

State of Alaska FY2006 Governor's Operating Budget

Department of Environmental Conservation Administration Results Delivery Unit Budget Summary

Administration Results Delivery Unit

Contribution to Department's Mission

Provide administrative 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.
- Provide administrative support services to customers and clients of the department.
- Develop and implement sound administrative policies and practices for the department.
- Provide timely and accurate information.
- Minimize risk from operations.
- Enforce protective standards for environmental and sanitary practices.

End Results	Strategies to Achieve Results
<p>A: Effective, efficient administrative support.</p> <p><u>Target #1:</u> 90% of survey respondents rate support services at a 4 or better on a scale of 5.</p> <p><u>Measure #1:</u> % of survey respondents rate support services at a 4 or better on a scale of 5.</p>	<p>A1: Lead development and implementation of Department initiatives.</p> <p><u>Target #1:</u> Strategic Plan is 100% implemented by fiscal year 2008.</p> <p><u>Measure #1:</u> % of Strategic Plan implemented.</p> <p>A2: Improve availability, quality, and quantity of data for external and internal users.</p> <p><u>Target #1:</u> Network is available to employees 7 days a week.</p> <p><u>Measure #1:</u> % of time network is available.</p> <p>A3: Ensure compliance with all federal and state requirements.</p> <p><u>Target #1:</u> 100% of audit exceptions investigated and successfully resolved.</p> <p><u>Measure #1:</u> % of audit exceptions investigated and successfully resolved.</p> <p>A4: Investigate criminal violations.</p> <p><u>Target #1:</u> Criminal violations are investigated.</p> <p><u>Measure #1:</u> % of criminal investigations conducted and resolved.</p>

Major Activities to Advance Strategies

- 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.
- Develop and maintain support services for the department's customers and clients; other agencies, the legislature and department employees.
- Identify departmental training needs and develop training plans.
- Develop enforcement procedures for departmental permitting programs.
- Develop and maintain policies and procedures governing financial, budget, procurement and information systems management.

FY2006 Resources Allocated to Achieve Results

FY2006 Results Delivery Unit Budget: \$5,842,100

Personnel:

Full time	49
Part time	1
Total	50

Performance Measure Detail

A: Result - Effective, efficient administrative support.

Target #1: 90% of survey respondents rate support services at a 4 or better on a scale of 5.

Measure #1: % of survey respondents rate support services at a 4 or better on a scale of 5.

Percent of Survey Respondents Rate Support Services at a 4 or Better on a Scale of 5

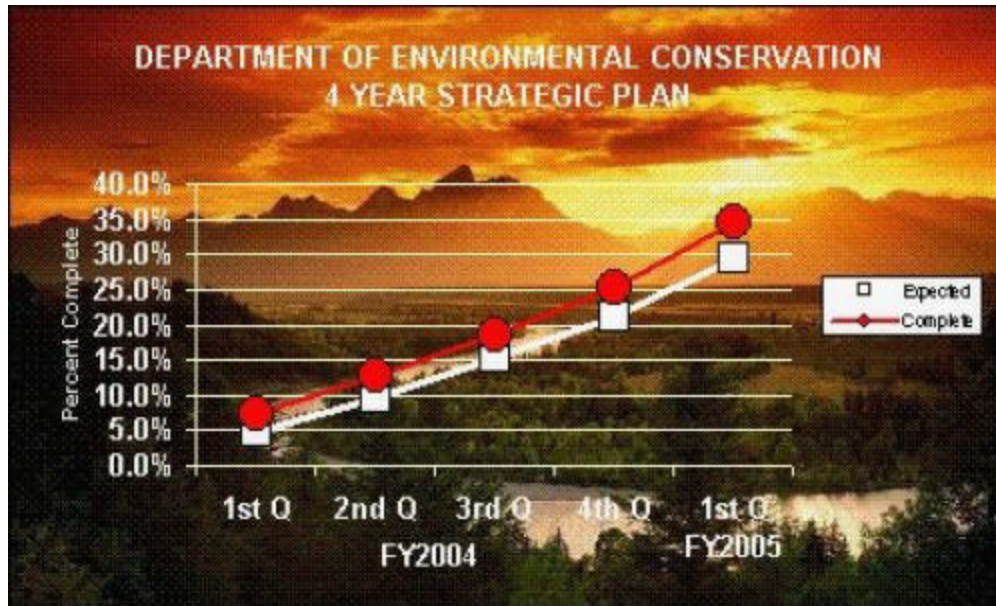
Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
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Analysis of results and challenges: Data for this measure is available on an annual basis only. We are currently working on a questionnaire update with results available for FY2005.

