

**2012 Legislature - Operating Budget  
Transaction Detail - Governor Structure  
05-13Inc/Decs Column**

**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Administration</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Office of the Commissioner</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Development of State Oceans Strategies  | Inc           | 48.7                 | 35.8                 | 5.0    | 0.0      | 1.0         | 6.9               | 0.0    | 0.0  | 0   | 1   | 0   |
| <i>A full time coordinator for the State's ongoing work on the science and politics of oceans is being established within the Department of Fish and Game. DEC and two other agencies are able, through a federal grant, to establish part time positions in each agency to provide support for the coordinator.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The State has participated, with leadership from a variety of agencies, in this effort for over a year but needs staff consistently assigned primary responsibility for following NOAA, CEQ, the Oceans Commission, and all of the related research and science arrangements. There are also many non-governmental organizations operating in Alaska whose mission is predominantly oceans research and programs. The State is not adequately informed or involved in any of these endeavors.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 48.7                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Adding staff and support costs for EVOS activities  | Inc           | 46.0                 | 46.0                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 1   | -1  | 0   |
| <i>This amendment adjusts the department's original request to include EVOS activities, changing the part-time position to a full-time position and adding necessary support costs.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1018 EVOS Trust (Other)  |               | 46.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit  | FisNot        | 27.5                 | 27.5                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)   |               | 13.2                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 14.3                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Commissioner increase  | FisNot        | 35.1                 | 35.1                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | 35.1                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 AMD: Annualize funding from RPL   | Inc           | 38.9                 | 38.9                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>An RPL was requested and approved at the December 15th, 2006 Legislative Budget and Audit Committee meeting to provide additional EVOS authority to continue activities as approved by the Trustee Council in the annual program development and implementation budget. This transactions annualizes that funding.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1018 EVOS Trust (Other)  |               | 38.9                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Village Safe Water Program Implementation and Accountability  | IncOTI        | 250.0                | 0.0                  | 0.0    | 250.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)   |               | 250.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Climate Impact Work Group   | IncOTI        | 184.0                | 10.0                 | 10.0   | 160.0    | 4.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>In September 2007, Governor Palin established the Alaska Climate Change Sub-Cabinet through Administrative Order #238. The purpose of the Climate Change Sub-Cabinet is to advise the Office of the Governor on the preparation and implementation of an Alaska climate change strategy. This strategy will 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 of climate change, and providing guidance regarding Alaska's participation in regional and national efforts addressing the causes and effects of climate change.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This funding will be used for the work group process. The Climate Change Sub-Cabinet plans to develop recommendations on an Alaska climate change strategy. The Sub-Cabinet is envisioning three advisory work groups, one each covering adaptation, mitigation and research needs. Under each of the adaptation and mitigation advisory groups there will be five or six technical subgroups looking at particular sets of issues. For example, one of the technical subgroups under the adaptation advisory work group will be looking at current and predicted changes to fish and wildlife in the state. The Climate Change Sub-Cabinet plans to begin this work</i>                              |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| Administration (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Office of the Commissioner (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Climate Impact Work Group   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| group effort in March 2008.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| In addition to the work groups described above, immediate actions work groups are currently engaged in holding meetings (including with local representatives from communities most at risk from coastal erosion) and developing recommendations for the Sub-Cabinet. An initial report is due from the immediate actions work groups in March 2008 and it is anticipated that they will continue to meet and work on more detailed recommendations into fiscal year 2009. Funding for this request requires an extended lapse date through June 30, 2009. |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| For the work groups to be successful, they will need good technical support, including access to technical information and assistance in analyzing the economic and other feasibility aspects of various options. The work groups will also need to contract with a facilitator and other logistical support. Although most meetings will be by teleconference, funding is needed for travel and meeting space for several key face-to-face meetings.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| To assure the work groups are truly independent and not being lead to any conclusions that are not in Alaska's best interest, it is important to have a local facilitator. Current plans are to hire a local facilitator for the mitigation work groups and to use a facilitator from the University of Alaska for the adaptation and research needs work groups. The University has offered to donate up to \$25.0 of that facilitator's time.