



# Department of Environmental Conservation

## Senate Finance Subcommittee

Jason Brune, Commissioner

Ruth Kostik, Administrative Services Director

February 17, 2020



# DEC's Mission

Conserving, improving, and protecting Alaska's natural resources and environment to enhance the health, safety, economic, and social well-being of Alaskans.





# Our Values

We strive to provide excellent Customer Service both inside and outside of the organization by being professional, responsive, reliable, and respectful.

We are Accountable for our actions and stand proudly behind our work, as individuals and as an organization.

We perform to the highest moral and ethical standards, and produce transparent and consistent regulatory actions to show our Integrity.

We support and encourage Collaboration across programs and partners to meet challenges and further our collective mission.

We make Objective decisions, based on science and facts.



# What We Do

Protect Human Health and the Environment

## Air Quality

- Permit industrial air emissions
- Monitor & assess air quality
- Address small & mobile air pollution sources
- Conduct inspections & ensure compliance

## Water Quality

- Permit water discharges
- Oversee water quality standards, assessment & restoration
- Technical assistance for financing
- Conduct inspections & ensure compliance

## Environmental Health

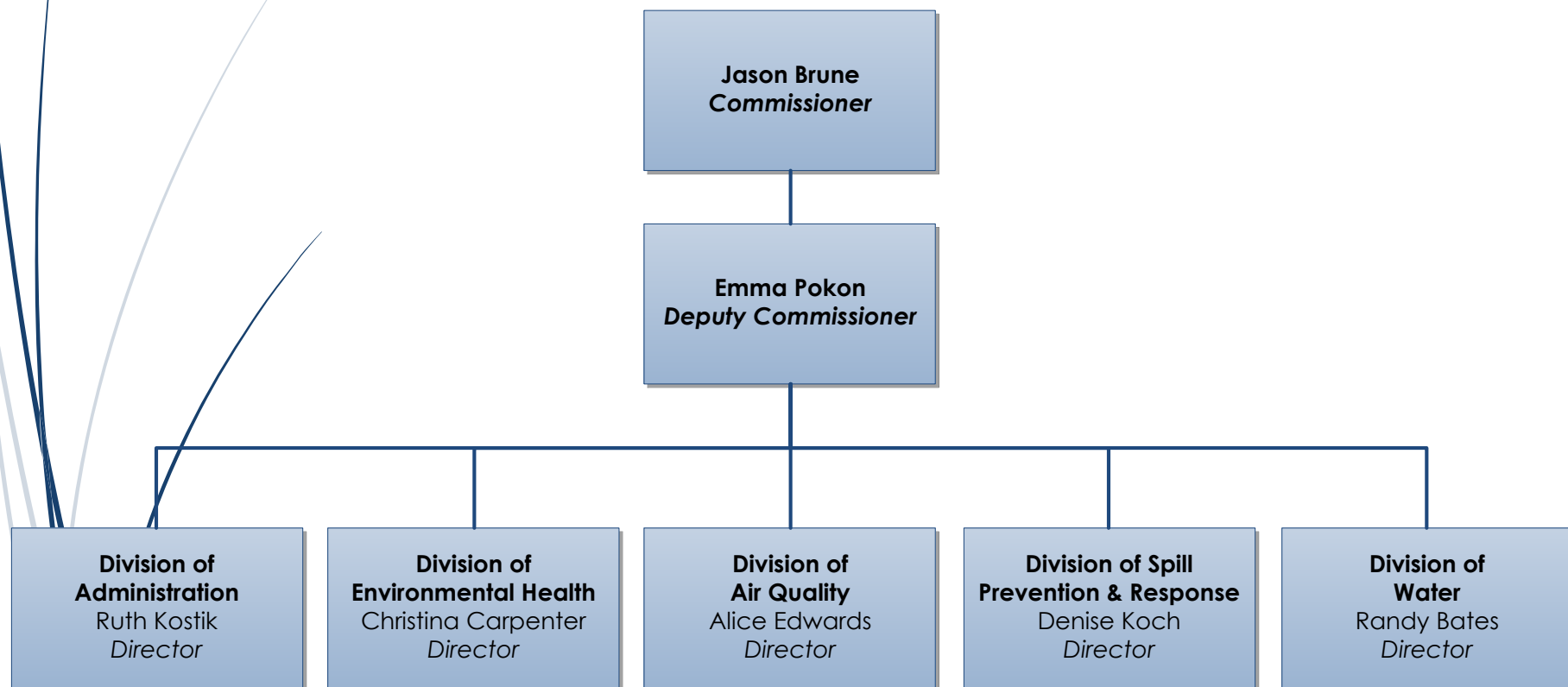
- Ensure safe food & drinking water
- Oversee landfills & pesticide applicators
- Provide animal care & importation standards
- Conduct analytical testing
- Conduct inspections & ensure compliance

## Spill Prevention & Response

- Respond to spills
- Require spill prevention & response plans
- Evaluate response drills
- Manage cleanup of contamination
- Conduct inspections & ensure compliance

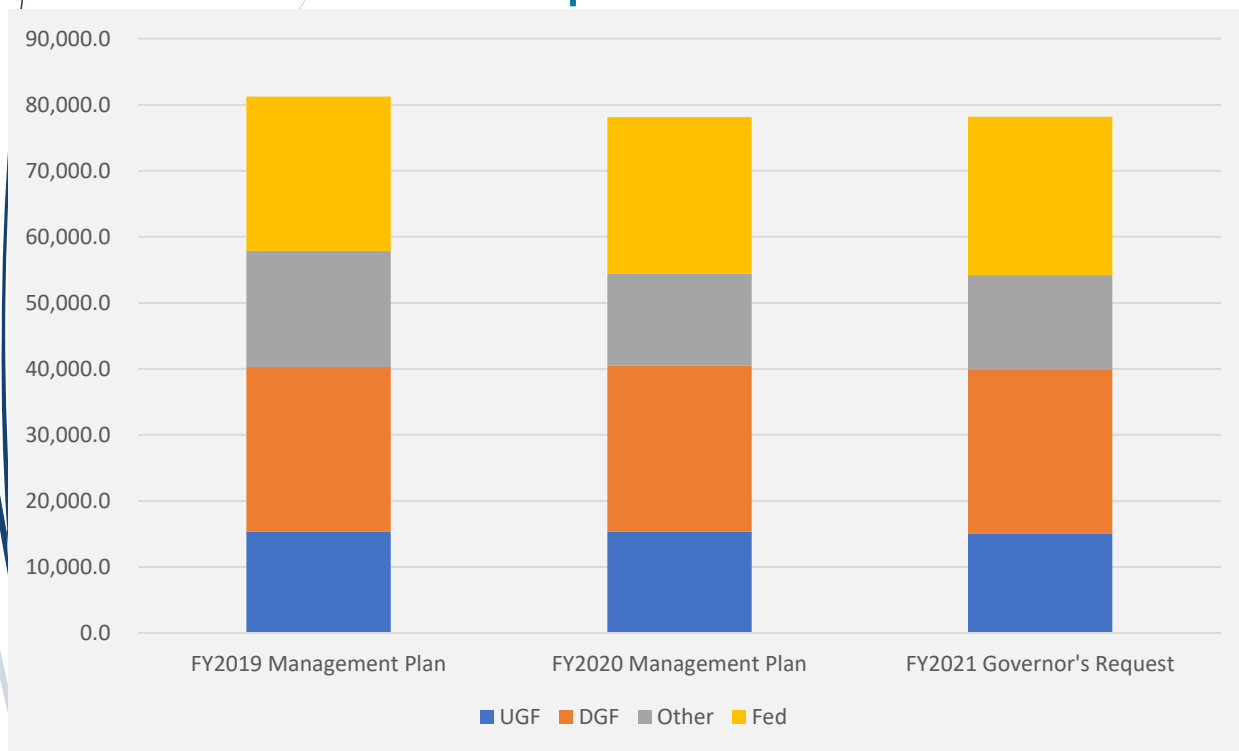


# DEC FY2021 Operating Budget: Leadership





# DEC FY2021 Operating Budget: Comparison (in thousands)



## Significant Changes

- Eliminate dairy program
- Reduce shellfish subsidy
- Reduce expenditures from Prevention Account
- Fund source used to regulate wastewater in port communities
- Transfer cruise ship air monitoring
- Increase APDES inspections done in-house
- Status of ocean ranger program

