

**2020 Legislature - Operating Budget  
Transaction Compare - Governor Structure  
Between 21Adj Base and 21Gov**

**Numbers and Language  
Differences  
Agencies: DEC**

**Agency: Department of Environmental Conservation**

	Column	Trans Type	Total Expenditure	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants	Misc	PFT	PPT	TMP
<b>Administration</b>													
<b>Administrative Services</b>													
Delete Accountant IV (18-7166) and Authority	21Gov	Dec	-134.7	-134.7	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
No Longer Needed Due to Efficiencies													
Delete a full time Accountant IV (18-7166), range 20, located in Anchorage, and related authority that is no longer needed due to efficiencies. In FY2017, the department transferred the accounting group that supported the Village Safe Water and Municipal Grant and Loan programs into the Division of Administrative Services, where the department's primary Financial Services section is housed. Since that time, the State has transitioned onto the IRIS accounting system, and the department began fully participating in the Shared Services of Alaska travel and payables initiatives. The department has realized efficiencies through these efforts that will allow for the elimination of one Accountant IV position. This reduces the administrative costs charged to Village Safe Water projects, freeing up more funding to go towards direct project costs.													
1061 CIP Rcpts (Other)			-134.7										
<b>* Allocation Difference *</b>			-134.7	-134.7	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<b>** Appropriation Difference **</b>			-134.7	-134.7	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0
<b>Environmental Health</b>													
<b>Environmental Health</b>													
Replace Commercial Passenger Vessel	21Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Environmental Compliance Fees and Reduce Commercial Shellfish Testing Subsidy													
Replace Commercial Passenger Vessel Environmental Compliance (CPVEC) fees with a combination of general funds and program receipts. In FY2021, the department is charging commercial shellfish operations fees for testing services provided. The department will continue to phase in fee increases for regulatory testing in future years and to reduce the industry's general fund subsidy. Eventually, the testing program will be completely funded by the industry.													
Since FY2009, the commercial shellfish industry has received subsidized required analytic testing for shellfish. The commercial industry continues to rely on this government subsidy and does not pay the existing fees for regulatory shellfish testing, only the cost to collect and ship samples to the Environmental Health Laboratory. The direct cost to provide commercial shellfish testing services is \$454.6, which is currently funded by Commercial Passenger Vessel Environmental Compliance (CPVEC) fees.													
In addition to the fund source change for testing services, the department continues to subsidize the permitting program, which is currently funded by \$212.3 GF and \$56.7 GF/PR from permit fees paid by commercial shellfish operations. The State's Shellfish permitting and compliance program is required for the Alaska mariculture industry to participate in interstate and international commercial shellfish markets. The program operated by the Department of Environmental Conservation is approved by the FDA. An FDA approved laboratory is essential to analyze regulatory samples of growing waters for fecal bacteria and other contaminants, and for the presence of toxins in the shellfish meats, such as paralytic shellfish toxin and domoic acid. The Department's Environmental Health Laboratory is currently the only FDA approved laboratory in Alaska. No private laboratories in Alaska have obtained FDA approval, and it is unlikely that another state laboratory outside Alaska will be able to process shellfish samples from Alaska without compensation.													
1004 Gen Fund (UGF)			228.8										
1005 GF/Prgm (DGF)			228.9										

