

# **State of Alaska FY2011 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 and information technology services, criminal and civil investigative support, policy direction to the divisions, and coordination of external support services to departmental programs.

### 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.
- Serve on the Oceans Sub-Cabinet, Fisheries Sub-Cabinet, Resources Sub-Cabinet, and the Rural Action Sub-Cabinet.
- Advise the Office of the Governor on the preparation and implementation of an Alaska climate change strategy and serve as chair of the Climate Change Sub-Cabinet.
- Centralized administration support services to the full range of programs and projects conducted by the Department of Environmental Conservation, inclusive of accounting, fiscal management, procurement, property control, contract and federal grants administration, information technology services, capital construction, facility maintenance and repair, and office space planning.
- Provide civil and criminal investigative support for complex environmental violations.
- Provide direct administrative support to the other components in the Administrative Services RDU and the Commissioner's Office.
- Management of the human resource support costs, lease costs for all locations statewide and the Microsoft Enterprise Agreement costs.

### Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> <li>• Lead the department to accomplish goals and communicate performance.</li> <li>• Lead the development of protective standards.</li> <li>• Work within the government and with stakeholders, the public and the legislature to communicate department initiatives and needs.</li> <li>• Develop and maintain support services for the department's customers and clients, other agencies, the legislature and employees.</li> </ul> | <ul style="list-style-type: none"> <li>• Identify departmental training needs and develop training plans.</li> <li>• Develop enforcement procedures for departmental permitting programs.</li> <li>• Develop and maintain policies and procedures governing financial, budget, procurement, facility maintenance and information systems management.</li> <li>• Coordinate statewide support services external to the department.</li> </ul> |
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### Key RDU Challenges

Recruitment and retention continues to be a struggle, especially in the accounting and information technology areas. Two of four section head Accountant III positions were vacant for several months during the year and the Information Services section experienced a turnover rate of over 50%. Vacancies resulted in delayed and unperformed services, and were exacerbated due to multiple unsuccessful recruitments, hired employees' inability to meet probation, and employees leaving to take promotional opportunities in similar but more lucrative positions both within and outside of State service.

Maintaining the necessary reporting, administrative and information services structure is becoming more difficult as the financial systems become more complex as do the requirements of new and existing programs within the department. The major challenge is maintaining acceptable levels of service and responsiveness to divisions and external agencies.

The coordination of additional reporting, procurement and program requirements as a result of the American Accountability and Recovery Act funding will require a significant increase in the level of effort by staff that have already reached or have nearly reached the maximum level of effort. It will be a challenge to ensure compliance with the excessive requirements of this act and will be compounded by the continuing recruitment difficulties.

The Governor's Climate Change Sub-Cabinet has been tasked with developing a Strategy for Alaska which is to include recommendations in three broad areas: building scientific knowledge, developing appropriate policies to protect and prepare for impacts (Adaptation), and assessing opportunities for reducing greenhouse gas emissions (Mitigation). The Sub-Cabinet created advisory and technical groups which analyzed a wide range of mitigation options, adaptation strategies, and research needs. Over 100 Alaskans served on the various advisory and technical committees which provided recommendations to the Sub-cabinet. The options which were deemed to hold the most promise in Alaska were identified and put forth in recommendations to the Sub-Cabinet. These options form the basis for the Sub-Cabinet's consideration in assembling an overall strategy. The Sub-Cabinet is now in the process of reviewing these recommended options in light of state agency missions, other complementary efforts, newly promulgated regulations, and potential legislation.

The draft strategy will be available in 2010 for public comment before being submitted to the Governor for approval. In the interim, several state agencies are already taking steps to address the changing climate in order to most effectively deliver their respective services to all Alaskans and communities. Appropriate state agencies have been involved in staying abreast of and analyzing possible legislation and other federal actions that have the potential to impact the state. Agencies are also collaborating with federal agencies such as NOAA, USGS and USFWS to ensure that the State perspective and State needs are adequately represented in activities designed to generate climate-related information. The Sub-cabinet strives to fulfill its mission to address Climate Change while being supportive of other related state priorities with the goal of retaining a healthy population, natural environment, industrial and business environment, and state economy.

A high priority of the Sub-Cabinet has been to give immediate attention to communities most at risk from coastal erosion and flooding. A workgroup comprised of federal, state and local representatives developed a list of actions to be taken over a 12 month period (running through FY08) to protect the most at-risk communities. Due to its effectiveness, the group was reconstituted and continued the process through FY09. They continue to coordinate with each other and have explored opportunities to extend their approach on a more systemic and long-term basis. They have submitted these and other operational recommendations to the Sub-Cabinet for their consideration. The Sub-Cabinet has also engaged the University of Alaska to develop a report that outlines factors to be taken into consideration when taking action in other Alaska communities impacted as a result of climate change. The Sub-Cabinet continues to look for co-benefits such as lowering the cost of energy and reducing long-term maintenance costs. Additionally, the Sub-Cabinet will be looking at how to leverage federal dollars, and in all instances spend public monies wisely. Unless funding is appropriated to continue these climate change efforts, many aspects of this work will have to be slowed or stopped.

## **Significant Changes in Results to be Delivered in FY2011**

- A new web-based Complaint Automated Tracking System (CATS) database for staff to track complaints and enforcement actions will be put into production.

