

State of Alaska FY2006 Governor's Operating Budget

Department of Environmental Conservation Office of the Commissioner Component Budget Summary

Component: Office of the Commissioner

Contribution to Department's Mission

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

Core Services

- Develop partnerships and work cooperatively with the regulated community and other government and non-governmental stakeholders to protect human health and the environment.
- Lead department employees to accomplish department priorities and performance measures.
- Represent the department's authorities and responsibilities on the Governor's cabinet.
- Work with the legislature on the department's budget and legislative priorities.
- Represent the department's authorities and responsibilities on the Exxon Valdez Trustees Council.
- Adjudicate administrative appeals of department decisions.
- Approve department regulations for public notice and adopt final regulation changes for filing with the Lieutenant Governor.

End Results	Strategies to Achieve Results
<p>A: The department operates in accordance with the Administration's policies and initiatives.</p> <p><u>Target #1:</u> Strategic Plan is 100% implemented by fiscal year 2008. <u>Measure #1:</u> % of Strategic Plan implemented.</p>	<p>A1: Lead development and implementation of Department initiatives.</p> <p><u>Target #1:</u> Annual approval of 100% the department's budget request by the legislature. <u>Measure #1:</u> % of the department's proposed budget request approved by the legislature.</p> <p><u>Target #2:</u> All priority regulatory programs are revised for filing with the Lieutenant Governor's Office. <u>Measure #2:</u> % of completed priority program revisions.</p>

Major Activities to Advance Strategies
<ul style="list-style-type: none"> • Lead the department to accomplish goals and communicate performance. • Lead the development of protective standards. • Work within the government and with stakeholders, the public and the legislature to communicate department initiatives and needs.

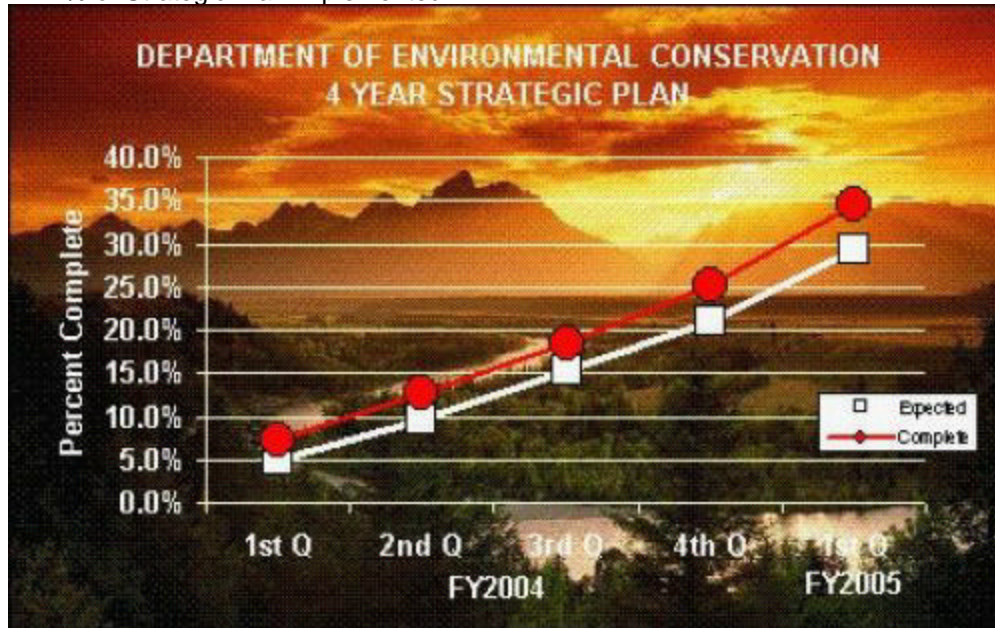
FY2006 Resources Allocated to Achieve Results	
<p>FY2006 Component Budget: \$665,300</p>	<p>Personnel:</p>
	<p>Full time 7</p>
	<p>Part time 1</p>
	<p>Total 8</p>

Performance Measure Detail

A: Result - The department operates in accordance with the Administration's policies and initiatives.

Target #1: Strategic Plan is 100% implemented by fiscal year 2008.

