive application processes. The Laboratory Services Program had in previous years been awarded a grant from the USDA's Food Safety and Inspection Service Food Emergency Response Network (FERN) division. However, due to decreasing funds available for federal food safety programs, the competitive requirements for this grant have been raised and DEC's application was subsequently denied for the FY11-12 grant. The Laboratory also applied for, but was denied, a similar FERN-related grant offered by the Food and Drug Administration (FDA). The Laboratory is not currently able to meet the raised eligibility requirements for these competitive grants.</p> <p>The program proposes GFPR, as this revenue can be collected through fee collection for program services. Regulation changes in the Drinking Water Program and Solid Waste Program led to increased fees for laboratory testing. Additionally, the Lab has seen a growth in the demand for testing over the past two years so additional GFPR will be collectible.</p> <p>Additionally, uncollectible IA authority exists in this component, rendering this authority increase unusable.</p>												
1002 Fed Rcpts (Fed)		-21.9										
1005 GF/Prgm (DGF)		27.5										
1007 I/A Rcpts (Other)		-5.6										
FY2012 Increase SDPR Authorization to Provide Laboratory Testing Services to Outside Parties and Collect Associated Revenues	Inc	50.0	35.0	0.0	5.0	10.0	0.0	0.0	0.0	0	0	0
<p>The Department requests \$50.0 in Statutory Designated Program Receipt authority. The Environmental Health Services Laboratory has encountered several situations recently in which testing services could have been provided to parties not covered under the current fee structure. These testing requests are for services not currently offered by the private sector and have been determined to be in the interest of public and environmental health. No authorization currently exists that would allow us to collect the revenue necessary to cover the associated costs. This revenue type would allow the Lab to perform these types of testing services.</p>												
1108 Stat Desig (Other)		50.0										
FY2012 Add One Microbiologist and Related Costs to Support Shellfish Testing	IncOTI	80.0	50.0	0.0	0.0	30.0	0.0	0.0	0.0	1	0	0
<p>The Department requests \$80.0 in General Fund Program Receipt (GFPR) authority. Regulation changes in several programs have led to increased fees for laboratory testing. The division requests one Microbiologist position to process the increasing number of samples from geoduck farms and marine water testing. The Lab has seen a growth in the demand for testing over the past two years and does not have sufficient GFPR authority to conduct this increase in testing. Six geoduck farms and three wild harvest sites were added over the course of the past year, each producing an estimated 20 additional Paralytic Shellfish Poison (PSP) samples. This adds an additional 180 tests to the 589 samples tested in FY2010. In FY2011, the legislature added one position to the Food Safety component to monitor new harvest areas but did not add a position to the lab for the testing of the resulting samples.</p>												
1005 GF/Prgm (DGF)		80.0										

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdEcF Column**

Numbers and Language

Agency: Department of Environmental Conservation

		Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)													
Laboratory Services (continued)													
L	FY2012 Sec 27(b), SB 46 - Recreational Shellfish Beach Monitoring Pilot Program (FY12-FY15)	MultiYr	400.0	0.0	0.0	0.0	0.0	0.0	0.0	400.0	0	0	0
	(b) The sum of \$400,000 is appropriated from the general fund to the Department of Environmental Conservation, laboratory services, for a recreational shellfish beach monitoring pilot program for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, and June 30, 2015.												
	1004 Gen Fund (UGF)		400.0										
	FY2012 Reduce Receipt Authority	Dec	-500.0	0.0	0.0	0.0	0.0	0.0	0.0	-500.0	0	0	0
	1002 Fed Rcpts (Fed)		-350.0										
	1007 I/A Rcpts (Other)		-150.0										
	FY2013 Expansion of Paralytic Shellfish Poison Testing	IncM	190.0	110.0	0.0	50.0	30.0	0.0	0.0	0.0	0	0	0
	Continuing to perform Paralytic Shellfish Poison (PSP) testing necessary to support the increased demand from geoduck farms, wild harvest areas, and commercial Dungeness whole-crab sellers.												
	The legislature approved a one-time increment of \$80.0 with one full-time position for FY2012. The work associated with this increment has not diminished and has in fact increased.												
	This funding allows for the testing of 540 of the 1,244 additional samples anticipated from a variety of fisheries. This includes the 180 samples received in FY2012 funded by the one-time-item. The State Environmental Health Lab is currently at testing capacity for PSP and cannot handle the increased testing required by these demands. The Division will use the Microbiologist position, contractual support, and non-permanent staff to meet this demand.												
	Without this funding and the associated Microbiologist position, the Department will be unable to complete all requested PSP tests in a timely manner which will result in costly delays for the shellfish industry and prevent commercial Dungeness crab sellers from selling whole crab.												
	1004 Gen Fund (UGF)		190.0										
	FY2013 Fish Tissue Testing Program	IncM	557.0	300.0	0.0	207.0	50.0	0.0	0.0	0.0	0	0	0
	The Fish Tissue Testing Program will lose federal funding in FY2013.												
	It is DEC's mission to make sure fish are safe to eat and to monitor environmental pollution. The State Environmental Health Lab is accredited by the U.S. Environmental Protection Agency (EPA) to test fish and environmental samples for heavy metals. The Fish Tissue Testing Program allows the state to monitor the levels of contaminants in fish tissue to determine trends, advise the public of any health threats posed by consuming fish, assure other states and countries that Alaska's fish are safe to import, and participate in international efforts to address pollutant sources. This data is used to override the federal guidelines issued by the EPA that restrict fish consumption based on limited data. This program also provides a positive economic impact on industry and tourism, and proves our resource development activities are not harming Alaska's fish. In addition to the Department using the data to make regulatory decisions, this data is used by agencies like the Alaska Seafood Marketing Institute (ASMI), the Department of Fish and Game, and the Department of Health and Social Services for marketing and education. This data informs consumers it is safe for pregnant women and children to eat Alaskan salmon regularly.												
	The program has been federally funded since FY2002 (funding sources include: Alaska Sustainable Salmon Fund, the Coastal Impact Assistance Program, as well as direct and pass through federal grants) but those funding sources have dried up and the Department has been unsuccessful in securing new federal funding												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdEcF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Laboratory Services (continued)												
FY2013 Fish Tissue Testing Program (continued)												
sources. This funding supports one full-time Chemist, one full-time Lab Technician who helps prepare samples, and part of the State Veterinarian. When not analyzing fish, these positions work on other requests such as radiation from nuclear disasters, identifying mysterious substances such as the Kivalina goo, and developing new methods for assessing Paralytic Shellfish Poison (PSP) levels.												
Federal receipts authority is not being reduced in the FY2013 budget, as the department evaluated and reduced unrealizable fund sources for this component during the 2011 session.												
1004 Gen Fund (UGF)		557.0										
FY2013 Add One Microbiologist and Related Costs to Continue to Support Shellfish Testing	IncM	84.0	54.0	0.0	0.0	30.0	0.0	0.0	0.0	1	0	0
Continuing to perform Paralytic Shellfish Poison (PSP) testing necessary to support the increased demand from geoduck farms, wild harvest areas, and commercial Dungeness whole-crab sellers.												
The legislature approved a one-time increment of \$80.0 with one full-time position for FY2012. The work associated with this increment has not diminished and has in fact increased.												
1004 Gen Fund (UGF)		84.0										
FY2014 Increase Federal Receipt Authority to Allow for Federal Grants and Reimbursements	Inc	300.0	240.6	7.0	52.4	0.0	0.0	0.0	0.0	0	0	0
An increase in federal receipt authority will allow the Division of Environmental Health (Division) to complete work for FY2014 and future years related to federally funded programs.												
In FY2013 the Division received a five-year \$1,500.0 grant from the Food and Drug Administration (FDA) for the Accreditation for State Food Testing Laboratories Cooperative Agreement Program. This program is expected to continue into FY2014. Other existing federal funding received in FY2013 (including tsunami marine debris removal grants and federal reimbursement for a position on loan to the Environmental Protection Agency) is also expected to be available in FY2014. The Division currently does not have sufficient federal receipt authority for these funds.												
1002 Fed Rcpts (Fed)		300.0										
FY2016 Reduce Fund Fish Tissue Monitoring Program	Dec	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	-250.0	0	0	0
1004 Gen Fund (UGF)		-250.0										
FY2016 AMD: Delete Two Microbiologist Positions in Laboratory Services	Dec	-170.0	-150.0	0.0	-9.0	-11.0	0.0	0.0	0.0	-2	0	0
The Laboratory Services component will be reduced \$170.0 in general funds, and eliminate two Microbiologist I/II positions, with the following reduction to services:												
At this time, the Department believes that the laboratory can continue operating at existing levels after eliminating two positions without creating a significant backlog of activity. While the laboratory must maintain the capacity to perform certain tests, this reduction will be possible by reducing the quantity of tests accepted, and increasing the turnaround time offered rather than eliminating any specific service.												
The laboratory currently receives and processes six "Ready to Eat" samples monthly in accordance with an FDA ISO accreditation grant and as part of the Food Safety & Sanitation program's surveillance activities. The laboratory is required to develop a sampling plan and receive samples in order to maintain federal funds, but can scale back the number of samples received without risking a reduction in federal funds. This impact will be felt												

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Laboratory Services (continued)												
FY2016 AMD: Delete Two Microbiologist Positions in Laboratory Services (continued) internally within the Division of Environmental Health, and will have little effect to the public.												
The laboratory is currently able to provide non-urgent testing results in 15 business days. This proposed reduction in staff will increase this turnaround time. The laboratory also performs processes for a variety of animal health surveillance activities as part of the surveillance efforts for the Office of the State Veterinarian, and is reportable to USDA. The process time for these tests can be reduced to accommodate the reduction of laboratory staff, without significantly affecting the work of the Office of the State Veterinarian.												
1004 Gen Fund (UGF)		-170.0										
FY2017 Reduction Due to Increased Fee Revenue	Dec	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
The Laboratory Services component is undergoing a fee study to review current fees in relationship to the applicable direct cost of services. It is anticipated this study will result in proposed fee increases, subject to public notice, review, and comment, which will increase general fund program receipts in FY2017. The Division of Environmental Health anticipates there is currently sufficient general fund program receipt authority to collect increased fees. Unrestricted general funds will be reduced \$100.0 for estimated additional revenues.												
1004 Gen Fund (UGF)		-100.0										
FY2017 Fund Fish Tissue Monitoring Program with Ocean Ranger Fees	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
1004 Gen Fund (UGF)		-307.0										
1205 Ocn Ranger (Other)		307.0										
FY2018 Reduce Uncollectible Statutory Designated Program Receipts	Dec	-50.0	0.0	0.0	0.0	-50.0	0.0	0.0	0.0	0.0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1108 Stat Desig (Other)		-50.0										
FY2018 Maintain the Shellfish Biotoxin and Growing Water Testing Program	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
To participate in interstate and international commercial shellfish markets, Alaska is required to have a shellfish program that is approved by the FDA National Shellfish Sanitation Program (NSSP), a cooperative program recognized by the FDA and the Interstate Shellfish Sanitation Conference (ISSC), for the sanitary control of shellfish sold for human consumption. The EHL is the only laboratory in Alaska that currently holds NSSP conformance by FDA for performing the required growing water and marine toxin testing on commercial shellfish samples.												
If the State does not maintain approval by NSSP, shellfish harvested in Alaskan waters cannot be sold in a commercial market outside of Alaska. Most shellfish harvested in Alaska is sold on international markets so the State's shellfish program is as much a commerce issue as it is a public health issue.												
The legislature began appropriating Commercial Passenger Vessel Environmental Compliance (CPVEC) fees to the EHL in FY2009 to subsidize analytical testing costs for a commercial industry, thereby ensuring Alaskan shellfish sold on the commercial market is safe for consumption. Additional UGF increments have been made since that time to support and maintain the State's commercial shellfish program.												

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Environmental Health (continued)												
Laboratory Services (continued)												
FY2018 Maintain the Shellfish Biotoxin and Growing Water Testing Program (continued)												
The EHL's commercial shellfish testing activity is currently funded with \$333.7 unrestricted general funds and \$103.4 CPVEC. While commercial shellfish growers do pay for sample collection and the cost of shipping samples for testing, all analytical testing performed to support the commercial shellfish industry is subsidized (EHL leverages staff, facilities, and equipment by performing non-commercial sample testing for a fee, representing approximately \$20.0 in annual GFPR revenue). The Department requests to shift the general fund portion of this industry subsidy onto CPVEC.												
1004 Gen Fund (UGF)		-333.7										
1166 Vessel Com (Other)		333.7										
FY2018 Inc to flag 1166 and 1205 as misused fund	Inc	438.8	0.0	0.0	0.0	0.0	0.0	0.0	438.8	0	0	0
1166 Vessel Com (Other)		437.8										
1205 Ocn Ranger (Other)		1.0										
FY2019 Reduce Uncollectible Interagency Receipt Authority												
A reduction of uncollectable receipt authority will bring the Department's budget closer in line with actual spending.												
1007 I/A Rcpts (Other)	Dec	-134.0	0.0	0.0	-38.0	-96.0	0.0	0.0	0.0	0	0	0
* Allocation Total *												
		1,648.2	664.9	-13.3	762.0	83.8	-18.0	0.0	168.8	3	0	0
Drinking Water												
FY2006 Eliminate services to Class C Public Water Systems												
Consistent with direction provided by the legislature last session through a FY2005 reduction in funding for Class C Public Water Systems (PWS) services. This transaction eliminates the remaining funding in the component that supports services to Class C PWS.												
1004 Gen Fund (UGF)	Dec	-45.6	0.0	0.0	-45.6	0.0	0.0	0.0	0.0	0	0	0
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit												
1002 Fed Rcpts (Fed)	FisNot	0.9	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		0.2										
FY2007 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules												
The Alaska Drinking Water Program is an EPA delegated primacy program, receiving an annual Public Water System Supervision federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. To cope with insufficient funding, needed staff positions have been held vacant causing the program to fall behind in adopting and implementing new federal rules. When this happens, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.												
Additional staff and resources are needed to obtain and maintain full primacy - keeping pace with new federal drinking water requirements by adopting and implementing new federal rules in a timely manner. Additional federal funds are available through the Drinking Water State Revolving Fund set-asides, though they require a 50% match.												

