

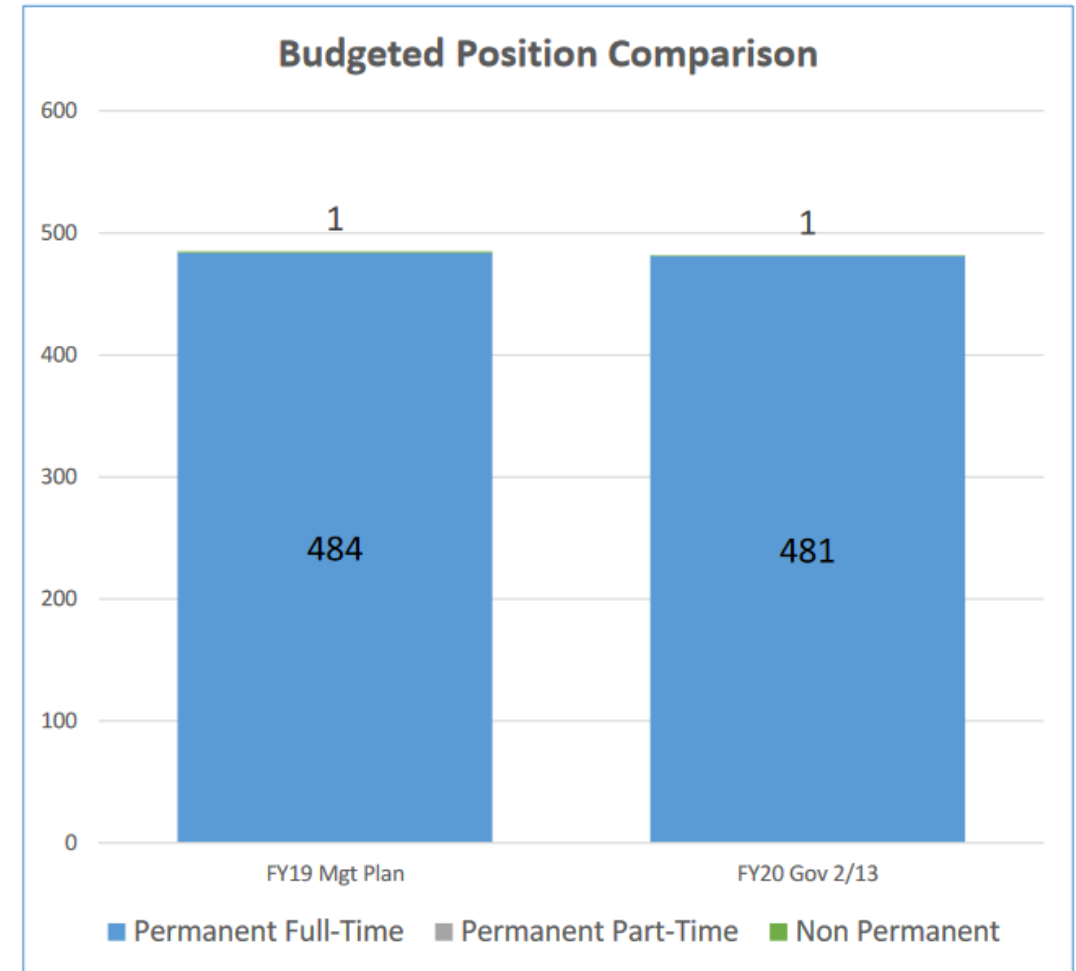
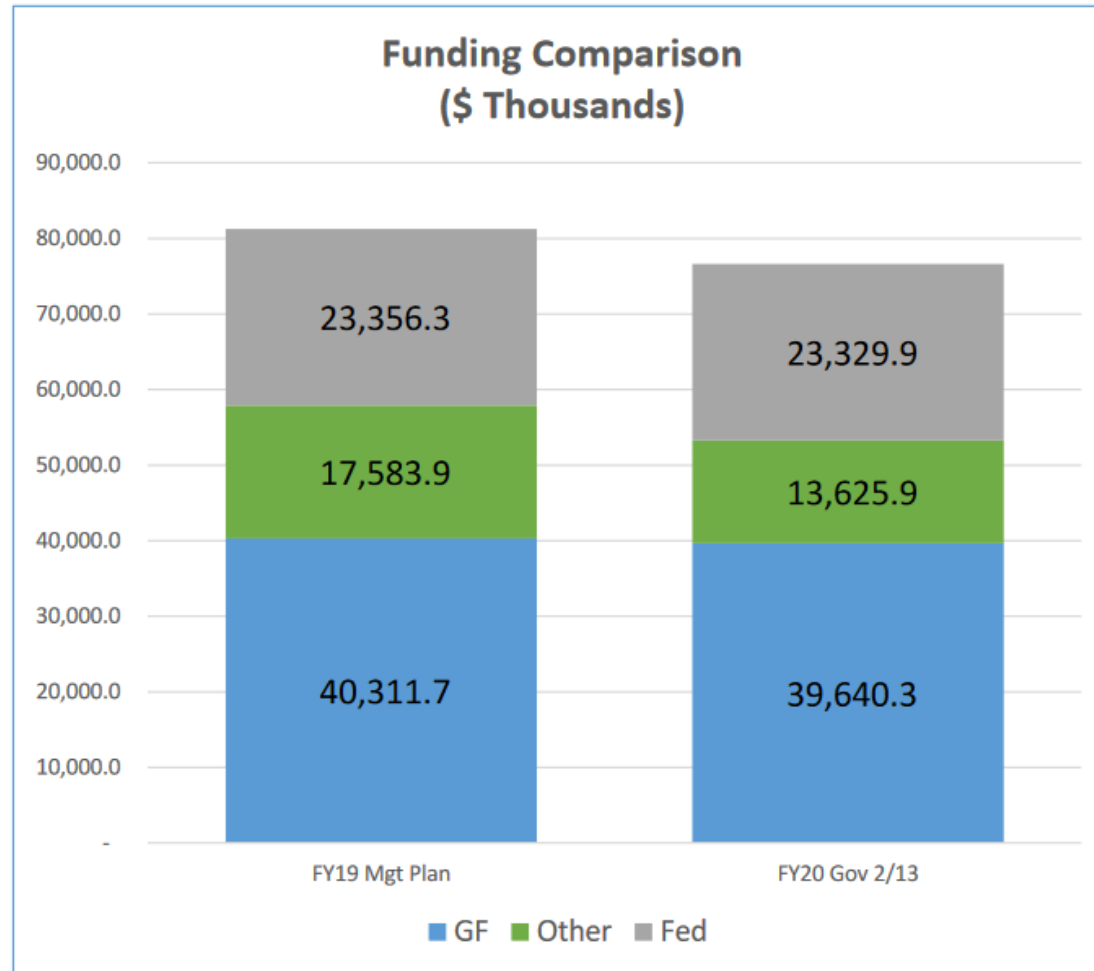
# State of Alaska Office of Management and Budget

