

State of Alaska Office of Management and Budget

FY2020 Operating Budget Overview:
Department of Environmental Conservation
Presentation to the House Finance Subcommittee
March 5, 2019
Administrative Services Director Jeff Rogers



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

DEC FY2020 Operating Budget: Protecting your Health and the Environment

DEC Mission: Protect Human Health and the Environment

It is the policy of the state to conserve, improve, and protect its natural resources and environment and control water, land, and air pollution, in order to enhance the health, safety, and welfare of the people of the state and their overall economic and social well-being.

It is the policy of the state to improve and coordinate the environmental plans, functions, powers, and programs of the state, in cooperation with the federal government, regions, local governments, other public and private organizations, and concerned individuals, and to develop and manage the basic resources of water, land, and air to the end that the state may fulfill its responsibility as trustee of the environment for the present and future generations.

AS 46.03.010, AS 44.46.020, AS 17.20.005, AS 03.05.011



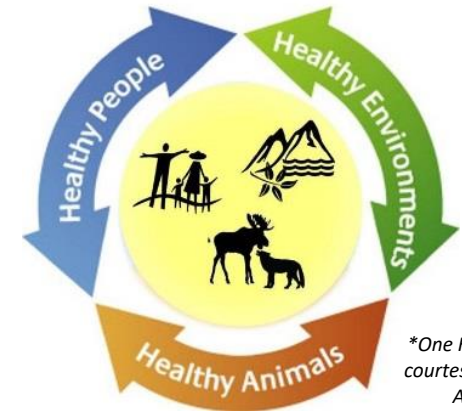
DEC FY2020 Operating Budget: Mission Execution

Means:

- Permits & authorization based on science-based standards
- Monitoring, outreach, compliance assistance, and enforcement
- Emergency response and oversight of spill clean-up
- Effective public processes for review of standards and permits
- Technical assistance, grants, and loans to communities for drinking water and wastewater infrastructure
- Integrated approach to public health

Outcomes:

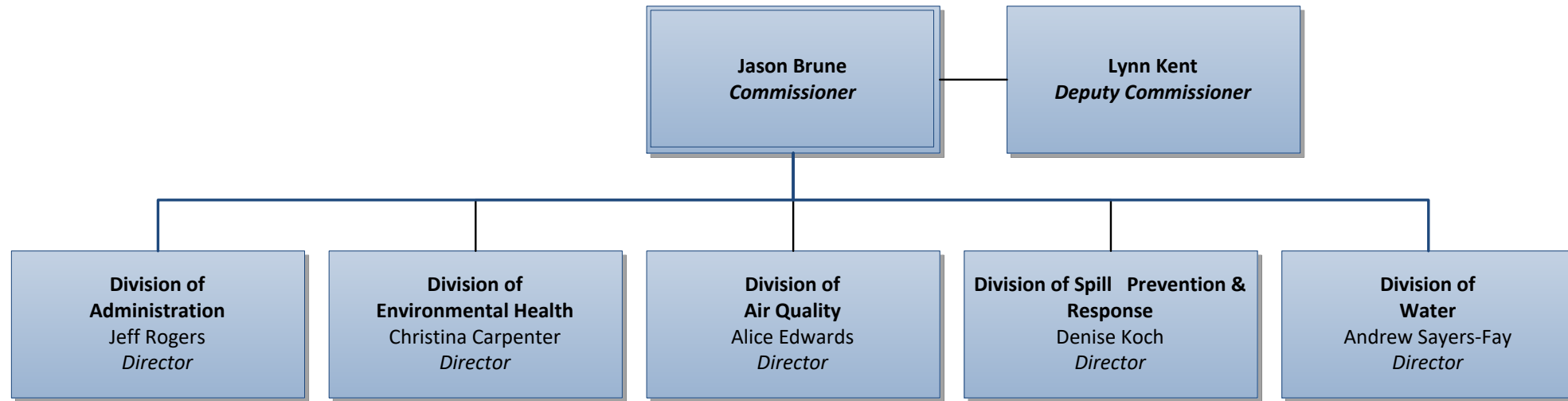
- Clean water
- Healthy air
- Safe drinking water
- Safe food
- Professional management of sanitary waste and hazardous materials
- Low risk of spills, and effective response when spills occur
- Wise resource development for a growing state