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<b>Environmental Health (continued)</b>													
<b>Environmental Health (continued)</b>													
Replace Commercial Passenger Vessel													
Environmental Compliance Fees and Reduce													
Commercial Shellfish Testing Subsidy													
(continued)													
1166 Vessel Com (Other)			-457.7										
Eliminate Dairy Program	21Gov	Dec	-179.6	-131.6	0.0	-40.0	-8.0	0.0	0.0	0.0	-1	0	0
Eliminate the commercial dairy program in Alaska and a related full-time Environmental Health Officer III (18-7235), range 18, located in Anchorage.													
<p>The Department of Environmental Conservation (DEC) manages Alaska's dairy regulatory program in accordance with FDA's Grade "A" Pasteurized Milk Ordinance (PMO). This ensures Alaskan milk products entering commerce are manufactured, sold, and delivered in a safe and wholesome condition. The PMO requires a licensed veterinarian to oversee a regulatory program for the inspection of animal health conditions at the state's dairy farms, verification of sanitary conditions, of the facility and equipment at milk processing plants and issuance of permits to the dairy industry.</p> <p>The FDA provides approval of state dairy programs and individual states that have a commercial dairy industry are required to maintain regulatory dairy programs in accordance with the PMO. Without an FDA approved state program, commercial dairy operations will be unable to:</p> <ul style="list-style-type: none"> <li>- Sell dairy products to institutions that receive federal funds to subsidize meal programs (military, schools, prisons, etc.)</li> <li>- Sell products interstate</li> <li>- Sell products to national retail chains whose corporate standards require Grade "A" certification</li> </ul> <p>The department has statutory authority to charge dairies for direct costs but any meaningful fee would be an undue hardship on the dairies due to the small-scale of the industry. There is currently only one cow dairy in operation in Alaska, and a small goat dairy was recently permitted.</p> <p>Eliminating the dairy program will not increase risk to public health as unregulated milk will not enter the market. Raw, local milk will still be able to be purchased through a cow-share program.</p>													
1004 Gen Fund (UGF)			-164.6										
1108 Stat Desig (Other)			-15.0										
<b>* Allocation Difference *</b>			-179.6	-131.6	0.0	-40.0	-8.0	0.0	0.0	0.0	-1	0	0
<b>** Appropriation Difference **</b>			-179.6	-131.6	0.0	-40.0	-8.0	0.0	0.0	0.0	-1	0	0

**Spill Prevention and Response**

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Add Authority to Support Transparent Budgeting of Emergency Responses	21Gov	Inc	375.0	375.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Add authority to improve transparency by budgeting use of the Response Account of the Oil and Hazardous Substance Release Prevention and Response Fund. The department can use this funding without an appropriation in the event of a release or threatened release which poses an imminent and substantial threat to human health and the environment. These expenditures are reflected as Oil/Haz interagency receipts. This adds a													

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<b>Spill Prevention and Response (continued)</b>													
<b>Spill Prevention and Response (continued)</b>													
Add Authority to Support Transparent Budgeting of Emergency Responses (continued)													
portion of personal services in this fund source to the budget based on recent year actuals to more accurately reflect costs.													
1055 IA/OIL HAZ (Other)			375.0										
Reduce Authority to Align with Anticipated Revenue and Expenditures	21Gov	Dec	-1,019.1	-1,019.1	0.0	0.0	0.0	0.0	0.0	0.0	-7	0	0
Reduce authority and positions to align with anticipated revenue and avoid a shortfall. Without a reduction, projections for the Prevention Account of the Oil and Hazardous Substance Release Prevention and Response Fund show the fund running in the red as early as FY2024. This is due in part to declining production of crude oil that provides the \$0.04 per/barrel surcharge, and in part to unanticipated exemptions to the \$0.0095 per/gallon refined fuel surcharge for municipalities and utility cooperatives. Prevention Account operating expenditures are reduced in order to better align with projected annual revenue.													
The Class II Facilities Unit is eliminated and regulation of Alaska's expanding inventory of Class II aboveground storage tank facilities is terminated. Class II facilities are non-residential, non-crude storage tanks that have a capacity between 1,000 and 420,000 gallons. This was a non-regulatory program that focused on spill prevention. The workload of the other deleted positions will shift to existing staff, increasing the backlogs of industry policy and regulation support requests, and contaminated site cleanup efforts.													
The following positions are deleted:													
Full-time Environmental Program Specialist III (18-7187), range 18, located in Juneau													
Full-time Environmental Program Specialist III (18-7321), range 18, located in Juneau													
Full-time Environmental Program Technician (18-7368), range 13, located in Juneau													
Full-time Engineering Associate I, DEC (18-7475), range 21, located in Anchorage													
Full-time Office Assistant II (18-7496), range 10, located in Anchorage													
Full-time Environmental Program Specialist II (18-7625), range 16, located in Anchorage													
Full-time Environmental Program Specialist I (18-7658), range 14, located in Anchorage													
1002 Fed Rcpts (Fed)			-375.6										
1052 Oil/Haz Fd (DGF)			-643.5										
<b>* Allocation Difference *</b>			-644.1	-644.1	0.0	0.0	0.0	0.0	0.0	0.0	-7	0	0
<b>** Appropriation Difference **</b>			-644.1	-644.1	0.0	0.0	0.0	0.0	0.0	0.0	-7	0	0