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Environmental Health (continued)												
Drinking Water (continued)												
FY2007 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules (continued)												
This transaction provides funding to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. In addition to providing needed technical support, State primacy allows:												
<ol style="list-style-type: none"> 1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not. 2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does not. 3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have. 												
State regulation of public drinking water systems will enhance the division's performance in protecting citizens from unsafe drinking water and preventing outbreaks in regulated facilities.												
1002 Fed Rcpts (Fed)		282.4										
1003 G/F Match (UGF)		282.4										
FY2007 Reduce Travel Expenditures	Dec	-9.0	0.0	-9.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-8.7										
1004 Gen Fund (UGF)		-0.3										
FY2008 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules	Inc	605.9	354.2	65.0	166.7	20.0	0.0	0.0	0.0	5	0	0
The Alaska Drinking Water Program is an EPA delegated primacy program, receiving a federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. The program has fallen behind in adopting and implementing new federal rules. When a program falls behind, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.												
Funding for additional staff and resources is needed to keep pace with new requirements, adopting and implementing new rules in a timely manner. Additional federal funds requiring a 50% match are available.												
The 2007 legislature proposed a three year plan for obtaining and implementing primacy and funded the first year to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. This request seeks funding for the second year of that three year plan.												
In addition to providing needed technical support, State primacy allows:												
<ol style="list-style-type: none"> 1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not. 2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does not. 3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have. 												
1002 Fed Rcpts (Fed)		302.9										
1003 G/F Match (UGF)		303.0										
FY2008 PERS adjustment of unrealizable receipts	Dec	-379.1	-379.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Environmental Health (continued)												
Drinking Water (continued)												
FY2008 PERS adjustment of unrealizable receipts (continued)												
1002 Fed Rcpts (Fed)		-379.1										
FY2009 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules	Inc	523.7	265.8	38.0	199.9	20.0	0.0	0.0	0.0	4	0	0
<p>The Alaska Drinking Water Program is an EPA delegated primacy program, receiving a federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. The program has fallen behind in adopting and implementing new federal rules. When a program falls behind, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.</p> <p>Funding for additional staff and resources is needed to keep pace with new requirements, adopting and implementing new rules in a timely manner. Additional federal funds requiring a 50% match are available.</p> <p>The legislature proposed a three year plan for obtaining and implementing primacy and funded the first two years to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. This request seeks funding for the third and final year of the three year plan.</p> <p>In addition to providing needed technical support, State primacy allows:</p> <ol style="list-style-type: none"> 1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not. 2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does not. 3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have. 												
1002 Fed Rcpts (Fed)		261.9										
1003 G/F Match (UGF)		261.8										
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
<p>It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.</p> <p>The federal funds received in Drinking Water are primarily funds received under the EPA Public Water System Supervision grant which is a formula program. Alaska receives 1% of the funding under this program and we have been notified that there will be no increase in the federal appropriation this year and therefore no change in our grant amount. In FY09 the Drinking Water Program received \$214.7 in federal authorization to cover increased personal service costs. Attempts to collect additional federal funding to cover these additional costs from other program such as the Drinking Water Revolving Loan fund have to date been unsuccessful. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in</p>												

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	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Environmental Health (continued)												
Drinking Water (continued)												
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements (continued)												
service levels a fund source transfer from federal to general fund is being requested. A further increment request may be necessary in future years if additional federal funding cannot be identified.												
		1002 Fed Rcpts (Fed)	-50.5									
		1004 Gen Fund (UGF)	50.5									
FY2011 Environmental Protection Agency Drinking Water Rule Implementation	Inc	600.0	450.0	15.0	100.5	34.5	0.0	0.0	0.0	0	0	0
Funding is requested to match additional federal resources available to the Alaska Drinking Water program to adopt and implement the three finalized rules by the Environmental Protection Agency (EPA) in 2006 required for the State to adopt by 2010 or EPA will revoke approvals already given and withdraw primacy. 5 permanent full time PCNs are needed to conduct the implementation, monitoring, reporting, and enforcement work associated with these complex rules as well as the 1,600 sanitary surveys required to be completed every 3 years. These rules are on Disinfectants, Enhanced Surface Water Treatment and Ground Water.												
It is difficult for public water systems in Alaskan communities to be regulated by both EPA and the State of Alaska, as rule requirements often overlap, causing significant confusion and impacting water systems' ability to be in compliance with both agencies. EPA provides a significant amount of federal funds (currently over \$4.6 million) to the State of Alaska to implement the Safe Drinking Water Act and ensure that Alaskans have safe drinking water. Additional federal resources are available so Alaska can implement these three rules, but will require State matching funds.												
		1002 Fed Rcpts (Fed)	300.0									
		1003 G/F Match (UGF)	300.0									
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-3.2	0.0	-3.2	0.0	0.0	0.0	0.0	0.0	0	0	0
		1003 G/F Match (UGF)	-2.9									
		1005 GF/Prgm (DGF)	-0.3									
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
No additional federal dollars are available.												
		1002 Fed Rcpts (Fed)	-39.7									
		1005 GF/Prgm (DGF)	39.7									
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal funds received by the Drinking Water Program are regionally allocated at fixed amounts to the states, and the Alaska program is currently receiving the maximum allowed by the Environmental Protection Agency (EPA). Therefore, the division is not able to increase the amount allocated to Alaska in the existing federal grants to cover these additional personal service costs, nor does the program have additional federal funding coming in FY2012 from any other source. The EPA is the only federal agency that provides grant funding for the Safe Drinking Water Act. Therefore, these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. An increased GFPR collection is possible due to regulation changes to fees in the Drinking Water Component.												
		1002 Fed Rcpts (Fed)	-39.4									
		1005 GF/Prgm (DGF)	39.4									

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Environmental Health (continued)												
Drinking Water (continued)												
FY2012 Use GF/PR from increased fees to Provide Drinking Water Technical Assistance Required by Federal Rules	Inc	30.0	20.0	0.0	5.0	5.0	0.0	0.0	0.0	0	0	0
<p>The Department requests an increase of \$30.0 in General Fund Program Receipt authority due the adoption of new federal rules. As a result of the adoption of new federal rules, the Alaska Drinking Water Program is required to provide services to drinking water systems which include inspections and technical assistance. The cost for some of this work is covered by fees collected from public water systems. Regulations have been updated to reflect a higher hourly rate commensurate with costs to perform the services. The State is required to provide these services and the hourly rate has not increased for several years. This will improve the States ability to protect public health through immediate response to suspected waterborne disease outbreaks, investigation of contaminant level exceedances, and rapid response to consumer complaints.</p> <p>1005 GF/Prgm (DGF) 30.0</p>												
FY2014 Increased Staff Time and Support for Drinking Water Rule Adoption and Implementation	Inc	175.0	50.0	37.5	62.5	25.0	0.0	0.0	0.0	0	0	0
<p>The Department of Environmental Conservation (Department) is ready to adopt and implement two new drinking water rules required under the Safe Drinking Water Act. Alaska has primacy for 19 of the 21 promulgated federal drinking water rules required by the Environmental Protection Agency (EPA). The Safe Drinking Water Act requires states to attain primacy rule by rule rather than over a whole program (as allowed under the Clean Air and Clean Water Acts).</p> <p>The new rules are the Reduction of Lead in Drinking Water Act (rule 20), published January 4, 2011, and the Revised Total Coliform Rule (rule 21), which is expected to be published by the EPA in January 2013. These rules will become effective in January 2014. These new rules require additional review, regulations updates, engineering plan reviews, compliance monitoring, and technical assistance, thereby increasing the Drinking Water (DW) Program's workload. Additional authority will support increased travel and overtime pay for staff to provide monitoring and technical assistance to rural communities that may be challenged by the new federal rules.</p> <p>The Department was delegated primacy for the Ground Water Rule in August 2011, which resulted in a backlog of over 90 engineered plans for current projects. The Department has been unable to meet its current service standards at existing staffing levels; the DW Program will be unable to adopt new regulations and implement them in a timely fashion without additional funding. This would put the DW Program at risk of losing primacy over all of the federal rules and puts the Department at risk of losing over \$11 million in funding annually. Without primacy, Alaska would not receive the annual Drinking Water State Revolving Fund Capitalization grant (FY2013 was \$8.98 million with a 20% match) or the annual Public Water System Supervision (PWSS) grant (FY2013 grant is projected to be \$2.45 million with a 25% match). Due to sequestration and the continuing resolution, the full PWSS grant has not been awarded at this time.</p> <p>If the Department is unable to adopt and implement the new rules, Alaska would relinquish regulatory control over State water systems to EPA staff in Seattle. This would be burdensome and detrimental to PWSS owners and operators in Alaska because EPA staff does not have the knowledge or ability to regulate rural Alaskan water systems. The EPA will not provide compliance assistance or issue waivers, exemptions, or variances to assist Alaska's PWSS owners and operators to come into compliance (Alaska's DW staff completed over 9,000 technical assistance and compliance assistance actions for local water system owner/operators in FY2012). Without primacy, Alaska PWSS owners and operators would be forced to comply with EPA rules without the much-needed technical assistance - increasing the burden of compliance. If primacy is revoked by the EPA, permit turnaround time and on-site field visits are expected to be delayed by years.</p>												

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Environmental Health (continued)												
Drinking Water (continued)												
FY2014 Increased Staff Time and Support for Drinking Water Rule Adoption and Implementation (continued)												
Other programs within the Department would also suffer if the DW Program lost primacy. The Food Safety and Sanitation Program, Onsite Disposal Systems Program, and Village Safe Water Program rely on DW staff and consult regularly on DW related issues. If Alaska lost primacy, those programs would be forced to consult with the EPA, resulting in slower response times and greater difficulty obtaining responses applicable to unique rural Alaska needs.												
1004 Gen Fund (UGF)		175.0										
FY2016 AMD: Drinking Water Reductions due to Efficiencies from Reorganization	Dec	-507.3	-466.3	-7.5	-28.0	-5.5	0.0	0.0	0.0	-4	0	0
The Drinking Water component will be reduced \$507.3 in general fund match and eliminate four positions with some reduction to services.												
The program has recently completed a significant reorganization that consolidated work and created efficiencies that will make possible the reduction of a Tech Engineer II/Architect II, an Environmental Engineer I, an Environmental Program Specialist I/II/III, and an Administrative Assistant I. The impacts of this reduction will mean that the Department will have less capacity to provide technical assistance to communities and drinking water system operators, and this will slow response time.												
1003 G/F Match (UGF)		-507.3										
FY2018 Reduce Uncollectible Federal Receipts	Dec	-100.0	0.0	-100.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1002 Fed Rcpts (Fed)		-100.0										
* Allocation Total *		1,456.1	668.9	77.2	570.3	134.0	5.7	0.0	0.0	10	0	0
Solid Waste Management												
FY2006 Ch. 42, SLA 2005 (HB 19) Pesticide & Broadcast Chemicals	FisNot	221.6	86.0	8.0	118.7	2.0	6.9	0.0	0.0	1	0	0
1003 G/F Match (UGF)		-70.8										
1004 Gen Fund (UGF)		-25.6										
1156 Rcpt Svcs (DGF)		318.0										
FY2007 Additional Pesticide Program Receipts	Inc	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0	0	0
Increase authority to collect excess receipts to be used for the pesticide program												
1156 Rcpt Svcs (DGF)		50.0										
FY2008 HB 19 Pesticide Program - Fiscal Note Implementation	Dec	-6.4	0.0	0.0	0.0	-6.4	0.0	0.0	0.0	0	0	0
This transaction implements the third year of the fiscal note for HB 19 (Pesticides). One time costs are reduced along with the associated fund sources.												
1003 G/F Match (UGF)		-4.0										
1004 Gen Fund (UGF)		-1.0										
1156 Rcpt Svcs (DGF)		-1.4										
FY2008 PERS adjustment of unrealizable receipts	Dec	-31.7	-31.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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Environmental Health (continued)												
Solid Waste Management (continued)												
FY2008 PERS adjustment of unrealizable receipts (continued)												
1002 Fed Rcpts (Fed)		-31.7										
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.												
The federal funds received in Solid Waste are primarily pesticide related and one formula grant through EPA. In FY09 the Solid Waste Program received \$17.3 in federal authorization to cover increased personal service costs. No additional federal funding is expected from either of these sources. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in service levels a fund source transfer from federal to general fund program receipts is being requested.												
1002 Fed Rcpts (Fed)		-3.5										
1005 GF/Prgm (DGF)		3.5										
FY2011 Toxicology Specialty Contracting	Inc	153.0	0.0	0.0	153.0	0.0	0.0	0.0	0.0	0	0	0
Receipt Supported Services authority is needed to contract out with specialists in the area of toxicology, fate and transport and drift prevention to more thoroughly evaluate all the issues raised by the public when evaluating pesticide spray proposals. The revenue is currently available and generated by pesticide manufacturers outside of Alaska who pay a yearly registration fee so their products can be sold in Alaska.												
1156 Rcpt Svcs (DGF)		153.0										
FY2011 Budget Clarification Project fund change to reflect GF/PR for receipts from pesticide-related services	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Fees assessed for pesticide registration, certified applicator fees, increased enforcement/technical assistance. Included in this fund change is a new increment that is requested as part of the FY11 budget for toxicology speciality contracting for \$153.0.												
1005 GF/Prgm (DGF)		690.0										
1156 Rcpt Svcs (DGF)		-690.0										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-3.8	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-2.0										
1005 GF/Prgm (DGF)		-1.8										
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
No additional federal dollars are available.												
1002 Fed Rcpts (Fed)		-1.9										
1005 GF/Prgm (DGF)		1.9										
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		10.3										
1156 Rcpt Svcs (DGF)		-10.3										
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