**One Health model graphic
courtesy of the University of
Alaska Fairbanks*

DEC FY2020 Operating Budget: Professional Leadership

DEC Leadership



DEC FY2020 Operating Budget: Divisions

Divisions & Contribution to Mission

Environmental Health

- Food Safety & Sanitation – permits and inspects shellfish, manufactured food/seafood processors, public facilities, and retail food to protect public health
- Drinking Water – works with public water systems to maintain compliance with state and federal standards
- Solid Waste Management – works with waste facilities and regulates pesticide use, sale and distribution
- Environmental Health Laboratory – provides shellfish and food safety testing, lab certification, dairy, animal health, and fish tissue monitoring
- State Veterinarian – prevents and controls animal diseases, oversees dairy industry, and reindeer slaughter

Spill Prevention & Response

- Prevention Preparedness and Response – prevents and mitigates the effects of oil and hazardous substance releases and ensures their cleanup
- Contaminated Sites – manages the cleanup of contaminated soil and groundwater



DEC FY2020 Operating Budget: Divisions

Divisions & Contribution to Mission

Air Quality

- Air permits – manages industrial air pollution through a permit
- Compliance Assistance & Enforcement - ensures air emissions do not create unhealthy air
- Monitoring and Quality Assurance – performs field air monitoring to measure progress and understand problems
- Non-point and mobile source pollution – works to reduce air pollution from woodsmoke, dust, wildland fire smoke, etc

Water

- Wastewater Discharge Permitting – manages wastewater through Alaska Pollutant Discharge Elimination System permits and plan reviews
- Compliance Assistance & Enforcement – inspects, assists, and takes enforcement actions to achieve compliance
- Cruise Ship – oversees wastewater and air monitoring compliance
- Village Safe Water – works with rural communities on sustainable sanitation facilities
- Technical Assistance & Financing – provides drinking water and clean water revolving loan funds to communities
- Water Quality Standards, Assessment & Restoration – sets standards, monitors impacts, and restores water bodies



DEC FY2020 Operating Budget: Definitive Value

What Alaskans Get for Their Money

According to calculations by Legislative Finance, DEC's FY2019 general fund budget is just under \$119 per year per resident worker

that's just **33¢** a day for



clean air to breathe clean water to drink
safe food to eat clean land and waters
responsible resource development

*If you look at the numbers by total population, that number drops to roughly **15¢** a day per Alaskan*



