



# Department of Environmental Conservation

## House Finance Committee

Jason Brune, Commissioner

Ruth Kostik, Administrative Services Director

January 25, 2022



# DEC's Mission

Conserving, improving, and protecting Alaska's natural resources and environment to enhance the health, safety, and economic and social well-being of Alaskans.





# Our Values

We make Objective decisions, based on science and facts.

We are Accountable for our actions and stand proudly behind our work, as individuals and as an organization.

We perform to the highest 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 strive to provide excellent Customer Service both inside and outside of the organization by being professional, responsive, reliable, and respectful.



# 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

- 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



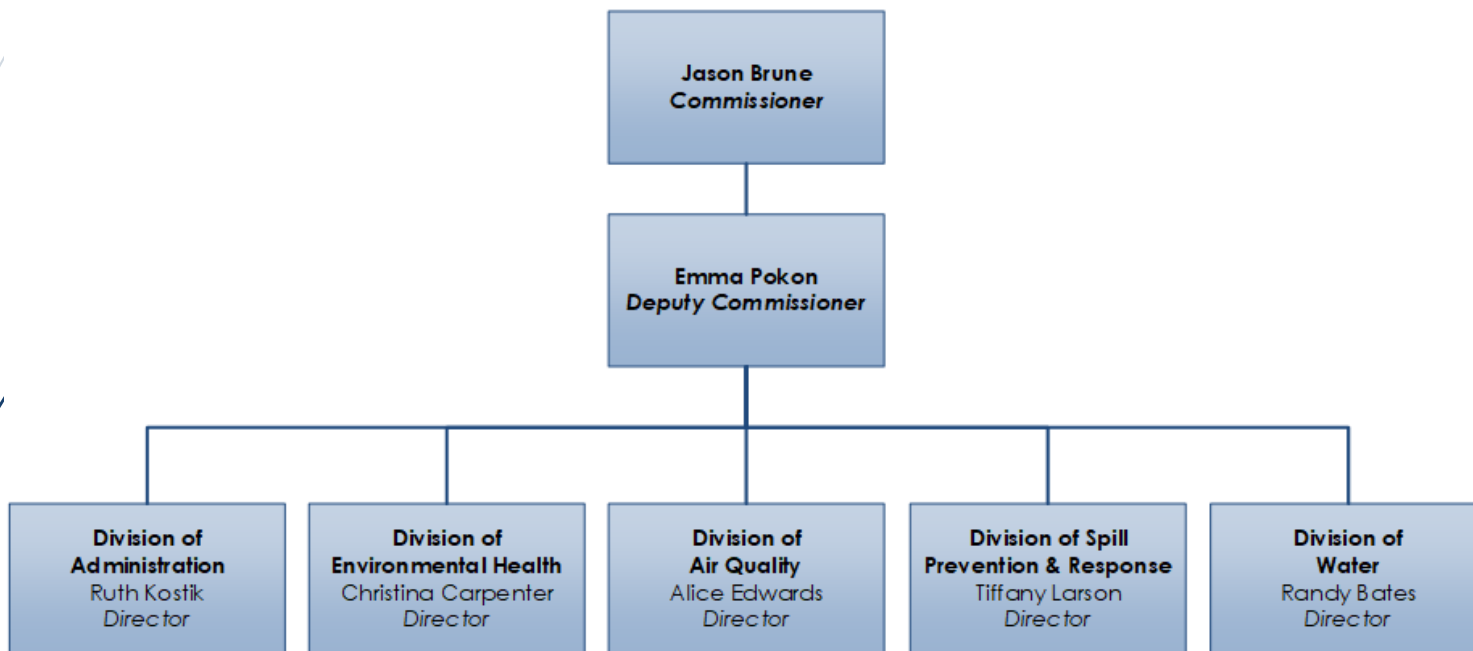
# Working Hard for Alaskans

## Measures of Regular Duties Jan. 1 – Dec. 31

|   |        |
|---|--------|
| Permits, approvals, certifications, and plan reviews issued | 11,337 |
| Inspections and site visits conducted                       | 2,038  |
| Inspections conducted virtually or using other technology   | 580    |
| File cabinets reduced by scanning and recycling documents   | 196    |
| Presentations and trainings provided                        | 347    |
| Hours of training completed by employees                    | 22,813 |