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| The state will also contribute to a biennial meeting of the Conference of Parliamentarians of the Arctic Region. This meeting will take place August 12-14, 2008 at the University of Alaska Fairbanks. Members will discuss subjects such as International Polar Year, climate change, energy, and maritime traffic ( <a href="http://www.arcticparl.org">http://www.arcticparl.org</a> ).  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Following are the anticipated expenditures to support the work group efforts:  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| - \$110.0 Contract(s) for local facilitator(s)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| - \$50.0 Anticipated match for technical and logistical support grant for work groups  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| - \$40.0 Logistical support for work groups, including travel, phone charges, meeting rooms, and copying   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| - \$20.0 Personal services expenditures and support costs for the department   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| - \$10.0 State contribution to the biennial meeting of the Conference of Parliamentarians of the Arctic Region   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 184.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in the Health Insurance Increases for Non-Covered Employees   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| Correct unrealizable fund sources for existing bargaining unit agreements applicable to this component. EVOSS is an uncollectable fund source.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 0.5                  |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 0.5                  |                      |        |          |             |                   |        |      |     |     |     |
| 1018 EVOS Trust (Other)  |               | -1.0                 |                      |        |          |             |                   |        |      |     |     |     |

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|--|---------------|----------------------|----------------------|-------------|--------------|-------------|-------------------|------------|------------|----------|----------|----------|
| <b>Administration (continued)</b>  |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| <b>Office of the Commissioner (continued)</b>  |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -2.5                 | 0.0                  | -2.5        | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1004 Gen Fund (UGF)  |               | -2.5                 |                      |             |              |             |                   |            |            |          |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase  | FisNot        | 8.4                  | 8.4                  | 0.0         | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>FY2011 Noncovered Employees Year 1 increase : \$8.4</i>   |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)   |               | 4.2                  |                      |             |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)  |               | 3.2                  |                      |             |              |             |                   |            |            |          |          |          |
| 1018 EVOS Trust (Other)  |               | 1.0                  |                      |             |              |             |                   |            |            |          |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) Correct Unrealizable Fund Sources in the FY2011 Noncovered Year 1 Salary Increase   | FisNot        | 0.0                  | 0.0                  | 0.0         | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1004 Gen Fund (UGF)  |               | 1.0                  |                      |             |              |             |                   |            |            |          |          |          |
| 1018 EVOS Trust (Other)  |               | -1.0                 |                      |             |              |             |                   |            |            |          |          |          |
| FY2011 COASTAL MANAGEMENT PROGRAM (SB 4)   | FisNot        | 118.7                | 93.1                 | 7.5         | 11.2         | 0.5         | 6.4               | 0.0        | 0.0        | 1        | 0        | 0        |
| 1007 I/A Rcpts (Other)   |               | 118.7                |                      |             |              |             |                   |            |            |          |          |          |
| FY2011 DID NOT PASS: COASTAL MANAGEMENT PROGRAM (SB 4)   | FisNot        | -118.7               | -93.1                | -7.5        | -11.2        | -0.5        | -6.4              | 0.0        | 0.0        | -1       | 0        | 0        |
| 1007 I/A Rcpts (Other)   |               | -118.7               |                      |             |              |             |                   |            |            |          |          |          |
| FY2012 Correct Unrealizable Fund Sources for Personal Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0         | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>Correct unrealizable fund sources for personal services increases applicable to this component. Only 10% of the EVOSS funding source was collectible in FY10 and no increase is expected in FY11 or FY12.</i>                                     |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)   |               | 1.6                  |                      |             |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)  |               | 1.6                  |                      |             |              |             |                   |            |            |          |          |          |
| 1018 EVOS Trust (Other)  |               | -3.2                 |                      |             |              |             |                   |            |            |          |          |          |
