



Department of Environmental Conservation

House Finance Committee

Ruth Kostik, Acting Administrative Services Director

Jason Brune, Commissioner

January 28, 2020



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

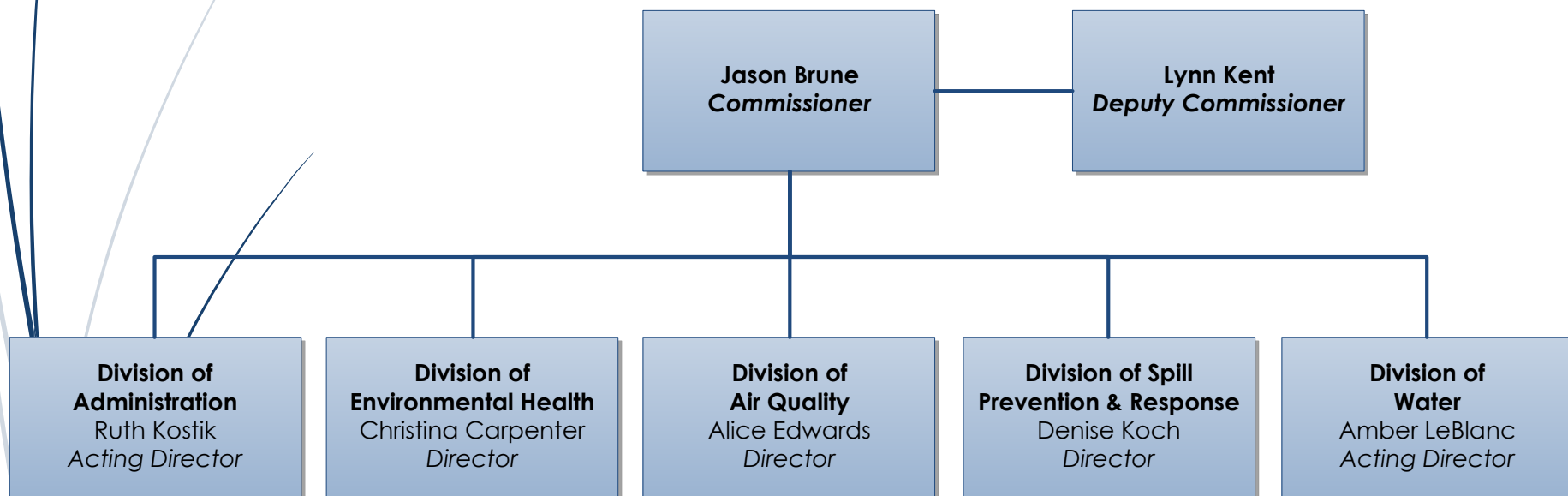
- Ensure safe food & drinking water
- Oversee landfills & pesticide applicators
- Provide animal care & importation standards
- Conduct analytical testing
- Conduct inspections & ensure compliance

Spill Prevention & Response

- Respond to spills
- Require spill prevention & response plans
- Evaluate response drills
- Manage cleanup of contamination
- Conduct inspections & ensure compliance

