



Department of Environmental Conservation

House Finance Subcommittee

Jason Brune, Commissioner

Ruth Kostik, Administrative Services Director

March 9, 2021



Division of Administration





Administration's Mission

Give policy direction to the divisions, coordinate external support services to departmental programs, provide administrative and information technology services, and support criminal and civil investigations





Core Services

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment
- Lead department employees to accomplish department priorities
- Advise the Office of the Governor and the Cabinet on environmental matters and climate change
- Provide centralized administration support services to the full range of programs and projects conducted by the department
- Provide civil and criminal investigative support for complex environmental violations

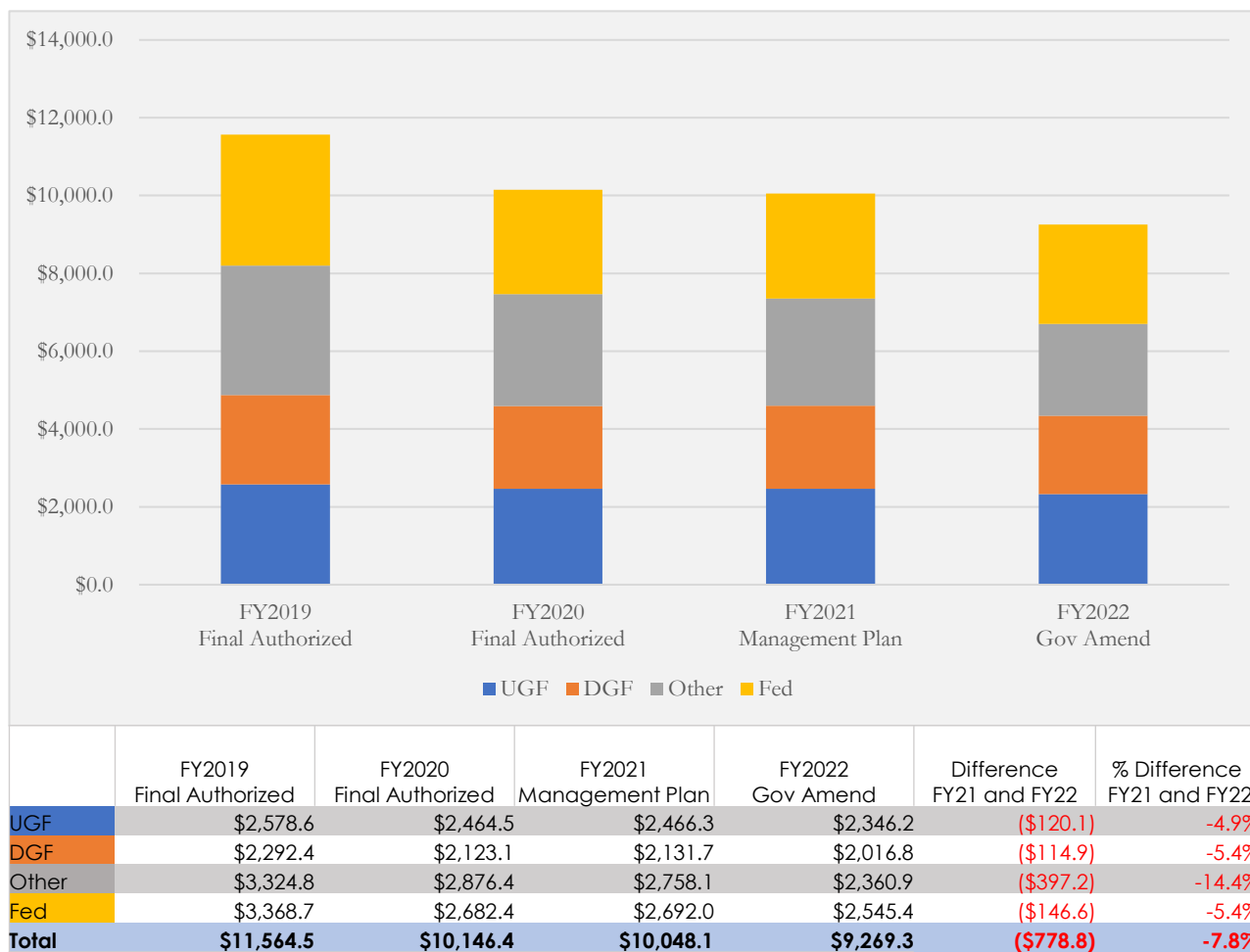


Responsibilities

- Office of the Commissioner
- Legislative & Public Relations
- Environmental Crimes Unit
- Financial Services
- Budget Services
- Operations & Building Support
- Human Resources*
- Procurement*
- Information Technology*



DEC FY2022 Operating Budget: Division of Administration (in thousands)





DEC FY2022 Operating Budget:

Division of Administration (in thousands)