## **Major RDU Accomplishments in 2009**

### **Commissioner's Office**

- The Climate Change Sub-Cabinet created advisory and technical groups which analyzed a wide range of mitigation options, adaptation strategies, and research needs. Over 100 Alaskans served on the various advisory and technical committees which provided recommendations to the Sub-cabinet. The Sub-Cabinet is now in the process of reviewing these recommended options in light of state agency missions, other complementary efforts, newly promulgated regulations, and potential legislation.

### **Director's Office**

- Reviewed and approved for submission approximately 245 positions descriptions through the Online Position Description (OPD) system.
- Reviewed and approved approximately 440 Personnel Action Request Forms (PARF).
- Coordinated the hiring process for approximately 90 new or transfer employees for the department.

- Monitored numerous pending personnel actions throughout the department to ensure a consistent approach to employee management.

#### **Budget Services:**

- Developed and guided through the Legislative process an operating budget of approximately \$74 million and a capital budget of over \$100 million spanning five divisions and 18 budgetary components with 22 different funding sources.
- Created a long range fiscal plan for the Department, projecting the budget through 2019.
- Coordinated and responded to over 100 legislative information requests during the 2009 session.
- Conducted a review of the Department's budget framework and implemented policies, procedures and guides to streamline budget creation.

#### **Procurement & Building Services**

- Awarded approximately 158 professional / technical services contracts totaling more than \$30 million.

#### **Financial Services**

##### **General**

- Processed approximately 34,717 transactions for FY 2009. This includes all types of financial transactions (vendors, warrants, encumbrances, inter-agency billings, journal entries, etc.).
- Issued approximately 380 new grants and grant amendments to communities and non-profit entities, and made grant payments totaling \$94.2 million during the year.
- Served as the department liaison with and provided financial guidance and information to the Environmental Protection Agency's Office of Inspector General, Legislative Audit, and various private sector audit groups. There were no financial audit findings for the department.

##### **Federal Awards**

- Prepared, submitted, and received federal cognizant agency approval of the FY10 Indirect Rate proposal, comprising unique rates for each of the department's divisions.
- Prepared the department's annual federal schedule and federal sub recipient report.
- Provided internal audit, compliance enforcement, and financial reporting on \$128.6 million in federal and state match expenses and loans across 77 separate federal awards.

##### **Financial Statement Preparation**

- Provided assistance and financial expertise to the audit firm preparation of financial statements and prepared related schedules for the Alaska Clean Water Revolving Loan Fund and the Alaska Drinking Water Revolving Loan Fund.
- Implemented a new financial reporting requirement; Governmental Accounting Standards Board pronouncement #49 (GASB 49) on reporting of State liabilities for pollution remediation costs. For 2009, ADEC examined hundreds of state-owned and state-lead sites, and reported \$42.6 million in liabilities as a result of this new requirement.

##### **User Fees**

- Generated 8,200 invoices and credit memos to customers of permit and other centrally-invoiced fee-based programs within the department.
- Received and processed over 17,500 payments for centrally-invoiced fees and other types of fee-based program revenues.

#### **Information Services**

- Coordinated the air quality monitoring and tracking database application into compliance with Department standards.
- Deployed new virtual development servers for various sections within the department.
- Put the internal SharePoint server into production; this provides services such as document management and version control and allows users from across the state to easily collaborate on projects.
- Migrated Plone server to SharePoint; this allows DEC staff to easily solicit and gain input from the public via the internet.
- Converted to the new State of Alaska secure mainframe client.

#### **Environmental Crimes Unit**

- Implemented a web based hotline for the public to report suspected environmental crimes.
- Conducted basic, advanced, and refresher enforcement training for 193 ADEC staff members.
- The Environmental Crimes Unit initiated 23 investigations in 2009. This number reflects both civil and criminal investigations.

**Contact Information**

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**Administration**  
**RDU Financial Summary by Component**

*All dollars shown in thousands*

	FY2009 Actuals				FY2010 Management Plan				FY2011 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>Formula Expenditures</b> None.												
<b>Non-Formula Expenditures</b> Office of the Commissioner	598.7	433.3	8.6	1,040.6	423.1	482.3	96.9	1,002.3	427.8	488.0	96.9	1,012.7
Administrative Services	708.1	1,245.0	4,513.4	6,466.5	721.0	1,304.6	2,717.3	4,742.9	721.4	1,305.2	2,718.2	4,744.8
State Support Services	1,622.7	124.9	205.7	1,953.3	1,622.7	124.9	222.5	1,970.1	1,622.7	124.9	222.5	1,970.1
<b>Totals</b>	<b>2,929.5</b>	<b>1,803.2</b>	<b>4,727.7</b>	<b>9,460.4</b>	<b>2,766.8</b>	<b>1,911.8</b>	<b>3,036.7</b>	<b>7,715.3</b>	<b>2,771.9</b>	<b>1,918.1</b>	<b>3,037.6</b>	<b>7,727.6</b>

**Administration**  
**Summary of RDU Budget Changes by Component**  
**From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>2,766.8</b>	<b>1,911.8</b>	<b>3,036.7</b>	<b>7,715.3</b>
<b>Adjustments which will continue current level of service:</b>				
-Office of the Commissioner	4.7	5.7	0.0	10.4
-Administrative Services	0.4	0.6	0.9	1.9
<b>FY2011 Governor</b>	<b>2,771.9</b>	<b>1,918.1</b>	<b>3,037.6</b>	<b>7,727.6</b>