

State of Alaska FY2003 Governor's Operating Budget

Department of Environmental Conservation Response Fund Administration Component Budget Summary

Component: Response Fund Administration

Contact: Kit Hill, Administrative Manager

Tel: (907) 465-5270 **Fax:** (907) 465-5262 **E-mail:** Kit_Hill@envircon.state.ak.us

Component Mission

Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable, long-term funding source for the state's core spill prevention and response initiatives.

Component Services Provided

- Manage the Prevention and Response Accounts of the Oil & Hazardous Substances Release Prevention and Response Fund.
- Recover state costs for responding to spills from the responsible party or other source of funding if recovery from the responsible party is not possible.
- Manage the Storage Tank Assistance Fund Grant and Loan Program.
- Manage and coordinate receipt and expenditure of federal dollars for cleanup of federal facilities.

Component Goals and Strategies

- 1) **MANAGE THE STATE'S RESPONSE FUND.**
 - Provide accurate three year projections of fund balance to support fund management strategy.
 - Target budget requests to limit annual funding requests to revenue available from the prevention account surcharge.
 - Develop long term strategy for maintaining core spill prevention and response program with available revenue.
 - Provide accurate and timely expenditure and revenue reporting to ensure efficient management of response funds.
 - Develop cost controls and standardize division contracts.
 - Process grants and loans for underground storage tank cleanup and CIP expenditures for cleanup at state owned facilities.
- 2) **RECOVER STATE COSTS FROM RESPONSIBLE PARTIES.**
 - Track all state expenditures to control, contain, and clean up oil or hazardous substance spills.
 - Initiate timely billings to responsible parties to ensure maximum recovery of state costs.
 - Participate in settlement of cost recovery claims with the Department of Law.
 - Identify and pursue other sources of cost recovery such as the Federal Oil Spill Liability Trust Fund.
 - Prepare biennial report on the status of the Response Fund and annual report on Storage Tank Assistance Fund.
 - Act as Finance Section in Incident Command System (ICS) for major spill responses.

Key Component Issues for FY2002 – 2003

Manage the Response Fund to maintain an adequate level of funding for core state spill prevention and response activities.

Major Component Accomplishments in 2001

- Collected over 1.5 million dollars in cost recovery, fines, and penalties. 82% of billable state costs were recovered during FY 2001.
- Assisted in negotiation of seventeen settlements, including the Alaska Railroad Gold Creek settlement.
- Consolidated division contracting functions and developed needs definition for division contracts database which will improve tracking and management of contracts.

- Prepared annual reports for Storage Tank Assistance Fund and Response Fund.
- Managed Base Realignment and Closure, Department of Defense, National Oceanic and Atmospheric Administration, and Underground Storage Tank cleanup dollars.
- Negotiated Reimbursable Services Agreement with Alaska Industrial Development and Export Authority for remediation at above ground storage tank sites.

Statutory and Regulatory Authority

AS 46.03.010, AS 46.08.005 - 070.

Response Fund Administration

Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	125.7	292.9	300.9
72000 Travel	21.0	7.5	7.5
73000 Contractual	1,409.4	1,480.0	1,480.0
74000 Supplies	21.1	2.0	2.0
75000 Equipment	7.0	2.0	2.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,584.2	1,784.4	1,792.4
Funding Sources:			
1002 Federal Receipts	0.0	32.0	32.7
1052 Oil/Hazardous Response Fund	1,584.2	1,752.4	1,759.7
Funding Totals	1,584.2	1,784.4	1,792.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<u>Unrestricted Revenues</u>						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
<u>Restricted Revenues</u>						
Federal Receipts	51010	0.0	32.0	32.0	32.7	32.7
Restricted Total		0.0	32.0	32.0	32.7	32.7
Total Estimated Revenues		0.0	32.0	32.0	32.7	32.7

Response Fund Administration**Proposed Changes in Levels of Service for FY2003**

No significant changes in services are anticipated.

Summary of Component Budget Changes**From FY2002 Authorized to FY2003 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	32.0	1,752.4	1,784.4
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	0.7	7.3	8.0
FY2003 Governor	0.0	32.7	1,759.7	1,792.4

Response Fund Administration**Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2002</u>	<u>FY2003</u>		
	<u>Authorized</u>	<u>Governor</u>		
Full-time	5	5	Annual Salaries	220,879
Part-time	0	0	COLA	5,867
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	79,149
			<i>Less 1.63% Vacancy Factor</i>	(4,995)
			Lump Sum Premium Pay	0
Totals	5	5	Total Personal Services	300,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Administrative Manager I	0	0	1	0	1
Administrative Manager IV	0	0	1	0	1
Totals	0	0	5	0	5