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	\$2,346.2	\$2,016.8	\$4,363.0	\$2,360.9	\$2,545.4	\$9,269.3	41
*Duplicate				(\$1,065.5)		(\$1,065.5)	
Non-Duplicate Total	\$2,346.2	\$2,016.8	\$4,363.0	\$1,295.4	\$2,545.4	\$8,203.8	41

UGF	1004 General Fund	\$2,276.6
	1003 General Fund Match	\$69.6
DGF	1052 Oil and Hazardous Response Fund	\$2,016.8
	1007 Inter-Agency Receipts (Duplicate)	\$524.4
	1018 Exxon Valdez Oil Spill Settlement	\$6.9
	1061 Capital Improvement Project Receipts (Duplicate)	\$541.1
	1093 Clean Air Protection Fund	\$518.0
Other	1108 Statutory Designated Program Receipts	\$30.0
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	\$256.2
	1205 Ocean Ranger Berth Fees	\$100.8
	1230 Alaska Clean Water Administrative Fund	\$191.8
	1231 Alaska Drinking Water Administrative Fund	\$191.7
Federal	1002 Federal Receipts	\$2,545.4



DEC FY2022 Operating Budget:

Division of Administration (in thousands)

Reduce Authority Due to Administrative Efficiencies

- Admin Services Division is able to reduce authority as a result of process improvements
- Reduce \$466.3 and 3 vacant positions
 - (\$140.0) UGF
 - (\$121.0) Oil/Haz
 - (\$152.7) Fed
 - (\$31.1) CAPF
 - (\$15.4) CPVEC
 - (\$6.1) OR fees



DEC FY2022 Operating Budget:

Division of Administration (in thousands)

Rebalance Use of Admin Fee Accounts

- 0.5% fees on loans from the Clean Water and Drinking Water State revolving loan funds (SRF) to administer the programs
- Fund source change
 - (\$52.7) ACWF
 - \$52.7 ADWF

Transfer Authority for Grants Administrators

- Three Grant Administrator positions transferred to Water at Management Plan
- Transfers the associated funding authority
 - (\$212.8) CIP
 - (\$88.7) ACWF
 - (\$53.2) ADWF



DEC FY2022 Operating Budget:

Division of Administration (in thousands)

Transfer Positions to DOA for Consolidation

- Procurement staff have already transferred supervision
- Transfer three positions and shift line items to pay chargeback to DOA
 - (\$585.6) Personal Services
 - \$585.6 Services
- Governor's Amended transfers an additional HR position
 - (\$92.6)
 - \$92.6



DEC FY2022 Operating Budget:

Division of Administration (in thousands)

Transfer DOT&PF Costs for Maintenance Costs

- ▶ DOT&PF previously paid operations and maintenance costs for some facilities they owned and maintained
- ▶ Align facility costs with the respective agencies
- ▶ Governor's Amended transfers funding from DOT&PF
 - ▶ \$19.1 UGF



Significant Budget Changes in Recent Years

- Ten positions have previously shifted to DOA as a part of statewide consolidation efforts
- FY2019 ASD transferred to OMB
- Reduced lease costs in Anchorage and Juneau
- Eliminated six positions since FY2015



Division of Spill Prevention & Response





Spill Prevention and Response's Mission

Reduce unlawful oil and hazardous substance contamination in the environment





Core Services

- Protect public health and the environment by identifying, overseeing, and conducting the cleanup, redevelopment, and management of contaminated sites in Alaska
- Protect public safety, public health, and the environment and ensure that producers, transporters, and distributors of crude oil and refined oil products prevent oil spills, and are fully prepared materially and financially to clean up spills
- Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable, long-term funding source for the state's core spill prevention and response initiatives and provide administrative support services to the Divisions programs