| FY2012 Transfer funding from Personal Services to Services for the deleted Special Assistant to the Commissioner II position   | LIT           | 0.0                  | -96.2                | 0.0         | 96.2         | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM   | FisNot        | 15.0                 | 5.0                  | 7.0         | 3.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.</i> |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)  |               | 5.0                  |                      |             |              |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)   |               | 10.0                 |                      |             |              |             |                   |            |            |          |          |          |
| FY2012 DID NOT PASS: (HB 106) COASTAL MANAGEMENT PROGRAM   | FisNot        | -15.0                | -5.0                 | -7.0        | -3.0         | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.</i> |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)  |               | -5.0                 |                      |             |              |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)   |               | -10.0                |                      |             |              |             |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>  |               | <b>636.1</b>         | <b>105.5</b>         | <b>12.5</b> | <b>506.2</b> | <b>5.0</b>  | <b>6.9</b>        | <b>0.0</b> | <b>0.0</b> | <b>1</b> | <b>0</b> | <b>0</b> |
| <b>Administrative Services</b>   |               |                      |                      |             |              |             |                   |            |            |          |          |          |
| FY2006 Change in Funding for Ongoing Administrative Support  | FndChg        | 0.0                  | 0.0                  | 0.0         | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>Financial Assistance activities within the Storage Tank Program have been eliminated. However, ongoing program</i>  |               |                      |                      |             |              |             |                   |            |            |          |          |          |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Administration (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Administrative Services (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Change in Funding for Ongoing  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Administrative Support (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| support more appropriately funded by Response Funds will continue. This transaction makes the necessary fund source change.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | 65.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1079 Tank RLF (DGF)   |               | -65.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Switch Fund for Clean Air Act/Title I activities (construction permits)to Receipt Supported Services(AS 37.05.146(c)(17)   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits - Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund (CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation are being made in the following components:  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| ' Air Quality   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| ' Information and Administrative Services   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| ' State Supported Services  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)  |               | -29.4                |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | 29.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Administrative support for the Commercial Passenger Vessels Environmental Compliance Fund  | Inc           | 45.0                 | 45.0                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| Each fund within DEC requires additional time and effort by Division of Information and Administrative Services staff for administrative support. These services include but are not limited to, billing preparation and fee collection processes, monthly fund reporting, and annual fund report preparation for the Comprehensive Annual Financial Report. Once a fund is well established, the level and cost of required support can be determined. This transaction establishes funding for that support.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   |               | 45.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Additional Support for Inspection and Maintenance Enforcement  | Inc           | 77.5                 | 77.5                 | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| Fairbanks Enforcement Project received funding for the continuation of the Inspection and Maintenance Enforcement effort by the State and the Fairbanks NorthStar Borough. This transaction provides funding to DEC's Environmental Crimes Unit, through an RSA, for an additional position in support of that effort.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | 77.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Elimination of Financial Assistance Activities within the Storage Tank Program   | Dec           | -65.0                | -65.0                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| This transaction reduces administrative support commensurate with the elimination of financial assistance activities in the Storage Tanks Program.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1079 Tank RLF (DGF)   |               | -65.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Reduce Procurement and Administrative Overhead   | Dec           | -12.0                | -12.0                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | -12.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 AMD: Establish and Administer the Village Safe Water Accounting Program  | Inc           | 234.2                | 177.5                | 3.0    | 30.0     | 3.0         | 20.7              | 0.0    | 0.0  | 3   | 0   | 0   |