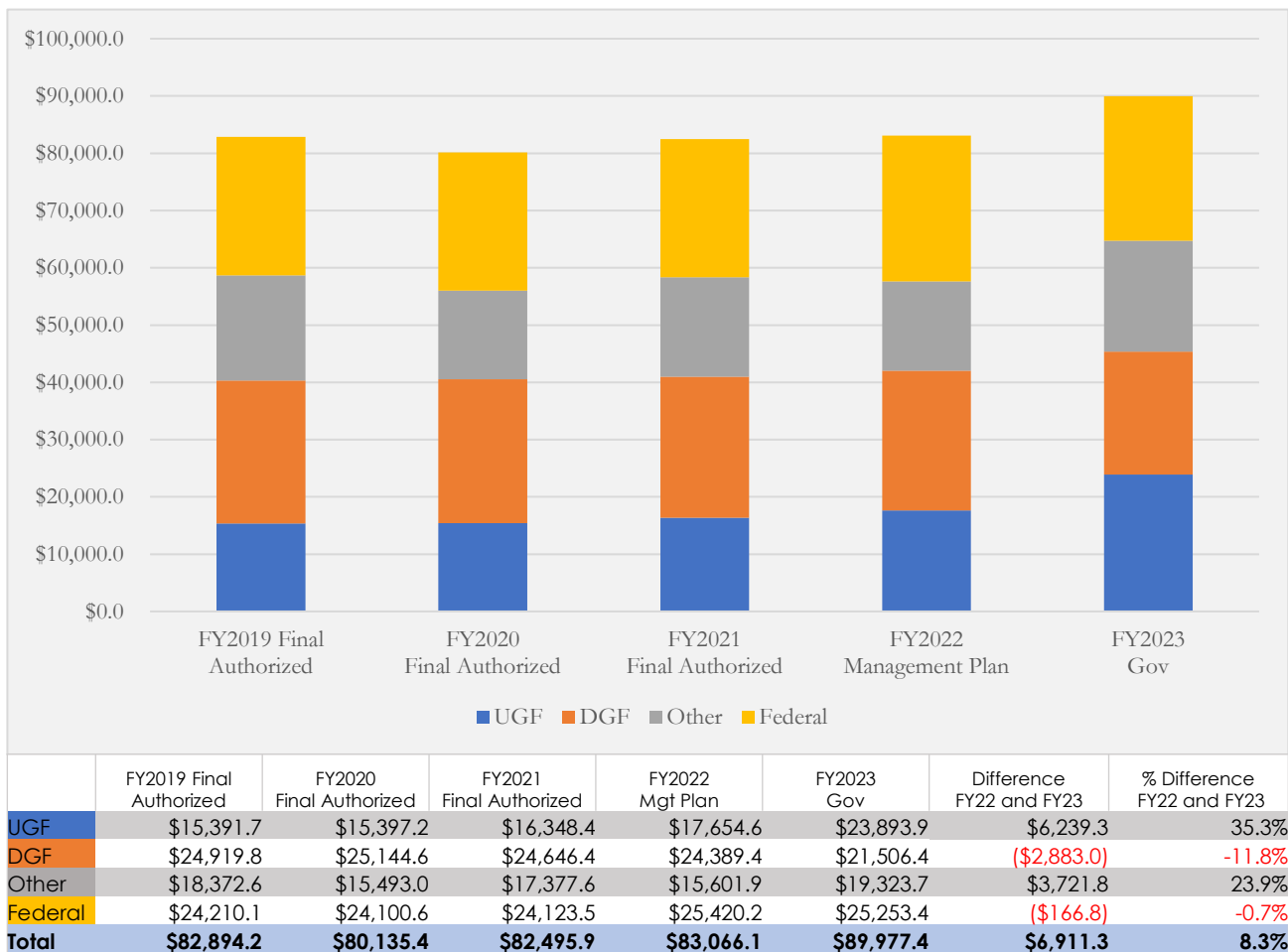


# DEC FY2023 Operating Budget: Leadership





# DEC FY2023 Operating Budget: Department Overview (in thousands)





# DEC FY2023 Fund Breakdown: Department Overview (in thousands)

| Agency Operating           | UGF               | DGF               | GF Sub Total      | Other             | Fed               | Total             | PFT |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-----|
| Formula                    |                   |                   |                   |                   |                   |                   |     |
| Non-Formula                | \$23,894          | \$21,506          | <b>\$45,400.3</b> | \$19,324          | \$25,253          | <b>\$89,977.4</b> | 503 |
| *Duplicate                 |                   |                   |                   | (\$5,665.3)       |                   | (\$5,665.3)       |     |
| <b>Non-Duplicate Total</b> | <b>\$23,893.9</b> | <b>\$21,506.4</b> | <b>\$45,400.3</b> | <b>\$13,658.4</b> | <b>\$25,253.4</b> | <b>\$84,312.1</b> | 503 |

