

State of Alaska FY2009 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 Result	Strategies to Achieve End Result
<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> All priority regulatory programs are revised for filing with the Lieutenant Governor's Office. <u>Measure #1:</u> % of completed priority program revisions.</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.

FY2009 Resources Allocated to Achieve Results

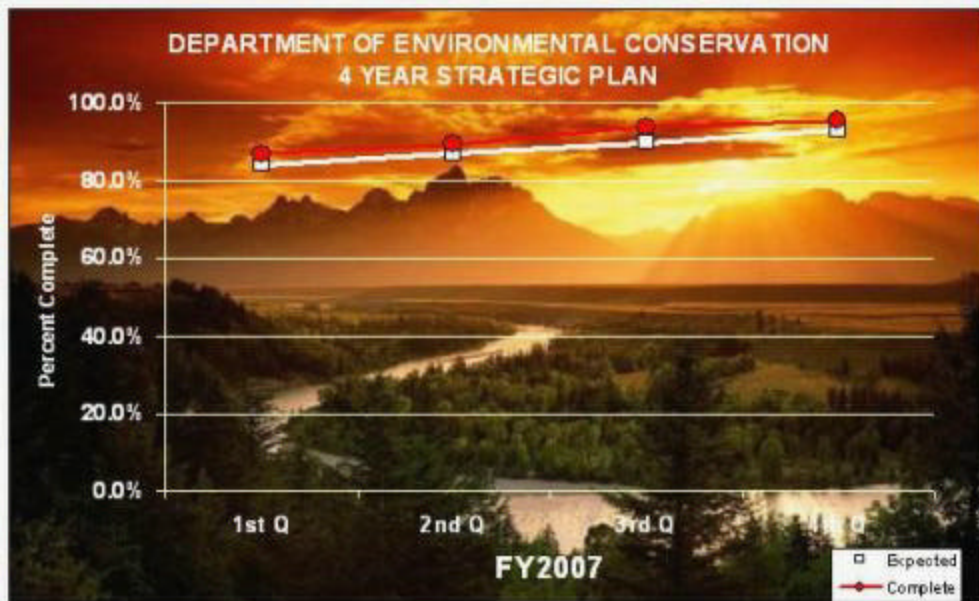
FY2009 Component Budget: \$955,200	Personnel:	
	Full time	8
	Part time	0
	Total	8

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.



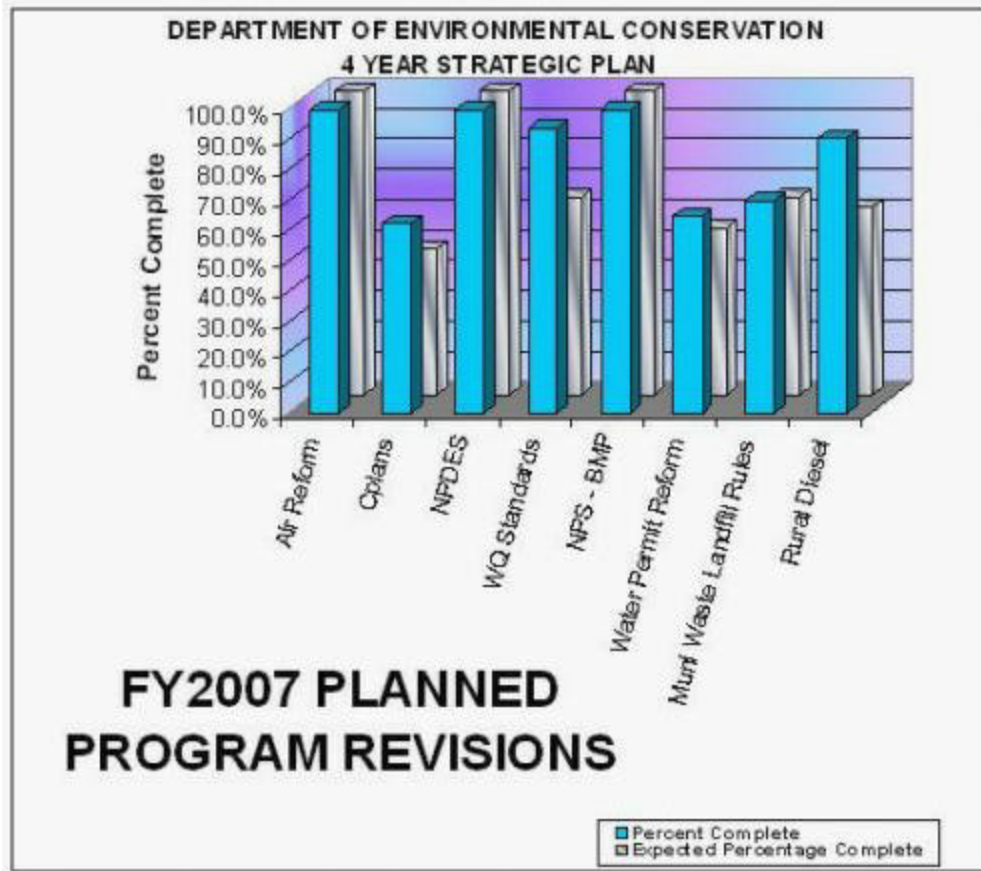
Analysis of results and challenges: DEC's strategic framework is based on the premise that, if we fulfill our duties (statutorily mandated) and accomplish our mission, the ultimate result will be that public health and the environment will be protected. We do this by influencing external entities to 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 strategic plan, performance exceeds expectations.