| As a result of recent audit issues that have arisen in the administration of the Village Safe Water Program, the Division of Information and Administrative Services initiated a thorough review of the program. The results of this review revealed weaknesses in numerous areas. One major area of concern was the processing method for vendor payments currently handled via a contractual agreement with an accounting firm. After investigating the processing methods of similar programs within other agencies to identify best practices, we are proposing the |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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| <b>Administration (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Administrative Services (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 AMD: Establish and Administer the Village Safe Water Accounting Program (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>transfer of all vendor payments back into the state accounting system process. This amendment provides funding for positions and support costs to establish and administer this system.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1061 CIP Rcpts (Other)  |               | 234.2                |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit   | FisNot        | 7.7                  | 7.7                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)  |               | 2.3                  |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  |               | 0.3                  |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 0.9                  |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | 3.4                  |                      |        |          |             |                   |        |      |     |     |     |
| 1061 CIP Rcpts (Other)  |               | 0.5                  |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)  |               | 0.1                  |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | 0.1                  |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   |               | 0.1                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 AMD: Additional Resources for Compliance Oversight and North Slope Flow Line Integrity   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The Alaska Department of Environmental Conservation (ADEC), under AS 46.03 and 46.04, provides regulatory oversight of oil and gas exploration, production, refining, transportation, and storage within Alaska, including protective standards for the construction and operation of certain oil pipelines.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Substantial revisions to the oil spill prevention regulations have recently been completed that subject multi-phase and produced water pipelines, generally referred to as flow lines, to new requirements for design, construction and operation. There are approximately 1,500 miles of these multi-phase pipelines within the State.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The primary focus of two Governor's amendments is for compliance oversight and integrity of North Slope flow lines. One provides the Industry Preparedness and Pipeline Operations (IPP) component with additional inspection and engineering staff and appropriate equipment and training to assure integrity of North Slope flow lines, while this amendment adds funding in the Information and Administrative Services component for a civil investigator position tasked with focusing on civil investigation, compliance and enforcement of Alaskan oil and hazardous substance pollution control statutes and regulations for the oil and gas sector.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 100.5                |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Create and Use a Fund Source Code to Enable Tracking of Ocean Ranger Revenues and Expenditures   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1205 Ocn Ranger (DGF)   |               | -38.2                |                      |        |          |             |                   |        |      |     |     |     |
|   |               | 38.2                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Clarification Project fund change   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1156 Rcpt Svcs (DGF)  |               | 33.8                 |                      |        |          |             |                   |        |      |     |     |     |
|   |               | -33.8                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  | Dec           | -3.5                 | 0.0                  | -3.5   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | -0.2                 |                      |        |          |             |                   |        |      |     |     |     |
|   |               | -0.8                 |                      |        |          |             |                   |        |      |     |     |     |

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**Numbers and Language**

**Agency: Department of Environmental Conservation**

|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel      | Services    | Commodities | Capital<br>Outlay | Grants     | Misc       | PFT      | PPT      | TMP      |
|---|---------------|----------------------|----------------------|-------------|-------------|-------------|-------------------|------------|------------|----------|----------|----------|
| <b>Administration (continued)</b>   |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| <b>Administrative Services (continued)</b>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by<br>10 percent. (continued)   |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | -2.5                 |                      |             |             |             |                   |            |            |          |          |          |
| FY2011 LFD: Revise Governor's salary adjustment request   | FndChg        | 0.0                  | 0.0                  | 0.0         | 0.0         | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1007 I/A Rcpts (Other)  |               | 1.5                  |                      |             |             |             |                   |            |            |          |          |          |
| 1156 Rcpt Svcs (DGF)  |               | -1.5                 |                      |             |             |             |                   |            |            |          |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered<br>Employees Salary Increase  | FisNot        | 2.5                  | 2.5                  | 0.0         | 0.0         | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>FY2011 Noncovered Employees Year 1 increase</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| <i>: \$2.5</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | 0.8                  |                      |             |             |             |                   |            |            |          |          |          |