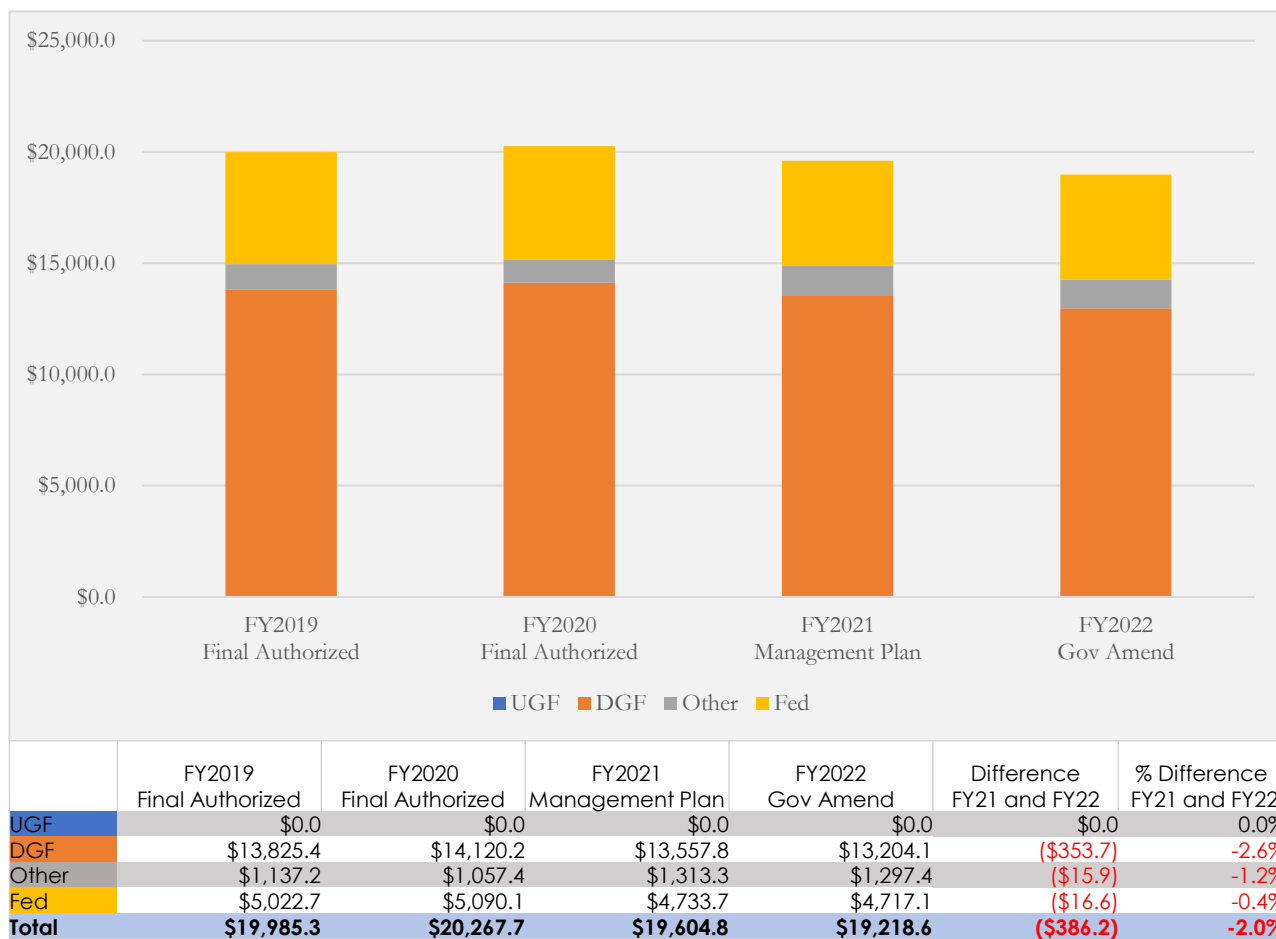
Responsibilities

- ▶ Prevention, Preparedness, and Response
- ▶ Contaminated Sites
- ▶ Response Fund Administration





DEC FY2022 Operating Budget: Spill Prevention & Response (in thousands)





DEC FY2022 Operating Budget: Spill Prevention & Response (in thousands)

Agency Operating	UGF	DGF	GF Sub Total	Other	Fed	Total	PFT
Formula							
Non-Formula	\$0.0	\$13,204.1	\$13,204.1	\$1,297.4	\$4,717.1	\$19,218.6	123
*Duplicate				(\$869.8)		(\$869.8)	
Non-Duplicate Total	\$0.0	\$13,204.1	\$13,204.1	\$427.6	\$4,717.1	\$18,348.8	123

DGF	1052 Oil and Hazardous Response Fund	\$13,204.1
	1007 Inter-Agency Receipts (Duplicate)	\$418.2
Other	1055 Inter-Agency Oil/Haz Fund (Duplicate)	\$382.4
	1061 Capital Improvement Project Receipts (Duplicate)	\$69.2
	1166 Commercial Passenger Vehicle Environmental Compliance Fund	\$427.6
Federal	1002 Federal Receipts	\$4,717.1



DEC FY2022 Operating Budget: Spill Prevention & Response (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 FY2026
- ▶ Reduce \$692.7 and 5 vacant positions
 - ▶ \$641.3 Oil/Haz
 - ▶ \$29.8 Fed
 - ▶ \$21.6 CPVEC
- ▶ Governor's Amended restored \$230.0 Oil/Haz



DEC FY2022 Operating Budget: Spill Prevention & Response (in thousands)

Program Impacts

- Reduced Capacity in Program Support Unit
- Reduced Capacity in the Aleutian/Western AK region
 - Five positions remain in this unit to cover the area in the event of a spill
- Reduced Capacity in Contaminated Sites
- Reduced administrative support



Significant Budget Changes in Recent Years

- 2015 Refined fuel surcharge passed the legislature
- FY2016 Reorganization combined five budget components into one and restructured how we plan, prepare, and respond to spills
- FY2017 Replaced remaining UGF with prevention account
- FY2021 Reduced prevention account spending and eliminated seven positions





2021 Hot Topics

- ▶ Prevention Account Sustainability
 - ▶ Increased production
 - ▶ Increase refined fuel surcharge
- ▶ Statewide PFAS contamination
- ▶ ANCSA pre-conveyance contaminated sites





Questions?