Measure #1: % of Strategic Plan implemented.



Percent of the Strategic Plan Implemented.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	7.3%	12.8%	18.5%	25.3%	
2005	34.7%	0	0	0	

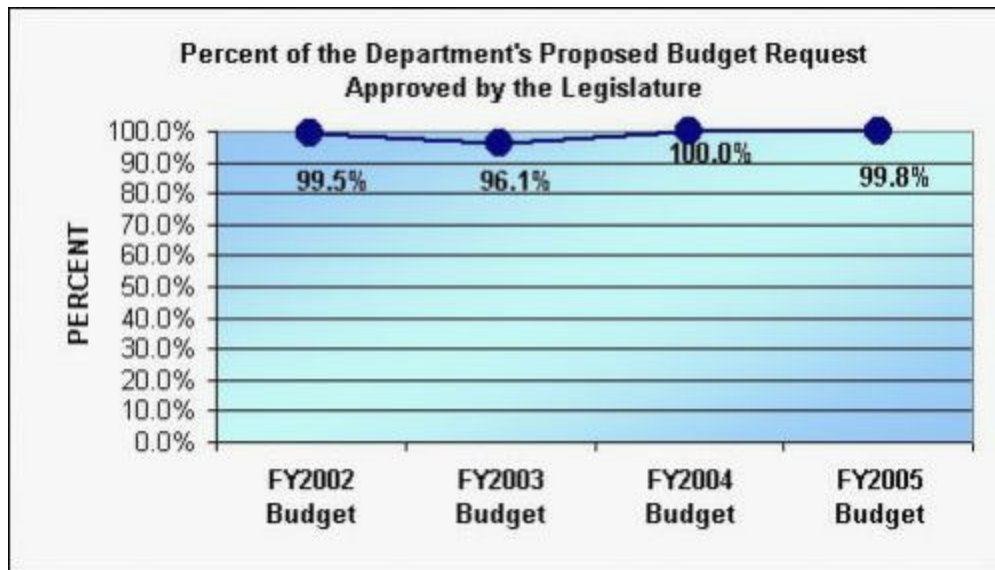
Analysis of results and challenges: DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to prevent abate or control pollution through a comprehensive protection program. We don't prevent pollution – we influence others to take preventative action and establish standards by which to measure success.

This measure determines departmental progress against the 4 Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the 4 year plan, one project (Municipal SW) has an early start and 3 projects are not due to start until after the next reporting quarter. Overall, at 34.7% completion, performance exceeds expectations.

A1: Strategy - Lead development and implementation of Department initiatives.

Target #1: Annual approval of 100% the department's budget request by the legislature.

Measure #1: % of the department's proposed budget request approved by the legislature.



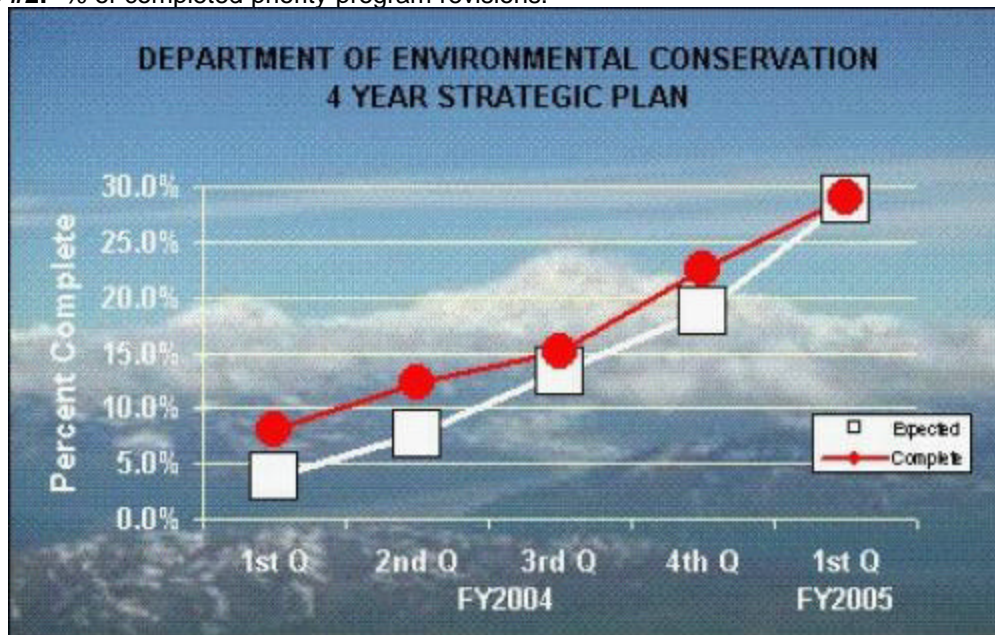
Percent of the Department's Proposed Budget Request Approved by the Legislature.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	0	0	0	0	99.5%
2003	0	0	0	0	96.1%
2004	0	0	0	0	100%
2005	0	0	0	0	99.8%

