



# Department of Environmental Conservation

House Finance Subcommittee

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Commissioner

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# DEC's Mission

Protect human health  
and the environment.





# Outcomes

- Clean water, healthy air, and good management of hazardous materials and waste
- Safe drinking water and sanitary waste disposal
- Food safe to eat
- Low risk of spills and efficient, effective response when spills occur
- Wise resource development for a growing state





# Means

- Science-based standards
- Permits and authorizations incorporating these standards
- Monitoring, outreach, compliance assistance, and enforcement
- Emergency response and oversight of spill clean-up
- Meaningful and effective public processes for developing standards and permits
- Technical assistance, grants, and loans to communities for drinking water and wastewater infrastructure



# Existing Budget Conditions

- FY2015 \$1,434.7 UGF reduction and eliminated five positions related to 404 primacy
- FY2015 Cost Savings Measures
  - Retained vacancies
  - Avoided non-essential travel
  - Additional review of pending contract solicitations
- FY2016 \$2,378.8 UGF Reduction (-10.6%)
  - Eliminated 23 positions
  - Reduced inspections of retail food and non-food facilities
  - Reduced capacity of Drinking Water program
  - Reduced Fish Tissue Monitoring program
  - Implemented efficiencies and reclassifications of positions
- FY2016 reduction of \$520.0 Prevention Account in the Division of Spill Prevention and Response and eliminated four positions
- Ten additional positions were eliminated as part of the FY2016 Management Plan
- FY2016 hiring and travel restrictions







# Budget Reduction Criteria



- Services that are mandated by statute
- Services that are mandated by other agreements
- Services that are necessary to implement DEC's mission and core responsibilities
- Services that can't be performed by local government, federal government, or others
- Services that will be difficult to restore later when revenues pick up
- Services that are a foundation for economic growth and prosperity
- Services that enjoy strong public support
- Services that leverage other resources



# Budget Reduction Strategies

Strategic implementation of UGF reductions will preserve core services and minimize disruptions to the public

- FY2017
  - Recognized efficiencies, reorganization, and consolidation of services
  - Increased revenue from fees within existing authority
  - Fund source changes to DGF for increased fee revenue and use of the Prevention Account
- FY2018 and Onward
  - Continue to better align existing fees for service with the costs of providing those services and reduce the UGF subsidies



# Summary of FY2017 Reductions

- Elimination of a shared Office Assistant position and reduction in Administrative Services  
-\$65.0 (-\$17.6 UGF/-\$47.4 DGF); -1 PCN
- Reduction in Laboratory Services, which will be covered with increased fee revenue within existing authority  
-\$100.0 UGF
- Reduction in Air Quality through position reclassifications, and recognized savings from senior staff members moving on and being replaced with staff at lower steps  
-\$60.0 UGF





# Summary of FY2017 Reductions

- Fund source change in Spill Prevention & Response to the Prevention Account  
-\$478.5 UGF/\$478.5 DGF
- Dissolution of the Technical Services program in Water Quality  
-700.2 UGF; -6 PCNs
- Fund source change in Water Quality to Program Receipts for increased fee revenue  
-\$400.0 UGF/\$400.0 DGF



# Summary of FY2017 Reductions

- Reduction in Facility Construction, which will be covered with increased fee revenue and federal receipts within existing authority  
-\$253.0 UGF
- An unallocated reduction equivalent to the UGF funding received for the FY2016 COLAs, which could result in eliminating as many as four additional positions and reduced services to the public  
-\$362.1 UGF



