

# **State of Alaska FY2004 Governor's Operating Budget**

## **Department of Environmental Conservation Administration Budget Request Unit Budget Summary**

## **Administration Budget Request Unit**

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### **BRU Mission**

Provide administrative support and policy direction to the divisions in the department.

### **BRU Services Provided**

- Hear and design appeals of department decisions.
- Inform the Department of Law of department regulations approved by the Commissioner for public comment and file department regulations adopted by the Commissioner with the Lieutenant Governor.
- Monitor and report on department performance measures and conduct internal audits under Administrative Order No. 202.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council, State Emergency Response Commission, and Alaska Coastal Policy Council.
- Provide support services to customers and clients of the department, other agencies, the legislature and individual department employees.
- Develop and implement sound administrative policies and practices for the department.

### **BRU Goals and Strategies**

- 1) **FACILITATE CHANGE AND INNOVATION IN DEPARTMENT OPERATIONS.**
  - Establish a division of information administrative services by merging the existing Division of Administrative Services and Division of Statewide Public Service.
  - Delegate authority to the appropriate lowest level, reducing duplicative and unnecessary reviews.
  - Support a team-based approach to problem solving and review of major development projects needing department permits and authorizations.
  - Encourage personnel development through training and improved communication to achieve the highest level of excellence in public service.
- 2) **DEVELOP AND MAINTAIN STANDARDS FOR CLEAN AIR, LAND, WATER, FOOD SAFETY AND SANITATION CONSISTENT WITH STATE STATUTES.**
  - Assess the efficacy of existing department regulations in meeting statutory policy and department duties.
  - Adopt regulations following established state rulemaking procedures.
  - Adjudicate appeals of department decisions.
- 3) **DELEGATE TO LOCAL GOVERNMENT'S ENFORCEMENT OF STATE STANDARDS FOR RETAIL FOOD SAFETY AND PUBLIC SANITATION.**
  - Introduce legislation to transfer inspection and compliance assurance responsibilities for retail food safety and public facilities to municipal governments.
  - Consult with local governments on opportunities for greater local control of state environmental protection and public sanitation programs.
- 4) **ESTABLISH USER FRIENDLY AUTOMATED DATA AND INFORMATION SYSTEMS FOR ACCESSING DEPARTMENT AUTHORITIES, POLICIES, PROGRAMS.**

### **Key BRU Issues for FY2003 – 2004**

The organizational effectiveness and human resources programs continue to develop strategies and initiatives to address

workforce recruitment, training and succession issues so that we may continue to deliver the mission and vision. The programs include 1) a structured process for decision making and problem solving; 2) ensuring a focused investment of limited public resources towards outcomes that yield direct environmental or health improvement; 3) providing innovative training classes that improve personal leadership and organizational effectiveness; and 4) development of a structured process for employee orientation.

### **Major BRU Accomplishments in 2002**

The department was very successful in working with interested stakeholder work groups and the public on the following major state policy issues:

Cruise Ship Compliance Monitoring. Following the Royal Caribbean pollution court case, the department worked with the cruise ship industry and concerned stakeholders to begin a cruise ship waste sampling program. Wastewater samples taken as part of the stakeholder program showed that cruise ships were discharging the equivalent of raw sewage into Alaska's inside waters. As a result the Governor worked with the federal administration and Senator Murkowski to enact federal law to strengthen federal oversight of cruise ship discharges. In addition to strengthening the federal pollution control safety net it was essential that Alaska have an independent role in controlling pollution. State legislation was passed in a special session to give the department the tools to monitor and control cruise ship pollution.

With the Commissioner's adoption of regulations in FY 2003, there is now a comprehensive state and federal oversight program to monitor cruise ship and Alaska State ferry discharges, learn more about their effects on the environment and regulate those discharges in a way that places a minimal burden on the cruise industry and the Alaska Marine Highway System.

Improved Non Tank Spill Prevention and Preparedness. The grounding of the cargo ship Kuroshima and the associated oil spill in Dutch Harbor followed by a number of large oil spills by the Alaska Railroad demonstrated the need for improvement in spill prevention and preparedness for these modes of transportation. To develop an appropriate legal foundation to upgrade the spill prevention and response systems for these industries, the department chaired a 23-member task force with representatives from the maritime industry, the Alaska Railroad, petroleum producers, distributors and transporters, spill response cooperatives, and the US Coast Guard.