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Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Environmental Health (continued)												
Solid Waste Management (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
The Solid Waste Program receives only two federal grants, one from United States Department of Agriculture (USDA) and one from the Environmental Protection Agency (EPA). The USDA grant award is under \$20,000 and restricted to Pesticides Recordkeeping. No increase is expected for the USDA grant, and the recordkeeping duties performed by the program are limited to the funds received. The EPA grant for pesticides is a consolidation of several separate but related topics, and is likewise restricted to the specialized tasks performed by the program. The annual EPA grant is allocated by region at a fixed amount and no additional federal funds can be requested above this allocated amount. The regional Pesticides grant allocations have gradually been decreasing. The program is researching for additional federal grants, but thus far has been unsuccessful in locating prospective opportunities for which to apply. Therefore, these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. An increased GFPR collection is possible due to regulation changes to fees in the Solid Waste Component.												
1002 Fed Rcpts (Fed)		-9.9										
1005 GF/Prgm (DGF)		9.9										
FY2012 Use GF/PR from increased fees for increased services	Inc	40.0	30.0	0.0	0.0	10.0	0.0	0.0	0.0	0	0	0
The Department requests an increase of \$40.0 in General Fund Program Receipt authority.												
The program performed an analysis of the time spent issuing permits to small, medium, and large landfills as well as industrial waste disposal permits. AS 37.10.052 requires DEC to conduct this analysis every four years and verify permit fixed fees accurately reflect direct costs to the State. Regulations have been updated to reflect the new rates. The funds are necessary to cover increasing personal services costs for staff who review permit applications and perform facility inspections, which will increase the percentage of landfills that are permitted. Landfills that are permitted are less likely to harm the environment or have a negative impact on public health.												
1005 GF/Prgm (DGF)		40.0										
FY2016 AMD: Solid Waste Management Reductions due to Efficiencies from Reorganization of Administrative Functions	Dec	-85.6	-78.9	-1.0	-4.7	-1.0	0.0	0.0	0.0	-1	0	0
The Solid Waste Management component will be reduced by \$85.6, and eliminate one Environmental Program Specialist I/III/III with no significant reduction to services.												
The Department will consolidate work within the Pesticides program and utilize the created efficiencies. Work will also be shifted to fully maximize federal funds. With the implementation of new regulations governing the Pesticides program, the Department anticipates the remaining staff will be able to maintain an acceptable level of service if there is no significant increase to the workload.												
1004 Gen Fund (UGF)		-85.6										
* Allocation Total *		337.1	5.4	3.2	317.0	4.6	6.9	0.0	0.0	0	0	0
** Appropriation Total **		2,565.4	850.1	76.0	1,251.8	217.1	1.6	0.0	168.8	9	0	0
Air Quality												
Air Quality Director												
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	7.9	7.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		7.9										

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality Director (continued)												
FY2011 Reduce general fund travel line item by 10 percent. 1004 Gen Fund (UGF)	Dec	-2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase FY2011 Noncovered Employees Year 1 increase : \$2.9 1004 Gen Fund (UGF)	FisNot	2.9	2.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
* Allocation Total *		8.5	10.8	-2.3	0.0	0.0	0.0	0.0	0.0	0	0	0
Air Quality												
FY2006 Switch Fund for Clean Air Act/Title I activities (construction permits)to Receipt Supported Services(AS 37.05.146(c)(17)	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits - Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund (CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation are being made in the following components:												
* Air Quality												
* Information and Administrative Services												
* State Supported Services												
1093 Clean Air (Other)		-1,137.0										
1156 Rcpt Svcs (DGF)		1,137.0										
FY2006 AMD: Operation and Maintenance of the Vehicle Emissions Testing System	Inc	295.4	160.3	6.0	79.6	29.5	20.0	0.0	0.0	0	0	0
This amendment utilizes DMV vehicle registration receipts to provide ongoing maintenance and support for the State's computerized Vehicle Emissions Testing System. This system was built using one time federal highway funds, which cannot be used for day to day support.												
The Vehicle Emissions Testing System consists of a network of computers and analyzers all passing information through a central Vehicle Information database established and maintained by DEC. The database provides testing information for DMV, motorists, I/M garages, and local governments. It allows the rapid exchange of essential information and same day, electronic re-licensing of a motor vehicle.												
Because of air quality issues, federal law requires that vehicles registered in Anchorage and Fairbanks have an emissions test done prior to re-licensing at DMV. This ensures vehicle emissions control systems are operating properly. Tests are performed by private garages and State law requires that DEC oversee their instruments and procedures. Funding for the ongoing maintenance and support of the system will be RSA'd to DEC from DMV.												
Without funding for ongoing operations and maintenance, the information network will fail, garages will be unable to do the tests, and DMV will be unable to re-license vehicles. Federal requirements for Anchorage and Fairbanks would force decentralization of the system to local government (with set up and replacement costs to garages, local government, and ultimately vehicle owners) or, local governments would face the loss of funding for local road construction projects.												
1007 I/A Rcpts (Other)		295.4										

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality (continued)												
FY2007 Non-GF Fund Switch to Meet Anticipated FY07 Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Technical change needed to correct prorated salary adjustment funding sources.												
1007 I/A Rcpts (Other)		-11.6										
1061 CIP Rcpts (Other)		-7.3										
1093 Clean Air (Other)		11.6										
1156 Rcpt Svcs (DGF)		7.3										
FY2007 Switch I/A Receipts for SDPR for the Operation and Maintenance of the Vehicle Emissions Testing System	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
To allow the receipt of funds from the Municipality of Anchorage and the City of Fairbanks for services in conjunction with the Operation and Maintenance of the Vehicle Emissions Testing System.												
1007 I/A Rcpts (Other)		-147.7										
1108 Stat Desig (Other)		147.7										
FY2008 Implementation of Air Permit Reform, Fee Adjustments	Inc	1,069.0	0.0	77.2	943.6	48.2	0.0	0.0	0.0	0	0	0
Air permit reform, begun in 2003 under HB 160, will conclude with implementation of fee regulations in January 2007. This transaction captures additional receipts from the new fee structure to provide enhanced program services as follows:												
- Increase total Title V (Operating Permit) work actions (permits, complaint investigations and compliance actions) by approximately 34% - from an average of 360 actions to approximately 480 actions per year;												
- Increase the total Title I (Construction Permit) actions by approximately 28% - from an average of 36 to approximately 46 per year; and												
- Implement data automation and a quality management system to improve standard permit forms and review procedures.												
1093 Clean Air (Other)		978.1										
1156 Rcpt Svcs (DGF)		90.9										
FY2008 PERS adjustment of unrealizable receipts	Dec	-129.4	-129.4	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts (Fed)		-129.4										
FY2011 Federal Environmental Protection Agency Permitting Requirements	Inc	150.0	108.3	16.7	25.0	0.0	0.0	0.0	0.0	1	0	0
Outer Continental Shelf (OCS) federal permitting requires the Environmental Protection Agency (EPA) and industry to be consistent with the state implementation of the permit program, which requires coordination and consultation between EPA, DEC and industry. This investment will allow the Department to work with EPA in processing up to 3 unique and complex OCS air quality permits anticipated to be submitted over the course of this coming year. Without DEC participation, and the funding to allow more consistent assistance without pulling away from current permitting requirements, DEC believes it will slow industry's OCS permit approval process with EPA, having an impact on economic growth.												
Climate change is adversely impacting Alaska, and some form of regulation of greenhouse gas emissions is imminent. Climate change legislation is moving through Congress and EPA is initiating and finalizing rules related												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality (continued)												
FY2011 Federal Environmental Protection Agency Permitting Requirements (continued)												
to climate change activities under the Clean Air Act. This increase will provide essential capacity so that the state may comply with these requirements.												
1004 Gen Fund (UGF)		150.0										
FY2011 Budget Clarification Project fund change to reflect GF/PR for fees collected for construction permits.	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Revenues reflect fees collected to cover the Title I (construction permits) activities for the air permits program.												
1005 GF/Prgm (DGF)		1,443.5										
1156 Rcpt Svcs (DGF)		-1,443.5										
FY2011 Budget Fund Clarification adding GF/PR to pay Interagency Receipts in Admin Services (\$33.8) & Support Svcs (\$3.1)	Inc	36.9	0.0	0.0	36.9	0.0	0.0	0.0	0.0	0	0	0
Initially, these funds were reflected in Admin Svcs and in Support Svcs as Receipt Supported Services.												
Revenue for the air permits program was split between those allocations and Air Quality. Legislative Finance has determined that all the GF/PR should be recorded with the program that generates the receipts. I/A Rcpts have been added as duplicate funds in the Administration appropriation.												
1005 GF/Prgm (DGF)		36.9										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-6.0	0.0	-6.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-2.0										
1004 Gen Fund (UGF)		-0.7										
1005 GF/Prgm (DGF)		-3.3										
FY2011 LFD: Revise Governor's salary adjustment request	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		31.0										
1156 Rcpt Svcs (DGF)		-31.0										
FY2012 Fairbanks North Star Borough Air Quality Monitoring to Evaluate Impacts from Gasline Construction Activities	Inc	20.0	5.0	2.0	13.0	0.0	0.0	0.0	0.0	0	0	0
The Fairbanks North Star Borough area currently faces significant air quality issues. Before gasline construction can begin, 12 months of air quality monitoring and modeling is required as part of the Environmental Impact Statement (EIS) as well as a technical review period for construction permit applications. The EIS will have to predict and evaluate air quality impacts in the Fairbanks North Star Borough due to increased activity related to a major construction project. Air quality impacts and potential mitigation measures will demand agency review and input as part of the EIS process beginning in FY2012.												
1002 Fed Rcpts (Fed)		10.0										
1003 G/F Match (UGF)		10.0										
FY2012 Add Program Receipt Authorization to Support Gasline & Resource Development Air Quality Permitting	Inc	55.0	0.0	0.0	55.0	0.0	0.0	0.0	0.0	0	0	0
Authorization for the DEC Air Quality section to continue work on oil and gas related air quality permitting issues.												
1005 GF/Prgm (DGF)		55.0										
FY2013 Ch. 13, SLA 2012 (HB 258) NATURALLY OCCURRING ASBESTOS	FisNot	27.8	0.0	7.8	20.0	0.0	0.0	0.0	0.0	0	0	0
Additional contractual costs associated with CS HB 258(FIN) for consultation on project monitoring and mitigation plans were added.												
1004 Gen Fund (UGF)		27.8										

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality (continued)												
FY2014 Anchorage Vehicle Inspection and Maintenance Program	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
Due to the March 2012 suspension of the vehicle inspection and maintenance (I/M) program in Anchorage, statutory designated program receipt authority is no longer needed for this program.												
1108 Stat Desig (Other)		-100.0										
FY2014 Ch. 11, SLA 2013 (HB 4) ALASKA GASLINE DEVELOPMENT CORP; RCA	FisNot	54.6	40.9	3.2	10.5	0.0	0.0	0.0	0.0	0	0	0
New Version - This one page fiscal note reflects the fiscal impact to the Department of Environmental Conservation, Air Quality allocation and appropriates the new In-State Natural Gas Pipeline Fund as designated by the Alaska Gasline Development Corporation.												
1229 AGDC-ISP (Other)		54.6										
FY2015 Alaska Gasline Development Corporation Ch11 SLA2013 (HB4) (Sec2 Ch14 SLA2013 P44 L7 (HB65))	Inc	27.7	-27.4	0.0	55.1	0.0	0.0	0.0	0.0	0	0	0
This is the second year of funding identified in the fiscal note for HB4 (2013) which directed the Alaska Gasline Development Corporation to move forward with building a small-diameter in-state gas pipeline. The increase reflects the need for additional term contractors to work on construction and permit applications in FY2015, as anticipated in the fiscal note.												
A gasline built under the direction of HB4 would require pre-application assistance, data reviews, modeling, engineering plan review and approval for air quality permits in conjunction with development of the pipeline. The Division assumes four construction applications in FY2015. This includes one Prevention of Significant Deterioration (PSD) permit and three Minor Source Specific (MSS) permits. Operation permits and compliance reviews would begin in FY2017.												
1229 AGDC-ISP (Other)		27.7										
FY2015 Alaska Gasline Development Corporation Ch11 SLA2013 (HB4) (Sec2 Ch14 SLA2013 P44 L7 (HB65))-FY2015 only	IncOTI	78.3	0.0	0.0	78.3	0.0	0.0	0.0	0.0	0	0	0
This is the second year of funding identified in the fiscal note for HB4 (2013) which directed the Alaska Gasline Development Corporation to move forward with building a small-diameter in-state gas pipeline. The increase reflects the need for additional term contractors to work on construction and permit applications in FY2015, as anticipated in the fiscal note.												
A gasline built under the direction of HB4 would require pre-application assistance, data reviews, modeling, engineering plan review and approval for air quality permits in conjunction with development of the pipeline. The Division assumes four construction applications in FY2015. This includes one Prevention of Significant Deterioration (PSD) permit and three Minor Source Specific (MSS) permits. Operation permits and compliance reviews would begin in FY2017.												
1229 AGDC-ISP (Other)		78.3										
FY2015 Fund source change from In-state Natural Gas Pipeline Fund (1229) to Instate Natural Gas Pipeline Fund I/A (1232)	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Code 1232 is a newly created code designed to meet accounting requirements for separation of the Alaska Gasline Development Corporation (AGDC) budget from money spent by other agencies at the request of AGDC. This is one of two fund codes that access the in-state pipeline fund established with the adoption of HB4 during the 2013 session. (The other is code 1229.)												