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	15,391.8	15,397.2	15,080.6	(316.6)	-2.1%
DGF	24,919.9	25,144.5	24,879.6	(264.9)	-1.1%
Other	17,583.9	13,924.6	14,233.3	308.7	1.8%
Federal	23,356.3	23,670.6	23,981.2	310.6	1.3%
<b>Total</b>	<b>81,251.9</b>	<b>78,136.9</b>	<b>78,174.7</b>	<b>37.8</b>	<b>0.0%</b>



# DEC FY2021 Operating Budget: Breakdown by Fund Category

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	15,080.6	24,879.6	<b>39,960.2</b>	14,233.3	23,981.2	<b>78,174.7</b>	477
*Duplicate				(5,426.6)		(5,426.6)	
<b>Non-Duplicate Total</b>	15,080.6	24,879.6	<b>39,960.2</b>	8,806.7	23,981.2	<b>72,748.1</b>	477

UGF	1004 General Fund	4,679.7
	1003 General Fund Match	10,400.9
DGF	1005 General Fund Program Receipts	9,186.1
	1052 Oil and Hazardous Response Fund	15,693.5
Other	1007 Inter-Agency Receipts (Duplicate)	1,530.9
	1018 Exxon Valdez Oil Spill Settlement	6.9
	1055 Inter-Agency Oil/Haz Fund (Duplicate)	377.8
	1061 Capital Improvement Project Receipts (Duplicate)	3,420.5
	1093 Clean Air Protection Fund	4,614.9
	1108 Statutory Designated Program Receipts	63.4
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	1,934.9
	1205 Ocean Ranger Berth Fees	422.7
	1230 Alaska Clean Water Administrative Fund	1,289.6
	1231 Alaska Drinking Water Administrative Fund	474.3
Federal	1236 Inter-Agency Alaska Liquified Natural Gas Project Fund (Duplicate)	97.4
	1002 Federal Receipts	23,981.2



# DEC FY2020 Operating Budget: Significant Changes (in thousands)

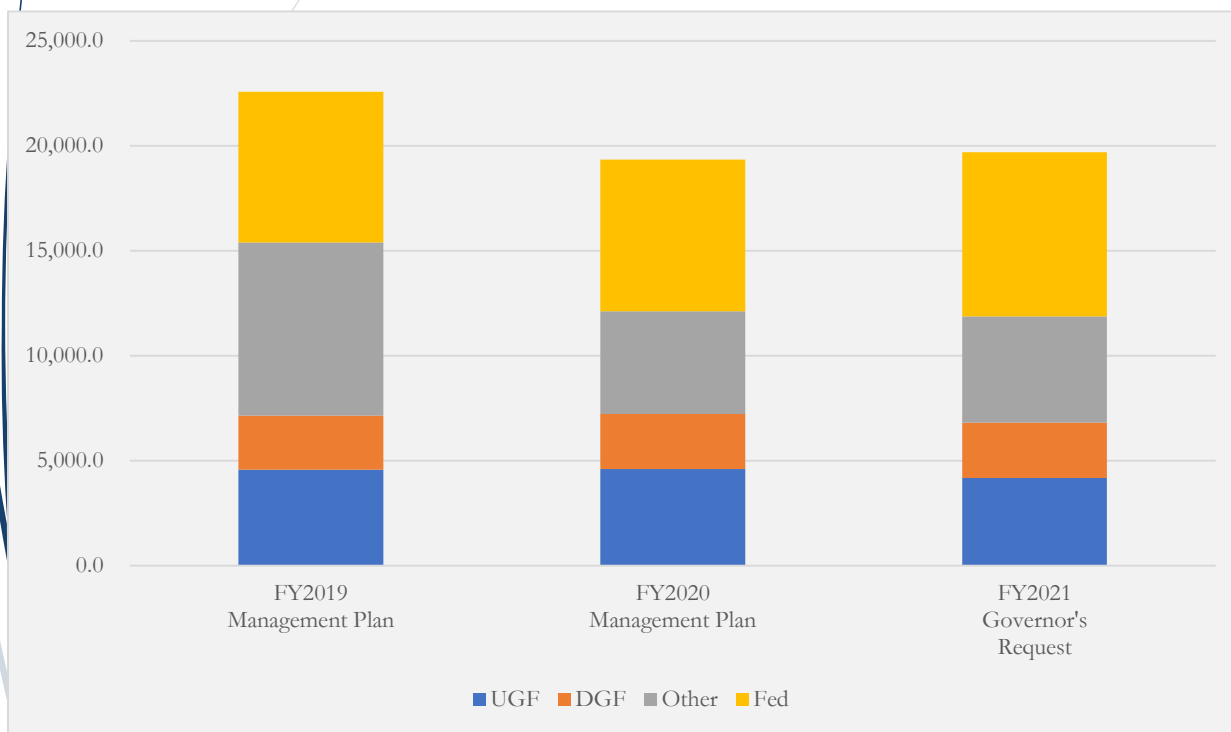
- Delete Economist (\$124.3) UGF, -1 PCN
- Eliminate ocean ranger program (\$3,426.0) OR fees
- Dairy funding \$164.6 UGF/\$15.0 SDPR
- 50% Travel reductions (\$342.6)
  - (\$44.2) UGF
  - (\$90.0) DGF
  - (\$176.4) Fed
  - (\$32.0) Other







# DEC FY2021 Operating Budget: Division of Administration (in thousands)



## Significant Changes

- Delete an Accountant III due to efficiencies realized

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	6,515.8	6,579.1	6,683.8	104.7	1.6%
DGF	3,983.3	4,000.4	4,259.0	258.6	6.5%
Other	849.3	874.1	406.9	(467.2)	-53.4%
Federal	6,448.0	6,464.0	6,503.2	39.2	0.6%
<b>Total</b>	<b>17,796.4</b>	<b>17,917.6</b>	<b>17,852.9</b>	<b>(64.7)</b>	<b>-0.4%</b>



# DEC FY2021 Operating Budget: Breakdown by Fund Category Office of the Commissioner

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	425.4	0.0	<b>425.4</b>	30.1	562.1	<b>1,017.6</b>	6
*Duplicate				(23.2)		<b>(23.2)</b>	
<b>Non-Duplicate Total</b>	425.4	0.0	<b>425.4</b>	6.9	562.1	<b>994.4</b>	6

UGF	1004 General Fund	425.4
Other	1007 Inter-Agency Receipts (Duplicate)	23.2
	1018 Exxon Valdez Oil Spill Settlement	6.9
Federal	1002 Federal Receipts	562.1



# DEC FY2021 Operating Budget: Breakdown by Fund Category Administrative Services

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	72.3	1,700.8	<b>1,773.1</b>	2,461.2	1,517.1	<b>5,751.4</b>	45
*Duplicate				(1,249.9)		<b>(1,249.9)</b>	
<b>Non-Duplicate Total</b>	72.3	1,700.8	<b>1,773.1</b>	1,211.3	1,517.1	<b>4,501.5</b>	45