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

Target #1: All priority regulatory programs are revised for filing with the Lieutenant Governor's Office.

Measure #1: % of completed priority program revisions.



Analysis of results and challenges: All of the department's highest priority regulation revisions are either on track or have been completed and filed with the Lieutenant Governor.

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.
- Hiring and retaining competent staff continues to be a challenge. Due to higher salaries and benefits offered by the private sector, the department continues to lose good employees; impacting our ability to manage programs successfully.
- Administrative order 238 establishes the Alaska Climate Change Sub-Cabinet to advise the office of the Governor on the preparation and implementation of an Alaska climate strategy. This strategy should include building the state's knowledge of the actual and foreseeable effects of climate warming in Alaska, developing appropriate measures and policies to prepare communities in Alaska for the anticipated impacts from climate change, and providing guidance regarding Alaska's participation in regional and national efforts addressing the causes and effects of climate change.

Significant Changes in Results to be Delivered in FY2009

- Serve on the Climate Change Sub-Cabinet in developing a climate change strategy for Alaska as directed by the Governor by Administrative Order 238.
- In December of 2006, statutory changes resulting from a citizen's ballot initiative required DEC to develop and maintain a new permit program for Large Commercial Passenger Vessels ("cruise ships") and to develop an on-board Ocean Ranger program. During the 2007 cruise ship season, DEC implemented a transitional

program involving on-board vessel observations by a combination of environmental professionals and U.S. Coast Guard licensed marine engineers. For the 2008 cruise ship season, a contract will be in place to implement an Ocean Ranger program that is commensurate with the level of funding provided by the initiative. A new wastewater discharge general permit will also be in place as required by the initiative.

Major Component Accomplishments in 2007

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

Better Permitting

The Commissioner's Office continued the department's focus on strengthening 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.

The air permit reform and streamlining is now structurally complete – all statutory and regulatory changes are finalized. In FY2006, we realized the expected benefits of the reform – more rational, predictable, and reliable permitting. The division is achieving shorter permit delivery times and a greater use of minor source permits which provides flexibility, quick review and issuance. In early FY2007, the last fine tuning of the initial reform took place with the design of a Quality Management System (QMS) as a feedback loop for further efficiency and consistency improvements; and completion of a financial analysis report to adopt user fee rates necessary to sustain the reformed permitting program.

Improved Oil Spill Response

Expanded and updated statewide emergency response team training, DEC responders are now at 117. Staff participated in spill drills that included Prince William Sound Tanker Drills, SeaRiver and BP Shipping, Alaska Shield Northern Edge 2007 Exercise, and the Alyeska Pipeline Service Company Trans-Alaska Pipeline Northern Edge 2007 Drill as well as community response training at various locations.

Brought oil and gas flow pipelines under regulation

New state regulations for flowlines are being phased in under a new compliance inspection program beginning late in 2007. Flowlines include all oil-containing pipelines upstream of separation facilities, including multi-phase and produced water pipelines. Compliance oversight for the new regulations will involve significant revision of our field inspection strategies, and will also require additional staff and a substantial amount of additional training for staff.

Effective Food Safety Statewide

Adopted revisions to the Alaska Food Code to include elements of Active Managerial Control (AMC) and updated requirements to reflect current science and achieve better alignment with the FDA's model food code. In addition to food manager and worker certification, changes include the voluntary use of standard operating procedures (SOPS) and self-assessments so operators can control factors that contribute to foodborne illness. Our new approach relies on operator certification, restaurant specific risk management and rigorous enforcement by DEC. This new program will provide equal protection from Metlakatla to Barrow. It will hold owners and operators responsible for knowing how food becomes contaminated and assures that standard operating procedures protect their customers. We will move from the spot inspection of the past to mandatory every-day management systems.