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality (continued)												
FY2015 Fund source change from In-state Natural Gas Pipeline Fund (1229) to Instate Natural Gas Pipeline Fund I/A (1232) (continued)												
Fund code 1229 should be used only to record the operating budget of the AGDC. Code 1232 should be used only to record AGDC's purchases of services from other state agencies. Agencies can spend code 1232 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.												
1229 AGDC-ISP (Other)		-160.6										
1232 ISPF-I/A (Other)		160.6										
FY2016 Expand Air Permitting Program to Meet Growing Oil & Gas Industry Needs	Inc	123.0	112.0	1.5	7.0	2.5	0.0	0.0	0.0	1	0	0
The current statewide oil and gas infrastructure development boom has increased the demand for air quality permits, both for long term construction camps and new and increased industrial facilities, such as at Pt. Thompson and the planned LNG/gas pipeline. To timely service the increase in pre-application advice and permit issuance expected for the next few years, the Department proposes creating a dedicated modelling engineer position in our Anchorage permit office. Although both the Anchorage and Juneau offices process permits, only the Juneau office currently has a dedicated modeling position. This position serves both offices, but creates a bottleneck in permit processing when more or complex permit applications are received. A second position will relieve this bottleneck as well as provide a back-up to the existing modeler. This will allow the Department to continue to provide customized service to development projects while still meeting the projects' timelines.												
1005 GF/Prgrm (DGF)		123.0										
FY2017 Reduction due to Reclassification of an Environmental Program Specialist to a Chemist	Dec	-60.0	-60.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Division of Air Quality is able to recognize a savings of \$60.0 in unrestricted general funds for FY2017 by reclassifying an Environmental Program Specialist III to a Chemist I/II/III located in the Air Monitoring program. The Division of Air Quality maintains air monitoring stations throughout the state for various purposes including to watch for unhealthy levels of smoke due to wildfires, for special projects such as rural dust, and for compliance with National Ambient Air Quality Standards. The Division has reviewed this position classification and has determined the reclassified position will provide the same level of service.												
In addition, the Division has recognized costs savings as several more senior staff have retired or moved on, and been replaced by staff at significantly lower steps.												
1004 Gen Fund (UGF)		-60.0										
FY2017 Increase Federal due to New Grant Funding	Inc	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
The Department anticipates the need for an RPL in FY2016 for additional federal authority in the Air Quality component for a project-specific grant through the Diesel Emissions Reduction Act program. \$250.0 of additional federal authority in the Division of Air Quality going forward would allow for these regular fluctuations in federal receipts that occur every two to three years due to similar project-based grants, without an RPL.												
1002 Fed Rcpts (Fed)		250.0										
FY2018 Replace Clean Air Protection Fund Receipts with Program Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source change provides an authority shift for increased Title I permits, paid by fees through GFPR and												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Air Quality (continued)												
Air Quality (continued)												
FY2018 Replace Clean Air Protection Fund Receipts with Program Receipts (continued) reduces the uncollectible authority for Title V permits, paid by fees through the Clean Air Protection Fund (CAPF). This fund source change is needed in order to ensure adequate budget authority to spend the revenue already being collected through fees to do this work. This is a technical adjustment and has no impact on services to the public.												
1005 GF/Prgm (DGF)		250.0										
1093 Clean Air (Other)		-250.0										
FY2018 Reallocate Uncollectible Statutory Designated Program Receipts to the Division of Administration	Dec	-30.0	0.0	0.0	-30.0	0.0	0.0	0.0	0.0	0	0	0
The reallocation of statutory designated program receipt authority from the Division of Air Quality to the Division of Administration will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1108 Stat Desig (Other)		-30.0										
FY2018 Reduce Uncollectible Clean Air Protection Fund Receipts	Dec	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1093 Clean Air (Other)		-250.0										
FY2018 Reduce Uncollectible Interagency Receipts	Dec	-68.3	0.0	0.0	-68.3	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1007 I/A Rcpts (Other)		-68.3										
FY2018 Reduce UGF for non-reimbursable services	Dec	-160.5	-0.2	0.0	-156.3	-4.0	0.0	0.0	0.0	0	0	0
Of the \$1,855.1 in unrestricted general funds appropriated to the Division of Air Quality, \$1,426.2 is required to meet the maintenance of effort (MOE) to receive federal grants. That leaves just 428.9 UGF to support program activity that is not eligible for other fund sources including complaint response, non-permit related enforcement, and overhead. The division will be able to reduce general funds by nine percent and still meet the MOE.												
With the reorganization in FY2017 that eliminated the Director's Office component, Air Quality will be able to reallocate some costs previously funded by general funds to other allowable fund sources. The division will also be able to find opportunities to implement efficiencies to recognize savings. At the same time, both Anchorage and Fairbanks are handing required air monitoring efforts back to the State, which means taking on additional work and maintenance of those air monitors.												
The significant impact of this reduction is a loss of flexibility for non-grant eligible and non-permit related expenses. This includes the ability for the Division to react to emerging issues such as PM2.5, climate change, and coordinating interagency work associated with new federal regulations such as the Clean Power Plan, as well as the ability to fund legal support from the Department of Law for work not eligible for reimbursable fund sources such as analysis of proposed federal regulations, public records requests, civil lawsuits, and appeals to permits brought by parties other than the permittee.												
1004 Gen Fund (UGF)		-160.5										
FY2019 Replace Uncollectible ISPF Interagency Receipt Authority with AKLNG Interagency Receipt Authority	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
This fund source change from interagency receipt authority from the In-State Natural Gas Pipeline Fund (ISPF-I/A)												

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP	
Air Quality (continued)													
Air Quality (continued)													
FY2019 Replace Uncollectible ISPF Interagency Receipt Authority with AKLNG Interagency Receipt Authority (continued)													
to interagency receipt authority from the Alaska Liquefied Natural Gas Project Fund (AKLNG-I/A) will allow the Division of Air Quality to have fewer unbudgeted reimburseable service agreements funded by AKLNG-I/A.													
		1232 ISPF-I/A (Other)	-62.1										
		1236 AK LNG I/A (Other)	62.1										
	Dec	FY2019 Reduce Uncollectible Authority	-220.0	0.0	-130.0	-90.0	0.0	0.0	0.0	0	0	0	
A reduction of uncollectable receipt authority will bring the Department's budget closer in line with actual spending.													
		1007 I/A Rcpts (Other)	-60.0										
		1093 Clean Air (Other)	-160.0										
* Allocation Total *			1,163.5	209.5	-21.6	879.4	76.2	20.0	0.0	0.0	2	0	0
** Appropriation Total **			1,172.0	220.3	-23.9	879.4	76.2	20.0	0.0	0.0	2	0	0
Spill Prevention and Response													
Spill Prevention and Response Director													
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit													
		1052 Oil/Haz Fd (DGF)	7.7	7.7	0.0	0.0	0.0	0.0	0.0	0	0	0	
	Dec	FY2011 Reduce general fund travel line item by 10 percent.	-1.8	0.0	-1.8	0.0	0.0	0.0	0.0	0	0	0	
		1052 Oil/Haz Fd (DGF)	-1.8										
		FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	2.7	2.7	0.0	0.0	0.0	0.0	0.0	0	0	0	
		FY2011 Noncovered Employees Year 1 increase : \$2.7											
		1052 Oil/Haz Fd (DGF)	2.7										
* Allocation Total *			8.6	10.4	-1.8	0.0	0.0	0.0	0.0	0	0	0	
Contaminated Sites Program													
FY2006 Reduce I/A Authority to Align with Anticipated Needs													
	Dec	FY2006 Reduce I/A Authority to Align with Anticipated Needs	-130.9	0.0	0.0	-130.9	0.0	0.0	0.0	0	0	0	
Interagency (I/A) Receipt authority was needed in previous years for TransAlaska Pipeline work that was funded via RSA from the Alaska Energy Authority. That work is no longer being done. This decrement reduces only a portion of the component's I/A Receipt authority. The remaining balance will be used for an anticipated RSA from the Alaska Railroad to provide cleanup oversight for the Railroad's contaminated site in Anchorage.													
		1007 I/A Rcpts (Other)	-130.9										
	Dec	FY2006 Reduce USTRFLF Authority due to Termination of Financial Assistance Activities	-819.8	0.0	-187.7	-602.8	-14.3	-15.0	0.0	0.0	0	0	0
Financial assistance activities for underground storage tanks are no longer being done. No more grants will be issued and no requests for loans have been received, therefore, this funding is no longer needed.													
		1079 Tank RLF (DGF)	-819.8										
	Dec	FY2007 Reduce Excess Federal Authorization	-230.0	0.0	-15.0	-185.0	0.0	-30.0	0.0	0.0	0	0	0
Each year, contaminated sites operating budget estimates the amount of federal authorization that will be needed													

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	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Spill Prevention and Response (continued)												
Contaminated Sites Program (continued)												
FY2007 Reduce Excess Federal Authorization (continued) annually for site investigation and clean-up. A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.												
1002 Fed Rcpts (Fed)		-230.0										
FY2007 Reduce Excess Response Fund Authorization	Dec	-165.0	0.0	-43.3	-64.2	-48.5	-9.0	0.0	0.0	0	0	0
Each year, the contaminated sites operating budget contains a certain amount of contractual funding for unexpected spill cleanup activity. A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.												
1052 Oil/Haz Fd (DGF)		-165.0										
FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Thirty percent of the federal revenue received by the Contaminated Sites Program is EPA funding, which is a capped amount. Therefore, \$11.9 in federal receipts is not collectible. The Contaminated Sites Program does not have discretionary money in the operating budget to absorb this increase. For these reasons, a fund source change is requested.												
1002 Fed Rcpts (Fed)		-11.9										
1052 Oil/Haz Fd (DGF)		11.9										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-11.6	0.0	-11.6	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-11.6										
FY2013 Cleanup of Contaminated Sites	Inc	550.0	0.0	0.0	550.0	0.0	0.0	0.0	0.0	0	0	0
The Contaminated Sites program's federal funding currently exceeds its existing federal authority due to increases in grants from the Department of Defense, the EPA's Brownfield Program and the Federal Aviation Administration. The increased federal receipts authority would allow the Contaminated Sites program to accomplish additional priority cleanup work that would otherwise not be possible. This cleanup work would also help to create more private sector jobs through the use of contractual services. Additional cleanup work will help to reduce historical contamination, help to close exposure pathways (the means by which contamination may potentially reach humans or ecological receptors) and restore sites for reuse.												
1002 Fed Rcpts (Fed)		550.0										
FY2015 Contaminated Sites Increased Authority	Inc	959.5	0.0	0.0	959.5	0.0	0.0	0.0	0.0	0	0	0
The Contaminated Sites component has the opportunity to receive increased federal grant funding to perform contaminated site cleanup and oversight, but lacks federal receipt authority to receive the increased funding. The increased federal receipt authority would allow the Contaminated Sites program to accomplish additional priority cleanup work that would not otherwise be possible. This work includes state oversight of federal cleanup projects at sites such as Amchitka, Galena and Eielson Air Force Bases. This authority will also allow the program to conduct direct cleanup of certain private sites without responsible parties such as Sterling ZipMart, Hales Tesoro, and Badger Chevron.												
Additional cleanup work will help to reduce historical contaminated sites, help to close exposure pathways, and restore sites for reuse. Remediating contaminated sites benefits Alaskans by reducing risks to human health and the environment. This meets the Department's overall strategic framework to protect human health and the environment by conducting the cleanup, redevelopment, and management of contaminated sites in Alaska.												
1002 Fed Rcpts (Fed)		959.5										

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Spill Prevention and Response (continued)												
Contaminated Sites Program (continued)												
* Allocation Total *		152.2	0.0	-257.6	526.6	-62.8	-54.0	0.0	0.0	0	0	0
Industry Preparedness and Pipeline Operations												
FY2006 Reinstate Joint Pipeline Office Work and Positions	Inc	218.6	218.6	0.0	0.0	0.0	0.0	0.0	0.0	2	0	0
For several years Department of Natural Resources provided funding, via RSA, for the Joint Pipeline Office in Valdez. In FY2005, it was anticipated that funding for 2 positions, budgeted in the Division of Information and Administrative Services would be eliminated. As a result, in the FY2005 budget process a decrement was submitted to eliminate the funding and positions. However, funding remained available and the work continued in FY2005. It is anticipated that work will continue in FY2006. This request reinstates the funding and positions in the IPP component of Spill Prevention and Response.												
1007 I/A Rcpts (Other)		218.6										
FY2006 Uncollectible Federal Authority	Dec	-8.5	0.0	0.0	-8.5	0.0	0.0	0.0	0.0	0	0	0
In past years, the Bureau of Land Management contributed to the vehicle maintenance cost for the Joint Pipeline Office. They are no longer providing this funding, so the federal authority is not needed.												
1002 Fed Rcpts (Fed)		-8.5										
FY2007 Reduce Excess Response Funds	Dec	-260.0	0.0	0.0	-260.0	0.0	0.0	0.0	0.0	0	0	0
The IPP budget contains funding for research and development projects, made available from the Charter for Development of the Alaskan North Slope. A review of actual use of this funding has shown Authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.												
1052 Oil/Haz Fd (DGF)		-260.0										
FY2007 Reduce Excess Interagency Receipts	Dec	-145.0	-145.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
In FY 2006, Interagency Receipt authority was increased to accept funding provided by the Department of Natural Resources for the Joint Pipeline Office in Valdez. Funding, originally provided to conduct environmental monitoring and oversight of the Transalaska Pipeline and Valdez Marine Terminal, has been reduced for FY2007 and has no expected impact on performance.												
1007 I/A Rcpts (Other)		-145.0										
FY2007 Mitigate Declining Response Fund Revenues	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Revenues to the Prevention Account of the Oil and Hazardous Substance Release and Prevention Fund (Response Fund) come from a combination of cost recovery, fines, penalties, and settlements, investment income, and a 3-cent surcharge against each barrel of crude oil produced in the state. In recent years revenues have been declining and have reached a point that they can no longer sustain all core prevention, preparedness and response functions necessary to meet the division's mission to protect public health and the environment from oil and hazardous substance releases while fostering resource development and economic growth.												
Expenditures from the Response Fund must be reduced to preserve the integrity of the Fund. The Division of Spill Prevention and Response reviewed program budgets and has proposed a series of reductions, to multiple funding sources in the FY2007 Governor's proposed operating budget. These reductions align expenditure authority with average actual spending in recent years - more correctly reflecting core program needs - but do not bring expenditures in line with revenues.												
This transaction is proposed to replace Response Funds with Commercial Passenger Vessel Funds to maintain SPAR core programs and has no impact on the Commercial Passenger Vessel Environmental Compliance Program.												
1052 Oil/Haz Fd (DGF)		-350.0										
1166 Vessel Com (Other)		350.0										

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
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Spill Prevention and Response (continued)

Industry Preparedness and Pipeline Operations (continued)

FY2008 AMD: Additional Resources for Compliance Oversight and North Slope Flow Line Integrity	Inc	606.5	496.1	14.7	84.7	11.0	0.0	0.0	0.0	4	0	0
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The Alaska Department of Environmental Conservation (ADEC), under AS 46.03 and 46.04, provides regulatory oversight of oil and gas exploration, production, refining, transportation, and storage within Alaska, including protective standards for the construction and operation of certain oil pipelines.