UGF	1004 General Fund	17.0
	1003 General Fund Match	55.3
DGF	1052 Oil and Hazardous Response Fund	1,700.8
	1007 Inter-Agency Receipts (Duplicate)	498.4
	1061 Capital Improvement Project Receipts (Duplicate)	751.5
	1093 Clean Air Protection Fund	428.8
Other	1108 Statutory Designated Program Receipts	30.0
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	209.8
	1205 Ocean Ranger Berth Fees	19.7
	1230 Alaska Clean Water Administrative Fund	331.6
	1231 Alaska Drinking Water Administrative Fund	191.4
Federal	1002 Federal Receipts	1,517.1



# DEC FY2021 Operating Budget: Breakdown by Fund Category State Support Services

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	1,968.4	430.8	<b>2,399.2</b>	267.0	612.4	<b>3,278.6</b>	0
*Duplicate							
<b>Non-Duplicate Total</b>	1,968.4	430.8	<b>2,399.2</b>	267.0	612.4	<b>3,278.6</b>	0

UGF	1004 General Fund	1,950.1
	1003 General Fund Match	18.3
DGF	1052 Oil and Hazardous Response Fund	430.8
	1093 Clean Air Protection Fund	118.8
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	61.1
	1205 Ocean Ranger Berth Fees	87.1
Federal	1002 Federal Receipts	612.4



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Delete Accountant IV

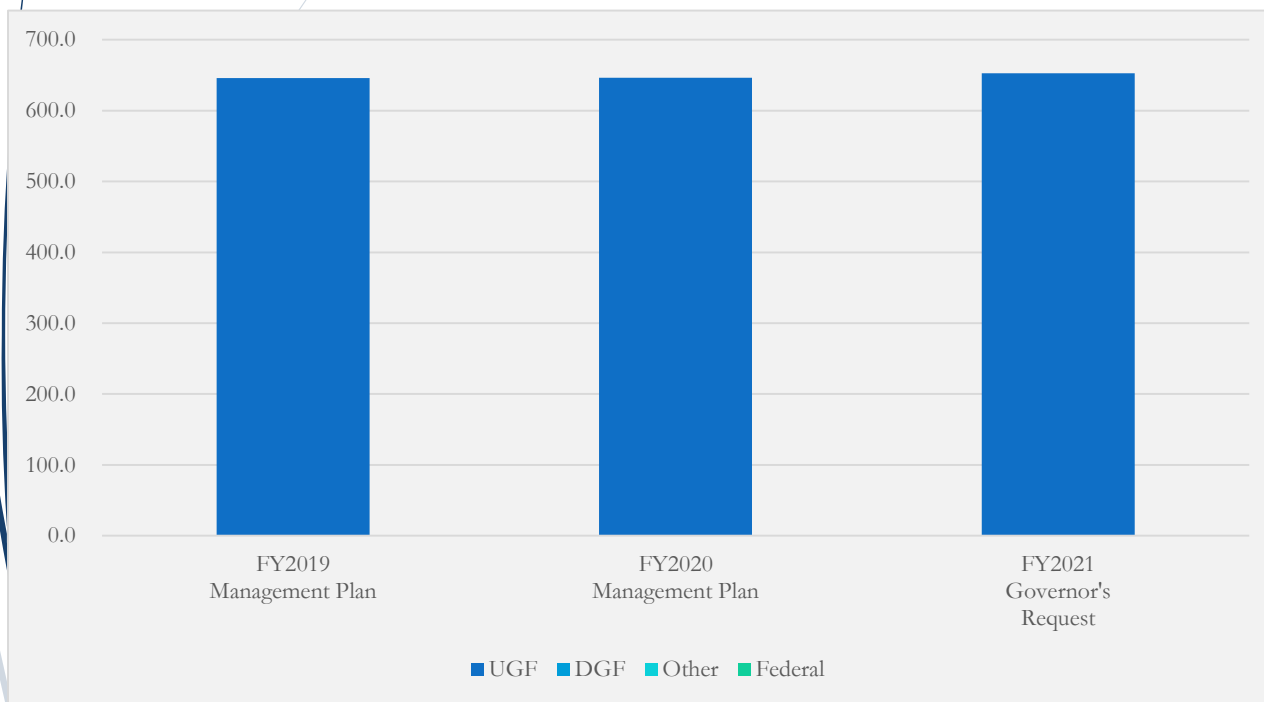
- Efficiencies through reorganization and implementation of IRIS accounting system
- Reduces \$134.7 and 1 position





# DEC FY2021 Operating Budget:

## Building Maintenance & Operations (in thousands)



### Significant Changes

- Eliminate dairy program
- Reduce shellfish subsidy

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	6,515.8	646.6	652.5	5.9	0.9%
<b>Total</b>	<b>6,515.8</b>	<b>646.6</b>	<b>652.5</b>	<b>5.9</b>	<b>0.9%</b>



# DEC FY2021 Operating Budget: Breakdown by Fund Category Building Maintenance & Operations

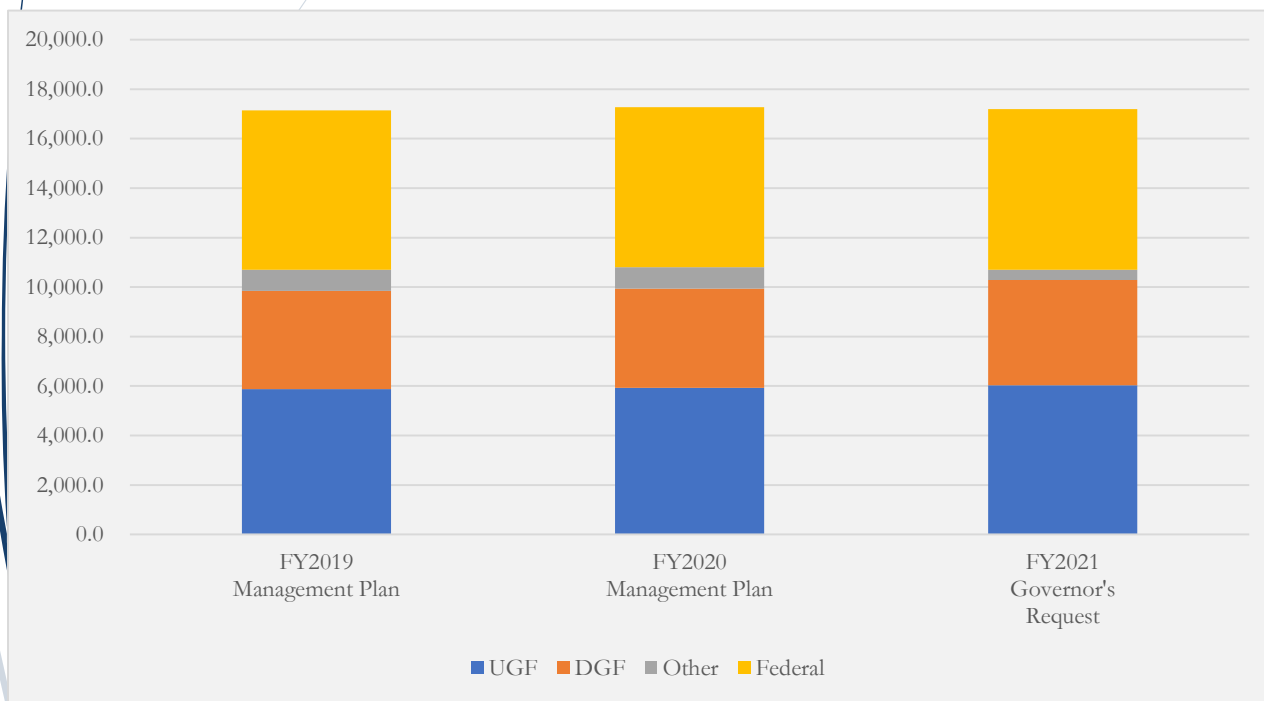
Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	652.5	0.0	<b>652.5</b>	0.0	0.0	<b>652.5</b>	2
*Duplicate						<b>0.0</b>	
<b>Non-Duplicate Total</b>	652.5	0.0	<b>652.5</b>	0.0	0.0	<b>652.5</b>	2

