

**DEPARTMENT OF ENVIRONMENTAL CONSERVATION
FY2016 SENATE FINANCE BUDGET SUBCOMMITTEE NARRATIVE REPORT
March 23, 2015**

SUBCOMMITTEE MEMBERS:

Senator Pete Kelly, Chair

Senator Cathy Giessel

Senator Johnny Ellis

RECOMMENDATIONS:

The Senate Finance Budget Subcommittee for the Department of Environmental Conservation submits a recommended operating budget for FY2016 to the Senate Finance Committee as follows:

Fund Source: (dollars are in thousands)

Unrestricted General Funds (UGF)	\$20,454.6
Designated General Funds (DGF)	\$27,392.4
Other Funds	\$14,388.8
<u>Federal Funds</u>	<u>\$23,628.9</u>
Total	\$85,864.7

The Unrestricted General Fund difference from FY15 Management Plan to the Senate Subcommittee budget recommendation is a reduction of \$1,787.4 which is an eight (8) percent change and a reduction of 24 PCNs.

Positions:

Permanent Full Time (PFT)	535
Permanent Part Time (PPT)	0
<u>Temporary</u>	<u>2</u>
Total positions	537

BUDGET ACTION:

The Senate Finance Subcommittee on the Department of Environmental Conservation Budget held two meetings on March 16 and 23, 2015 with the agency. The Subcommittee reviewed the FY2016 budget request and took the following actions:

Accepted the Governor's amended proposal, which includes these highlights:

Reduction of 25 PCNs – The Governor's Endorsed budget included the reduction of the following positions:

- Office of the Commissioner – 1
- Food Safety and Sanitation – 8
- Laboratory Services – 2
- Drinking Water – 5
- Solid Waste Management – 1
- Spill Prevention and Response Division – 4
- Water Quality – 4

Air Quality 123.0 GF/Prgm Increment 1 PCN

The Governor's budget included an increment for the Air Quality Permitting Program to meet growing oil and gas industry needs. This PCN is paid for by program fees.

Laboratory Services Fish Tissue Monitoring Program, decrement (250.0) 1004 GF

The Department of Environmental Conservation created the Fish Tissue Monitoring program in conjunction with the Departments of Health and Social Services and Fish and Game, to show that Alaska's fish are safe for subsistence, recreational, and commercial consumers. The program came into existence in response to EPA instituting a national advisory to restrict fish consumption based on their monitoring data collected outside Alaskan waters. In FY2002, Alaska instituted its own program to conduct on-going fish tissue testing which provides supporting data that enables the state to override the federal fish consumption guidelines. DEC is the lead agency for gathering, analyzing, and publishing the data that is used by corporations, State agencies, residents, and tourists. The Fish Tissue Monitoring program was initially funded by federal receipts. When federal funding for the program was lost, it was replaced with a \$557.0 general fund increment in FY2013. Since FY2013, the program has been solely funded with general funds.

Denied

Laboratory Services Fish Tissue Monitoring Program, Fund Source Change (250.0) 1004 GF

and \$250.0 1205 Ocn Ranger Fees Under the authority of AS 46.03.480, an Ocean Ranger fee of \$4 per berth is imposed on all large commercial passenger vessels. Those fees are retained in a sub-account of the Commercial Passenger Vessel Environmental Compliance Fund and are designated for the "purpose of operating the Ocean Ranger Program established in AS 46.03.476." While ocean ranger fees are deposited into a fund that can be used for more expansive purposes, the fee itself is statutorily designated for the Ocean Ranger Program only and as such, the \$250.0 will remain in the Ocean Ranger Fund.

ATTACHED REPORTS:

The Senate Finance Budget Subcommittee for the Department of Environmental Conservation adopts the attached reports:

2015 Legislative Finance Division Reports – Senate Structure

1. Agency Totals – FY2016 Operating Budget (Attachment A)
2. Allocation Summary (All Funds) (Attachment B)
3. Allocation Summary (GF Only) (Attachment C)
4. Transaction Compare between Adjusted Base (16Adj Base) and Senate Subcommittee (S Sub) (Attachment D)
5. Transaction Compare between Governor Amended (Gov Amd) and Senate Subcommittee (S Sub) (Attachment E)
6. Wordage Report – FY2016 Operating Budget (Attachment F)

The Budget Action Worksheet is attached for informational purposes.

Respectfully submitted,



Senator Pete Kelly, Chair

Senate Finance Budget Subcommittee for the Department of Environmental Conservation