Based on the recommendations of the task force, legislation was passed that requires the Alaska Railroad and sea-going vessels of 400 or more gross tons to demonstrate the ability to pay for responding to oil spills. The law also established a response planning standard for industry to be able cleanup 15% of the vessel's maximum oil storage capacity within 48 hours of an oil spill. Regulations adopted by the Commissioner in FY 2003 will guide implementation of the non tank spill preparedness program.

### **Key Performance Measures for FY2004**

**Measure:**

**The percentage of divisions that meet assigned performance measures.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: 100%

Status: All divisions are tracking performance measures.

**Benchmark Comparisons:**

All state departments are required to track performance measures.

**Background and Strategies:**

The goal is for divisions to track 100% of their assigned performance measures. To accomplish this goal the following strategies will be employed:

- Establish valid benchmarks to determine and/or measure results.
- Require each division to monitor and report annually on all program performance measures.

**Measure:**

**The percentage of permittees out of compliance with state statute or regulation.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: 0%, all permittees are expected to comply with state law.

Status: Illustrated in the table below.

Type of Permit	2001	2002
Food	45 %	47 %
Air	17 %	9.9 %
Solid Waste	40%	42%
Spill Contingency Plans	26 %	19 %
Wastewater	1 %	1 %

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

To accomplish this goal, the following strategies will be employed:

- Create and maintain a valid inventory or database of permitted facilities, using a department-wide facility identification database;
- Create and maintain automated reporting tools for permitted facilities;
- Use data from permittees to determine compliance;
- Use third party inspections to determine compliance ; and
- Work with Pacific Northwest states to collect comparable performance information.

**Measure:**

**The percentage of change when compared to the prior fiscal year in the number of critical violations in inspected public or private facilities that significantly affect the health or safety of the public.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: None, violations of state law are not expected.

Status:

	Number of Critical Violations					
	1997	1998	1999	2000	2001	2002
Pesticides	5	6	2	12	20	38
Food	825	751	565	766	821	866

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

To meet this goal we will employ the following strategies:

- Place the highest priority on inspections for critical violations that affect public health;

- Continue inspection and monitoring of higher risk public facilities; and
- Educate inspected facilities regarding how to avoid critical violations.

**Measure:**

**The average time taken to adjudicate decisions in permit disputes.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: None  
Status: Calendar year 2000 - 15 days  
Calendar year 2001 - 16 days

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

To meet the goal the following strategies will be employed:

- Amend administrative procedure regulations to provide for and encourage alternative dispute resolution;
- Streamline the adjudicatory hearing process timeframes and make clear the requirements parties must satisfy to be granted a hearing and intervene in a hearing.

**Measure:**

**The percentage of adjudicated decisions that are appealed to the courts.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: None.  
Status: There were no appeals to the courts of the decisions made in 2001.

**Benchmark Comparisons:**

External comparisons not available.

**Background and Strategies:**

Amend the administrative procedures regulations to provide for a fair and timely review of agency decisions by the Commissioner or her designee.

**Measure:**

**The average time taken to respond to complaints and questions that have been elevated to the commissioner's office.**

Sec 61 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: 6 AAC 50 elevations: 15 days; written correspondence: 10 days; telephone calls: 1 day.  
Status:

Type of question or complaint	FY 2002
Coastal Consistency Elevation	15 days
Written Correspondence	10 days
Telephone Calls	24 hours

**Benchmark Comparisons:**

All state Departments are required to track and report on this measure.

**Background and Strategies:**

- Maintain a Commissioner's office log of incoming correspondence and telephone calls; and
- Direct all incoming questions or complaints to the appropriate division director for review and timely response.

**Measure:**

**The percentage of employee complaints and grievances filed and resolved at the departmental level as compared to all other departments.**

Sec 62 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: 90% of complaints and grievances resolved within the department.

Status: Percentages filed and resolved at the departmental level are:

FY 2000	79%
FY 2001	50%
FY 2002	50%

**Benchmark Comparisons:**

Comparison information is to be provided by the Department of Administration.

**Background and Strategies:**

Grievances are disputes that relate only to application of contract provisions or contractual violations, while complaints are defined as any controversy or dispute that does not involve the application or interpretation of contract provisions. The department is involved at every step of the grievance/complaint process and normally must approve all grievance settlements, even when resolved by labor relations.

To achieve the goal of the department, the following strategies will be used:

- Conduct regular preventative meetings with union representatives;
- Provide supervisory training to ensure supervisors comply with contractual agreements;
- Establish clear performance measures at the employee level;
- Mediate and resolve problems before a complaint or grievance is filed; and
- Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

**Measure:**

**The percentage of employee grievances overturned by hearing officers as compared to all other departments.**

Sec 62 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: Less than 5%.