UGF	1004 General Fund	652.5
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# DEC FY2021 Operating Budget:

## Division of Environmental Health (in thousands)



### Significant Changes

- Eliminate dairy program
- Reduce shellfish subsidy

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	5,869.9	5,932.5	6,031.3	98.8	1.7%
DGF	3,983.3	4,000.4	4,259.0	258.6	6.5%
Other	849.3	874.1	406.9	(467.2)	-53.4%
Federal	6,448.0	6,464.0	6,503.2	39.2	0.6%
<b>Total</b>	<b>17,150.5</b>	<b>17,271.0</b>	<b>17,200.4</b>	<b>(70.6)</b>	<b>-0.4%</b>





# DEC FY2021 Operating Budget: Breakdown by Fund Category Division of Environmental Health

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	6,031.3	4,259.0	<b>10,290.3</b>	406.9	6,503.2	<b>17,200.4</b>	125
*Duplicate				(90.9)		(90.9)	
<b>Non-Duplicate Total</b>	<b>6,031.3</b>	<b>4,259.0</b>	<b>10,290.3</b>	<b>316.0</b>	<b>6,503.2</b>	<b>17,109.5</b>	<b>125</b>

UGF	1004 General Fund	4,214.3
	1003 General Fund Match	1,817.0
DGF	1005 General Fund Program Receipts	4,259.0
	1007 Inter-Agency Receipts (Duplicate)	90.9
	1108 Statutory Designated Program Receipts	0.1
Other	1166 Commercial Passenger Vehicle Environmental Compliance Fund	0.0
	1205 Ocean Ranger Berth Fees	315.9
Federal	1002 Federal Receipts	6,503.2



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Eliminate Dairy Program

- Governor proposed elimination in FY2020
- Legislature restored funding, replacing \$15.0 of UGF with SDPR to be paid by the industry
- Legislative intent for the Department to pursue fee schedule
- Current permittees include 1 bovine dairy, 1 goat dairy, and 1 bottle manufacturer
- Conversations with industry indicate any meaningful fees would not be economically feasible
- Reduce \$179.6 and 1 position
  - \$164.6 UGF
  - \$15.0 statutory designated program receipts



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Regulatory Framework for Dairy

- FDA Grade "A" Pasteurized Milk Ordinance
  - Licensed state veterinarian oversight
  - Certified state laboratory testing
  - Third party laboratory approval
- No federal program will step in
- Without FDA approved state program, dairies will be unable to
  - Sell to federally subsidized programs (military, schools, prisons)
  - Sell across state lines
  - Sell to major retailers that require Grade "A" certification
- No increased risk to public as unregulated milk would not be sold commercially





# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Cost of the Dairy Program

- \$179.6 represents the annual direct cost to operate the program
- \$159.2 personal services reflects time spent by 4-6 positions
  - 27% Dairy Sanitarian & Asst. State Veterinarian
  - 68% Laboratory staff
  - 5% Program administration
  - Staff support other regulatory programs when not working on dairy
- Remaining costs include travel, contractual and testing supplies
- Inspections and sample collections eight times per/year
  - Milk, milk products, and milk containers
  - Third party laboratories operated at each dairy



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Reduce Commercial Shellfish Testing Subsidy

- Legislature has historically supported fully subsidizing costs for required testing to assist a relatively new industry
- Commercial industry does not currently pay the existing fee for analytic testing
  - Industry does bear the cost to collect and ship samples
- Testing is required by FDA to participate in commercial shellfish markets
- Direct cost to State for shellfish testing is \$457.7
- Additional \$269.0 to operate the permitting program
  - Industry contributes roughly \$56.7 in permit fees
- Replace \$457.7 commercial passenger vessel environmental compliance fees for testing
  - \$228.8 UGF
  - \$228.9 general fund program receipts



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Regulatory Framework for Shellfish

- National Shellfish Sanitation Program (NSSP)
  - Recognized by FDA and Interstate Shellfish Sanitation Conference
  - Sanitary control of shellfish sold for human consumption
- Food Safety Permitting Program
  - Permit shellfish farms and harvesters
  - Open/close areas for harvest
  - Issue export certificates
  - Initiate recalls in event of foodborne illness
- In 2019, DEC permitted
  - 153 harvesters
  - 29 shellfish shippers
  - 3 shucker-packers
  - 140 other permits





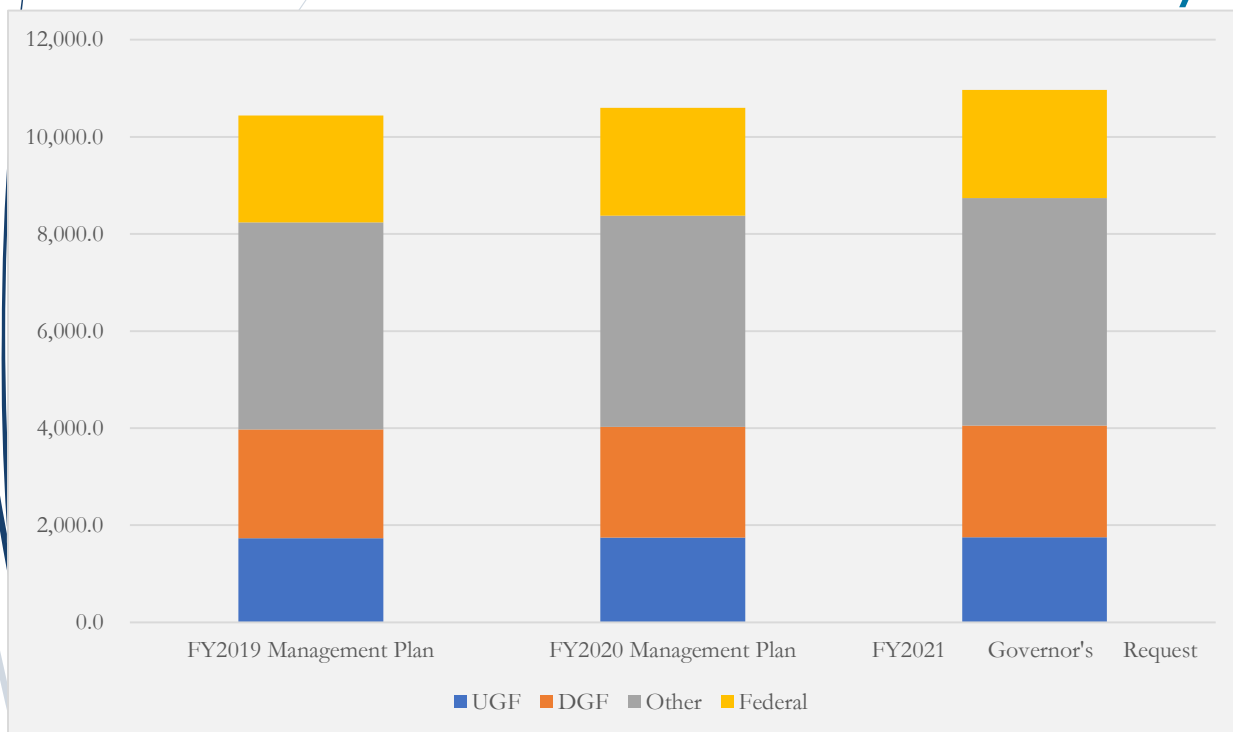
# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Regulatory Framework for Shellfish