FY2020 Operating Budget Overview:  
Department of Environmental Conservation  
Presentation to the Senate Finance Subcommittee  
March 26, 2019  
Commissioner Jason Brune, Acting Administrative Services Director Ruth Kostik



THE STATE  
of **ALASKA**  
GOVERNOR MICHAEL J. DUNLEAVY

## DEC FY2020 Operating Budget (\$ Thousands)



## DEC FY2020 Operating Budget: Significant Changes (\$ Thousands)

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- Repeal Ocean Ranger Program (-\$3,846.8 Other)
  - Created by ballot initiative in 2006, included other regulatory changes
  - Funded by \$4 fee per lower berth (paid “below the line” directly by the passenger, not the cruise agency)
  - Program not required by state constitution or federal law
  - Program duplicates water and air discharge and other compliance activities
  - No other permitted industry is subject to “24/7 onsite observers”
  - Program conducted primarily by out-of-state contractor with non-Alaskan employees
  - Department retains environmental compliance authority over cruise ships under AS 46.03.710 *Pollution Prohibited* and AS 46.03.020 *Powers of the Department*
  - Partially offset by \$420.8 fund source change from Ocean Ranger receipts to Commercial Passenger Vessel Environmental Compliance (CPVEC) Funds for fish tissue monitoring and indirect costs

## DEC FY2020 Operating Budget: Significant Changes (\$ Thousands)

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- Withdraw Funding for Dairy Regulation (-\$179.6 GF & -1 PFT)
  - Alaska's dairy industry has declined from 65 dairies to one operating bovine dairy today; two new dairies have applied for inspection
  - Federally required program requires significant state subsidization
  - Small-scale industry could not likely bear full-cost of required regulatory program
  - Eliminating program will not increase risk to public health, as dairies would not be able to sell milk or milk products commercially
  - Outsourcing regulatory program to another state is not likely feasible
  - Deletes one Environmental Program Specialist position (Dairy Sanitarian)
- Remove Economist Position (-\$124.3 GF & -1 PFT)
- Statewide Support – Executive Branch 50% Travel Reduction (-\$167.5 GF)

## DEC FY2020 Operating Budget: House Finance Subcommittee Actions (\$ Thousands)

- The House Finance Subcommittee rejected 11 of 17 items in the Proposed Governor's Budget:
  - 5 items reducing travel line funding across all fund sources by 50%
  - 4 items eliminating the Ocean Ranger program and related fund source changes
  - 1 item eliminating the dairy program
  - 1 item eliminating an Economist III position
- A technical adjustment released March 14<sup>th</sup> to increase UGF by \$9.3 for inadvertently omitted Salary Adjustment related to OIT was accepted
- Three amendments were adopted to:
  - Remove language allowing fund transfers between all appropriations in the Department
  - Reduce travel line funding by 50% for GF only in the Office of the Commissioner, Administrative Services, Division of Air Quality, and Division of Water
  - Insert Intent language regarding PM 2.5 in Fairbanks

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