



Department of Environmental Conservation House Finance Subcommittee

Ruth Kostik, Acting Administrative Services Director

Christina Carpenter, Director, Division of Environmental Health

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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

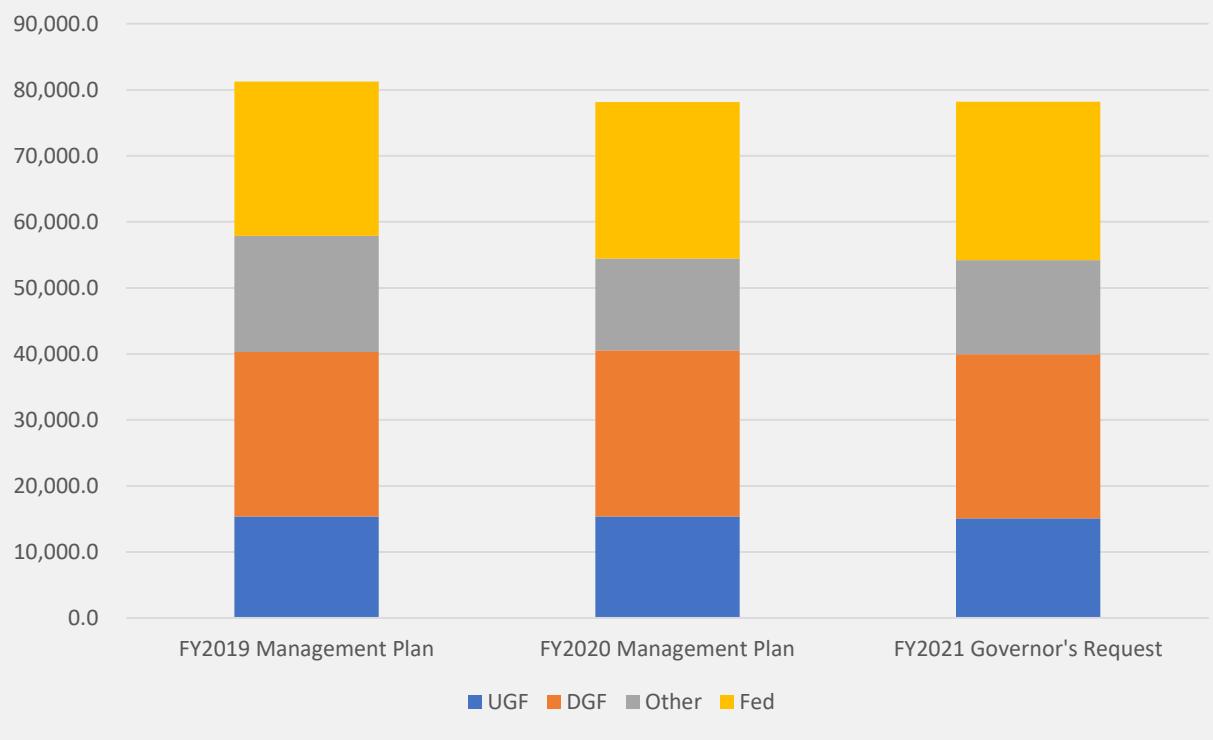
- Ensure safe food & drinking water
- Oversee landfills & pesticide applicators
- Provide animal care & importation standards
- Conduct analytical testing
- Conduct inspections & ensure compliance

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: 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 FY19 and FY21	% Difference FY19 and FY21
UGF	15,391.8	15,397.2	15,080.6	(311.2)	-2.0%
DGF	24,919.9	25,144.5	24,879.6	(40.3)	-0.2%
Other	17,583.9	13,924.6	14,233.3	(3,350.6)	-19.1%
Federal	23,356.3	23,670.6	23,981.2	624.9	2.7%
Total	81,251.9	78,136.9	78,174.7	(3,077.2)	-3.8%



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	39,960.2	14,233.3	23,981.2	78,174.7	477
*Duplicate				(5,426.6)		(5,426.6)	
Non-Duplicate Total	15,080.6	24,879.6	39,960.2	8,806.7	23,981.2	72,748.1	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
	1007 Inter-Agency Receipts (Duplicate)	1,530.9
	1018 Exon Valdez Oil Spill Settlement	6.9
Other	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 FY2021 Operating Budget: Significant Changes

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

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

Regulatory Framework for Shellfish

- ▶ State Environmental Health Laboratory
 - ▶ Only NSSP approved Lab 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: Significant Changes

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

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

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



Questions?