| 1003 G/F Match (UGF)  |               | 0.1                  |                      |             |             |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)   |               | 0.3                  |                      |             |             |             |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | 1.2                  |                      |             |             |             |                   |            |            |          |          |          |
| 1093 Clean Air (Other)  |               | 0.1                  |                      |             |             |             |                   |            |            |          |          |          |
| FY2012 Increase Federal Authorization for Federal Grant<br>Management   | IncM          | 250.0                | 0.0                  | 0.0         | 250.0       | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The Department requests a fund source switch of \$250.0 from Inter-Agency Receipts to Federal Receipts to realize indirect revenues earned as a result of the increased workload associated with the federal grant process.</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| <i>There has been a 51% increase in the number of federal grants being managed since FY2007.</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | 250.0                |                      |             |             |             |                   |            |            |          |          |          |
| FY2012 Reduce I/A Receipt Authorization for Federal Grant<br>Management   | Dec           | -250.0               | 0.0                  | 0.0         | -250.0      | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The Department requests a fund source switch of \$250.0 from Inter-Agency Receipts to Federal Receipts to realize indirect revenues earned as a result of the increased workload associated with the federal grant process.</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| <i>There has been a 51% increase in the number of federal grants being managed since FY2007.</i>  |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)  |               | -250.0               |                      |             |             |             |                   |            |            |          |          |          |
| FY2013 Shared Departmental Costs  | IncM          | 280.0                | 228.5                | 5.0         | 37.5        | 9.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>Many positions in the Administrative Services component perform duties that serve the entire Department, including the travel coordinator, reception positions, and the Department's time tracking system coordinator. The current budget authority is not sufficient to budget all internal RSAs and is resulting in unnecessary administrative and accounting burden to staff. This will streamline and bring efficiency to the management and accounting of these services.</i> |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)  |               | 280.0                |                      |             |             |             |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>666.9</b>         | <b>546.2</b>         | <b>14.5</b> | <b>72.5</b> | <b>13.0</b> | <b>20.7</b>       | <b>0.0</b> | <b>0.0</b> | <b>4</b> | <b>0</b> | <b>0</b> |
| <b>State Support Services</b>   |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| FY2006 Change in Funding for Ongoing State Support Services   | FndChg        | 0.0                  | 0.0                  | 0.0         | 0.0         | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>Financial Assistance activities within the Storage Tank Program have been eliminated. However, ongoing program support more appropriately funded by Response Funds will continue. This transaction makes the necessary fund source change.</i>   |               |                      |                      |             |             |             |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | 14.7                 |                      |             |             |             |                   |            |            |          |          |          |
| 1079 Tank RLF (DGF)   |               | -14.7                |                      |             |             |             |                   |            |            |          |          |          |

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|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Administration (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>State Support Services (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Switch Fund for Clean Air Act/Title I activities<br>(construction permits)to Receipt Supported Services(AS<br>37.05.146(c)(17)   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits -<br/>Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund<br/>(CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation<br/>are being made in the following components:</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>' Air Quality</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>' Information and Administrative Services</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>' State Supported Services</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)  |               | -3.1                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | 3.1                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Support for increasing departmental lease costs  | Inc           | 52.4                 | 0.0                  | 0.0    | 52.4     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>DEC received notification to expect increases in departmental lease costs for FY2008. This transaction requests<br/>funding for those expected lease cost increases.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 52.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 AMD: Increased Anchorage Lease Costs   | Inc           | 100.0                | 0.0                  | 0.0    | 100.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>DEC's Anchorage office building is cramped and well below standards set by General Services for office space<br/>per employee. Additional space has been procured at the Bayview Building and the Division of Air Quality is<br/>currently being relocated. This transaction requests funding for the lease cost of the additional space.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 100.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Clarification Project fund change   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1007 I/A Rcpts (Other)  |               | 3.1                  |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | -3.1                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Increased Lease Costs  | IncM          | 488.8                | 0.0                  | 0.0    | 488.8    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Department requests \$468.9 spread through multiple fund sources to cover the increased lease costs of the<br/>Anchorage office building.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | 250.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | 100.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)  |               | 59.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   |               | 18.3                 |                      |        |          |             |                   |        |      |     |     |     |