Analysis of results and challenges: This is a new measure reported annually. Budget activity for the upcoming fiscal year is usually complete by the middle of May, with data available for end of year reporting. The department's FY2004 budget was approved as requested.

Target #2: All priority regulatory programs are revised for filing with the Lieutenant Governor's Office.

Measure #2: % of completed priority program revisions.



Percent of Completed Priority Program Revisions.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	8.0%	12.2%	15.1%	22.6%	
2005	29.0%	0	0	0	

Analysis of results and challenges: All of the department's highest priority regulation revisions were completed and filed with the Lieutenant Governor including regulations for aerial spraying of pesticides, water quality criteria, hazardous waste, reindeer slaughter and Red Dog mine site specific water quality criteria.

Key Component Challenges

The Commissioner's Office clearly communicates to the public and affected stakeholders what services can be realistically expected from the department's human and fiscal resources.

Significant Changes in Results to be Delivered in FY2006

None.

Major Component Accomplishments in 2004

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

Better Permitting

While overall state spending was significantly reduced for the new fiscal year the Commissioner added 13 positions to the Department of Environmental Conservation to strengthen water and air permitting. Permits are essential to environmentally responsible development. They provide important information about impacts on the environment. A permit provides all stakeholders the opportunity to learn about a proposed project, comment, and receive a substantive response from us before final decisions are made.

Our most critical need for improvement was in air permitting. Our program was simply inadequate. We had a budget sized for a state of 600,000 people, but write as many permits as the State of Colorado with 4 ½ million people. Colorado has a power grid to drive its resource based economy. We depend on diesel generators. Both Colorado and Alaska issue roughly 180 major source permits to protect air quality. Our expanded team will get this job done.

The Commissioner approved a complete overhaul of the regulations that we use to protect Alaska's water. We began with raindrops and followed water to the ocean to identify gaps in our present regulations. This work is long overdue. One of the major environmental benefits will be a comprehensive approach to groundwater, a resource that is inadequately protected now.

Key elements of our new water program include:

- Seeking authority to assume full responsibility for regulating discharges to Alaska's waters, such as those from municipal treatment works, factories, and mines. This work is presently done by EPA in Seattle. We believe permitting, compliance and enforcement should be done by Alaskans who are knowledgeable about Alaskan conditions.
- Revising the department's mining rules to improve the regulations for mine tailings disposal and financial responsibility for mine closures.
- Revising our low-interest municipal loan program to allow communities to borrow for projects that address nonpoint pollution such as storm water run-off, landfill leachate and harbor wastes. Seven communities have applied under the new guidelines, primarily to protect groundwater.
- Updating the village safe water act to reflect current system designs and expectations for sustainability.
- Streamlining the wetland permit process for homeowners and other small developments in non-sensitive areas.
- Seeking primacy for regulation of non-oil field underground injection from the Environmental Protection Agency.
- Collecting important data of Alaska's coastline through the Environmental Monitoring and Assessment Program to assess the health of our waterways.