Substantial revisions to the oil spill prevention regulations have recently been completed that subject multi-phase and produced water pipelines, generally referred to as flow lines, to new requirements for design, construction and operation. There are approximately 1,500 miles of these multi-phase pipelines within the State.

The primary focus of two Governor's amendments is for compliance oversight and integrity of North Slope flow lines. One provides funding in the Information and Administrative Services component for a civil investigator position tasked with focusing on civil investigation, compliance and enforcement of Alaskan oil and hazardous substance pollution control statutes and regulations for the oil and gas sector.

This amendment provides the Industry Preparedness and Pipeline Operations (IPP) component with additional inspection and engineering staff and appropriate equipment and training to:

- conduct engineering evaluations of flow lines to determine compliance with industry and regulatory standards;
- review operator flow line corrosion management programs;
- assess corrosion susceptibility and pipeline integrity of individual flow lines;
- conduct flow line technical field inspections;
- conduct compliance monitoring of flow line operations;
- verify adequacy of flow line integrity management programs;
- review and assess adequacy of leak detection systems for flow lines and crude oil transmission pipelines;
- conduct independent third party audits of flow line corrosion management programs;
- review and evaluate flow line design, construction and operation;
- increase inspection oversight for all spill prevention requirements for flow lines and oil exploration and production facilities, oil terminals and provide a greater regulatory presence; and,
- provide in-house expertise to the Department regarding this highly specialized engineering subject.

The IPP transaction includes one Environmental Program Specialist IV that will conduct and supervise all field inspection, compliance and verification activities for more than 1,500 miles of multi-phase flow lines and other spill prevention requirements for oil exploration and production facilities. Three engineering positions are included to conduct engineering evaluations of flow lines and other spill prevention requirements for oil exploration and production facilities and integrity assessment of pipelines and oil storage tanks. Aging infrastructure and new regulations combine to place an increased emphasis on the subject of corrosion management. This is a highly technical subject which can only be properly addressed by additional specialized engineering staff. Tank and pipeline leak detection systems also require highly specialized engineering knowledge.

Increased engineering and technical inspection support will allow ADEC to conduct independent audits of pipeline integrity programs to assess corrosion and ensure the integrity of flow lines and other regulated facilities. Arctic conditions generally dictate designs which make Alaska's pipeline systems configurations unique within the United States. Creating and maintaining in-house expertise is vital to ensure uninterrupted production of state resources.

This request also provides:

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Spill Prevention and Response (continued)												
Industry Preparedness and Pipeline Operations (continued)												
FY2008 AMD: Additional Resources for Compliance Oversight and North Slope Flow Line Integrity (continued)												
- Funding in the IPP component to allow engineering staff to consult with subject matter experts on distinct projects related to complex corrosion inspection data analysis and other highly technical regulatory compliance issues. Additionally, the engineering staff will conduct independent audits of pipeline integrity programs employed by the facility operators.												
- Funding in the IPP component for a DEC liaison officer to work with the Petroleum Systems Integrity Office (PSIO) Coordinator, located in the Department of Natural Resources. The coordinator is the lead official in exercising oversight supporting the sustained production and transportation of Alaska's oil and gas resources where these functions are not performed by any other agency.												
- The DEC liaison will work closely with the PSIO on petroleum infrastructure issues including maintenance and corrosion management. Moreover, the liaison officer is the primary point of contact for the department and will participate in identifying DEC's detailed statutory and regulatory authority and practices. This also includes identifying any gaps in statutes, regulations or oversight regarding oil and gas infrastructure activities.												
1004 Gen Fund (UGF)		606.5										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-13.9	0.0	-13.9	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-2.2										
1052 Oil/Haz Fd (DGF)		-10.4										
1166 Vessel Com (Other)		-1.3										
FY2012 Inter-Agency Receipts Authority Associated with HB 369 In-State Pipeline Coordination	IncM	121.1	93.1	9.3	11.2	7.5	0.0	0.0	0.0	0	0	0
The Department requests \$121.1 in Inter-Agency Receipts authority to receive funding from the Alaska Housing Finance Corporation (AHFC) for work related to HB 369 In-State Pipeline Coordination Team.												
HB 369 required the creation of the Joint In-State Gasline Development Team whose purpose will be to develop an in-state natural gas pipeline plan by July 1, 2011. This request would allow receipt of the funding designated for DEC as outlined in HB 369.												
1007 I/A Rcpts (Other)		121.1										
* Allocation Total *		518.8	662.8	10.1	-172.6	18.5	0.0	0.0	0.0	6	0	0
Prevention and Emergency Response												
FY2006 Reduction in Authorization	Dec	-150.0	-150.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-150.0										
FY2006 Additional Reduction in Authorization	Dec	-92.2	-92.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-92.2										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-17.3	0.0	-17.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-17.3										
* Allocation Total *		-259.5	-242.2	-17.3	0.0	0.0	0.0	0.0	0.0	0	0	0
Response Fund Administration												

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Spill Prevention and Response (continued)												
Response Fund Administration (continued)												
FY2006 Reduce Response Funds RSAs	Dec	-353.6	0.0	0.0	-353.6	0.0	0.0	0.0	0.0	0	0	0
Spill Prevention and Response funds, via RSA, work performed by other agencies such as contingency plan reviews, technical and clerical assistance to the State Emergency Response Commission (SERC) and administrative support to Local Emergency Planning Committees (LEPCs). Over the past few years, the amount of work required of other agencies has been reduced and the RSAs have decreased accordingly.												
1052 Oil/Haz Fd (DGF)		-353.6										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-2.1	0.0	-2.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-2.1										
* Allocation Total *		-355.7	0.0	-2.1	-353.6	0.0	0.0	0.0	0.0	0	0	0
Spill Prevention and Response												
FY2016 Spill Prevention and Response Reductions due to Efficiencies from Reorganization and Consolidation of Programs	Dec	-520.0	-400.0	0.0	-120.0	0.0	0.0	0.0	0.0	-4	0	0
Continued decline in crude oil production has resulted in a continued decline of surcharge receipts to the Prevention Account of the Response Fund. Expenditures from the Prevention Account now exceed revenues. This shortfall has been anticipated for many years, and crude oil production is not projected to increase sufficiently in the near future to cover current operating costs.												
Recognizing this revenue decline, DEC is taking measures to decrease spending from the Prevention Account. Spending reductions can only be accomplished by restructuring the Division of Spill Prevention and Response. That restructuring combines the Division's five components into one component, and it significantly redefines the State's approach to planning, preparing for and responding to spills. Greater synergy between planning and response can reduce expenses and improve service delivery to the regulated public without reducing protection of Alaska's natural environmental. It creates program efficiencies that reduce overall costs by 520.0 and eliminates four positions (one Analyst/Programmer, two Environmental Program Specialists, and one Office Assistant). In addition, several vacant positions were downgraded.												
1052 Oil/Haz Fd (DGF)		-520.0										
FY2016 AMD: Replace Federal Receipts with Interagency Receipts to Align Authority with Anticipated Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal receipts authority exceeds grant revenues available to the division. Additional interagency receipts are needed for Reimbursable Service Agreements (RSAs) coming to the division from the Department of Natural Resources and the Department of Military and Veterans Affairs. In prior years, the division has accounted for interagency funds as unbudgeted receipts. This is a status quo request that aligns budgeted authority with anticipated receipts.												
1002 Fed Rcpts (Fed)		-550.0										
1007 I/A Rcpts (Other)		550.0										
FY2016 Reduce Personal Services line by \$100.0	Dec	-100.0	-100.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1052 Oil/Haz Fd (DGF)		-100.0										
FY2017 Transfer Out FY2016 One-Time Salary Reductions to Unallocated in FY2017	IncM	13.1	13.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Cost of living adjustment for certain bargaining units: \$338.7

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Spill Prevention and Response (continued)												
Spill Prevention and Response (continued)												
FY2017 Transfer Out FY2016 One-Time Salary Reductions to Unallocated in FY2017 (continued)												
Year three cost of living adjustment for non-covered employees - 2.5%: \$229.0												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$109.7												
1004 Gen Fund (UGF)		13.1										
FY2017 Fund Source Change from General Funds to the Prevention Account	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The \$478.5 in unrestricted general funds in the Division of Spill Prevention and Response (SPAR) supports the Pipeline Integrity and Engineering section that provides engineering assessments of regulated facilities to ensure the structural integrity and safety of pipelines and storage tanks throughout the state. This work is consistent with and integral to SPAR's mission and core services, and is an allowable use of the Prevention Account of the Oil and Hazardous Substance Release Prevention and Response Fund.												
The Department requests a fund source change from unrestricted general funds to the Prevention Account in order to maintain this vital program. In recent years there was concern about the solvency of the Prevention Account and it made sense to pay for this program with general funds. The Department projects that with revenues from the new surcharge on refined fuels, in addition to the decrements taken in FY2016, there will be sufficient funds in the Prevention Account for this fund source change.												
1004 Gen Fund (UGF)		-478.5										
1052 Oil/Haz Fd (DGF)		478.5										
FY2018 Reallocate Uncollectible Interagency Receipts to the Division of Administration	Dec	-400.0	-100.0	-50.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
The reallocation of interagency receipt authority from the Division of Spill Prevention and Response to the Division of Administration will bring the Department's budget closer in line with actual spending and reduce the need for unbudgeted reimbursable service agreements (RSAs) in the Administrative Services component. This is a technical adjustment and has no impact on services to the public.												
1007 I/A Rcpts (Other)		-400.0										
FY2019 Replace Interagency Receipt with Capital Improvement Project Receipt Authority	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Replace interagency receipt authority (I/A) with capital improvement project receipt authority (CIP) to allow the Division of Spill Prevention and Response to have fewer unbudgeted reimburseable service agreements funded by appropriations in the capital structure.												
1007 I/A Rcpts (Other)		-60.0										
1061 CIP Rcpts (Other)		60.0										
FY2019 Reduce Uncollectible Authority	Dec	-691.5	-451.5	0.0	-240.0	0.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectable receipt authority will bring the Department's budget closer in line with actual spending.												
1002 Fed Rcpts (Fed)		-451.5										
1007 I/A Rcpts (Other)		-240.0										
* Allocation Total *		-1,698.4	-1,038.4	-50.0	-610.0	0.0	0.0	0.0	0.0	-4	0	0
** Appropriation Total **		-1,634.0	-607.4	-318.7	-609.6	-44.3	-54.0	0.0	0.0	2	0	0

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	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water												
Water Quality												
FY2006 Eliminate Funding for One PFT Position House Subcommittee recommendation.	Dec	-75.0	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
1004 Gen Fund (UGF)		-75.0										
FY2006 Ch. 95, SLA 2005 (SB 110) Pollution Discharge & Waste Treatment/Disposal	FisNot	874.2	411.1	79.0	281.4	13.0	89.7	0.0	0.0	13	0	0
1004 Gen Fund (UGF)		874.2										
FY2007 Second Year Implementation of the Fiscal Note for SB 110 - NPDES Wastewater Discharge Permitting Program	Inc	673.7	452.2	19.0	272.7	0.0	-70.2	0.0	0.0	0	0	0
Implement second year of the fiscal note for SB110, NPDES Primacy. First year program costs are less than the second year and continuing costs as program activities ramp up. The fiscal note's first year reflected this, containing funding for only 1/2 year of staff and program cost. This transaction continues implementation of the fiscal note by adding the balance of funding necessary to obtain and implement a full primacy program in the second year. NPDES primacy supports and enhances the department's end result for protection of the environment through state regulated protection of water quality.												
1004 Gen Fund (UGF)		673.7										
FY2007 Third Year Implementation of the Fiscal Note for HB546 (FY05) Related to the Regulation of Timber under NPDES	Dec	-263.9	0.0	-14.0	-244.9	-2.0	-3.0	0.0	0.0	0	0	0
Implement third year Fiscal Note reduction for HB546 - Timber NPDES. This transaction has no expected impact on performance.												
1002 Fed Rcpts (Fed)		-235.0										
1004 Gen Fund (UGF)		-28.9										
FY2007 Reduce Excess Authority for Commercial Passenger Vessel Enforcement and Compliance Program	Dec	-125.3	0.0	0.0	-125.3	0.0	0.0	0.0	0.0	0	0	0
A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance..												
1166 Vessel Com (Other)		-125.3										
FY2007 Reduce Travel Expenditures	Dec	-12.4	0.0	-12.4	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-12.4										
FY2008 PERS adjustment of unrealizable receipts	Dec	-70.3	-70.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm (DGF)		-70.3										
FY2008 Implementation of Ocean Ranger Program	Inc	2,500.0	0.0	0.0	0.0	0.0	0.0	0.0	2,500.0	2	0	0
This transaction implements the Cruise Ship Ballot Initiative. The initiative passed in August, 2006, requires DEC to develop and maintain a new permit program for Large Commercial Passenger Vessels ("cruise ships") to replace the current program for regulating these vessels. It would also require DEC to place marine engineers ("Ocean Rangers") licensed by the Coast Guard on the cruise ships to monitor compliance with State and Federal environmental laws. Two marine engineers working alternating twelve-hour shifts would be placed on each cruise ship operating in Alaska waters.												
The greatest challenge for implementation of the ballot measure is hiring experienced, licensed Ocean Rangers. These are likely to be specialized marine engineers in short supply in Alaska. Contracting them, initially phasing in both the workers and their on-board shifts, is likely. Revised regulations, permits, and new databases/on-line permit applications must be developed.												