|         |  |            |
|---------|--|------------|
| UGF     | 1004 General Fund  | \$19,046.9 |
|         | 1003 General Fund Match  | \$4,847.0  |
| DGF     | 1005 General Fund Program Receipts                                   | \$7,324.3  |
|         | 1052 Oil and Hazardous Response Fund                                 | \$14,182.1 |
| Other   | 1007 Inter-Agency Receipts (Duplicate)                               | \$1,586.3  |
|         | 1018 Exxon Valdez Oil Spill Settlement                               | \$1,950.7  |
|         | 1055 Inter-Agency Oil/Haz Fund (Duplicate)                           | \$393.6    |
|         | 1061 Capital Improvement Project Receipts (Duplicate)                | \$3,584.0  |
|         | 1093 Clean Air Protection Fund                                       | \$6,822.0  |
|         | 1108 Statutory Designated Program Receipts                           | \$78.3     |
|         | 1166 Commercial Passenger Vehicle Environmental Compliance Fund      | \$1,491.8  |
|         | 1205 Ocean Ranger Berth Fees   | \$2,103.1  |
|         | 1230 Alaska Clean Water Administrative Fund                          | \$805.3    |
|         | 1231 Alaska Drinking Water Administrative Fund                       | \$407.2    |
| Federal | 1236 Inter-Agency Alaska Liquid Natural Gas Project Fund (Duplicate) | \$101.4    |
|         | 1002 Federal Receipts  | \$25,253.4 |





# DEC FY2023 Operating Budget:

## Division of Administration (in thousands)

| Agency Operating           | UGF       | DGF       | GF Sub Total     | Other       | Fed       | Total             | PFT |
|----------------------------|-----------|-----------|------------------|-------------|-----------|-------------------|-----|
| Formula                    |           |           |                  |             |           |                   |     |
| Non-Formula                | \$2,363.3 | \$1,996.7 | <b>\$4,360.0</b> | \$4,389.7   | \$3,073.3 | <b>\$11,823.0</b> | 45  |
| *Duplicate                 |           |           |                  | (\$1,118.1) |           | (\$1,118.1)       |     |
| <b>Non-Duplicate Total</b> | \$2,363.3 | \$1,996.7 | <b>\$4,360.0</b> | \$3,271.6   | \$3,073.3 | <b>\$10,704.9</b> | 45  |

|         |   |           |
|---------|---|-----------|
| UGF     | 1004 General Fund   | \$2,292.5 |
|         | 1003 General Fund Match   | \$70.8    |
| DGF     | 1052 Oil and Hazardous Response Fund                            | \$1,996.7 |
|         | 1007 Inter-Agency Receipts (Duplicate)                          | \$545.3   |
|         | 1018 Exxon Valdez Oil Spill Settlement                          | \$1,950.7 |
|         | 1061 Capital Improvement Project Receipts (Duplicate)           | \$572.8   |
|         | 1093 Clean Air Protection Fund                                  | \$522.8   |
| Other   | 1108 Statutory Designated Program Receipts                      | \$30.0    |
|         | 1166 Commercial Passenger Vehicle Environmental Compliance Fund | \$265.8   |
|         | 1205 Ocean Ranger Berth Fees                                    | \$101.2   |
|         | 1230 Alaska Clean Water Administrative Fund                     | \$200.6   |
|         | 1231 Alaska Drinking Water Administrative Fund                  | \$200.5   |
| Federal | 1002 Federal Receipts   | \$3,073.3 |



# DEC FY2023 Operating Budget:

## Division of Administration (in thousands)

### Transfer EVOSTC from Fish and Game

- ▶ Administrative budget for the Exxon Valdez Oil Spill Settlement Trustee Council (EVOSTC)
- ▶ The Trustees agree the best location for this is within DEC
- ▶ This is a technical change that will have no impact on EVOSTC operations
- ▶ Transfer \$2,400.7 and 3 positions
  - ▶ \$456.9 Fed
  - ▶ \$1943.8 Other



# DEC FY2023 Operating Budget:

## Building Maintenance & Operations (in thousands)

| Agency Operating           | UGF     | DGF   | GF Sub Total   | Other | Fed   | Total          | PFT |
|----------------------------|---------|-------|----------------|-------|-------|----------------|-----|
| Formula                    |         |       |                |       |       |                |     |
| Non-Formula                | \$656.3 | \$0.0 | <b>\$656.3</b> | \$0.0 | \$0.0 | <b>\$656.3</b> | 2   |
| *Duplicate                 |         |       |                |       |       |                |     |
| <b>Non-Duplicate Total</b> | \$656.3 | \$0.0 | <b>\$656.3</b> | \$0.0 | \$0.0 | <b>\$656.3</b> | 2   |

|     |                   |         |
|-----|-------------------|---------|
| UGF | 1004 General Fund | \$656.3 |
|-----|-------------------|---------|