# FY2017 Budget Changes

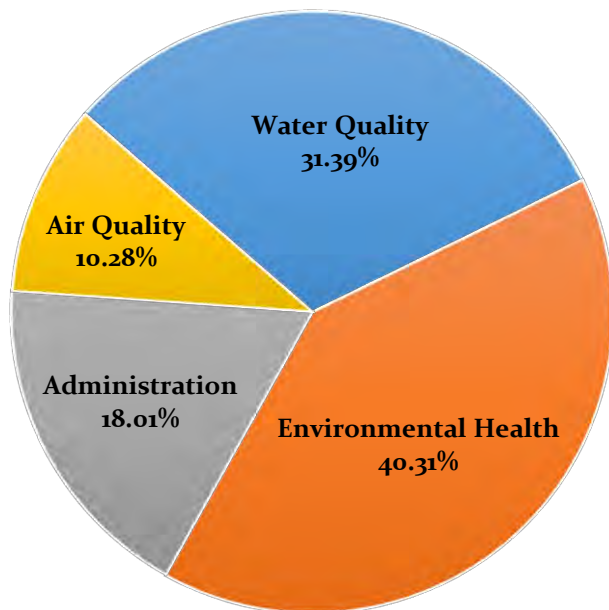
	FY2016 Management Plan		FY2017 Adjusted Base		FY2017 Endorsed Governors	FY2016 Management Plan to FY2017 Adjusted Base		FY2017 Adjusted Base to FY2017 Governors	
UGF	\$	20,093.3	\$	19,718.1	\$ 17,721.9	\$ (375.2)	-1.9%	\$ (1,996.2)	-10.1%
DGF	\$	27,242.4	\$	27,242.4	\$ 28,073.5	\$ 0.0	0.0%	\$ 831.1	3.1%
Other	\$	14,389.0	\$	14,389.0	\$ 14,389.0	\$ 0.0	0.0%	\$ 0.0	0.0%
Federal	\$	23,628.9	\$	23,628.9	\$ 23,878.9	\$ 0.0	0.0%	\$ 250.0	1.1%
Total	\$	85,353.6	\$	84,978.4	\$ 84,063.3	\$ (375.2)	-0.4%	\$ (915.1)	-1.1%
PCNs		525		525	518	0	0.0%	-7	-1.3%

\*An -11.8% UGF reduction from FY2016 Management Plan to FY2017 Governors



# How DEC Spends UGF

FY2017 UGF by Division



- In FY2017 DEC will have \$17,721.9 UGF, the least operating UGF of any State agency
- Roughly \$5 million is required state match for federal grants (based on FY2016 grants)
- \$636.5 supports the Environmental Health Laboratory facility maintenance and utilities
- Just under \$2.6 million in Administrative Services per federally approved cost allocation plan
- \$684.8 funds about half the Commissioner's Office
- Remaining \$8.8 million subsidizes fee-based programs, covers expenses ineligible for other fund sources, and supports the general public including complaint response and outreach



# Examples of UGF Subsidized Programs

- Federally Delegated, Authorized, or Required Programs such as:
  - Food Safety (manufactured food, seafood, and shellfish)
  - Wastewater
  - Drinking Water
  - Air Quality
  - Paid for by fees, some federal grants, and subsidized in part by UGF
  - Value to the State:
    - Level of service
    - More Alaska control
    - Cost/Benefit (local job loss)
- Programs Not Federally Required, but Essential to Public Health such as:
  - Retail Food Facilities
  - Non-Food Facilities (pools, spas, tattoo parlors, public accommodations)
  - Septic System Engineering Support and Plan Review
  - Paid for by fees and subsidized in part by UGF
  - Municipalities and communities have varying degrees of capacity to take on this work if the State does not do it