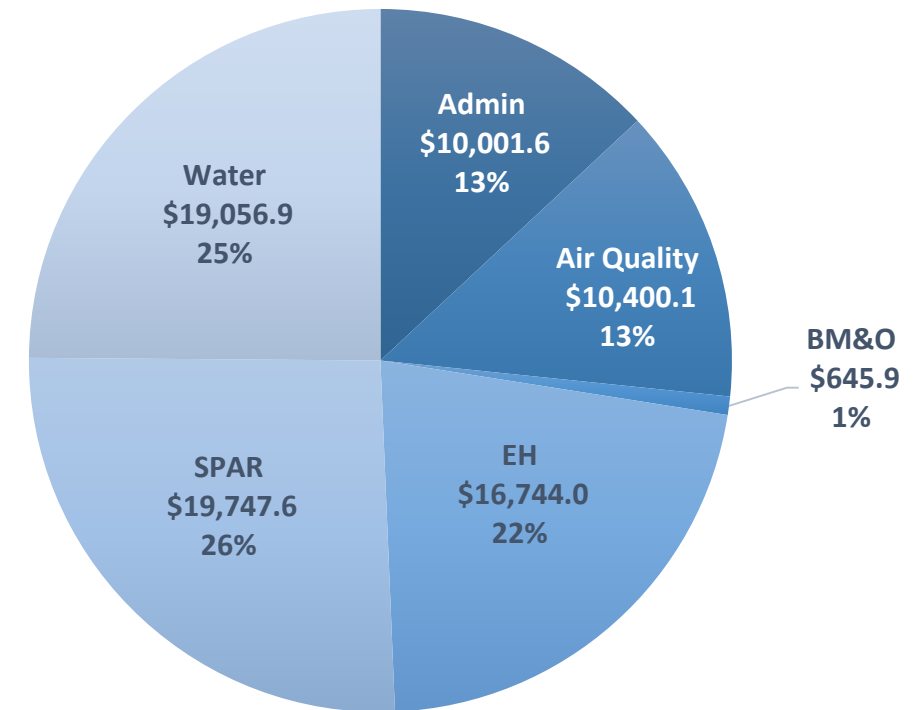
DEC FY2020 Operating Budget

Operating Request: \$ 76,596.1

• Combined GF	\$39,640.3
• Unrestricted GF	\$15,010.4
• Designated GF	\$24,629.9
• Other State Funds	\$13,625.9
• Federal Receipts	\$23,329.9
• Positions	482

(\$ Thousands)

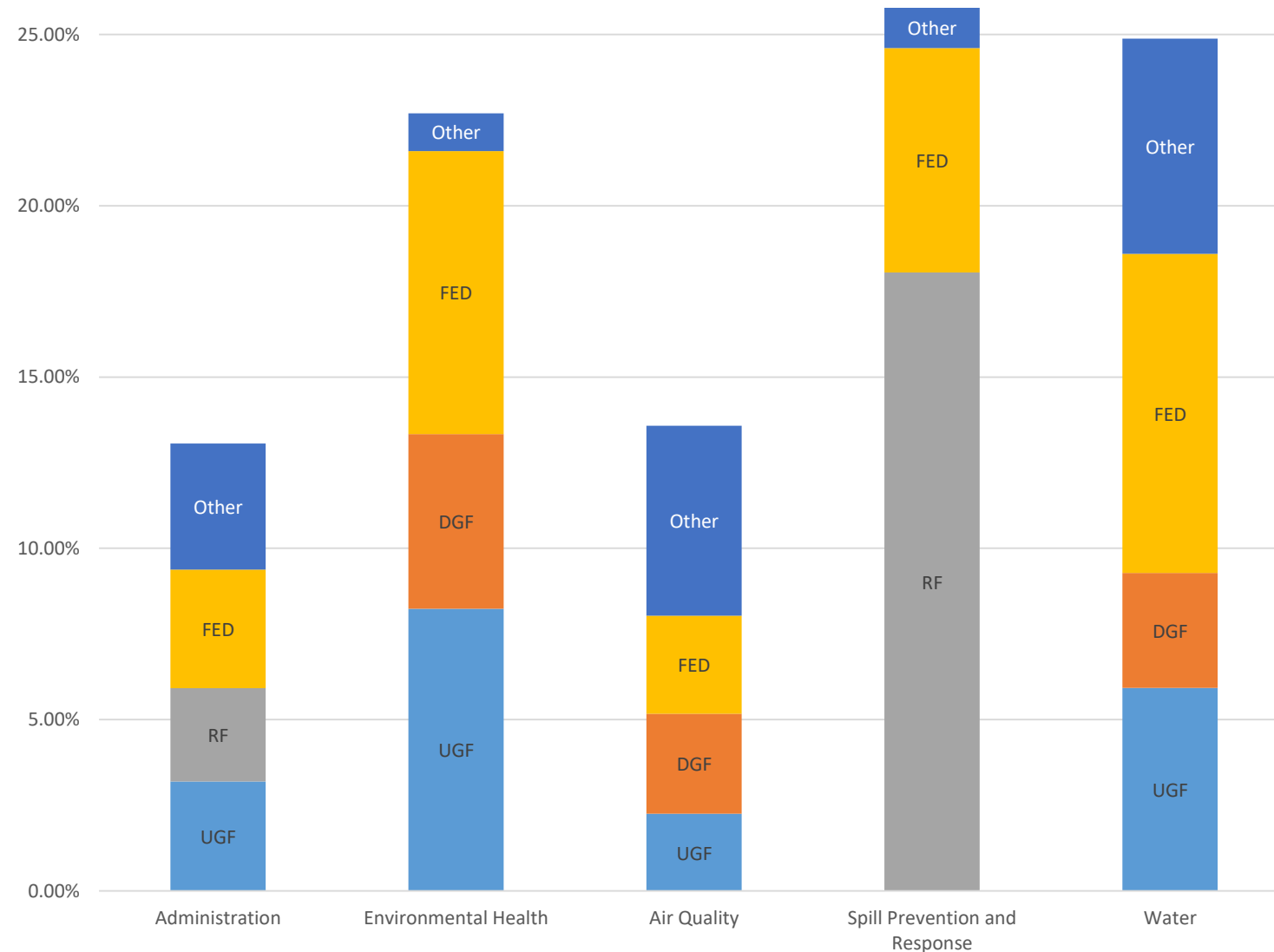
FY2020 Governor's Amended Total: \$76,596.1