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Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Water (continued)												
Water Quality (continued)												
FY2008 Implementation of Ocean Ranger Program (continued)												
Effective 12/2006, the initiative requires DEC to set up and run the Ocean Ranger program. The initiative also contains language permitting civilian suits if the program is not implemented. Funding, provided through a \$4/berth head tax (estimated 3.6 million to be deposited to the Commercial Passenger Vessel Fund), is approx 2.0 million less than the estimated cost of the program (5.6 million). The CPVF does not contain resources to cover the shortage but, other fees imposed by the ballot initiative have the potential to generate and estimated 18.0 million or more in excess revenues to the State. This transaction provides the 2.0 million dollar balance of funding needed to implement the program from the general fund.												
		1166 Vessel Com (Other) 2,500.0										
FY2008 CC: Reduce Implementation of Ocean Ranger Program	Dec	-1,300.0	0.0	0.0	0.0	0.0	0.0	0.0	-1,300.0	-2	0	0
Funding for FY07 Summer												
		1166 Vessel Com (Other) -1,300.0										
FY2009 Implementation of the Ocean Ranger Program	Inc	2,600.0	0.0	0.0	2,600.0	0.0	0.0	0.0	0.0	0	0	0
The citizens of Alaska adopted Ballot Measure 2 during the fall of 2006. The new statutes require implementation of an Ocean Ranger Program - marine engineers licensed by the U.S. Coast Guard to serve as independent observers on board large cruise ships to monitor compliance with state and federal requirements for marine discharge and pollution and to ensure that passengers, crew and residents at port are protected from improper sanitation and health and safety practices. The statute also includes a citizen's suit provision whereby citizens can bring suit against the cruise ship companies and against the Department for failure to implement the new law.												
During the 2007 cruise ship season, the Department implemented a transitional program that included development of initial inspection protocols and checklists; analysis of training needs and initial development of an Ocean Ranger training program; and an on-board presence by environmental professionals and marine engineers on portions of 114 voyages. All 27 cruise ships regularly operating in Alaska waters were boarded at least once.												
During the 2008 cruise ship season, the Department proposes to increase vessel oversight by Ocean Rangers to the fullest extent funded by Ballot Measure 2. Ballot Measure 2 included a new \$4/berth fee to support the Ocean Ranger Program. The Department estimates that this fee will collect approximately \$3.8 million/year which is deposited into the Commercial Passenger Vessel Environmental Compliance Fund (CPVECF). The Department's base budget from the CPVECF for the Ocean Ranger program (beginning in FY 08) is \$1.2 million. In addition to the base budget of \$1.2 million, the Department is requesting a \$2.6 million increment in FY 09 from the CPVECF for a total annual appropriation of \$3.8 million - the equivalent of projected annual fee receipts.												
		1166 Vessel Com (Other) 2,600.0										
FY2009 AMD: Increase Authorization for Ocean Ranger Program	Inc	200.0	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
The citizens of Alaska adopted Ballot Measure 2 during the fall of 2006. The new statutes require implementation of an Ocean Ranger Program - marine engineers licensed by the U.S. Coast Guard to serve as observers on board large cruise ships to monitor state and federal requirements for marine discharge and pollution and to ensure that passengers, crew and residents at port are protected from improper sanitation and health and safety practices.												
The new statutes include a citizen's suit provision whereby they can bring suit against the Department for failure to implement the statutes. The Department is currently working on implementing the Ocean Ranger Program, and is in the process of negotiating a contract with Crowley Marine Services, Inc. to provide Ocean Ranger services.												

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Numbers and Language

Agency: Department of Environmental Conservation

Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
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Water (continued)

Water Quality (continued)

FY2009 AMD: Increase Authorization for Ocean Ranger Program (continued)

Although the contract will be flexible in that the program can be adjusted to match the actual receipts and/or the amount appropriated of the \$4/berth fee. Current revenue projections are estimated to be \$4,000.0. This request will bring the amount of funding available to the program in line with the current revenue projections which will allow DEC to implement the Ocean Ranger program to the fullest extent possible based upon legislative appropriation.

1166 Vessel Com (Other)	200.0												
FY2009 Personal Services Reduction to Eliminate Long-Term Vacant Positions		Dec	-231.0	-231.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)	-231.0												
FY2009 Create and Use a Fund Source Code to Enable Tracking of Ocean Ranger Revenues and Expenditures		FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1166 Vessel Com (Other)	-4,000.0												
1205 Ocn Ranger (Other)	4,000.0												
FY2010 Provide oversight of activities associated with Increased Mining Activity		Inc	145.0	145.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Additional Inter-Agency receipts authority is needed for the oversight of increased mining activities. The mining activities in the State of Alaska have increased considerably during the last couple of years and are expected to continue to increase. This request will allow the Division of Water to fund full-time and part-time Environmental Engineer positions to provide oversight of the mining program.													
1007 I/A Rcpts (Other)	145.0												
FY2011 Reduce general fund travel line item by 10 percent.		Dec	-18.5	0.0	-18.5	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)	-0.8												
1004 Gen Fund (UGF)	-7.9												
1005 GF/Prgm (DGF)	-1.5												
1166 Vessel Com (Other)	-1.2												
1205 Ocn Ranger (Other)	-7.1												
FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance		FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
No additional federal dollars are available.													
1002 Fed Rcpts (Fed)	-59.4												
1005 GF/Prgm (DGF)	59.4												
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase		FisNot	1.7	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : \$1.7													
1004 Gen Fund (UGF)	1.7												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases		FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A major portion of the federal receipts budgeted in this component comes from the Environmental Protection Agency's grant for the Nonpoint Source Management Program of the Federal Clean Water Act. The funding for													

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases (continued)												
this federal grant has declined 17% since 2003. Due to this reduction, any additional increase in personal services cost from federal receipts cannot be realized. The federal grants for this program have not increased to absorb this additional cost. In order to address this deficit, the Department requests a fund source change to GFPR to cover these increased personal services costs. An increased GFPR collection is possible as a result of 2009 fee increases in the domestic wastewater systems program, which has since seen annual increases in collections due to permit renewals and collections on past due accounts.												
1002 Fed Rcpts (Fed)		-65.0										
1005 GF/Prgm (DGF)		65.0										
FY2012 Increase GFPR Authorization for Mining Permit Fees	IncM	47.4	0.0	0.0	47.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
The Department of Environmental Conservation requests a fund source change of \$47.4 from Statutory Designated Program Receipts (SDPR) to General Fund Program Receipts (GFPR). AS 37.10.052 allows the negotiation of fees with mining companies for water quality permit work. These fees are accounted for under SDPR. The recent trend is that the majority of these permits are now based on established fees and are therefore collected as GFPR. The Department proposes to transfer \$47.4 of this authority to GFPR where permitting fees are currently collected. The program will retain \$30.0 SDPR to cover potential negotiated mining contracts.												
1005 GF/Prgm (DGF)		47.4										
FY2012 Reduce SDPR Authorization for Mining Permit Fees	Dec	-47.4	0.0	0.0	-47.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0
The Department of Environmental Conservation requests a fund source change of \$47.4 from Statutory Designated Program Receipts (SDPR) to General Fund Program Receipts (GFPR). AS 37.10.052 allows the negotiation of fees with mining companies for water quality permit work. These fees are accounted for under SDPR. The recent trend is that the majority of these permits are now based on established fees and are therefore collected as GFPR. The Department proposes to transfer \$47.4 of this authority to GFPR where permitting fees are currently collected. The program will retain \$30.0 SDPR to cover potential negotiated mining contracts.												
1108 Stat Desig (Other)		-47.4										
FY2012 Contractual Assistance to the On-Site Wastewater Discharge Program	Inc	60.0	0.0	0.0	60.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
The Department requests \$60.0 in GFPR in order to provide contractual assistance to the On-Site Waste Water Discharge program in the Matanuska-Susitna Borough (Mat-Su) Office.												
Communities in the Mat-Su rely almost exclusively on disposal of septic and industrial wastewater to the subsurface, with potential to pollute groundwater. Timely review of engineering plans and approval to construct and operate septic systems are critical to housing and business development. Roughly 40% of the plans received by the program are from the Mat-Su area. The Department proposes to use a contract engineering firm to augment existing staff's ability to monitor these systems in the Mat-Su Valley. Currently some drinking water system plans are not being reviewed due to lack of engineers in the program. With faster turnaround of the review requests, additional receipts will be generated to offset the cost.												
1005 GF/Prgm (DGF)		60.0										
FY2012 Reduce Ocean Ranger Funds to More Accurately Reflect Levels of Funding	Dec	-620.1	0.0	0.0	-620.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1205 Ocn Ranger (Other)		-620.1										
FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	20.0	0.0	5.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM (continued)												
1004 Gen Fund (UGF)		20.0										
FY2012 DID NOT PASS: (HB 106) COASTAL MANAGEMENT PROGRAM	FisNot	-20.0	0.0	-5.0	-15.0	0.0	0.0	0.0	0.0	0	0	0
This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.												
1004 Gen Fund (UGF)		-20.0										
FY2013 Alaska Pollutant Discharge Elimination System Primacy	Inc	372.1	0.0	0.0	372.1	0.0	0.0	0.0	0.0	0	0	0
The Department of Environmental Conservation (DEC) is assuming the responsibility for all oil and gas wastewater discharge permitting from the Environmental Protection Agency (EPA). The final phase of transfer of authority is for the Alaska Pollutant Discharge Elimination System (APDES) program. This funding will support this new workload, combined with the increase in activity already being seen. As exploration projects move into production, new production-based permits will need to be issued. These projects are highly complex, requiring an expert level permit writer whose permits are expected to be subjected to scrutiny and legal challenge. DEC will contract for this support.												
The increase in oil and gas lease sales and exploration activities in Alaska brings a corresponding increase in wastewater discharge permitting activities and workload. DEC is seeing an increase in applications for permitting for exploration projects. For example, recently a new oil rig was added to the Cook Inlet platforms for the first time in many years, and the Department expects more to be added in that area. Another example is potential shale oil projects on the North Slope that will require review for waste water discharge permits. The proposed project at Point Thomson is another example of a project that requires significant resources and numerous wastewater discharge permits from the Division of Water. These are the new projects that the Department is working on now, and with recent oil and gas lease sales and national interest in energy resources, we foresee even more work.												
On October 31, 2008, the EPA approved the State's application to administer the National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program. The State's program is called the APDES. DEC is responsible for wastewater permitting and compliance for discharges to surface waters. As part of the application process, DEC projected the resources needed to implement the program based on information known at that time (2006). Based on the experience implementing the program since October 2008, DEC has identified additional resources needed to support permitting the increase in permit work. The Department has identified a three-phase approach: Phase 1: Oil and Gas Permitting, Phase 2: Industrial Permitting and Phase 3: Antidegregation. This will fund Phase 1.												
1004 Gen Fund (UGF)		372.1										
FY2013 Mine Permitting	Inc	200.0	188.0	0.0	12.0	0.0	0.0	0.0	0.0	0	0	0
Inter-agency receipts authority (I/A) is needed to account for mining receipts from the Department of Natural Resources.												
These funds are reimbursement from the Department of Natural Resources to pay for the permitting work related to mining projects by mining engineers. The current budget authority is not sufficient to budget all RSAs and is resulting in unnecessary administrative and accounting burden to staff. The proposed request will streamline and bring efficiency to the management and accounting of these receipts.												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2013 Mine Permitting (continued)												
1007 I/A Rcpts (Other)		200.0										
FY2014 Permitting for Oil and Gas Development	Inc	278.5	125.0	10.0	141.5	2.0	0.0	0.0	0.0	1	0	0
<p>One permitting position and additional contractual assistance is needed in order to issue timely resource development permits. The Department of Environmental Conservation's (Department) administration of the Alaska Pollutant Discharge Elimination System (APDES) is well under way (assumption of primacy from the Environmental Protection Agency (EPA)). On October 31, 2012, the Department took responsibility for the final and most complex phase which includes oil and gas, cooling water intake structures, munitions, and other previously unregulated discharges (e.g., pesticides). The Department received an increment of \$372.1 in FY2013 to support preparation for this final phase and to start addressing increased oil and gas activities. This additional amount will address new permitting needs that have arisen rapidly in the past year in the oil and gas sector, as well as anticipated sustained growth in this sector.</p> <p>Oil and gas exploration has increased rapidly, with new or expanded applications for oil and gas Individual Permits (IPs) from project proponents occurring frequently. New forms of oil and gas extraction, such as shale oil exploration using hydraulic fracturing, require new General Permits (GPs). Development and maintenance of new and existing permits is taxing the APDES program due to the changing technical and legal landscape associated with these new oil and gas methods.</p> <p>Legal challenges associated with resource development permits are routine and are expected to increase as the Department assumes responsibility for oil and gas permitting. The EPA has been challenged on major oil and gas permitting actions, and recent activity in the Arctic and Cook Inlet indicates that these challenges will increase. Contractual assistance is invaluable in assisting the Department with the preparation of the administrative record for these high-profile permits, including preparation of backup documentation and responses to extensive comments received during public notice. These robust records are needed to defend these permits should they be challenged. This work by contractors frees the Department's in-house staff to focus their efforts on advancing new permits expeditiously.</p> <p>A backlog of expired permits was inherited from the EPA on October 31, 2012, when the Department took responsibility for ten important expired oil and gas permits, as well as new facilities that need permits. Without additional staff, projections show that the Department will fall further behind and the backlog of expired or un-issued oil and gas permits will increase. With this additional funding, the oil and gas backlog is expected to be zero by FY2017.</p> <p>Full-time Environmental Engineer II position (18-#011) range 23, located in Anchorage</p>												
1004 Gen Fund (UGF)		271.5										
1005 GF/Prgm (DGF)		7.0										
FY2014 Ch. 11, SLA 2013 (HB 4) ALASKA GASLINE DEVELOPMENT CORP; RCA	FisNot	236.2	204.0	5.0	12.2	15.0	0.0	0.0	0.0	2	0	0
<p>New Version - This one page fiscal note reflects the fiscal impact to the Department of Environmental Conservation, Water Quality allocation and appropriates the new In-State Natural Gas Pipeline Fund as designated by the Alaska Gasline Development Corporation.</p>												
1229 AGDC-ISP (Other)		236.2										
FY2014 Ch. 12, SLA 2013 (SB 27) REGULATION OF DREDGE AND FILL ACTIVITIES	FisNot	1,434.7	495.4	22.3	879.5	37.5	0.0	0.0	0.0	5	0	0