| 1205 Ocn Ranger (DGF)   |               | 61.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Delete unrealizable receipts   | Dec           | -19.9                | 0.0                  | 0.0    | -19.9    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1007 I/A Rcpts (Other)  |               | -19.9                |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 AMD: Increased Lease Costs   | IncM          | 146.3                | 0.0                  | 0.0    | 146.3    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>This amendment provides FY2012 funding based on an FY2011 supplemental request.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The Department requests \$146.3 spread through multiple fund sources to cover the unexpected increase in lease<br/>costs for the Juneau office building. The department was notified by the Division of General Services in late<br/>December 2010 that the Juneau office building lease amount would be increased for both FY2011 and FY2012.<br/>Lease costs for the department have increased 87% over the last seven years. The department has taken various<br/>cost cutting measures to cover increased lease costs but cannot absorb this unanticipated</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel       | Services       | Commodities | Capital<br>Outlay | Grants     | Misc          | PFT      | PPT      | TMP      |
|--|---------------|----------------------|----------------------|--------------|----------------|-------------|-------------------|------------|---------------|----------|----------|----------|
| <b>Administration (continued)</b>  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| <b>State Support Services (continued)</b>  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| FY2012 AMD: Increased Lease Costs<br>(continued)   |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| increase.  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| The FY2012 budget contains a similar request for increased lease costs for the Anchorage office building.  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| 1002 Fed Rcpts (Fed)   |               | 71.8                 |                      |              |                |             |                   |            |               |          |          |          |
| 1052 Oil/Haz Fd (DGF)  |               | 31.2                 |                      |              |                |             |                   |            |               |          |          |          |
| 1093 Clean Air (Other)   |               | 18.4                 |                      |              |                |             |                   |            |               |          |          |          |
| 1166 Vessel Com (DGF)  |               | 24.9                 |                      |              |                |             |                   |            |               |          |          |          |
| <b>* Allocation Total *</b>  |               | <b>767.6</b>         | <b>0.0</b>           | <b>0.0</b>   | <b>767.6</b>   | <b>0.0</b>  | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b>    | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Agency-Wide Unallocated Reduction</b>   |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| FY2006 Unallocated departmentwide travel reduction   | Dec           | -100.0               | 0.0                  | -100.0       | 0.0            | 0.0         | 0.0               | 0.0        | 0.0           | 0        | 0        | 0        |
| Proposed by House Subcommittee to curtail overall travel expenditures and eliminate unnecessary travel funding based on department history.  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| 1004 Gen Fund (UGF)  |               | -100.0               |                      |              |                |             |                   |            |               |          |          |          |
| FY2006 Technical adjustment to GF Fund sources for purposes of spreading the agency-wide unallocated reduction in travel.  | FndChg        | 0.0                  | 0.0                  | 0.0          | 0.0            | 0.0         | 0.0               | 0.0        | 0.0           | 0        | 0        | 0        |
| 1003 G/F Match (UGF)   |               | -11.1                |                      |              |                |             |                   |            |               |          |          |          |
| 1004 Gen Fund (UGF)  |               | 18.5                 |                      |              |                |             |                   |            |               |          |          |          |
| 1005 GF/Prgm (DGF)   |               | -7.4                 |                      |              |                |             |                   |            |               |          |          |          |
| FY2006 CC: Reduce Unallocated departmentwide travel reduction (House plus 50 GF)   | Inc           | 50.0                 | 0.0                  | 50.0         | 0.0            | 0.0         | 0.0               | 0.0        | 0.0           | 0        | 0        | 0        |
| Conference Committee reduced this total reduction by \$50.0. Proposed by House Subcommittee to curtail overall travel expenditures and eliminate unnecessary travel funding based on department history.   |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| 1004 Gen Fund (UGF)  |               | 50.0                 |                      |              |                |             |                   |            |               |          |          |          |
