

**Department of Environmental Conservation**  
**FY21 Conference Committee Book - Significant Transactions**  
(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Environmental Health / Environmental Health	Replace Commercial Passenger Vessel Environmental Compliance Fees and Reduce Commercial Shellfish Testing Subsidy	<b>Net Zero</b> \$228.8 Gen Fund (UGF) \$228.9 GF/Prgm (DGF) (\$457.7) Vessel Com (Other)	n/a	The legislature denied the Governor's request to replace Commercial Passenger Vessel Environmental Compliance (CPVEC) fees with a combination of general funds and program receipts.  <b>Fiscal Analyst Comment:</b> 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.
2	Environmental Health / Environmental Health	Eliminate Dairy Program	<b>Total: (\$179.6)</b> (\$164.6) Gen Fund (UGF) (\$15.0) Stat Desig (Other) <b>(1) PFT Position</b>	n/a	The Governor initially proposed deleting the Dairy Program, including one position and \$164.6 of UGF funding. This program provides lab testing and inspections for the dairy industry. The legislature chose to retain the program, and the Governor later included full funding for the program in his FY21 amended budget.
3	Spill Prevention and Response / Spill Prevention and Response	Add Authority to Support Transparent Budgeting of Emergency Responses	\$375.0 IA/OIL HAZ (Other)	\$375.0 IA/OIL HAZ (Other)	Additional interagency authority will improve transparency by budgeting use of the Response Account of the Oil and Hazardous Substance Release Prevention and Response Fund. The department can use this funding without an appropriation in the event of a release or threatened release posing an imminent and substantial threat to human health and the environment. These expenditures take place outside the operating budget. Personal services expenditures incurred as part of an emergency response are reflected as Oil/Haz interagency receipts when reporting operating budget actuals. This adds a portion of personal services to the budget based on recent actuals to more accurately reflect costs.
4	Spill Prevention and Response / Spill Prevention and Response	Reduce staffing levels and eliminate Class II Facilities Unit to Avoid Revenue Shortfall	<b>Total: (\$1,019.1)</b> (\$375.6) Fed Rcpts (Fed) (\$643.5) Oil/Haz Fd (DGF) <b>(7) PFT Positions</b>	<b>Total: (\$1,019.1)</b> (\$375.6) Fed Rcpts (Fed) (\$643.5) Oil/Haz Fd (DGF) <b>(7) PFT Positions</b>	The Governor proposed the elimination of the Class II Facilities Unit, including it's two associated positions, as well as an additional five positions throughout the division. The legislature retained funding for these positions and the Class II Facilities Unit in HB 205 (Ch. 8, SLA 2020). The Governor subsequently vetoed the funding.  The additional 5 positions were:  - Two Environmental Program Specialists in the Training & Guidance Unit responsible for developing and providing preparedness and response training and assisting with drafting regulations changes for the division;

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5	Water / Water Quality, Infrastructure Support & Financing	Add Authority for Alaska Pollutant Discharge Elimination Systems Permitting and Compliance Program	\$573.0 Fed Rcpts (Fed) <b>4 PFT Positions</b>	\$573.0 Fed Rcpts (Fed) <b>4 PFT Positions</b>	Increased federal authority will support the work of four new Environmental Program Specialist positions for the Alaska Pollutant Discharge Elimination System (APDES) compliance and enforcement program, which is the primacy program enforcing portions of the Clean Water Act, as well as additional travel required to conduct inspections and improve program performance. The department has sufficient federal grant revenue to cover the costs, but needed authority to expend those funds.
6	Water / Water Quality, Infrastructure Support & Financing	Ambient Water Quality Testing in Cruise ship Port Communities	n/a	\$2,000.0 Ocn Ranger (Other)	The legislature directed the department to begin a program of ambient water testing in cruise ship port communities using \$2 million in Ocean Ranger fee receipts. The department will conduct sampling in each community up to four times per year, with half occurring during the cruise ship season and the other half occurring outside of the cruise ship season.  <b>Fiscal Analyst Comment:</b> This is not a designated use of Ocean Ranger fees under Alaska Statute 46.03.480(d). However, AS46.03.482(b)(1) indicates that all money received under AS46.03.480 (which includes the Ocean Ranger fees) is considered part of the commercial passenger vessel environmental compliance fund and may be appropriated by the legislature for costs under the commercial passenger vessel environmental compliance program. AS46.03.488(2) lists monitoring and studying the direct or indirect environmental effect of commercial passenger vessels as an allowable activity of the program.

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7	Water / Water Quality, Infrastructure Support & Financing	Eliminate Ocean Ranger Program	n/a	n/a	<p>The Governor's proposed budget did not include funding for the Ocean Ranger program. The Governor had previously vetoed funding for the program in the FY20 budget. The legislature included \$3,426.0 for the program in HB 205 (Ch. 8, SLA 2020). The Governor subsequently vetoed that funding.</p> <p><b>Fiscal Analyst Comment:</b> In the absence of legislation repealing the Ocean Ranger Fee, the fee will continue to be collected and will accrue in the Commercial Vessel Compliance Fund. A portion of these fees were appropriated by the legislature for ambient water testing. <b>(See item #6)</b></p>
8	Various	Replace UGF with CBR Direct 1001	n/a	<b>Net Zero</b> \$3,866.0 CBR Fund (UGF) (\$1,169.4) GF/Match (UGF) (\$2,696.6) Gen Fund (UGF)	<p>The legislature funded 25% of numbers section UGF items directly from the Constitutional Budget Reserve (CBR) using fund code 1001. For the Department of Environmental Conservation, that resulted in \$3.9 million being switched from codes 1003 (GF Match) and 1004 (UGF) to code 1001. Because all three sources are counted as UGF, this change will have no impact on the agency's operations.</p>