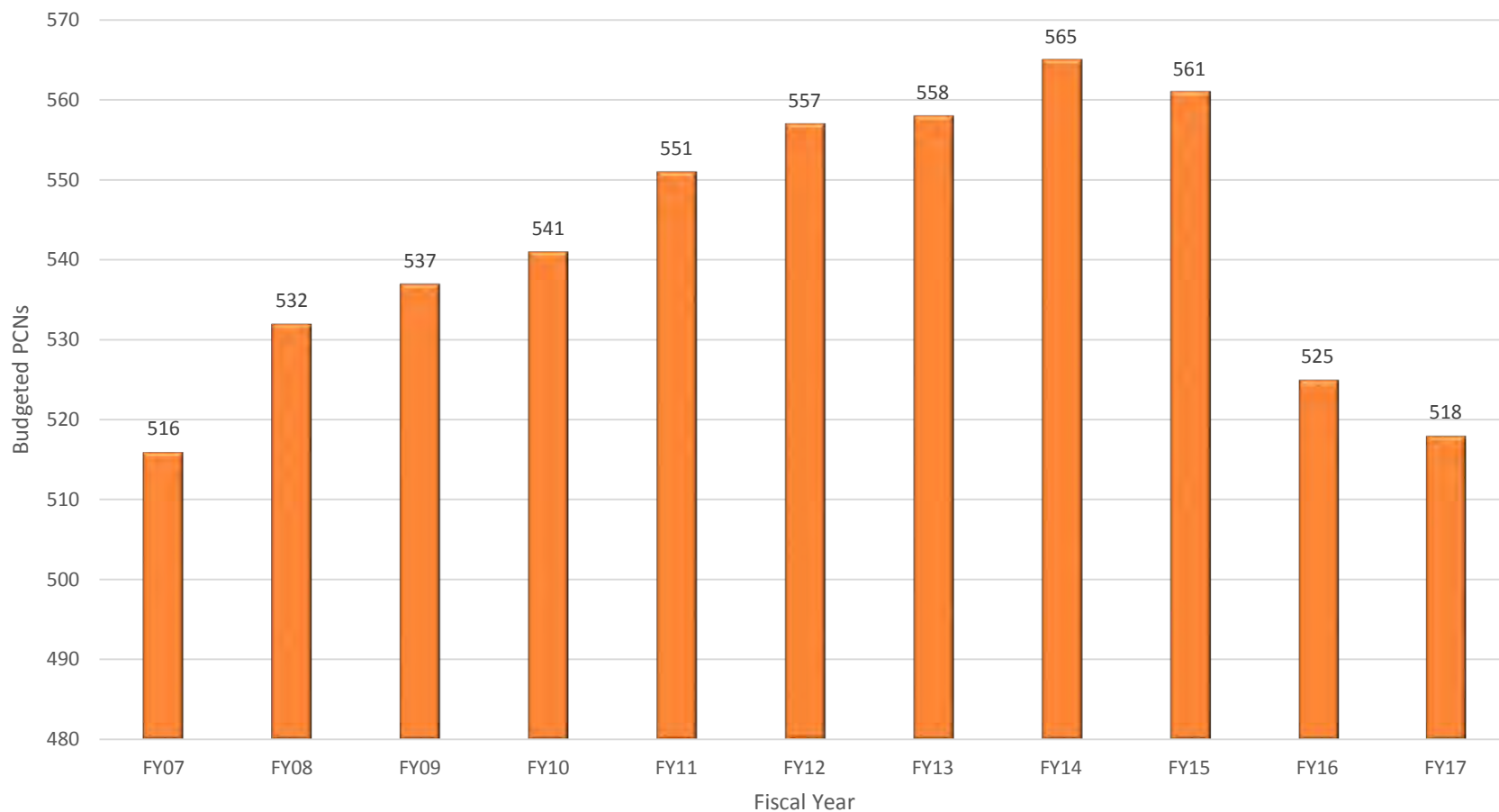
# DEC UGF History







# DEC Position History





# Impacts of FY2016 Unallocated Reduction

- Reduction in Administrative Services through recognized efficiencies  
-\$18.0 UGF
- Reorganize and streamline the Air Monitoring & Quality Assurance program to allow costs to shift to program receipts  
-\$37.0 UGF
- Eliminate two engineers in the Pipeline Integrity and Engineering section of Spill Prevention and Response  
-\$208.2 UGF; -2 PCNs
- Utilize available federal set-asides from the Clean Water and Drinking Water Loan Funds for the Operator Assistance program  
-\$100.0 UGF



# Potential FY2016 Supplemental

- Air Quality received a project-specific federal grant in FY2016 through the Diesel Emissions Reduction Act program
- A Supplemental request for additional \$250.0 of federal authority in FY2016 is under consideration
- An increment for \$250.0 federal authority is requested in FY2017 to allow for these regular fluctuations in Air Quality's federal receipts for similar grants received every two to three years