DEC FY2020 Operating Budget

How DEC Spends UGF

- Roughly \$4.6 million is required match for federal grants (based on projected FY2020)
- \$645.9 supports the Environmental Health Laboratory, including maintenance and utilities
- \$2.0 million funds Administrative Services, consistent with DEC's approved federal indirect cost allocation plan
- \$420.0 pays for less than half of the Commissioner's Office costs
- The remaining \$7.3 million subsidizes fee-based programs, covers expenses ineligible for other fund sources, and supports work with the unregulated public such as complaint response and outreach



DEC FY2020 Operating Budget: Change Summary

- Business process realignment
 - Transfer ASD to OMB; Admin Order 302
 - 50% Travel Reduction (\$375.9)
- Program reform
 - Delete Dairy Program (\$179.6 GF +1 FTE)
- Reducing regulatory burden
 - Delete Economist (\$124.3 GF +1 PFT)
- Non-essential programs
 - Repeal Ocean Ranger Program (\$3,426.0 OR Fees)



(\$ Thousands)

DEC FY2020 Operating Budget: Significant Changes

Eliminate Dairy Program – (\$179,600 GF + 1 PFT)

- FDA-required regulatory program requires significant state subsidization
 - Program requires one FTE
 - Any meaningful fee would create undue hardship due to small-scale
- Alaska's dairy industry has declined from 65 dairies to one operating bovine dairy today
- Outsourcing regulatory program to another state is not likely feasible



DEC FY2020 Operating Budget: Significant Changes

Repeal the Ocean Ranger Program – (\$3,426,000 OR Fees)

- Created by ballot initiative in 2006; funded by \$4/berth fee
- Program not required by state constitution or federal law
- Program duplicates water and air discharge and other compliance activities
- No other permitted industry is subject to “24/7 onsite observers”
- Program conducted primarily by out-of-state contractor with non-Alaskan employees
- Statutory change required to repeal associated berth fee



DEC FY2020 Operating Budget: Significant Changes

Cease Economic Analysis of New Regulations – (\$124,300 GF + 1PFT)

- B140 (SLA 2014) requires economic analysis of new regulations
- Associated position defunded by legislature; now an unfunded mandate
- Statutory change to AS 44.62.190(d)(3) proposed
- Regulations promulgated by the department are already subject to public review and comment



Sustainable, Predictable, Affordable