# DEC FY2023 Operating Budget:

## Division of Environmental Health (in thousands)

| Agency Operating           | UGF       | DGF       | GF Sub Total      | Other    | Fed       | Total             | PFT |
|----------------------------|-----------|-----------|-------------------|----------|-----------|-------------------|-----|
| Formula                    |           |           |                   |          |           |                   |     |
| Non-Formula                | \$7,865.1 | \$4,094.0 | <b>\$11,959.1</b> | \$108.4  | \$6,713.9 | <b>\$18,781.4</b> | 130 |
| *Duplicate                 |           |           |                   | (\$93.4) |           | (\$93.4)          |     |
| <b>Non-Duplicate Total</b> | \$7,865.1 | \$4,094.0 | <b>\$11,959.1</b> | \$15.0   | \$6,713.9 | <b>\$18,688.0</b> | 130 |

|         |  |           |
|---------|--|-----------|
| UGF     | 1004 General Fund                          | \$5,983.9 |
|         | 1003 General Fund Match                    | \$1,881.2 |
| DGF     | 1005 General Fund Program Receipts         | \$4,094.0 |
| Other   | 1007 Inter-Agency Receipts (Duplicate)     | \$93.4    |
|         | 1108 Statutory Designated Program Receipts | \$15.0    |
| Federal | 1002 Federal Receipts                      | \$6,713.9 |



# DEC FY2023 Operating Budget:

## Division of Environmental Health (in thousands)

### Assume Primacy of RCRA, Subtitle C

- ▶ Resource Conservation and Recovery Act (RCRA) is a federal law that covers the management of solid waste
- ▶ Subtitle C covers the management of hazardous waste
- ▶ All states except Alaska and Iowa currently have primacy of Subtitle C
- ▶ Two-year application process; full primacy expected in FY2025
- ▶ Federal funds are available after primacy assumed which would replace \$400.0 of GF
- ▶ Increment Request
  - ▶ \$830.0 UGF
  - ▶ 6 FT Positions



# DEC FY2023 Operating Budget:

## Division of Environmental Health (in thousands)

### Replace Ocean Ranger Fees for Fish Tissue Testing

- ▶ The use of ocean ranger fees for fish tissue testing violates the Tonnage Clause of the U.S Constitution
- ▶ Fund source change
  - ▶ (\$324.6) OR Fees
  - ▶ \$324.6 UGF



# DEC FY2023 Operating Budget:

## Division of Air Quality (in thousands)

| Agency Operating           | UGF       | DGF     | GF Sub Total     | Other     | Fed       | Total             | PFT |
|----------------------------|-----------|---------|------------------|-----------|-----------|-------------------|-----|
| Formula                    |           |         |                  |           |           |                   |     |
| Non-Formula                | \$1,815.9 | \$525.2 | <b>\$2,341.1</b> | \$6,951.7 | \$1,955.5 | <b>\$11,248.3</b> | 66  |
| *Duplicate                 |           |         |                  | (\$325.8) |           | (\$325.8)         |     |
| <b>Non-Duplicate Total</b> | \$1,815.9 | \$525.2 | <b>\$2,341.1</b> | \$6,625.9 | \$1,955.5 | <b>\$10,922.5</b> | 66  |

|         |  |           |
|---------|--|-----------|
| UGF     | 1004 General Fund  | \$329.1   |
|         | 1003 General Fund Match  | \$1,486.8 |
| DGF     | 1005 General Fund Program Receipts                                   | \$525.2   |
|         | 1007 Inter-Agency Receipts (Duplicate)                               | \$42.4    |
|         | 1061 Capital Improvement Project Receipts (Duplicate)                | \$192.5   |
| Other   | 1093 Clean Air Protection Fund                                       | \$6,282.4 |
|         | 1108 Statutory Designated Program Receipts                           | \$18.3    |
|         | 1166 Commercial Passenger Vehicle Environmental Compliance Fund      | \$325.2   |
|         | 1236 Inter-Agency Alaska Liquid Natural Gas Project Fund (Duplicate) | \$90.9    |
| Federal | 1002 Federal Receipts  | \$1,955.5 |



# DEC FY2023 Operating Budget:

## Division of Air Quality (in thousands)

### Align Fee Authority with Updated Federal Guidance

- Updated guidance from EPA dictates more activity will be classified as Title V versus Title I
- This is a technical change that does not impact operations or permit requirements
- Fund Source Change
  - (\$350.0) Fed
  - (\$1,800.0) GFPR
  - \$2,150.0 Clean Air Protection Fund