| FY2008 Unallocated Reduction to Reflect Department's Response Fund Savings   | Dec           | -500.0               | 0.0                  | 0.0          | 0.0            | 0.0         | 0.0               | 0.0        | -500.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)  |               | -500.0               |                      |              |                |             |                   |            |               |          |          |          |
| FY2008 CC: Replace a Portion of Unallocated Reduction to Reflect Department's Response Fund Savings  | Inc           | 250.0                | 0.0                  | 0.0          | 0.0            | 0.0         | 0.0               | 0.0        | 250.0         | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)  |               | 250.0                |                      |              |                |             |                   |            |               |          |          |          |
| <b>* Allocation Total *</b>  |               | <b>-300.0</b>        | <b>0.0</b>           | <b>-50.0</b> | <b>0.0</b>     | <b>0.0</b>  | <b>0.0</b>        | <b>0.0</b> | <b>-250.0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>** Appropriation Total **</b>   |               | <b>1,770.6</b>       | <b>651.7</b>         | <b>-23.0</b> | <b>1,346.3</b> | <b>18.0</b> | <b>27.6</b>       | <b>0.0</b> | <b>-250.0</b> | <b>5</b> | <b>0</b> | <b>0</b> |
| <b>DEC Buildings Maintenance and Operations</b>  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| <b>DEC Buildings Maintenance and Operations</b>  |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| FY2006 Split Funding for On Site Building Maintenance for the Environmental Health Laboratory between GF and I/A Receipts  | Inc           | 89.2                 | 75.7                 | 1.5          | 9.5            | 1.0         | 1.5               | 0.0        | 0.0           | 1        | 0        | 0        |
| The House Subcommittee intent in splitting the funding with I/A Receipts is that I/A Receipt funding would come from Food Safety & Sanitation due to increased receipt supported services. This transaction establishes a new maintenance position for the Environmental Health Laboratory (previously referred to as the seafood and food safety laboratory). Funding for construction of the laboratory was obtained through the sale of certificates of participation. This maintenance position is being established to assure appropriate protection of the investment. |               |                      |                      |              |                |             |                   |            |               |          |          |          |
| 1004 Gen Fund (UGF)  |               | 44.6                 |                      |              |                |             |                   |            |               |          |          |          |



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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>DEC Buildings Maintenance and Operations (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>DEC Buildings Maintenance and Operations (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Split Funding for On Site Building Maintenance for the Environmental Health Laboratory between GF and I/A Receipts (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | 44.6                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Operation and Maintenance Costs of New Laboratory per Fiscal Note for Ch. 79 SLA2003 (SB215)  | Inc           | 215.5                | 0.0                  | 0.0    | 215.5    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Implementation of the fiscal note for SB215, construction of the Environmental Health Laboratory (previously referred to as the seafood and food safety laboratory). This funding supports annual operation and maintenance of the building.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 215.5                |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 AMD Increased Laboratory Facility Costs (not including increased cost attributed to natural gas of \$19.0)  | Inc           | 240.9                | 0.0                  | 0.0    | 210.9    | 30.0        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The department took responsibility for building operation and maintenance costs when laboratory staff began moving into the new Environmental Health Laboratory in September of 2005. The original fiscal note, prepared in FY2002, for construction of the laboratory included estimates for out-year operating costs. Since that time, changes occurred in the types of building systems and technology employed in the laboratory; impacting both standard operating costs (technical support, maintenance and service agreements) and energy consumption rates. The cost of standard services (landscaping, snow removal, etc.), fuel and electricity have also increased since the fiscal note was first prepared.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>FY2002 estimates for ongoing fuel and utility costs were based on a percentage of costs associated with the similar, but larger Public Health Lab. A recent engineering estimate from the building's architect, Livingston Slone Inc., projects actual costs will be more than twice that of original estimates. A supplemental for FY2006 energy costs was necessary to support DEC's ten months of operation.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This transaction increases base funding to meet current needs for ongoing maintenance and operation.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 240.9                |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Reduce Uncollectible Funding from the Food Safety and Sanitation Program  | Dec           | -55.0                | 0.0                  | 0.0    | -55.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Currently, the Building Maintenance and Operations (BMO) component is partially funded by the Food Safety and Sanitation Program (FSS). FSS can no longer afford to transfer funding to contribute to the maintenance of this facility (-\$55.0). The FSS has vacancies to fill and needs these funds to provide mandated services.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -55.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce Uncollectable Inter-Agency Receipts Authority  | Dec           | -0.7                 | 0.0                  | 0.0    | -0.7     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>This is a technical adjustment. In the FY10 budget, I/A Receipts was reduced but left \$0.7 in authority. This change record removes this last amount of uncollectible I/A Receipts.