- ▶ State Environmental Health Laboratory
  - ▶ Only NSSP approved laboratory in Alaska
  - ▶ Required testing
    - ▶ Growing waters
    - ▶ Shellfish meats
- ▶ Non-state laboratories can become an FDA approved lab under NSSP
  - ▶ Multi-year process
  - ▶ Private lab would not likely provide testing for free



# DEC FY2021 Operating Budget: Division of Air Quality (in thousands)



## Significant Changes

- Transfer cruise ship air monitoring

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	1,732.0	1,745.4	1,754.2	8.8	0.5%
DGF	2,242.0	2,283.7	2,295.7	12.0	0.5%
Other	4,265.0	4,349.0	4,690.1	341.1	7.8%
Federal	2,197.5	2,219.8	2,228.2	8.4	0.4%
<b>Total</b>	<b>10,436.5</b>	<b>10,597.9</b>	<b>10,968.2</b>	<b>531.7</b>	<b>5.1%</b>





# DEC FY2021 Operating Budget: Breakdown by Fund Category Division of Air Quality

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	1,754.2	2,295.7	<b>4,049.9</b>	4,690.1	2,228.2	<b>10,968.2</b>	66
*Duplicate				(291.9)		(291.9)	
<b>Non-Duplicate Total</b>	1,754.2	2,295.7	<b>4,049.9</b>	4,398.2	2,228.2	<b>10,676.3</b>	66

UGF	1004 General Fund	303.3
	1003 General Fund Match	1,450.9
DGF	1005 General Fund Program Receipts	2,295.7
	1007 Inter-Agency Receipts (Duplicate)	41.6
	1061 Capital Improvement Project Receipts (Duplicate)	163.4
Other	1093 Clean Air Protection Fund	4,067.3
	1108 Statutory Designated Program Receipts	18.3
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	312.6
	1236 Inter-Agency Alaska Liquid Natural Gas Project Fund (Duplicate)	86.9
Federal	1002 Federal Receipts	2,228.2



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

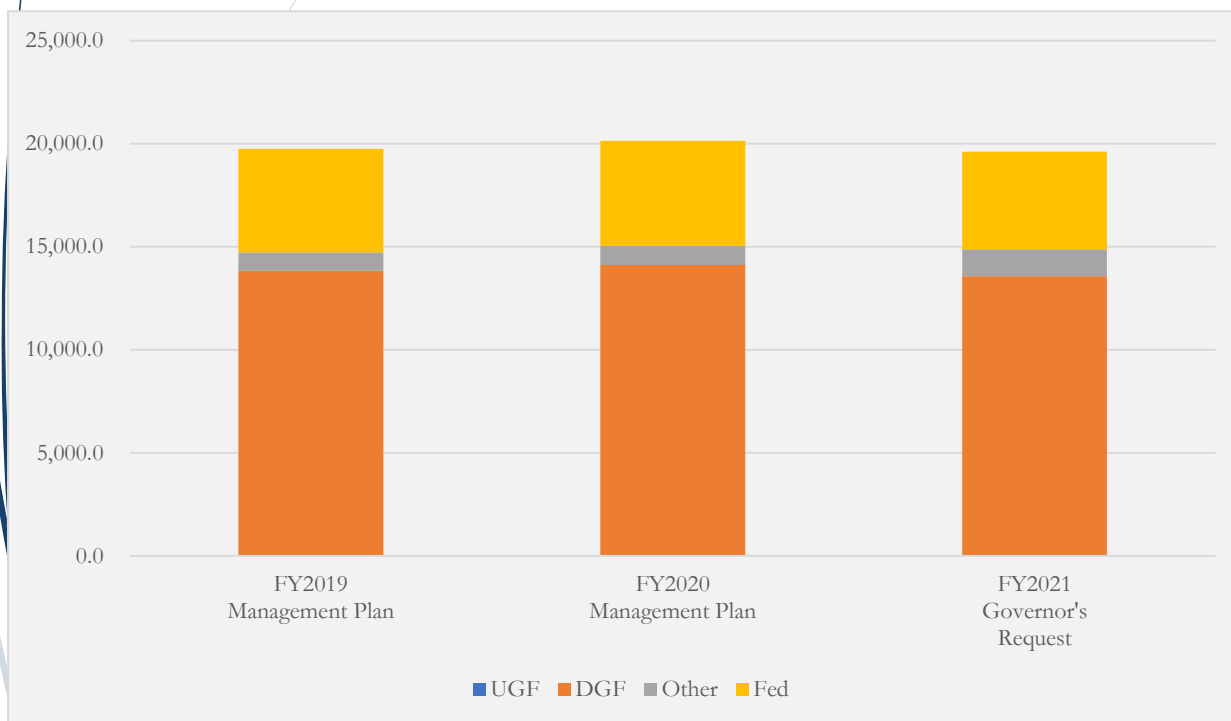
## Transfer Monitoring of Cruise Ship Air Emissions

- Moves monitoring and enforcement from Division of Water to Division of Air Quality
- Activities include
  - Opacity readings
  - Ambient air monitoring
  - Complaint response
- Transfer \$312.6 commercial passenger vessel environmental compliance fees and one position
- No change in service level



# DEC FY2021 Operating Budget:

## Division of Spill Prevention & Response (in thousands)



### Significant Changes

- Reduce expenditures from Prevention Account
- Additional Oil/Haz interagency receipt authority to reflect actual expenditures