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

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

Measure #1: % of Strategic Plan implemented.



Percent of 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	

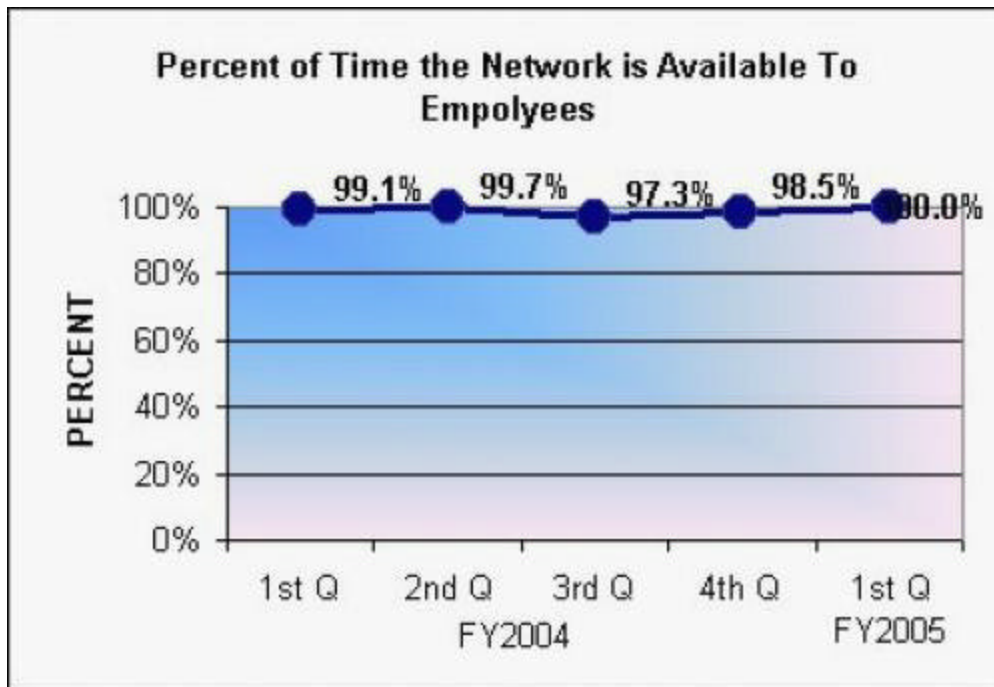
Analysis of results and challenges: DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to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

This measure determines the department's progress against a comprehensive Four Year Strategic Plan. Progress is measured against expected results for individual projects, and averaged over the department. Within the four year plan, one project has an early start and 6 projects are not due to start until after the next reporting quarter. Overall, at 34.7% completion, performance exceeds expectations.

A2: Strategy - Improve availability, quality, and quantity of data for external and internal users.

Target #1: Network is available to employees 7 days a week.

Measure #1: % of time network is available.