Status: FY 2000      0%      FY 2001      0%      FY 2002      0%

**Benchmark Comparisons:**

Comparison information is to be provided by the Department of Administration.

**Background and Strategies:**

Arbitration is the negotiated process the employer and the unions agreed to use to resolve allegations of contract violations or, to enforce the terms of the contract. Grievances are disputes that relate to application or interpretation of a specific contract provision, allegations of a specific contractual violation, or used to bring enforcement of a specific contractual term or article.

To achieve the goal of the department, the following strategies will be used:

- Conduct regular preventative meetings with union representatives;
- Provide supervisory training to ensure supervisors comply with contractual agreements;
- Establish clear performance measures at the employee level;
- Mediate and resolve problems before a complaint or grievance is filed; and
- Update and revise evaluation process/forms to provide meaningful, timely feedback tools.

**Measure:**

**The percentage of indirect costs collected for the commissioner and the administrative services division and for shared overhead costs.**

Sec 62 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: Maintain or decrease the indirect charges relative to total department funding.

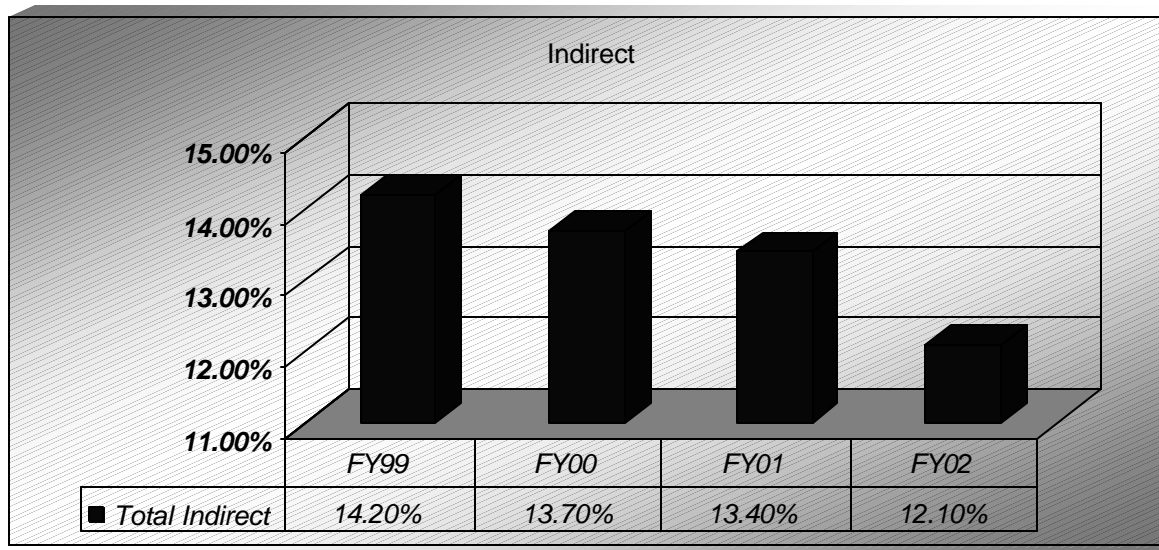
Status: The percentage of indirect collected is:

FY 2000      13.7%              FY 2001      13.4%              FY 2002      12.1%

**Benchmark Comparisons:**

This process requires the identification of those costs that cannot be attached to a specific program or a cost that may be centrally managed in a more cost efficient manner. The allocation of these costs is determined by a method of equitable distribution to each funding source.

The process used by the department to collect indirect funds is unique and does not lend itself to comparison. To make a comparison with another agency, that agency would need to have identified the same costs as those within DEC. At this time no other agency meets this criteria. A comparison of year to year collections is the most reliable measure for determining success on this measure as shown in the following chart.



**Background and Strategies:**

The goal is to provide effective support services at the lowest possible cost and to manage shared costs to reduce those costs. To achieve this goal, services will be evaluated using the following criteria:

- Is the task required by statute;
- Is the task required by federal regulation;
- What consequences occur if the task is not completed;
- What level of detail is required;
- What level of staff knowledge and training is required to perform the task;
- Is there another way we can purchase these services at a lower cost;
- Will an additional investment now lead to efficiencies or savings in the future;
- Does this cost benefit only a specific program(s) and therefore be charged directly to the program; and
- Does a reduction in program funding reduce the needs for indirect services or costs?