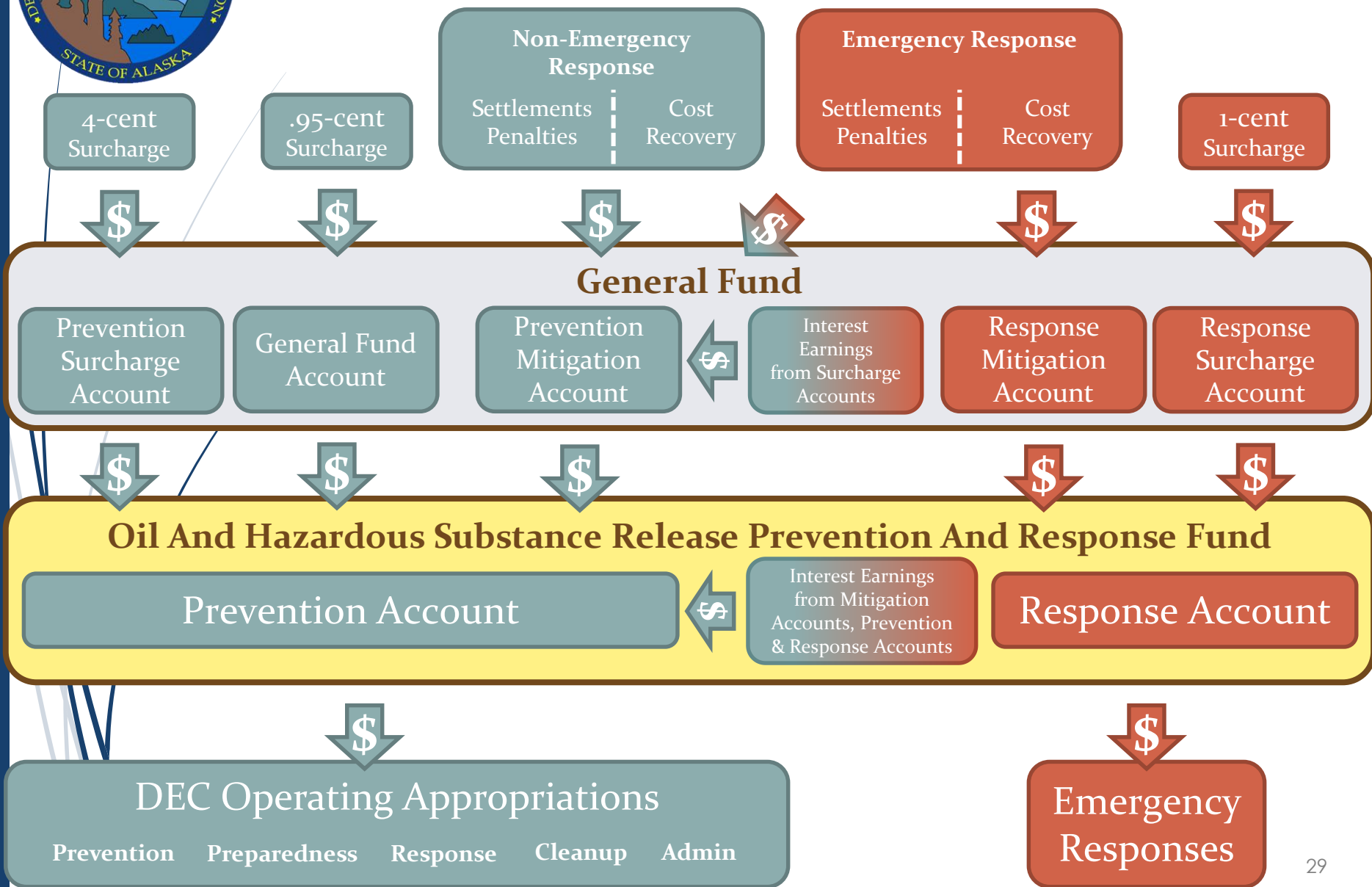
	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	0.0	0.0	0.0	0.0	0.0%
DGF	13,825.5	14,120.1	13,561.9	(558.2)	-4.0%
Other	899.4	927.5	1,310.5	383.0	41.3%
Fed	5,022.7	5,090.1	4,733.9	(356.2)	-7.0%
<b>Total</b>	<b>19,747.6</b>	<b>20,137.7</b>	<b>19,606.3</b>	<b>(531.4)</b>	<b>-2.6%</b>



# DEC FY2021 Operating Budget: Breakdown by Fund Category Division of Spill Prevention & Response

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	0.0	13,561.9	<b>13,561.9</b>	1,310.5	4,733.9	<b>19,606.3</b>	128
*Duplicate				(863.5)		<b>(863.5)</b>	
<b>Non-Duplicate Total</b>	0.0	13,561.9	<b>13,561.9</b>	447.0	4,733.9	<b>18,742.8</b>	128

DGF	1052 Oil and Hazardous Response Fund	13,561.9
	1007 Inter-Agency Receipts (Duplicate)	416.5
	1055 Inter-Agency Oil/Haz Fund (Duplicate)	377.8
Other	1061 Capital Improvement Project Receipts (Duplicate)	69.2
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	447.0
Federal	1002 Federal Receipts	4,733.9





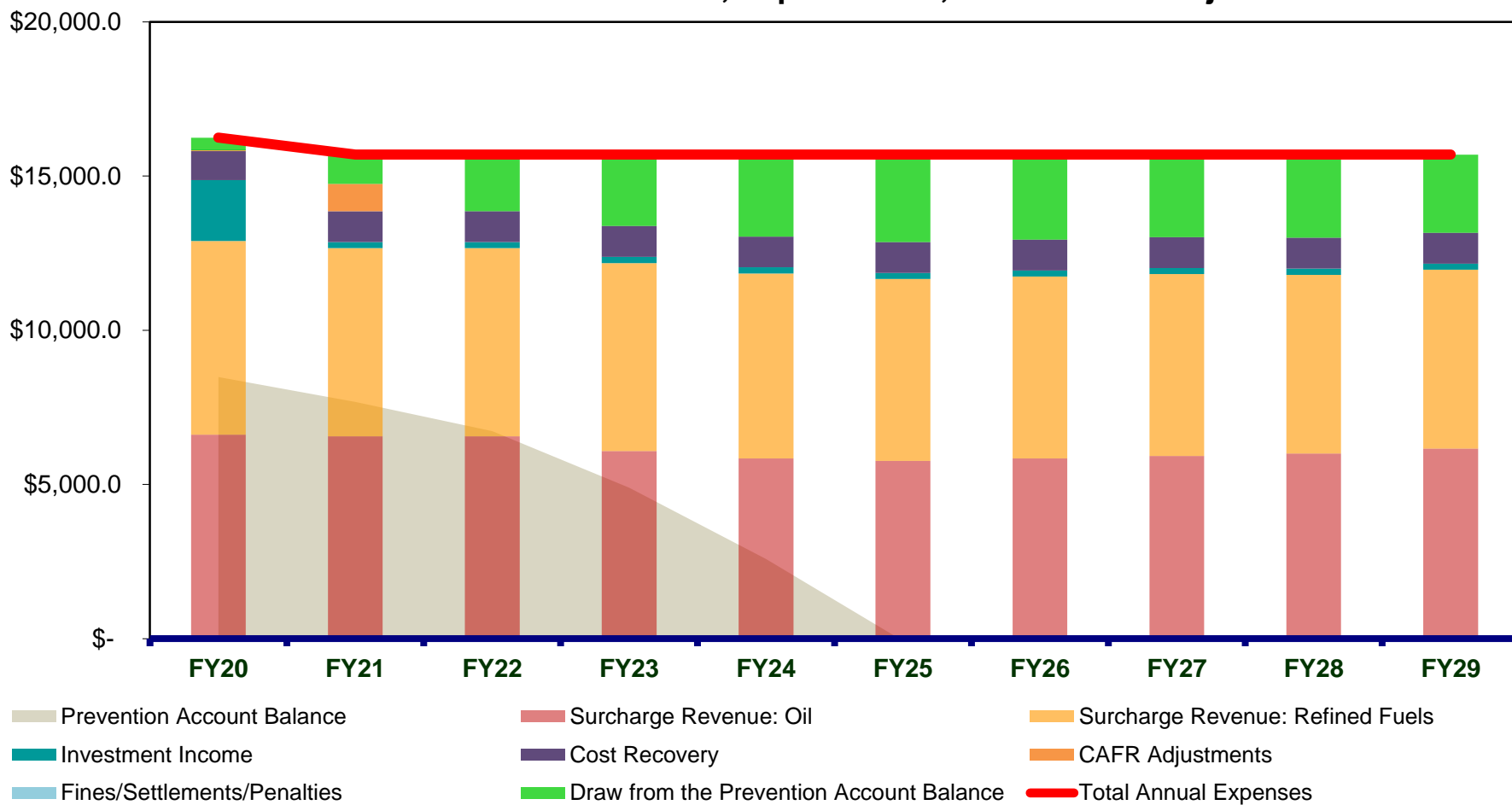
## DEPARTMENT OF ENVIRONMENTAL CONSERVATION PREVENTION ACCOUNT REVENUES, EXPENDITURES, AND BALANCE PROJECTION

