

**2013 Legislature - Operating Budget
Transaction Compare - Governor Structure
Between Adj Base and Gov Amd**

Numbers and Language Differences Agencies: DEC

Agency: Department of Environmental Conservation

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Administration													
Administrative Services													
Indirect Revenues Related to Federal Grants	Gov Amd	Inc	400.0	266.6	0.0	123.4	10.0	0.0	0.0	0.0	0	0	0
<p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>													
1002 Fed Rcpts (Fed)			400.0										
* Allocation Difference *			400.0	266.6	0.0	123.4	10.0	0.0	0.0	0.0	0	0	0
State Support Services													
Department of Administration Core Services Rates	Gov Amd	Inc	145.2	0.0	0.0	145.2	0.0	0.0	0.0	0.0	0	0	0
<p><i>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.</i></p>													
1004 Gen Fund (UGF)			145.2										
* Allocation Difference *			145.2	0.0	0.0	145.2	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			545.2	266.6	0.0	268.6	10.0	0.0	0.0	0.0	0	0	0
Environmental Health													
Laboratory Services													
Increase Federal Receipt Authority to Allow for Federal Grants and Reimbursements	Gov Amd	Inc	300.0	240.6	7.0	52.4	0.0	0.0	0.0	0.0	0	0	0
<p><i>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.</i></p> <p><i>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.</i></p>													
1002 Fed Rcpts (Fed)			300.0										
* Allocation Difference *			300.0	240.6	7.0	52.4	0.0	0.0	0.0	0.0	0	0	0

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Environmental Health (continued)													
Drinking Water													
Increased Staff Time and Support for Drinking Water Rule Adoption and Implementation	Gov Amd	Inc	350.0	100.0	75.0	125.0	50.0	0.0	0.0	0.0	0	0	0
<p><i>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).</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p> <p><i>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.</i></p>													
1004 Gen Fund (UGF)			350.0										
* Allocation Difference *			350.0	100.0	75.0	125.0	50.0	0.0	0.0	0.0	0	0	0

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Environmental Health (continued)													
Air Quality													
Anchorage Vehicle Inspection and Maintenance Program	Gov Amd	Dec	-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
<i>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.</i>													
1108 Stat Desig (Other)			-100.0										
* Allocation Difference *			-100.0	0.0	0.0	-100.0	0.0	0.0	0.0	0.0	0	0	0
** Appropriation Difference **			550.0	340.6	82.0	77.4	50.0	0.0	0.0	0.0	0	0	0

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
Water													
Water Quality													
Permitting for Oil and Gas Development	Gov Amd	Inc	557.0	125.0	20.0	404.5	7.5	0.0	0.0	0.0	1	0	0
<i>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.</i>													
<i>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.</i>													
<i>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.</i>													
<i>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.</i>													
<i>Full-time Environmental Engineer II position (18-#011) range 23, located in Anchorage</i>													
1004 Gen Fund (UGF)			543.0										

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Water (continued)												
Water Quality (continued)												
Permitting for Oil and Gas Development (continued)												
		14.0										
	1005 GF/Prgm (DGF)											
	* Allocation Difference *	557.0	125.0	20.0	404.5	7.5	0.0	0.0	0.0	1	0	0
	** Appropriation Difference **	557.0	125.0	20.0	404.5	7.5	0.0	0.0	0.0	1	0	0
	*** Agency Difference ***	1,652.2	732.2	102.0	750.5	67.5	0.0	0.0	0.0	1	0	0
	**** All Agencies Difference ****	1,652.2	732.2	102.0	750.5	67.5	0.0	0.0	0.0	1	0	0

Column Definitions

Adj Base (FY14 Adjusted Base) - FY2013 Management Plan less one-time items, plus FY2014 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY2014 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

Gov Amd (FY14 Governor Amended) - FY14 Governor's Amended Budget (Includes Governor's Dec 15th budget and the Governor's Amendments submitted on February 17th)