Better Understanding of Public Health Threats

As a result of human health studies, EPA was 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. During FY2004, we developed and submitted a plan to the EPA for the gradual implementation of ultra low sulfur diesel fuel for use in trucks and buses in rural Alaska. The recommendation provides flexibility for rural communities to bring in the fuel as they need it, within a 2010 deadline for use of ultra low sulfur diesel in all diesel vehicles. The plan provides adequate time for DEC to assess rural health risks from diesel fuel use as necessary to support an infrastructure and fuel choice decision before 2010. A pilot phase air health study was accomplished in one rural village in 2006. In FY2007 and FY2008, the department is working closely

with the Alaska Village Electric Cooperative, the University of Alaska Institute of Social and Economic Research, and others to complete a health and economic assessment to determine the impacts of the new standards and develop a plan for Alaska for the EPA consideration.

Passed Avian Influenza (AI) proficiency tests to maintain certification as an official testing laboratory. Alaska's laboratory was one of only 40 in the nation to pass this rigorous testing certification. The laboratory completed over 3,500 AI tests on birds from Alaska, of which 2,500 tests were performed as part of a contract with the USDA. Statewide-wide surveillance testing for Avian Influenza was performed by the State Veterinarian at agricultural fairs (Palmer, Kenai, Fairbanks, and Kodiak) as part of the state's Influenza Response Plan. No High Pathogenic Avian Influenza was identified.

Created Careers at DEC

DEC continued implementation of the CAREERS at DEC Program to continue to recruit, train, promote and retain an experienced, capable results-driven work force. The program goals include reducing turnover, facilitating knowledge transfer, continuing to grow our internship and mentoring programs and strengthen ties with universities. DEC has 526 positions, with a vacancy rate of 16%. Current turnover rate is 29%. In the next five years at least 24% of DEC staff will be eligible for retirement. Compensation for State employees has lost some of its competitive advantage. To combat the trend and prepare for the future, CAREERS at DEC created formal internship and mentoring policies and procedures, conducted a formal survey of DEC employees to assess what might be done to retain good employees, drafted a retention plan and has formed an internal advisory group for the Commissioner to finalize the retention plan and set priorities. In addition, the program has addressed new employee orientation, built a more proactive recruitment program and instituted a Leadership Training Series open to all staff.

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

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	715.3	886.3	906.1
72000 Travel	49.1	26.3	26.3
73000 Services	70.0	262.2	12.2
74000 Commodities	11.1	10.6	10.6
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	845.5	1,185.4	955.2
Funding Sources:			
1002 Federal Receipts	395.4	701.0	462.1
1004 General Fund Receipts	392.6	393.6	402.2
1018 Exxon Valdez Oil Spill Settlement	57.5	90.8	90.9
Funding Totals	845.5	1,185.4	955.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	395.4	701.0	462.1
Restricted Total		395.4	701.0	462.1
Total Estimated Revenues		395.4	701.0	462.1

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	393.6	701.0	90.8	1,185.4
Adjustments which will continue current level of service:				
-Remove OTI - Village Safe Water Program Implementation and Accountability	0.0	-250.0	0.0	-250.0
-FY 09 Health Insurance Increases for Exempt Employees	0.4	0.4	0.1	0.9
-FY 09 Bargaining Unit Contract Terms: General Government Unit	8.2	10.7	0.0	18.9
FY2009 Governor	402.2	462.1	90.9	955.2

**Office of the Commissioner
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2008</u>	<u>FY2009</u>		
	<u>Management</u>	<u>Governor</u>		
	<u>Plan</u>			
Full-time	8	8	Annual Salaries	608,435
Part-time	0	0	COLA	18,053
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	301,906
			<i>Less 2.40% Vacancy Factor</i>	<i>(22,294)</i>
			Lump Sum Premium Pay	0
Totals	8	8	Total Personal Services	906,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Commissioner	1	0	0	0	1
Dep Commissioner	0	0	1	0	1
Exec Secretary III	0	0	1	0	1
Information Officer III	0	0	1	0	1
Prog Coordinator	0	0	2	0	2
Spec Asst To The Comm II	0	0	1	0	1
Special Staff Assistant	0	0	1	0	1
Totals	1	0	7	0	8