*Actual Revenue FY2020, FY2021-2029 based on Fall 2019 Revenue Sources Book*

	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
<b>Unobligated Prevention Account Beginning Balance</b>	<b>8,483.0</b>	<b>7,675.7</b>	<b>6,728.7</b>	<b>4,895.2</b>	<b>2,581.7</b>	<b>(71.8)</b>	<b>(2,905.3)</b>	<b>(5,658.8)</b>	<b>(8,332.3)</b>	<b>(11,025.8)</b>
<b>REVENUE to PREVENTION ACCOUNT</b>										
Surcharge Revenue: Oil	6,613.9	6,560.0	6,560.0	6,080.0	5,840.0	5,760.0	5,840.0	5,920.0	6,000.0	6,160.0
Surcharge Revenue: Refined Fuels	6,275.9	6,100.0	6,100.0	6,100.0	6,000.0	5,900.0	5,900.0	5,900.0	5,800.0	5,800.0
Cost Recovery	936.3	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Fines/Settlements/Penalties	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Investment Income	1,977.8	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0	200.0
<b>Total Annual Revenue</b>	<b>15,809.0</b>	<b>13,860.0</b>	<b>13,860.0</b>	<b>13,380.0</b>	<b>13,040.0</b>	<b>12,860.0</b>	<b>12,940.0</b>	<b>13,020.0</b>	<b>13,000.0</b>	<b>13,160.0</b>
CAFR Adjustments	26.9	886.5								
<b>Total Adjusted Annual Revenue</b>	<b>15,835.9</b>	<b>14,746.5</b>	<b>13,860.0</b>	<b>13,380.0</b>	<b>13,040.0</b>	<b>12,860.0</b>	<b>12,940.0</b>	<b>13,020.0</b>	<b>13,000.0</b>	<b>13,160.0</b>
<b>EXPENSES from PREVENTION ACCOUNT</b>										
Operating Expense	16,243.2	15,693.5	15,693.5	15,693.5	15,693.5	15,693.5	15,693.5	15,693.5	15,693.5	15,693.5
Capital Expense	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Annual Expenses</b>	<b>16,243.2</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>	<b>15,693.5</b>
Addition to the Prevention Account Balance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Draw from the Prevention Account Balance	407.3	947.0	1,833.5	2,313.5	2,653.5	2,833.5	2,753.5	2,673.5	2,693.5	2,533.5
<b>Summary</b>										
Unobligated Beginning Balance	8,483.0	7,675.7	6,728.7	4,895.2	2,581.7	(71.8)	(2,905.3)	(5,658.8)	(8,332.3)	(11,025.8)
Total Adjusted Annual Revenue	15,835.9	14,746.5	13,860.0	13,380.0	13,040.0	12,860.0	12,940.0	13,020.0	13,000.0	13,160.0
Total Annual Expenses	(16,243.2)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)	(15,693.5)
Total Change in Capital Obligations & Other Activity	(400.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Unobligated Ending Balance</b>	<b>7,675.7</b>	<b>6,728.7</b>	<b>4,895.2</b>	<b>2,581.7</b>	<b>(71.8)</b>	<b>(2,905.3)</b>	<b>(5,658.8)</b>	<b>(8,332.3)</b>	<b>(11,025.8)</b>	<b>(13,559.3)</b>



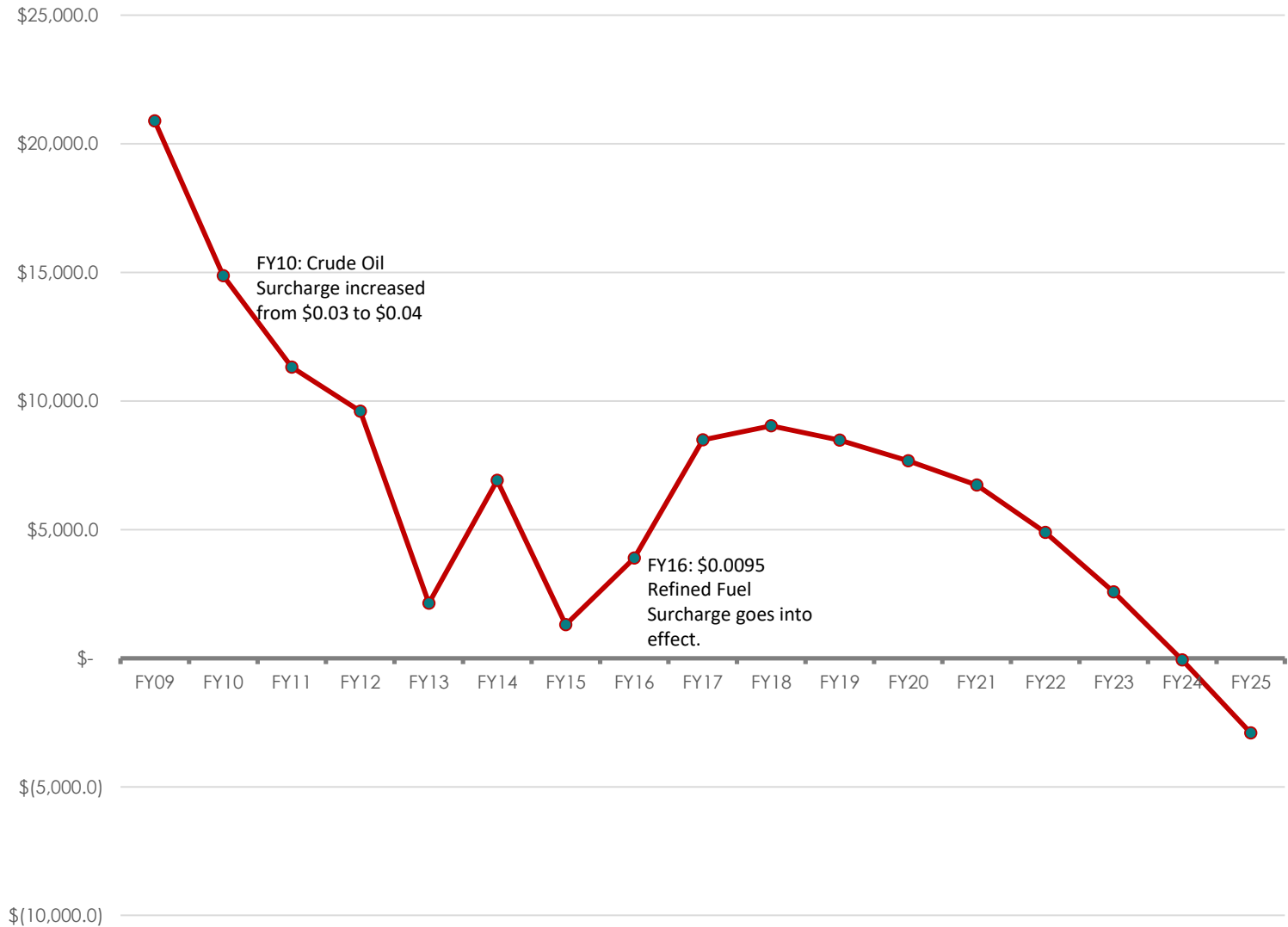
## Prevention Account Revenues, Expenditures, and Balance Projection





# Prevention Account Balance

## FY2009-2019 Actuals; FY2020-2025 Projected







# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Reduce Prevention Account Expenditures