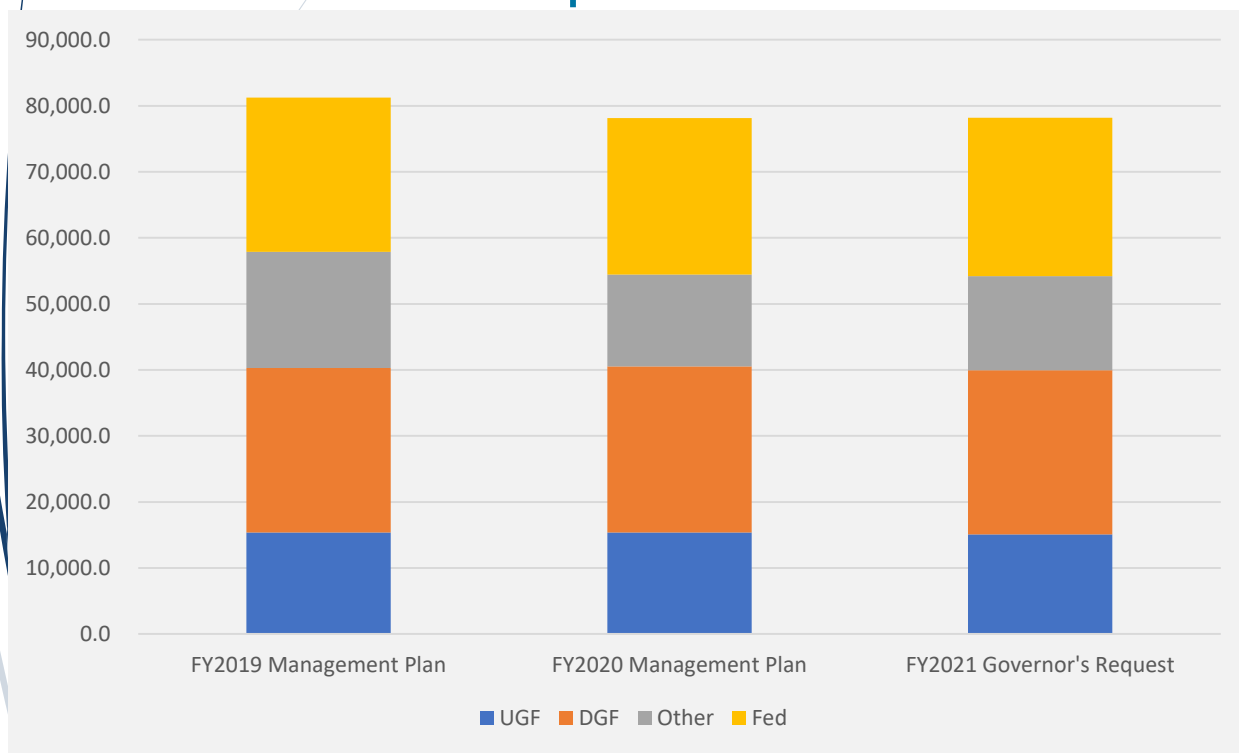


DEC FY2021 Operating Budget: Leadership





DEC FY2021 Operating Budget: Comparison



	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%

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



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
Other	1007 Inter-Agency Receipts (Duplicate)	1,530.9
	1018 Exxon Valdez Oil Spill Settlement	6.9
	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

Eliminate Dairy Program

- Governor proposed elimination in FY2020
- Legislature restored funding, replacing \$15.0 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

Reduce Commercial Shellfish Testing Subsidy

- Legislature fully subsidized required testing in FY2009
- 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 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

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 FY2024
- Stop regulation of Class II facilities and reduced capacity in Training & Guidance unit, Contaminated Sites, and administrative support
- Reduce \$1,019.1 and 7 positions
 - \$643.5 prevention account
 - \$375.6 federal receipts
- Increase \$375.0 oil/haz interagency receipts to reflect average annual personal services charged to emergency response account



DEC FY2021 Operating Budget: Significant Changes

Regulate Wastewater in Port Communities

- 1.2 million cruise ship passengers in 2019
- Increased daily load in the summer has significant impacts on systems
- Replace \$454.6 UGF with Commercial Passenger Vessel Environmental Compliance fees



DEC FY2021 Operating Budget: Significant Changes

Transfer Monitoring of Cruise Ship Air Emissions

- Moves enforcement from Division of Water to Division of Air Quality
- Activities include
 - Opacity readings
 - Ambient air monitoring
 - Complaint response
- Transfer \$312.6 Commercial Passenger Vessel Environmental Compliance fees and 1 position
- No increase to costs
- No change in services



DEC FY2021 Operating Budget: Significant Changes

Increase Inspections for Alaska Pollutant Discharge Elimination Systems (APDES) Program

- Primacy over portion of Clean Water Act
- Permits all major industries in Alaska
- Alaska received failing grade in recent EPA review due to staffing deficiencies
- EPA conducting inspections on DEC's behalf
- RPL approved in December added \$430.0 Fed to fund 4 new positions in FY2020
- Increase \$573.0 Fed and positions funded in RPL
 - Increased inspections by DEC staff
 - Improve program performance



DEC FY2021 Operating Budget: Significant Changes

Status of Ocean Ranger Program

- Governor proposed elimination in FY2020
- Legislature restored funding
- Governor vetoed
- Ocean Ranger fee remains in statute and continues to be collected into the Commercial Passenger Vessel Environmental Compliance Fund
- Ocean Ranger contract expired in October, 2019
- No Ocean Rangers will be onboard cruise ships in 2020
- No funding is requested as part of the FY2021 budget
- DEC continues to regulate the air and wastewater discharges from cruise ships in Alaska waters



Questions?