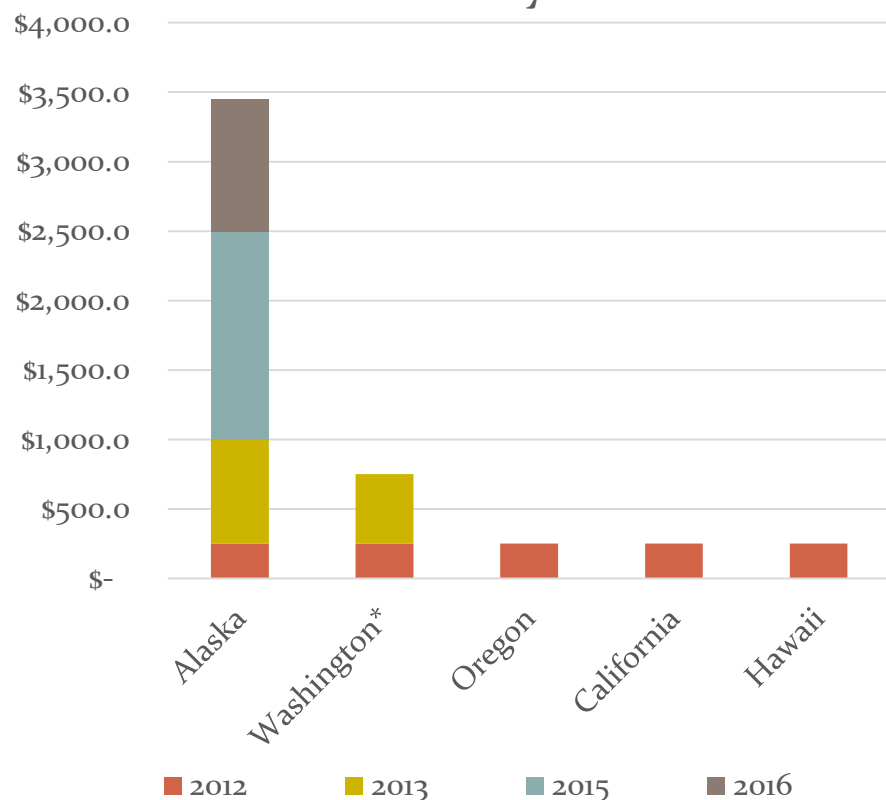
# Tsunami Marine Debris Update





# Government of Japan Funding History

Allocated by State



\*includes \$500.0 Dock Removal project-specific grant in Washington that was not part of a regular allocation to that state

- \$5 million received from the government of Japan distributed through NOAA
  - Initial allocation of \$250,000 to each affected coastal State in 2012
  - Alaska quickly requested an additional \$750,000 due to its extensive coast line
  - In 2015, \$1.5 million more requested for updated aerial survey and continued clean up projects
  - Alaska has requested an additional \$950,000 in 2016 and that statement of work is in the final stages with NOAA
  - No additional Japan funds will remain after 2016



# Brief History of Cleanup Efforts

- DEC's Role
  - Serve as the primary point of contact for NOAA, other federal agencies, and non-government organizations (NGO)
  - Support the marine debris surveys and removal efforts of those groups
- 2012
  - Administrative Order 263 tasked DEC with leading the response efforts on Tsunami Marine Debris in Alaska
  - NGO's start bagging up debris from the Japan Tsunami and transporting to local landfills
  - Contracted aerial survey to determine extent of debris around the Gulf
- 2013
  - Aerial survey results analysis completed in January
  - Nine areas identified as priority sites based on debris density, impact to habitat, and feasibility of cleanup operations
- 2014
  - After summer-time clean-up efforts, a second, more detailed aerial survey performed to assess ongoing progress and new incoming debris status