- Prevention Account funded by
  - \$0.04 per barrel of crude oil
  - \$0.0095 per gallon of refined fuel
- Fund projected to run a deficit as early as FY2024
- Reduce \$1,019.1 and 7 positions
  - \$643.5 prevention account
  - \$375.6 federal receipts
- Increase \$375.0 oil/haz interagency receipts to reflect average annual personal services charged to emergency response account



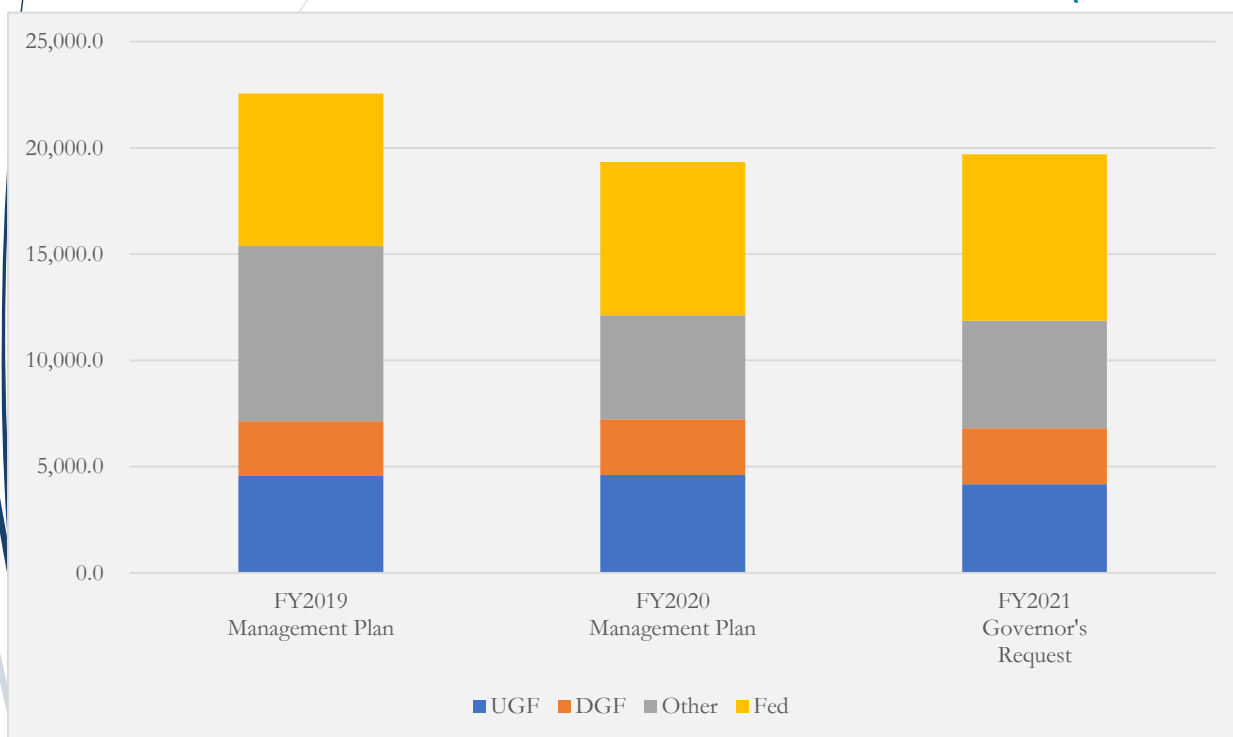
# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Program Impacts

- Eliminate Class II Storage Facility Program
  - Register facilities and provide technical assistance
  - Fuel storage capacity 1,000-420,000 gallons non-crude
  - Not statutorily required
  - EPA continues to have regulatory oversight
- Reduced Capacity in Training & Guidance Unit
  - Training for responders and staff
  - Regulations support
  - Work will continue with less resources
- Reduced Capacity in Contaminated Sites
  - Long term soil and water contamination
  - Work will continue at a slower rate
- Reduced administrative support



# DEC FY2021 Operating Budget: Division of Water (in thousands)



## Significant Changes

- Status of ocean ranger program
- Fund source used to regulate wastewater in port communities
- Increase APDES inspections done in-house

	FY2019 Management Plan	FY2020 Management Plan	FY2021 Governor's Request	Difference FY20 and FY21	% Difference FY20 and FY21
UGF	4,565.3	4,608.2	4,176.5	(431.7)	-9.4%
DGF	2,576.7	2,617.2	2,631.4	14.2	0.5%
Other	8,251.4	4,897.6	5,067.5	169.9	3.5%
Fed	7,173.2	7,214.3	7,824.3	610.0	8.5%
<b>Total</b>	<b>22,566.6</b>	<b>19,337.3</b>	<b>19,699.7</b>	<b>362.4</b>	<b>1.9%</b>



# DEC FY2021 Operating Budget: Breakdown by Fund Category Division of Water

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	4,176.5	2,631.4	<b>6,807.9</b>	5,067.5	7,824.3	<b>19,699.7</b>	107
*Duplicate				(2,907.2)		<b>(2,907.2)</b>	
<b>Non-Duplicate Total</b>	4,176.5	2,631.4	<b>6,807.9</b>	2,160.3	7,824.3	<b>16,792.5</b>	107

UGF	1004 General Fund	2,838.3
	1003 General Fund Match	1,338.2
DGF	1005 General Fund Program Receipts	2,631.4
	1007 Inter-Agency Receipts (Duplicate)	460.3
	1061 Capital Improvement Project Receipts (Duplicate)	2,436.4
	1108 Statutory Designated Program Receipts	15.0
Other	1166 Commercial Passenger Vehicle Environmental Compliance Fund	904.4
	1230 Alaska Clean Water Administrative Fund	958.0
	1231 Alaska Drinking Water Administrative Fund	282.9
	1236 Inter-Agency Alaska Liquid Natural Gas Project Fund (Duplicate)	10.5
Federal	1002 Federal Receipts	7,824.3



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Status of Ocean Ranger Program

- Governor proposed elimination in FY2020
- Legislature restored funding
- Governor vetoed
- Ocean ranger fee remains in statute and continues to be collected into the Commercial Passenger Vessel Environmental Compliance Fund
- Ocean ranger contract expired in October, 2019
- No ocean rangers will be onboard cruise ships in 2020
- No funding is requested as part of the FY2021 budget



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Cruise Ship Oversight Program

- DEC continues to have regulatory permitting, inspection, compliance, and enforcement authority over cruise ship discharges
- Draft legislation to replace HB74 and SB70 would replace Ocean Rangers with strengthened DEC inspection and enforcement activity
  - Initial inspections of each vessel early season by marine engineers
  - Random and targeted inspections throughout the season in port and underway
  - Ability to incorporate use of electronic monitoring of discharges
  - Simplified fee schedule
  - Grant or loan program to support improvements to shore-based wastewater treatment facilities in port communities



# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Regulate Wastewater in Port Communities

- 1.2 million cruise ship passengers in 2019
- Increased daily load in the summer has significant impacts on shore-based systems
- Fund source change \$454.6 UGF to commercial passenger vessel environmental compliance fees





# DEC FY2021 Operating Budget: Significant Changes (in thousands)

## Increase Inspections under Alaska Pollutant Discharge Elimination System (APDES) Program

- Primacy for a portion of federal Clean Water Act – wastewater discharge permitting and compliance
- Permits all major industries in Alaska
- Alaska received failing grade in recent EPA review due to staffing deficiencies
- EPA conducting inspections on DEC's behalf
- RPL approved in December added \$430.0 Fed to fund 4 new positions in FY2020
- Increase \$573.0 Fed and positions funded in RPL
  - Increased inspections by DEC staff
  - Improve program inspection and enforcement performance





# Questions?