# DEC FY2023 Operating Budget: Spill Prevention & Response (in thousands)

| Agency Operating           | UGF       | DGF        | GF Sub Total      | Other     | Fed       | Total             | PFT |
|----------------------------|-----------|------------|-------------------|-----------|-----------|-------------------|-----|
| Formula                    |           |            |                   |           |           |                   |     |
| Non-Formula                | \$1,464.2 | \$12,130.1 | <b>\$13,594.3</b> | \$1,323.2 | \$4,790.3 | <b>\$19,707.8</b> | 122 |
| *Duplicate                 |           |            |                   | (\$888.4) |           | (\$888.4)         |     |
| <b>Non-Duplicate Total</b> | \$1,464.2 | \$12,130.1 | <b>\$13,594.3</b> | \$434.8   | \$4,790.3 | <b>\$18,819.4</b> | 122 |

|         |   |            |
|---------|---|------------|
| UGF     | 1004 General Fund   | \$1,464.2  |
| DGF     | 1052 Oil and Hazardous Response Fund                            | \$12,130.1 |
| Other   | 1007 Inter-Agency Receipts (Duplicate)                          | \$427.2    |
|         | 1055 Inter-Agency Oil/Haz Fund (Duplicate)                      | \$392.0    |
|         | 1061 Capital Improvement Project Receipts (Duplicate)           | \$69.2     |
|         | 1166 Commercial Passenger Vehicle Environmental Compliance Fund | \$434.8    |
| Federal | 1002 Federal Receipts   | \$4,790.3  |



# DEC FY2023 Operating Budget: Spill Prevention & Response (in thousands)

## Replace Unavailable Authority Due to Sweep

- ▶ The Prevention Account will not have sufficient revenue in FY2023 to cover expenditures
- ▶ This is a technical change that has no impact to operations
- ▶ Fund Source Change
  - ▶ \$1,275.2 UGF
  - ▶ (\$1,275.2) Oil/Haz Fund



# DEC FY2023 Operating Budget:

## Division of Water (in thousands)

| Agency Operating           | UGF       | DGF       | GF Sub Total      | Other       | Fed       | Total             | PFT |
|----------------------------|-----------|-----------|-------------------|-------------|-----------|-------------------|-----|
| Formula                    |           |           |                   |             |           |                   |     |
| Non-Formula                | \$9,670.0 | \$2,673.4 | <b>\$12,343.4</b> | \$6,503.2   | \$8,633.2 | <b>\$27,479.8</b> | 138 |
| *Duplicate                 |           |           |                   | (\$3,220.7) |           | (\$3,220.7)       |     |
| <b>Non-Duplicate Total</b> | \$9,670.0 | \$2,673.4 | <b>\$12,343.4</b> | \$3,282.5   | \$8,633.2 | <b>\$24,259.1</b> | 138 |

|         |  |           |
|---------|--|-----------|
| UGF     | 1004 General Fund  | \$8,261.8 |
|         | 1003 General Fund Match  | \$1,408.2 |
| DGF     | 1005 General Fund Program Receipts                                   | \$2,673.4 |
|         | 1007 Inter-Agency Receipts (Duplicate)                               | \$473.2   |
|         | 1061 Capital Improvement Project Receipts (Duplicate)                | \$2,737.0 |
|         | 1108 Statutory Designated Program Receipts                           | \$15.0    |
| Other   | 1166 Commercial Passenger Vehicle Environmental Compliance Fund      | \$461.0   |
|         | 1205 Ocean Ranger Berth Fees   | \$2,000.0 |
|         | 1230 Alaska Clean Water Administrative Fund                          | \$601.3   |
|         | 1231 Alaska Drinking Water Administrative Fund                       | \$205.2   |
|         | 1236 Inter-Agency Alaska Liquid Natural Gas Project Fund (Duplicate) | \$10.5    |
| Federal | 1002 Federal Receipts  | \$8,633.2 |



# DEC FY2023 Operating Budget:

## Division of Water (in thousands)

### Assumption of 404 Primacy

- ▶ Section 404 of the Clean Water Act regulates the discharge of dredged or fill material into waters and wetlands
- ▶ Primacy over 404 will provide streamlined permitting & greater certainty to the regulated community
- ▶ Most construction and development projects require a 404 permit
- ▶ Two-year application process; full primacy expected in FY2025
- ▶ Increment Request
  - ▶ \$4,904.0 UGF
  - ▶ 28 FT Positions



# Questions?