Percent of Time Network is Available

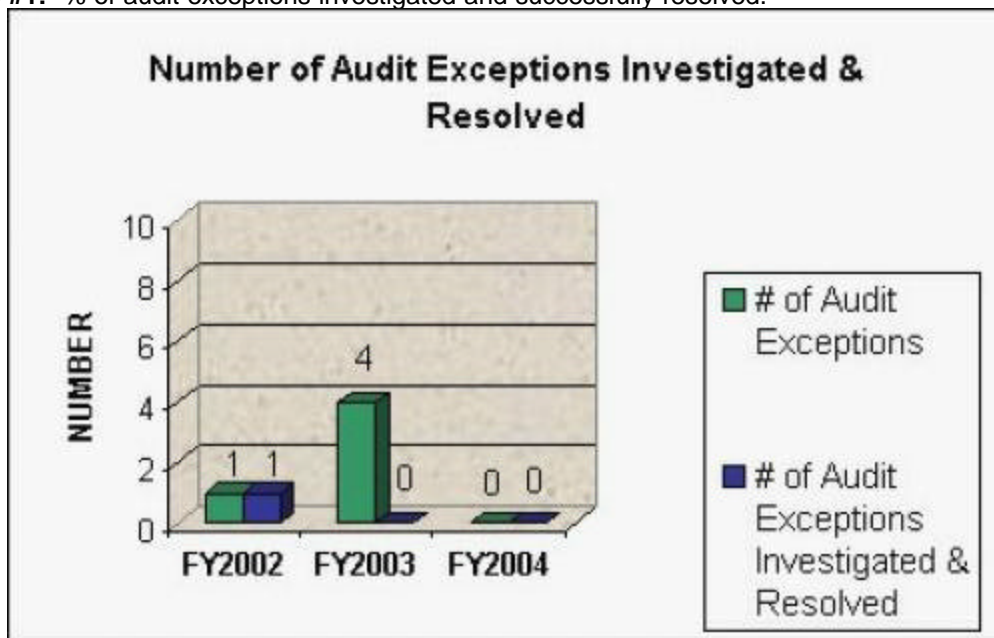
Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2004	99.1%	99.7%	97.3%	98.5%	
2005	100.0%	0	0	0	

Analysis of results and challenges: During the first quarter of FY2005 the Network Services Section was able to successfully provide network services 7 days a week. Routine maintenance downtime was limited to short periods during the off hours.

A3: Strategy - Ensure compliance with all federal and state requirements.

Target #1: 100% of audit exceptions investigated and successfully resolved.

Measure #1: % of audit exceptions investigated and successfully resolved.



Percent of All Audit Exceptions Investigated and Successfully Resolved

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2002	0	0	0	0	100.0%
2003	0	0	0	0	0%
2004	0	0	0	0	0

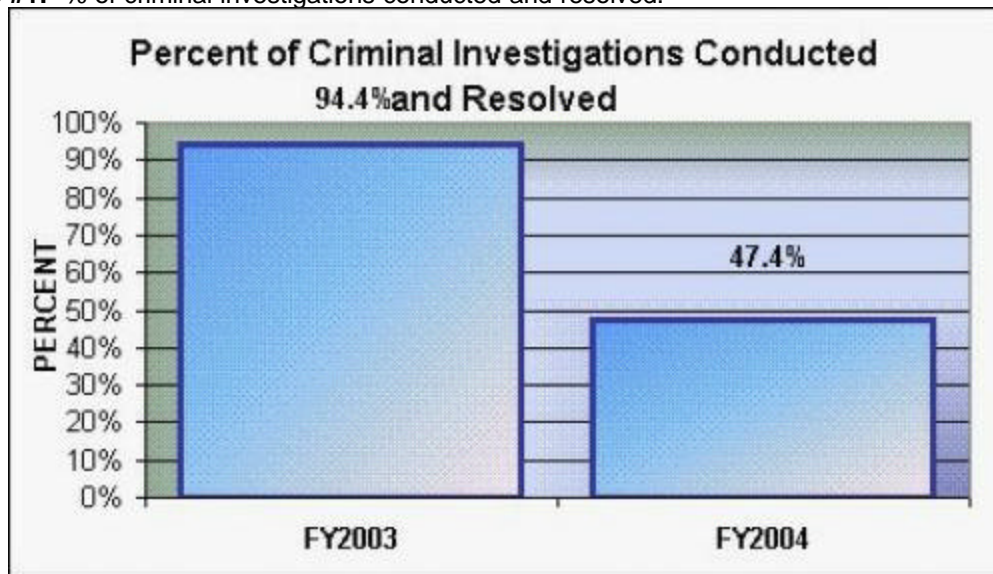
Analysis of results and challenges: Data for this measure is available on an annual basis only. The statewide single audit is performed annually and results are published upon completion. Quarterly data is therefore not available.