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Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2014 Ch. 12, SLA 2013 (SB 27) REGULATION OF DREDGE AND FILL ACTIVITIES (continued)												
Not applicable, initial version.												
1004 Gen Fund (UGF)		1,434.7										
FY2015 Remove Funding Associated with State Primacy for Dredge and Fill Activities	Dec	-1,434.7	-495.4	-22.3	-879.5	-37.5	0.0	0.0	0.0	-5	0	0
1004 Gen Fund (UGF)		-1,434.7										
FY2015 Fund source change from In-state Natural Gas Pipeline Fund (1229) to Instate Natural Gas Pipeline Fund I/A (1232)	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Code 1232 is a newly created code designed to meet accounting requirements for separation of the Alaska Gasline Development Corporation (AGDC) budget from money spent by other agencies at the request of AGDC. This is one of two fund codes that access the in-state pipeline fund established with the adoption of HB4 during the 2013 session. (The other is code 1229.)												
Fund code 1229 should be used only to record the operating budget of the AGDC. Code 1232 should be used only to record AGDC's purchases of services from other state agencies. Agencies can spend code 1232 only as specified in a reimbursable services agreement signed by the corporation. Funding for RSAs will be drawn from the fund without appearing in the operating budget of AGDC.												
1229 AGDC-ISP (Other)		-222.3										
1232 ISPF-I/A (Other)		222.3										
FY2016 AMD: Water Quality Reductions due to Efficiencies from Reorganization of Administrative Functions	Dec	-95.0	-95.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Division of Water will reorganize and consolidate its administrative functions, which will improve efficiency and reduce use of general funds.												
This eliminates an Accountant III position responsible for monitoring permit fee collections and conducting a routine fee study to adjust the fee rates, as required by statute. These tasks will be absorbed by the remaining staff in the administrative section of the Division. This reduction will have minimum impact on the delivery of direct services to the public.												
1004 Gen Fund (UGF)		-95.0										
FY2016 AMD: Delete Environmental Program Manager III Position Associated with Federal 404 Permitting	Dec	-103.4	-103.4	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
The Water Quality component will be reduced \$103.4 in general funds and eliminate one position with some reduction in services.												
The 2013 Legislature passed Senate Bill 27 (SB27) that directed the Department, along with the Department of Natural Resources, to analyze the potential for State primacy of the Clean Water Act Section 404 wetlands program. Both agencies began gathering information and working with the Army Corps of Engineers (Corps) and EPA to improve the existing Corps 404 permitting process in the state. The budget that accompanied SB27 was cut during the 2014 legislative session while the enabling legislation remains intact. This has substantially slowed the State's efforts towards assumption.												
On a time-available basis, the Department has been completing tasks that were in progress in FY2014. This has focused on identifying efficiencies the Corps and EPA could implement to improve the existing 404 permitting												

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Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2016 AMD: Delete Environmental Program Manager III Position Associated with Federal 404 Permitting (continued) process in Alaska. The Department will cease this work in FY2016, and eliminate an Environmental Program Manager III.												
1004 Gen Fund (UGF)		-103.4										
FY2017 Replace General Funds with Program Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Wastewater discharge will review fees that are established under AS 37.10.052 which will require a review at least once every four years. This fee study process calculates the actual program expenses, and updated fees are proposed based on the findings. These fees may not exceed the average reasonable direct cost incurred.												
The Water Quality component is currently undergoing this fee study and anticipate new fee regulations will be proposed, subject to public notice, review, and comment, before the end of the current fiscal year. Based on early estimates, Water Quality will require additional general fund program receipt authority in FY2017 as a result of the fee study. The Department requests a fund source change of \$400.0 from unrestricted general funds to general fund program receipts.												
1004 Gen Fund (UGF)		-400.0										
1005 GF/Prgm (DGF)		400.0										
FY2017 Dissolve the Technical Services Program	Dec	-700.2	-700.2	0.0	0.0	0.0	0.0	0.0	0.0	-6	0	0
The Technical Services program in the Water Quality component provides support to the entire division. This program is primarily responsible for coordinating outreach to communities as well as local and tribal governments, working extensively on division regulations projects, and providing IT services. Water Quality will dissolve this program in FY2017 through deletion of positions and a reorganization of work and reporting structure.												
Three positions from this program will be deleted including the Environmental Program Manager, Program Coordinator, and an Environmental Program Specialist IV. The supervision of remaining program staff will be reassigned to other programs, and the IT section will report directly to the Division Director. These reductions and changes will primarily result in less public outreach efforts by the division and a slowdown in regulations packages.												
In addition, the Stormwater and Wetlands section in the Wastewater Discharge Authorization program will delete an Environmental Program Specialist III with anticipated minimal impact to the public.												
The Water Quality component will also delete two Office Assistant positions in the Anchorage and Juneau offices and existing administrative staff will take on this work. This will impact the processing of applications and payments, as well as phone answering at certain times of the day in both locations.												
1004 Gen Fund (UGF)		-700.2										
FY2017 AMD: Delete Two Positions due to Reorganizing Management Supervision	Dec	-362.1	-362.1	0.0	0.0	0.0	0.0	0.0	0.0	-2	0	0
The Department would implement the \$362.1 FY2017 unallocated reduction by reorganizing management supervision in the Water Quality component in the Division of Water.												
The Environmental Program Manager III in Juneau currently oversees four program managers, was integral in the development of the Alaska Pollutant Discharge Elimination System (APDES), and supported reporting to the EPA on Nonpoint Source and Water Quality Standards. The APDES program has now matured to a point where the Department is seeing efficiencies and improved communication. The division director will now have seven direct reports. There will be an increased workload on the director and these direct reports.												

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Numbers and Language

Agency: Department of Environmental Conservation

<u>Trans</u>	<u>Total</u>	<u>Personal</u>					<u>Capital</u>						
<u>Type</u>	<u>Expenditure</u>	<u>Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>		

Water (continued)

Water Quality (continued)

FY2017 AMD: Delete Two Positions due to Reorganizing Management Supervision (continued)

The Engineer II in the Wasilla office provides support for the Engineering Support and Plan Review (ESPR) section. This position provides high-level engineering expertise to the Wastewater Discharge Authorization program, especially in the areas of onsite sewage treatment systems and compliance, and assists with regulations changes and program development.

ESPR reviews and approves plans for onsite septic systems throughout the State. This is already a lean program given the statewide workload. The workload of this position will shift to the remaining staff in the program, and a slowdown in turnaround times on plan review is possible, which could directly impact homeowners. An additional slowdown in program development could occur, increasing the time required to implement efficiencies in this program.

FY2017 December Budget: \$15,502.7
FY2017 Total Amendments: -\$362.1
FY2017 Total: \$15,140.6

1004 Gen Fund (UGF) -362.1

FY2018 Replace General Funds with Program Receipts	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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All fees established under AS 37.10.052 require a review at least once every four years. This fee study process calculates the actual program expenses, and updated fees are proposed based on the findings. These fees may not exceed the average reasonable direct cost incurred.

The Water Quality component completed the most recent fee study in FY2016 and new fee regulations have been proposed, subject to public notice, review, and comment. It is estimated Water Quality will receive \$800.0 additional general fund program receipts in FY2018 as a result of the revised fees, and so the Department requests a fund source change of \$800.0 from unrestricted general funds to general fund program receipt authority.

Water Quality does not currently have sufficient program receipt authority for the projected additional fees in FY2018. Without this fund source change, the Department will be forced to lapse excess fee collections and continue to rely on a general fund subsidy to support its regulatory programs.

1004 Gen Fund (UGF) -800.0
1005 GF/Prgm (DGF) 800.0

FY2018 Reduce Uncollectible Statutory Designated Program Receipts	Dec	-15.0	0.0	0.0	-15.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.

1108 Stat Desig (Other) -15.0

FY2018 Reduce Travel and Contractual for APDES Permitting and Compliance	Dec	-58.8	0.0	-8.8	-50.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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The Water Quality component will reduce unrestricted general funds by \$58.8 by scaling back on funding for the Alaska Pollutant Discharge Elimination System (APDES) permitting and compliance program to travel and contract out for technical assistance. This will have an impact on services to the public and the State's ability to assure the protection of its waterbodies.

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06-19GIncdcf Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Water Quality (continued)												
FY2018 Reduce Travel and Contractual for APDES Permitting and Compliance (continued)												
Travel, especially to remote permitted facilities, can be costly, and this reduction will result in fewer compliance inspections outside of Alaska's population centers of permitted facilities discharging wastewater. Fewer contracts will impact the Department's ability to bring in technical expertise, particularly on complex permits. This will result in a longer turnaround time on permits as in-house staff have to gain the specialized expertise.												
1004 Gen Fund (UGF)		-58.8										
* Allocation Total *		4,090.4	-110.0	59.3	2,896.6	28.0	16.5	0.0	1,200.0	6	0	0
Facility Construction												
FY2006 Operating Cost of Administering Capital Projects - Municipal Water, Sewer and Solid Waste Matching Grants	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Technical fund source change to reflect shift of administrative costs associated with Municipal Water, Sewer and Solid Waste Matching Grants from loan funds to capital project funds.												
1061 CIP Rcpts (Other)		365.0										
1075 Cln Wtr Fd (Other)		-182.5										
1100 Drk Wtr Fd (Other)		-182.5										
FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit	FisNot	8.2	8.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts (Other)		5.2										
1075 Cln Wtr Fd (Other)		1.5										
1100 Drk Wtr Fd (Other)		1.5										
FY2007 Technical Fund Source Correction - Alaska Drinking Water Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal funding is currently received through the Alaska Drinking Water Fund (ADWF) and budgeted as ADWF in the operating budget. This isn't appropriate and makes accounting for grants more difficult than it needs to be. This transaction provides a technical fund source correction, switching ADWF for Federal Receipts and has no expected impact on performance.												
1002 Fed Rcpts (Fed)		403.2										
1100 Drk Wtr Fd (Other)		-403.2										
FY2007 Technical Fund Source Correction - Alaska Clean Water Fund	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Federal funding is currently received through the Alaska Clean Water Fund (ACWF) and budgeted as ACWF in the operating budget. This isn't necessary and makes accounting for grants more difficult than it needs to be. This transaction provides a technical fund source correction, switching ACWF for Federal Receipts and has no expected impact on performance.												
1002 Fed Rcpts (Fed)		276.6										
1075 Cln Wtr Fd (Other)		-276.6										
FY2007 Remote Maintenance Worker Increased Funding	Inc	120.0	0.0	6.0	10.0	4.0	0.0	100.0	0.0	0	0	0
Remote Maintenance Worker (RMW) grants have not been increased for several years, while fuel and other expenses continue to rise. Federal funding is available to offset these increasing costs, but require a 25% state match. This transaction will allow RMW grantees and the Department to continue to provide the current level of service to communities.												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Water (continued)												
Facility Construction (continued)												
FY2007 Remote Maintenance Worker Increased Funding (continued)												
Funding will protect the environment and citizens from unsafe sanitary practices (the department's two end results) by maintaining grants to communities to train remote maintenance workers and sustain village utility infrastructure.												
1002 Fed Rcpts (Fed)		90.0										
1003 G/F Match (UGF)		30.0										
FY2008 Operator Certification Program Funding Change	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Until FY2008, the Operator Certification program has been 100% funded through a federal grant. That grant is no longer available but has been replaced by federal funding requiring a 50% State match. This transaction reduces federal authorization and increases general fund authorization to accommodate the new match requirement.												
The transaction does not increase the program but maintains the current level of service to to over 1,000 public water and wastewater utilities and approximately 3000 currently certified operators, and provides testing services for individuals hoping to enter the field. These activities ensure that water and wastewater facilities are operated by competent and certified individuals.												
1002 Fed Rcpts (Fed)		-92.5										
1003 G/F Match (UGF)		92.5										
FY2011 Federal Resources for Public Water Systems Operator Certification and Training	Inc	240.0	87.0	0.0	150.0	3.0	0.0	0.0	0.0	1	0	0
To protect public health, Department regulations (18 AAC 74) require that public drinking water systems have operators trained and certified at a level commensurate with the complexity of the of the system. There are over 640 systems subject to these regulations. Approximately 240 systems (38%) are out of compliance with the operator certification requirements. Those 240 systems are under the control of individuals who may not be properly trained and lacks the proper certification. This situation is more common in the small systems, where operator turnover is high. Untrained or poorly trained operators in control of public water supply systems represent a significant threat to public health. The proposed increment will provide staff resources as well as contractual support to provide training and certifications of the remaining small system operators.												
1002 Fed Rcpts (Fed)		240.0										
FY2011 Federal Resources for Remote Maintenance Worker Program	Inc	150.0	0.0	0.0	0.0	0.0	0.0	150.0	0.0	0	0	0
Funding is requested to match additional federal resources available to the Remote Maintenance Worker program to maintain their ability to deliver operations and maintenance support services to rural communities in order to prevent catastrophic failures and help sustain water and wastewater infrastructure.												
In FY09, 68.7% of regulated systems were in compliance with water supply system operator certification requirements, an increase of 10% since FY06. In order to provide operations and maintenance support and emergency response services to public water and sewer systems, grant funds are distributed to seven regional health corporations who, in turn, provide Remote Maintenance Workers (RMW) to perform these services. This program is heavily reliant on travel, which has seen dramatic cost increases over the past two years. It has been demonstrated that the routine and regular on-site presence of the RMWs prevents catastrophic failures and helps sustain the water and wastewater infrastructure in rural Alaska. The assistance provided by RMWs increases the exam success rate among rural operators which improves compliance with the operator certification requirements, this in turn increases protection of human health.												
1002 Fed Rcpts (Fed)		112.5										