**Water**

**Water Quality, Infrastructure Support & Financing**

Add Authority for Alaska Pollutant Discharge Elimination Systems Permitting and Compliance Program	21Gov	Inc	573.0	423.2	149.8	0.0	0.0	0.0	0.0	0.0	4	0	0
Add authority to support the work of four new Environmental Program Specialist positions for the Alaska Pollutant Discharge Elimination System (APDES) compliance and enforcement program, which is the primacy program enforcing portions of the Clean Water Act, as well as additional travel required to conduct inspections and improve program performance.													

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**Water (continued)**

**Water Quality, Infrastructure Support & Financing (continued)**

Add Authority for Alaska Pollutant Discharge  
Elimination Systems Permitting and Compliance  
Program (continued)

The State of Alaska has been delegated primacy over a portion of the federal Clean Water Act which is implemented through APDES. The program permits all major industries in Alaska, including oil and gas, mining, timber, seafood processing, construction and municipal wastewater treatment. These businesses require a stable permitting environment. The department is reprioritizing existing resources where available to support APDES program performance and has sufficient Federal grant revenue to cover the costs, but there is insufficient authority to expend those funds.

1002 Fed Rcpts (Fed)	573.0													
Use Commercial Passenger Vessel		21Gov	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Environmental Compliance Fees to Regulate Wastewater in Port Communities														

Change fund source from General Fund to Commercial Passenger Vessel Environmental Compliance Fund in the Division of Water for expenditures related to regulating wastewater systems in port communities visited by cruise ships.

Cruise ships brought 1.2 million passengers to ports throughout coastal Alaska in 2019. The wastewater systems in these port cities are designed to handle the year-round population, however, the influx of seasonal visitors using restroom facilities on shore can put a strain on the systems and cause environmental impacts.

1004 Gen Fund (UGF)	-454.6
1166 Vessel Com (Other)	454.6

<b>* Allocation Difference *</b>	573.0	423.2	149.8	0.0	0.0	0.0	0.0	0.0	0.0	4	0	0
<b>** Appropriation Difference **</b>	573.0	423.2	149.8	0.0	0.0	0.0	0.0	0.0	0.0	4	0	0
<b>*** Agency Difference ***</b>	-385.4	-487.2	149.8	-40.0	-8.0	0.0	0.0	0.0	0.0	-5	0	0
<b>**** All Agencies Difference ****</b>	-385.4	-487.2	149.8	-40.0	-8.0	0.0	0.0	0.0	0.0	-5	0	0

## Column Definitions

**21Adj Base (FY21 Adjusted Base)** - FY20 Management Plan less one-time items, plus FY21 adjustments for position counts, funding transfers, line item transfers, temporary increments (IncT) from prior years, and additions for statewide items (risk management and most salary and benefit increases). The Adjusted Base is the "first cut" of the FY21 budget; it is the base to which the Governor's and the Legislature's increments, decrements, and fund changes are added.

**21Gov (FY21 Governor Request 12/15)** - Includes FY21 Adjusted Base plus the Governor's operating budget bill requests for increases (increments), decreases (decrements), fund source changes, and language transactions submitted by the Governor on December 15, 2019.