Improved Oil Spill Safety

The Governor introduced successful legislation that improves protection against the devastating consequences of an oil spill. We require those who transport and store oil to maintain contingency plans for spill response. DEC can now allocate more effort to on-the-water spill drills and equipment testing. Regular and rigorous field practice builds reliable response skills. We have already conducted an unannounced drill in Valdez for tankers calling at the pipeline terminal. We've expanded Alaska's oil spill safety net to include all vessels that exceed 400 gross tons. Each vessel must be prepared to mount an immediate clean up and have guaranteed access to the necessary manpower and equipment. We are also working to establish user fees for noncrude oil industry groups to level the financial playing field with crude oil operators that currently pay a surcharge to the Oil and Hazardous Substance Spill Response Fund.

Effective Food Safety Statewide

The Commissioner initiated a complete redesign of our food safety program. Our previous approach depended heavily on regular site inspections and was virtually impossible to deliver consistently across our large and roadless state. Our new approach follows NASA's successful program to assure that Montezuma's revenge did not accompany the astronauts into space. It relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. This new program will provide equal protection from Nome to Barrow, Tok, Fairbanks and Ketchikan. It will hold owners and operators responsible for knowing how food becomes contaminated and assure that standard operating procedures protect their customers. We will move from the spot inspection of the past to mandatory every-day management systems. We plan to implement food safety regulations beginning in FY 06.

Better Understanding of Public Health Threats

Funding was secured for two important studies to protect public health. The first study measures the effects of exposure to diesel exhaust in rural Alaska. As a result of human health studies, EPA is requiring ultra low sulfur fuel for diesel trucks and buses by 2007. While there are few trucks and buses in rural Alaska, every community depends on diesel generators for electricity. National initiatives will not help us decide the safest course for Alaskans. We are now gathering the necessary health information ourselves.

Funds were also allocated to complete fish tissue sampling to measure mercury in Alaskan species. Both the EPA and the FDA have issued repeated warnings about exposure to mercury in fish. We are continuing this study to provide Alaska specific information about the quality of our subsistence, sport caught and commercially harvested stocks. The average consumption of subsistence caught fish in Alaska ranges from 10 to 20 times more than the consumption levels used by EPA. The commercial catch is important too. Alaska's 5 billion pound harvest represents over 50% of the total US commercial catch.

Statutory and Regulatory Authority

AS 46.03.010; AS 46.08.040; AS 46.08.050

Contact Information

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**Office of the Commissioner
Component Financial Summary**

All dollars shown in thousands

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	532.3	568.3	615.6
72000 Travel	37.5	21.9	26.9
73000 Services	8.9	12.2	12.2
74000 Commodities	3.5	2.7	3.7
75000 Capital Outlay	0.0	0.0	6.9
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	582.2	605.1	665.3
Funding Sources:			
1002 Federal Receipts	271.5	296.0	351.1
1004 General Fund Receipts	310.7	309.1	314.2
Funding Totals	582.2	605.1	665.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	271.5	296.0	360.9
Restricted Total		271.5	296.0	360.9
Total Estimated Revenues		271.5	296.0	360.9

**Summary of Component Budget Changes
From FY2005 Management Plan to FY2006 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2005 Management Plan	309.1	296.0	0.0	605.1
Adjustments which will continue current level of service:				
-FY 05 Bargaining Unit Contract Terms: GGU	0.7	0.6	0.0	1.3
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	4.4	3.9	0.0	8.3
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	1.9	0.0	1.9
Proposed budget increases:				
-Development of State Oceans Strategies	0.0	48.7	0.0	48.7
FY2006 Governor	314.2	351.1	0.0	665.3

**Office of the Commissioner
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2005</u>				
<u>Management</u>	<u>Plan</u>	<u>FY2006</u>		
		<u>Governor</u>		
Full-time	7	7	Annual Salaries	451,841
Part-time	0	1	COLA	2,608
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	199,021
			<i>Less 2.60% Vacancy Factor</i>	(16,970)
			Lump Sum Premium Pay	0
Totals	7	8	Total Personal Services	636,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	0	0	1	0	1
Dep Commissioner	0	0	1	0	1
Environmental Spec IV	0	0	1	0	1
Exec Secretary II	0	0	1	0	1
Information Officer III	0	0	1	0	1
Paralegal II	0	0	1	0	1
Spec Asst To The Comm I	0	0	1	0	1
Special Staff Assistant	0	0	1	0	1
Totals	0	0	8	0	8