

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FY14 - Increment Status Updates**

Governor's Budget Items Approved as Requested

Item #	Approp/Allocation	Description	Amount/Fund Source	Department/OMB Comments
1	Administration/ Administrative Services	Increased Indirect Revenues Related to Federal Grants	\$400.0 Federal Receipts (Fed)	This increment allows the Division of Administrative Services to collect and expend indirect federal revenues to support the management of the federal grant process. A portion of this increment effectively backfills the shortfall between the increase in DOA Core Service rates and the general fund increment appropriated to pay them. A portion of this increment also supports a new Analyst/Programmer position that will support the database development for several high-priority programs that assist in managing the Department's federal grants. The Division expects to fully expend this increment in FY2014.
2	Environmental Health/ Laboratory Services	Increased Federal Grants and Reimbursements	\$300.0 Federal Receipts (Fed)	This increment allows the Environmental Health Laboratory to collect and expend federal revenues related to the FDA's "Accreditation for State Food Testing Laboratories Cooperative Agreement Program." The Division received notice of this award in FY2013, and will receive approximately \$250.0 in FY2014 and \$300.0 per year FY2015-2017. Due to the effects of sequestration on the Division as a whole, this incremental federal authority may not be fully expended in FY2014.

Governor's Budget Items Approved with Modifications

Item #	Approp/Allocation	Description	Gov Request	Amount Approved	Department/OMB Comments
3	Environmental Health/ Drinking Water	Increased Staff Time and Support for Drinking Water Rule Adoption and Implementation	\$350.0 UGF	\$175.0 UGF	This increment was intended to fund the adoption and implementation of the Reduction in Lead and Revised Total Coliform Rules (EPA Safe Drinking Water Act Rules 19 & 20). Sequestration has caused this program to lose approximately \$267.2 in federal revenue in FY2014. This increment helps to dampen the impact of sequestration and rising fixed costs, but it has yielded little additional capacity for implementing the new drinking water rules. It appears that the anticipated schedule for implementing these new rules may be delayed by EPA. The Division expects to fully expend this increment in FY2014.

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4	Water/ Water Quality	Additional Permitting Needs for Oil and Gas Development	\$543.0 UGF/ \$14.0 GF/PR (DGF) 1 PFT Position	\$271.5 UGF/ \$7.0 GF/PR (DGF) 1 PFT Position	The Department continues to fully implement the Alaska Pollutant Discharge Elimination System (APDES). This increment provides funding for personal services and contractual support, as well as one new engineering position. The position was filled on 10/16/2014, and RFPs for contracts have been issued. The Division expects to fully expend this increment in FY2014.
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Fiscal Notes

Item #	Bill Number	Bill Title	Agency Request	Amount Approved	Department/OMB Comments
5	SB27	Regulation of Dredge & Fill Activities	\$1,434.7 UGF 5 PFT Positions	\$1,434.7 UGF 5 PFT Positions	SB27 (2013) charged the Department with evaluating and applying for assumption of Section 404 program of the Clean Water Act, which is related to wetlands and dredge and fill permitting, a program currently implemented by the Corps of Engineers and the Environmental Protection Agency. The Program Manager was hired 9/9/2013, the Environmental Program Specialist IV was hired 11/14/2013, and the Environmental Program Specialist III was hired 12/2/2013. The two remaining positions are in the final stages of recruitment. One contract is in place and the Department is establishing a second contract for work associated with the evaluation of the 404 wetlands program. Lower than expected personal services costs will be offset by increased spending on contractual services. RSAs with the Department of Natural Resources and the Department of Law are in place, and lower than expected charges from DNR will be offset by higher than expected costs from DOL. The Department will fully expend this increment in FY2014.