

House Finance Budget Subcommittee FY11 – Department of Environmental Conservation

Subcommittee Report FY11

Date: 2/25/2010

The House Finance Budget Subcommittee (HFBS) on the Department of Environmental Conservation submits an operating budget for FY11 as follows:

UGF \$18,039.2 DGF \$24,972.7 Other Funds \$10,260.7 Fed Funds \$22,224.5 Total \$75,497.1

Department of Environmental Conservation House Finance Budget Subcommittee FY11 Highlights

This HFBS budget authorizes \$49.6 less general funds and five fewer positions than the Governor's amended FY11 Department of Environmental Conservation request. The FY11 subcommittee budget requests a total increment from FY11 Adjusted Base of \$851.4 general funds.

The committee agreed with the governor's increments, decrements, and fund changes except as noted below. Note: There were no amendments submitted by the governor for this department. All non-discretionary funding increments related to wages, contractual increases and the like were fully funded. The descriptions below will also have a notation linked to the corresponding **page number** from the FY11 Governor's Operating Budget Request (known as "short forms.")

Accepted \$260.0 UGF in the Laboratory Services allocation (**7a**), but recommended monitoring the progress of a similar item in the FY2010 supplemental budget.

Accepted all funding for the Environmental Protection Agency (EPA) drinking water rule implementation in the Drinking Water allocation (**8a**), but denied all five PCN's associated with this request. The subcommittee recommended that the department use other vacancies to fill these positions.

Denied \$150.0 UGF and the associated PCN in the Air Quality allocation (**11a**) for the EPA's permitting requirements. The subcommittee expressed concern regarding the state paying for Outer Continental Shelf (OCS) permitting process when revenue from OCS development outside six (6) miles will not be shared with the state.

Accepted the federal receipts of \$240.0 and the requested PCN in the Facility Construction allocation (**11a**) as one-time only. This is specifically for public water systems operator certification and training. The subcommittee wants to review this need in future budgets.

Accepted both the federal receipts of \$112.5 and the GF Match of \$37.5 in the Facility Construction allocation (**11a**) as one-time only. The Circuit Rider program offers preventive maintenance services, on-site operator training, and emergency response to rural electric utilities, specifically the smaller utilities. Although a vital program, the subcommittee wants to review future federal funding availability in the next budget cycle.

During the subcommittee closeout, an amendment was approved to add the following intent language: “It is the intent of the Alaska Legislature that the Department of Environmental Conservation work closely with molluscan shellfish producers to explore methods of lowering the cost to the public and private sectors of certifying the water quality of shellfish harvest areas. DEC will report on its progress to the Legislature during deliberations over the FY2012 operating budget.”

Through an amendment during the closeout, the subcommittee also approved an increment to the Laboratory Services allocation in the amount of \$100.4 UGF and one PCN for an environmental health technician and related costs in support of the permitting and inspection of new shellfish farms. The following explanation was given during subcommittee in support of the amendment which carried by a vote of 4 – 3. In part, the explanation read: “DEC cannot keep up with the growth of commercial dive fisheries and mariculture operations. The need to certify the water quality of ten new oyster farming operations and one new geoduck harvest area during the coming year threatens to overwhelm DEC’s resources. A lack of field inspectors may prevent the agency from allowing new rural economic development to begin.”

The following Legislative Finance reports (Numbers only) are attached:

1. Subcommittee Worksheet – Final Closeout – Dated: 2/25/10 || 8:15 a.m.
2. Agency Totals – House Structure
3. Appropriation/Allocation Summary (GF only) – House Structure
4. Appropriation/Allocation Summary (All funds) – House Structure
5. Transaction Comparison (Adjusted Base to House Subcommittee)
6. Transaction Comparison (Gov. Amend and House Subcommittee)
7. Wordage Report of Intent and Conditional Language – House Structure

Respectfully submitted,

Representative Alan Austerman
House Finance Subcommittee Chairman
Department of Environmental Conservation