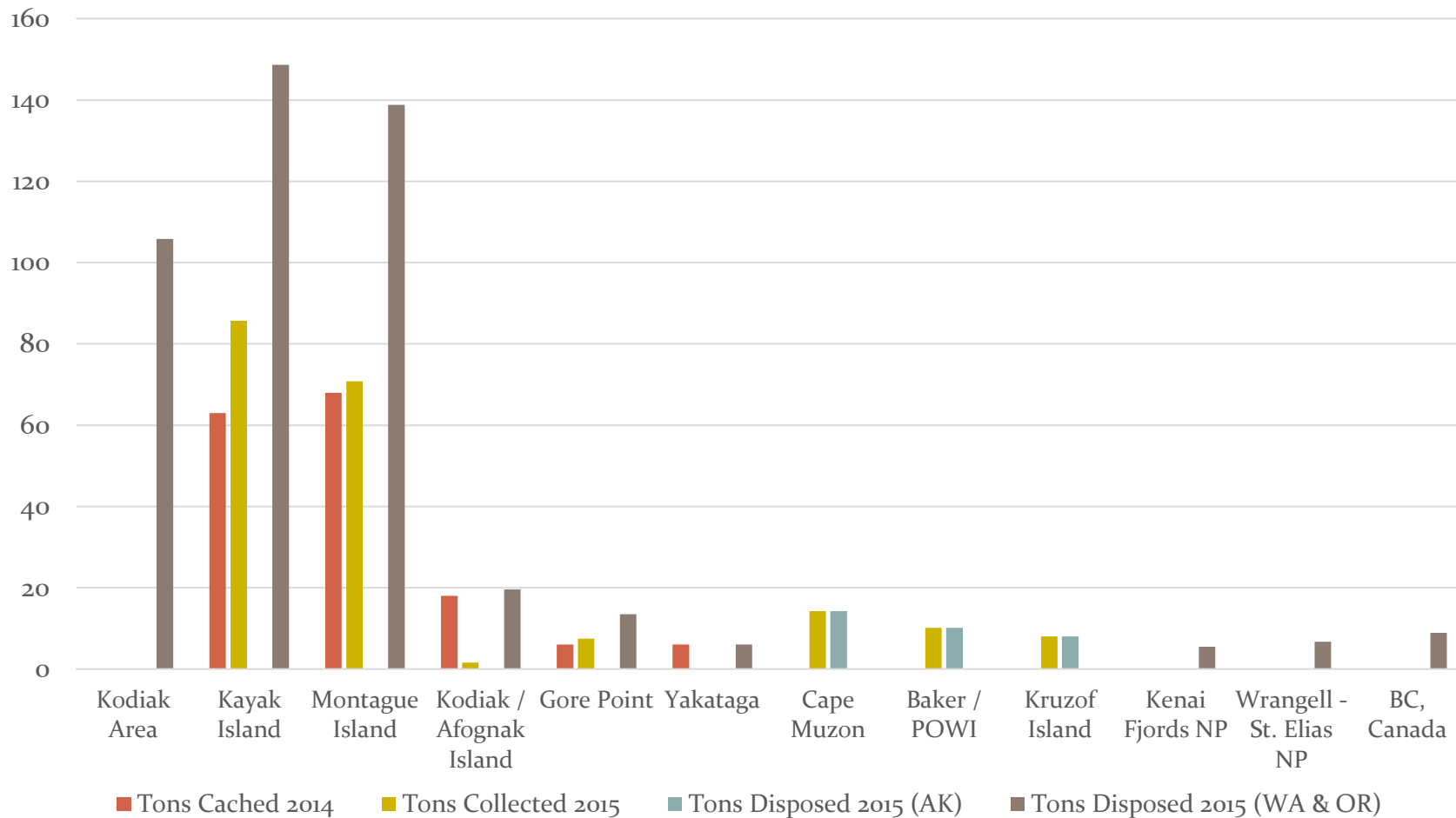
# Recent Cleanup Efforts

- In 2014, landfills around Southcentral Alaska began refusing large deposits of debris
  - Emphasis shifted towards gathering and bagging debris for pickup at a later time
- By 2015, enough debris was collected to make a large-scale pick up economically feasible
  - Barge started at Kodiak and cruised through the Gulf of Alaska making pickups along the way
  - Transports debris to Washington and Oregon for disposal in landfills down
- For more information, or to see the 2015 Annual Report, please visit <http://dec.alaska.gov/eh/marine-debris/>





