

Department of Environmental Conservation
FY22 Subcommittee Book - Significant Transactions
(\$ thousands)

Item	Appropriation / Allocation	Description	Amount / Fund Source	Comment
1	Administration / State Support Services	Reduce Authority Associated with Three Positions Deleted in Administrative Services Due to Administrative Efficiencies	Total: (\$466.3) (\$152.7) Fed Rcpts (Fed) (\$4.2) GF/Match (UGF) (\$135.8) Gen Fund (UGF) (\$121.0) Oil/Haz Fd (DGF) (\$31.1) Clean Air (Other) (\$15.4) Vessel Com (Other) (\$6.1) Ocn Ranger (Other)	<p>The Department has recognized operational efficiencies as a result of the implementation of the IRIS accounting system as well as changes to the processes and workflows of related administrative functions. In addition to this reduction, the following three vacant positions in the Financial Services section of the Administrative Services allocation were deleted due to these efficiencies:</p> <p>Full-time Accounting Technician II (18-7636), range 14, located in Juneau Full-time Accountant III (18-7786), range 18, located in Juneau Full-time Accountant III (18-7839), range 18, located in Anchorage</p>
2	Environmental Health / Environmental Health	Replace Commercial Passenger Vessel Environmental Compliance Fees for Shellfish Testing Due to Non-Designated Use	Net Zero \$459.7 Gen Fund (UGF) (\$459.7) Vessel Com (Other)	<p>The Department received an opinion from the Department of Law that the use of Commercial Passenger Vessel Environmental Compliance fees (CPVEC) to fund regulatory testing for commercial shellfish operations violates the Tonnage Clause of the U.S. Constitution.</p> <p>Fiscal Analyst Comment: In addition to the constitutional issues brought up by the Department of Law, the current use of the CPEVC for shellfish testing is not a designated use of the fund. Shellfish and shellfish growing waters would require testing whether or not there was a cruise ship industry, and the tests are required regardless of whether there is nearby cruise ship activity.</p>
3	Spill Prevention and Response / Spill Prevention and Response	Reduce Staffing Levels Due to Oil and Hazardous Substance Release Prevention and Response Account Revenue Shortfall	Total: (\$692.7) (\$29.8) Fed Rcpts (Fed) (\$641.3) Oil/Haz Fd (DGF) (\$21.6) Vessel Com (Other) (5) PFT Positions	<p>This is the second year in a row that the Department has made substantial position reductions due to a shortage in the Oil/Hazard Response fund. This is due in part to declining production of crude oil that provides the \$0.04 per/barrel surcharge, and in part to the \$0.0095 per/gallon refined fuel surcharge coming in at close to \$1 million below what was anticipated. The legislature did not include the Governor's proposed reduction of \$1,019.1 and deletion of seven positions in the FY21 operating budget (HB 205), but the Governor subsequently vetoed the funding. The following five positions being proposed for deletion in the FY22 budget are currently vacant.</p> <p>One position in the Program Support Unit One position in Aleutian/Western Alaska Preparedness and Response Unit Two positions in the Contaminated Sites Program One administrative support position</p>

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3	Spill Prevention and Response / Spill Prevention and Response	Reduce Staffing Levels Due to Oil and Hazardous Substance Release Prevention and Response Account Revenue Shortfall	Total: (\$692.7) (\$29.8) Fed Rcpts (Fed) (\$641.3) Oil/Haz Fd (DGF) (\$21.6) Vessel Com (Other) (5) PFT Positions	(continued) Fiscal Analyst Comment: The legislature implemented a new \$0.0095 fuel surcharge in FY16 to better support the Department's spill response needs, and in anticipation of this this new revenue some activities that were previously paid for with UGF were switched to the Oil/Hazard Response fund. Last session, SB 115 was put forward to increase that fuel surcharge to \$0.015, but it did not pass. Without a more stable revenue source going forward, the Department will likely be forced to further reduce staffing as the balance of the fund continues to decline.
4	Water / Water Quality, Infrastructure Support & Financing	Replace State Revolving Loan Fund Administrative Fees with Federal Receipts	Net Zero \$600.0 Fed Rcpts (Fed) (\$462.5) CleanAdmin (Other) (\$137.5) DrinkAdmin (Other)	The Department collects a 5% fee on all loans issued from the Alaska Clean Water and Alaska Drinking Water State Revolving Loan Funds. These fees are used to administer the loan programs. This fund source change replaces some of this authority with available federal grant funds.