

Department of Environmental Conservation

FY25 - Summary of Significant Budget Issues

(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Administration / State Support Services	Juneau Air Lab Relocation (FY2024-FY2025) Supplemental	\$87.5 Gen Fund (UGF) MultiYr	\$87.5 Gen Fund (UGF) MultiYr	<p>The building which previously housed the Division of Air Quality laboratory has been closed since August 2022. All samples have been shipped offsite to be processed by private labs or by the DEC lab servicing the Fairbanks area, resulting in additional costs and delays with lab results.</p> <p>This item was originally submitted by the Governor as a One-Time Increment in FY25, but was resubmitted as an FY24 supplemental Multi-Year appropriation.</p> <p>The agency does not expect increased lease costs as a result of moving locations. This Multi-Year funding is to cover the cost of assembling the new laboratory. The agency anticipates re-using the existing laboratory furnishings to reduce costs.</p>
2	State Facilities Maintenance and Operations / State Facilities Maintenance and Operations	Change Uncollectable Federal Receipt Authority to UGF to Maintain Environmental Health Lab	Net Zero (\$125.0) Fed Rcpts (Fed) \$125.0 Gen Fund (UGF) FndChg	Net Zero (\$125.0) Fed Rcpts (Fed) \$125.0 Gen Fund (UGF) FndChg	The agency indicated that previously available federal indirect earnings are anticipated to be spent down in FY24, and will not be available to continue funding critical needs at the Environmental Health Laboratory. Another fund source was needed to maintain the current service level. Along with this fund source change the allocation was renamed from DEC Building Maintenance and Operations.
3	Air Quality / Air Quality	Change Receipt Authority to General Fund Program Receipts for Permit Program to Replace Uncollectable Receipt Authority	Net Zero \$110.7 GF/Prgm (DGF) (\$18.3) Stat Desig (Other) (\$92.4) AK LNG I/A (Other) FndChg	Net Zero \$110.7 GF/Prgm (DGF) (\$18.3) Stat Desig (Other) (\$92.4) AK LNG I/A (Other) FndChg	The Division of Air Quality no longer utilizes the two receipt accounts being reduced, and requested a fund source change to General Fund Program Receipts to ensure sufficient authority for the permit program. The Division has not received substantial Alaska LNG Interagency Receipts since FY22.
4	Air Quality / Air Quality	Alaska Community Emission Inventories and Project Planning (FY2025-FY2027)	\$1,118.1 Fed Rcpts (Fed) IncT	\$1,118.1 Fed Rcpts (Fed) IncT	The Division of Air Quality was awarded a \$3 million Inflation Reduction Act Climate Pollution Reduction grant to conduct a community emissions inventory project.

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5	Water / Water Quality, Infrastructure Support & Financing	Reduce IJJA Div. E Title I Drinking Water - Federal Infrastructure Drinking Water Program Implementation (FY23-FY27)	(\$2,911.2) Fed Rcpts (Fed) Dec	(\$2,911.2) Fed Rcpts (Fed) Dec	The agency proposed this operating budget reduction after determining that this Federal funding was more appropriately placed in the capital budget. There is a corresponding capital appropriation for this amount in the FY25 capital budget. This leaves \$1,671.5 in Federal authority for drinking water program implementation in the agency's operating budget.