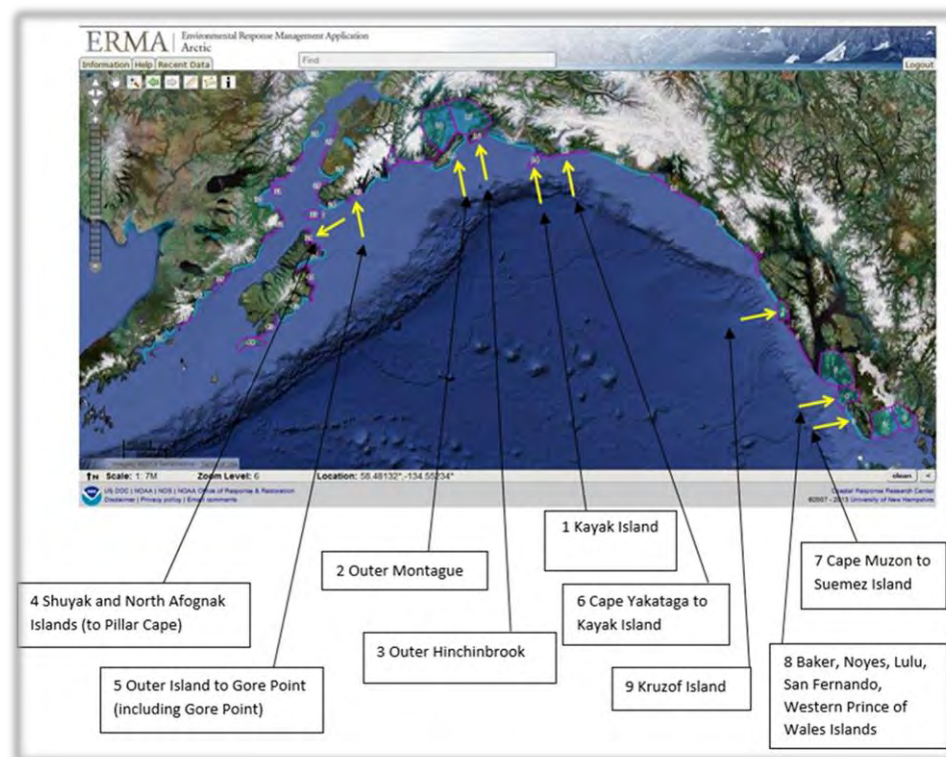
# 2015 Marine Debris Clean-up Project Results





# 2016 Field Season Plans

- Focus on the top two priority areas:
  - Kayak Island
  - Montague Island
- Shoreline clean-up activities
- Airlift/barge transportation to the Lower 48
- RFP will be posted soon on Alaska's online Public Notice System





# Fukushima Radiation Concerns

- 2014
  - DEC and DHSS developed a sampling plan and coordinated with FDA
  - Analyze several Alaska species of fish known to migrate from the western Pacific Ocean, and are harvested by commercial, recreational, and subsistence fishers
  - Test results showed **no detection** of radionuclides from Fukushima
- 2015
  - Scientists predicted peak concentrations of radionuclides in water would reach the North Pacific
  - 23 fish samples from across Alaska were collected and analyzed using the same protocols
  - Test results showed **no detection** of radionuclides from Fukushima
- Based upon exposure and detection levels, there is no public health concern for Alaskans
- DEC continues to do public outreach, education, and continued assessment of the situation with our partners at:
  - Federal agencies - NRC, NOAA, EPA, & FDA
  - State agencies - ASMI, DHSS, DF&G
  - Pacific States
  - Academic and Private Institutions





# Questions?