**Measure:**

**The percentage of penalties for total payroll or vendor payments per year.**

Sec 62 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: Limit penalties to less than 1% of total employee and vendor payments

Status: Penalty payments are reported below:

	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
Payroll	0.0	0.0	0.0	0.0	0.0
Vendor	.0079%	.0011%	.0025%	.0098%	.0066%

**Benchmark Comparisons:**

Payroll: Comparison information is to be provided by the Department of Administration.

Vendor: The average penalty payment versus total operating budget for those agencies utilizing the state accounting system in FY2002 was 0.0926%. DEC was lower than this average at 0.0066% and also lower than the departmental target of less than 0.1%.

**Background and Strategies:**

Payroll: With 24 pay periods each year, the department completes more than 11,000 payroll transactions annually. Employees are paid from different accounts and, when combined with additional parameters such as bargaining unit and overtime, the potential for error rises dramatically. To ensure that the goal is met, the department has explored new technologies and methods for time and payroll purposes and has effectively utilized an electronic tracking system for the majority of its employees. In addition, the department continues to explore the possibilities of eliminating timesheets for overtime-exempt employees claiming pay for a single funding code.

Vendors: The department strives to make vendor payments as close to the due date as possible. To accomplish this we attempt to enter payments five days prior to the invoice due date. Delays occur when approvals are not available; an invoice is delayed; or insufficient information is provided on an invoice. To ensure prompt payments we centralized tracking of travel charges, train staff on invoice processing, and review statements to monitor outstanding invoices.

**Measure:**

**The change when compared to the prior fiscal year in percentage of audit exceptions resolved.**

Sec 62 Ch 124 SLA 2002(HB 515)

**Alaska's Target & Progress:**

Target: 100%

Status: Percentages of audit exceptions resolved shown below:

FY 1997	FY 1998	FY 1999	FY 2000
66%	100%	100%	100%

**Benchmark Comparisons:**

For fiscal year 2000 twelve of the sixteen agencies audited received notice of audit exceptions. The average number of audit exceptions resolved by these agencies was 58%. The number of audit exceptions resolved by DEC was 100%.

**Background and Strategies:**

The department makes the identification and resolution of potential audit exceptions a high priority. To meet this goal we:

- Review prior audit issues to identify current areas of need;
- Identify the appropriate staff level to resolve issues; and
- Assign tasks to clearly identify staff responsible for technical processing and those responsible for compliance monitoring.



**Administration**  
**BRU Financial Summary by Component**

*All dollars in thousands*

	FY2002 Actuals				FY2003 Authorized				FY2004 Governor			
	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds	General Funds	Federal Funds	Other Funds	Total Funds
<b><u>Formula Expenditures</u></b>	None.											
<b><u>Non-Formula Expenditures</u></b>												
Office of the Commissioner	292.2	104.9	0.0	397.1	0.0	0.0	0.0	0.0	310.4	108.7	0.0	419.1
Information & Admin Services	783.0	892.5	4,006.1	5,681.6	823.8	912.5	1,375.8	3,112.1	851.4	1,195.5	2,428.1	4,475.0
Exxon Restoration	0.0	0.0	122.4	122.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Totals</b>	<b>1,075.2</b>	<b>997.4</b>	<b>4,128.5</b>	<b>6,201.1</b>	<b>823.8</b>	<b>912.5</b>	<b>1,375.8</b>	<b>3,112.1</b>	<b>1,161.8</b>	<b>1,304.2</b>	<b>2,428.1</b>	<b>4,894.1</b>

**Administration**

**Proposed Changes in Levels of Service for FY2004**

Improved administrative and service delivery effectiveness is being achieved by merging the Divisions of Administrative Services and Statewide Public Services in a new Division of Information and Administrative Services. The current divisions provide department wide support and have overlapping responsibilities in the areas of internal and external communications (public information, data management, computer network systems) and management support services (legislative liaison, employee training and department performance monitoring).

Savings are being captured through a series of transactions realigning activities and resources and making staff reductions.

**Administration**

**Summary of BRU Budget Changes by Component**

**From FY2003 Authorized to FY2004 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2003 Authorized</b>	<b>823.8</b>	<b>912.5</b>	<b>1,375.8</b>	<b>3,112.1</b>
<b>Adjustments which will continue current level of service:</b>				
-Office of the Commissioner	2.6	1.2	0.0	3.8
-Information & Admin Services	27.6	466.3	1,052.3	1,546.2
<b>Proposed budget decreases:</b>				
-Information & Admin Services	0.0	-183.3	0.0	-183.3
<b>FY2004 Governor</b>	<b>1,161.8</b>	<b>1,304.2</b>	<b>2,428.1</b>	<b>4,894.1</b>