The statewide single audit for FY2003 was released on September 28, 2004. The investigation of these new exceptions has just begun. The statewide single audit results for FY2004 will not be available until September of 2005.

A4: Strategy - Investigate criminal violations.

Target #1: Criminal violations are investigated.

Measure #1: % of criminal investigations conducted and resolved.

**Percent of Allegations of Criminal Violations Investigated**

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
2003	0	0	0	0	94.4%
2004	0	0	0	0	47.4%

Analysis of results and challenges: Normally environmental violations are enforced by ADEC's regulatory staff through administrative or civil remedies. However, when harmful conduct becomes intentional, knowing, or reckless, criminal enforcement must be considered.

The Environmental Crimes Unit is responsible for investigating the most complex and egregious violations of environmental law. Violators must be identified and sufficient evidence collected in order to successfully resolve an investigation. The effectiveness of this unit can be measured by its ability to successfully resolve a high percentage reported criminal violations.

There were 57 criminal investigations initiated by the Environmental Crimes unit in fiscal year 2004. Of those 57 investigations 27 have been resolved and the remaining 30 were still under investigation at the end of this reporting period. Due to the complexities of many of these investigations, they are not resolved in the same fiscal year as reported, but will be resolved in the following fiscal year.

Key RDU 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.
- The department has a large volume of data that is not easily accessible and we need to continue with our data integration efforts. This effort requires the conversion of numerous Access databases into the department standard SQL server with common indexes which are accessible across the divisions. Additionally, it will provide a common facility mechanism to be used as a shared key across divisional data stores. This will assist stakeholders within state government and without in accessing, filtering and using a broader set of related data for making good business decisions.
- The department will continue to identify areas that can be managed in a more efficient manner and implemented as identified.

Significant Changes in Results to be Delivered in FY2006

None.

Major RDU 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.

Contact Information

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Administration
RDU Financial Summary by Component

All dollars shown in thousands

	FY2004 Actuals				FY2005 Management Plan				FY2006 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
<u>Formula Expenditures</u>												
None.												
<u>Non-Formula Expenditures</u>												
Office of the Commissioner	310.7	271.5	0.0	582.2	309.1	296.0	0.0	605.1	314.2	351.1	0.0	665.3
Information & Admin Services	783.7	1,046.4	5,175.7	7,005.8	524.7	986.5	1,976.5	3,487.7	541.7	1,014.7	2,066.2	3,622.6
State Support Services	0.0	0.0	0.0	0.0	1,206.8	124.9	222.5	1,554.2	1,206.8	124.9	222.5	1,554.2
Totals	1,094.4	1,317.9	5,175.7	7,588.0	2,040.6	1,407.4	2,199.0	5,647.0	2,062.7	1,490.7	2,288.7	5,842.1

Administration
Summary of RDU Budget Changes by Component
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	2,040.6	1,407.4	2,199.0	5,647.0
Adjustments which will continue current level of service:				
-Office of the Commissioner	5.1	6.4	0.0	11.5
-Information & Admin Services	17.0	28.2	32.2	77.4
Proposed budget decreases:				
-Information & Admin Services	0.0	0.0	-65.0	-65.0
Proposed budget increases:				
-Office of the Commissioner	0.0	48.7	0.0	48.7
-Information & Admin Services	0.0	0.0	122.5	122.5
FY2006 Governor	2,062.7	1,490.7	2,288.7	5,842.1