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Facility Construction (continued)												
FY2011 Federal Resources for Remote Maintenance Worker Program (continued)												
1003 G/F Match (UGF)		37.5										
FY2011 Reduce general fund travel line item by 10 percent.	Dec	-2.3	0.0	-2.3	0.0	0.0	0.0	0.0	0.0	0	0	0
1003 G/F Match (UGF)		-1.6										
1004 Gen Fund (UGF)		-0.6										
1005 GF/Prgm (DGF)		-0.1										
FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase	FisNot	3.2	3.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2011 Noncovered Employees Year 1 increase : \$3.2												
1002 Fed Rcpts (Fed)		1.1										
1061 CIP Rcpts (Other)		2.0										
1075 Cln Wtr Fd (Other)		0.1										
FY2012 Correct Unrealizable Fund Sources for Personal Services Increases	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
A major portion of the federal receipts budgeted in this component comes from the Environmental Protection Agency's Remote Worker Maintenance grants. The federal grants for this program have not increased to absorb this additional cost. In order to address this deficit, the Department requests a fund source change to GFPR to cover these increased personal service costs. Based on the GFPR collections in the last three years, where collection has exceeded or met authorization levels, additional authority would allow the Division to realize this revenue.												
1002 Fed Rcpts (Fed)		-25.1										
1005 GF/Prgm (DGF)		26.9										
1075 Cln Wtr Fd (Other)		-1.8										
FY2012 Fund Source Change from Alaska Clean Water Fund to Federal Receipts for the Alaska Clean Water Fund Grant	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The Department of Environmental Conservation requests a fund source change of \$68.9 from the Alaska Clean Water Fund (ACWF) to federal receipts. The set-aside portion of the ACWF grant is allowed to be drawn directly from the federal grant to pay for administering the program. This change allows streamlining of accounting by directly drawing down from the federal grant rather than making deposits into the ACWF fund and then transferring the funds to the operating budget.												
1002 Fed Rcpts (Fed)		68.7										
1075 Cln Wtr Fd (Other)		-68.7										
FY2015 Replace Declining Federal Receipts with Fees for Loans Made from the Clean/Drinking Water Funds	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
The department requests a fund source change from federal authority to funds from the fee accounts of the Alaska Clean Water and Drinking Water Funds (ACWF/ADWF).												
Each drinking water and wastewater project loan issued by the Municipal Grant and Loan program is charged a 0.5% administrative fee. This adjustment is a change from federal authority to funds from those fee accounts (Alaska clean water administrative operating account (AS 46.03.034(a)(1)) in the Alaska clean water administrative fund (AS 46.03.034) and the Alaska drinking water administrative operating account (AS 46.03.038(a)(1)) in the Alaska drinking water administrative fund (AS 46.03.038).) This will allow the department												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdcf Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
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Water (continued)

Facility Construction (continued)

FY2015 Replace Declining Federal Receipts with Fees for Loans Made from the Clean/Drinking Water Funds (continued) to access those fees to cover expenses associated with managing the loans. Expenditures from the fee account will be offset by reduced spending from federal ACWF/ADWF capitalization grant set-asides. This adjustment will maintain the department's capacity to administer the programs.

Money received in payment of fees charged by the department (a fixed fee of one-half of one percent of the total amount of financial assistance disbursed) and earnings on the Alaska clean water administrative fund are deposited in the Alaska clean water and drinking water administrative income accounts and may be used to pay for the department's operational and administrative costs necessary to manage the Alaska clean water/drinking water fund and the Alaska clean water/drinking water administrative fund and for such other purposes permitted by federal law. The fees have been collected to be used to maintain the loan processing capacity as federal receipts decline.

1002 Fed Rcpts (Fed)	-800.0
1230 CleanAdmin (Other)	400.0
1231 DrinkAdmin (Other)	400.0

FY2016 Replace Federal Receipts with Clean Water Fund Administrative Fees	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
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The department requests a fund source change from federal authority to funds from the administrative fee account of the Alaska Clean Water Funds (ACWF).

In FY2015 the department began shifting away from the use of federal set-asides toward the use of administrative fee receipts to manage the department's municipal loan program. It accomplished this with a fund source change of \$800.0 (\$400.0 ACWF / \$400.0 ADWF) from federal funds. If approved, this FY2016 fund source change will fully support the Department's loan management program with these administrative fees. Federal agencies that established, funded, and govern the activities of this loan program have requested that States to move away from use of the capitalization grant set-asides and toward the use of administrative fees. Loans from the two funds currently under management now produce enough income from administrative fees to fully support loan management costs.

This is a status quo request that maintains the current level of service. No programmatic impact is anticipated.

Federal agencies have further requested that Alaska works to balance the existing imbalance between the Clean Water and Drinking Water administrative fee accounts. With this fund source change, the department intends to bring the administrative fee accounts into balance over the next five years. Federal agencies have confirmed that administrative fees received for loans from the Clean Water fund may be used to manage both water and wastewater loans. The department expects the administrative fee accounts to be sufficient to fully support the management of the loan program in perpetuity. A projection of future revenue and expense to/from the administrative fee accounts of the funds is available upon request.

Background: Municipal Water/Wastewater Loan Administrative Fees
Each drinking water and wastewater project loan issued by the Municipal Grant and Loan program is charged a 0.5% administrative fee. This adjustment is a change from federal authority to funds from those fee accounts (Alaska clean water administrative operating account (AS 46.03.034(a)(1)) in the Alaska clean water administrative fund (AS 46.03.034) and the Alaska drinking water administrative operating account (AS

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncdDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans</u>	<u>Total</u>	<u>Personal</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
	<u>Type</u>	<u>Expenditure</u>	<u>Services</u>				<u>Outlay</u>					
Water (continued)												
Facility Construction (continued)												
FY2016 Replace Federal Receipts with Clean Water Fund												
Administrative Fees (continued)												
46.03.038(a)(1)) in the Alaska drinking water administrative fund (AS 46.03.038.) This will allow the department to access those fees to cover expenses associated with managing the loans. Expenditures from the fee accounts will be offset by reduced spending from federal ACWF/ADWF capitalization grant set-asides. This adjustment will maintain the department's capacity to administer the programs. Money received in payment of fees charged by the department (a fixed fee of one-half of one percent of the total amount of financial assistance disbursed) and earnings on the Alaska clean water administrative fund are deposited in the Alaska clean water and drinking water administrative income accounts and may be used to pay for the department's operational and administrative costs necessary to manage the Alaska clean water/drinking water fund and the Alaska clean water/drinking water administrative fund and for such other purposes permitted by federal law.												
	1002 Fed Rcpts (Fed)	-700.0										
	1230 CleanAdmin (Other)	700.0										
FY2016 AMD: Fee Increase for Water System Operator	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0
Certification Program to Replace Declining Federal Funds												
The department requests a fund source change from federal authority to general fund program receipts for fees collected in the operator assistance program.												
Based on a fee study, in FY2015 the Division of Water will propose a revision to the fees collected by the Operations Assistance Program as established in 18 AAC 74, in order to bring them in line with the actual cost of providing services. Revised fees are anticipated to generate an estimated \$101.1 in additional annual program receipts.												
The additional program receipts are offset by a decline in available federal funds and will allow the program to maintain the current level of service. No programmatic impact is anticipated.												
	1002 Fed Rcpts (Fed)	-101.1										
	1005 GF/Prgm (DGF)	101.1										
FY2017 Reduction due to Other Available Fund Sources	Dec	-253.0	0.0	0.0	-253.0	0.0	0.0	0.0	0.0	0.0	0	0
In FY2015 the department began shifting away from the use of federal set-asides toward the use of administrative fee receipts to manage the Department's municipal loan program. It accomplished this with a fund source change from federal funds to the Administrative Fee accounts of the Alaska Clean Water and Drinking Water loan funds, which now fully support the Department's loan management program. Loans from the two funds currently produce enough income from administrative fees to fully support loan management costs.												
The federal agencies that established, funded, and govern the activities of this loan program have approved use of the available federal set-asides to subsidize the Operator Assistance program, which provides training and support to operators of existing water and wastewater systems.												
In addition, the Operator Assistance program is currently undergoing a fee study that is expected to result in an increase to fees for FY2017. These nominal fees for training courses, examination, and certification in the program have not been adjusted for many years, and are currently well below fees for comparable services in the Lower 48. Any proposed changes to fee regulations will be subject to public notice, review, and comment. The Facility Construction component currently has sufficient general fund program receipt authority to collect the projected additional fee revenue.												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GInDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water (continued)												
Facility Construction (continued)												
FY2017 Reduction due to Other Available Fund Sources (continued) The Department will be able to reduce general funds in FY2017 by \$253.0 with no impact on direct services to the public.												
1004 Gen Fund (UGF)		-253.0										
FY2018 Reduce Uncollectible Capital Improvement Project Receipts	Dec	-1,000.0	-260.0	-30.0	-680.0	-30.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending. This is a technical adjustment and has no impact on services to the public.												
1061 CIP Rcpts (Other)		-1,000.0										
* Allocation Total *		-733.9	-161.6	-26.3	-773.0	-23.0	0.0	250.0	0.0	1	0	0
Water Quality Infrastructure Support & Financing												
FY2019 Reduce Uncollectible Authority	Dec	-400.0	0.0	-15.0	-335.0	-50.0	0.0	0.0	0.0	0	0	0
A reduction of uncollectible receipt authority will bring the Department's budget closer in line with actual spending.												
1007 I/A Rcpts (Other)		-185.0										
1232 ISPF-I/A (Other)		-215.0										
* Allocation Total *		-400.0	0.0	-15.0	-335.0	-50.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **		2,956.5	-271.6	18.0	1,788.6	-45.0	16.5	250.0	1,200.0	7	0	0
Agency Unallocated Appropriation												
Agency Unallocated Appropriation												
FY2015 Departmentwide UGF Reduction (10% of agency travel line)	Dec	-225.0	0.0	-225.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		-225.0										
FY2015 Restore Unallocated Travel Reduction	Unalloc	152.1	0.0	152.1	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund (UGF)		152.1										
FY2016 Target Reduction	Unalloc	-370.0	0.0	0.0	0.0	0.0	0.0	0.0	-370.0	0	0	0
1004 Gen Fund (UGF)		-370.0										
FY2016 AMD: Restore FY2016 Target Reduction	Unalloc	370.0	0.0	0.0	0.0	0.0	0.0	0.0	370.0	0	0	0
This distributes an unallocated reduction of general funds.												
1004 Gen Fund (UGF)		370.0										
FY2017 Reduction equal to the UGF portion of FY16 Salary OTIs that the Governor restored in the FY2017 Budget Request	Unalloc	-375.2	-375.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Administrative Services (635) = 113.2 Air Quality (2061) = 142.5 Air Quality Director (2060) = 4.9 Drinking Water (2066) = 130.4 Environmental Health Director (646) = 8.2 Facility Construction (637) = 92.3 Food Safety & Sanitation (2343) = 85.1 Laboratory Services (2065) = 66.4												

**2018 Legislature - Operating Budget
Transaction Detail - Governor Structure
06-19GIncDecF Column**

Numbers and Language

Agency: Department of Environmental Conservation

	<u>Trans Type</u>	<u>Total Expenditure</u>	<u>Personal Services</u>	<u>Travel</u>	<u>Services</u>	<u>Commodities</u>	<u>Capital Outlay</u>	<u>Grants</u>	<u>Misc</u>	<u>PFT</u>	<u>PPT</u>	<u>TMP</u>
Agency Unallocated Appropriation (continued)												
Agency Unallocated Appropriation (continued)												
FY2017 Reduction equal to the UGF portion of FY16 Salary OTIs that the Governor restored in the FY2017 Budget Request (continued)												
Office of the Commissioner (633) = 25.8												
Solid Waste Management (2344) = 42.5												
Spill Prevention and Response (3094) = 338.7												
Water Quality (2062) = 224.0												
1003 G/F Match (UGF) -77.1												
1004 Gen Fund (UGF) -298.1												
FY2017 AMD: Reverse FY2017 Unallocated Reduction due to FY2016 One-Time Salary Adjustment Align Authority for unallocated reduction.	Unalloc	362.1	362.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
FY2017 December Budget: -\$362.1												
FY2017 Total Amendments: \$362.1												
FY2017 Total: \$0.0												
1003 G/F Match (UGF) 77.1												
1004 Gen Fund (UGF) 285.0												
* Allocation Total *		-86.0	-13.1	-72.9	0.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Total **		-86.0	-13.1	-72.9	0.0	0.0	0.0	0.0	0.0	0	0	0
*** Agency Total ***		7,617.1	1,124.6	-343.1	5,190.6	263.0	13.2	250.0	1,118.8	22	0	0
**** All Agencies Total ****		7,617.1	1,124.6	-343.1	5,190.6	263.0	13.2	250.0	1,118.8	22	0	0

Column Definitions

06-19GIncDecF (09-19Gov IncDecFundChgs) - [19GIncDecFnd+10Inc/Dec/F+09Inc/Dec/F+11Inc/Dec/F+12Inc/Dec/F+13IncDecFnd+14IncDecFnd+15Inc/Dec/F+16Inc/Dec/F+17IncDecFnd+18IncDecFnd+06Inc/Dec/F+07Inc/Dec/F+08Inc/Dec/F]