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -0.7                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Incorporate \$15 million of fuel trigger in FY11 base. Trigger start point moves from \$36 to \$51.   | Inc           | 37.8                 | 0.0                  | 0.0    | 37.8     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | 37.8                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -0.1                 | 0.0                  | -0.1   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | -0.1                 |                      |        |          |             |                   |        |      |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>DEC Buildings Maintenance and Operations (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>DEC Buildings Maintenance and Operations (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Incorporate partial FY11 distribution of fuel trigger in<br>FY12 base. Trigger start point moves from \$51 to \$65.<br>1004 Gen Fund (UGF) 67.7   | Inc           | 67.7                 | 0.0                  | 0.0    | 67.7     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <b>* Allocation Total *</b>  |               | 595.3                | 75.7                 | 1.4    | 485.7    | 31.0        | 1.5               | 0.0    | 0.0  | 1   | 0   | 0   |
| <b>** Appropriation Total **</b>   |               | 595.3                | 75.7                 | 1.4    | 485.7    | 31.0        | 1.5               | 0.0    | 0.0  | 1   | 0   | 0   |
| <b>Environmental Health</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Environmental Health Director</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee<br>Salary and Benefit<br>1004 Gen Fund (UGF) 6.3  | FisNot        | 6.3                  | 6.3                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2011 Reduce general fund travel line item by 10 percent.<br>1004 Gen Fund (UGF) -0.2   | Dec           | -0.2                 | 0.0                  | -0.2   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered<br>Employees Salary Increase<br>FY2011 Noncovered Employees Year 1 increase<br>: \$2.1<br>1004 Gen Fund (UGF) 2.1  | FisNot        | 2.1                  | 2.1                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <b>* Allocation Total *</b>  |               | 8.2                  | 8.4                  | -0.2   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <b>Food Safety &amp; Sanitation</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Seafood Monitoring and Inspection<br><i>This request provides additional resources needed to increase services to protect citizens from unsafe sanitary practices in the shellfish industry and ensure the continued safety of the food supply. Previous legislation increased the number of shellfish sites available for lease (HB208 &amp; SB141), which is increasing the classification work required of DEC. Increased paralytic shellfish poison (PSP) monitoring is required before and during the Geoduck harvest to ensure the safety of the product, primarily for the higher valued live product sale. As a result of recent Vibrio parahaemolyticus illnesses caused by the ingestion of Alaskan oysters, the department needs to set up surveillance and monitoring plans to address the emergence of this bacterium in shellfish.</i><br><br><i>Increased monitoring, inspection, and laboratory testing costs will be funded by increasing seafood and shellfish permit fees. Fees for classification and recertification work will be increased as well, with discounts for growers who choose to perform some of the required annual water quality monitoring themselves.</i><br>1156 Rcpt Svcs (DGF) 255.8 | Inc           | 255.8                | 117.5                | 10.0   | 118.6    | 2.7         | 7.0               | 0.0    | 0.0  | 2   | 0   | 0   |
| FY2008 PERS adjustment of unrealizable receipts<br>1002 Fed Rcpts (Fed) -23.5  | Dec           | -23.5                | -23.5                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2010 Correct Unrealizable Fund Sources in the Salary<br>Adjustment for the Existing Bargaining Unit Agreements<br><i>It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited</i>   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |

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**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Food Safety &amp; Sanitation (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements (continued) funding.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| The federal funds received in the Food Safety and Sanitation (FSS) program are from a federal contract with the Food and Drug Administration primarily for facility inspections. In FY09 the FSS Program received \$16.6 in federal authorization to cover increased personal service costs. Attempts to collect additional federal funding to cover these additional costs as well as additional travel costs have been unsuccessful. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in service levels a fund source transfer from federals to receipt supported services is being requested. |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | -3.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | 3.0                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Clarification Project fund change to reflect GF/PR for fees assessed by the division   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| Fees are charged to seafood & food processors, seafood harvesters and food service facilities for inspections, audits, training, re-inspections, permits and plan reviews.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 1,857.5              |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | -1,857.5             |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Add Environmental Health Technician and Related Costs in Support of Permit and Inspection of New Shellfish Farms  | Inc           | 100.4                | 78.9                 | 20.0   | 1.0      | 0.5         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | 100.4                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -24.5                | 0.0                  | -24.5  | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | -11.8                |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | -12.7                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Add One Environmental Health Officer and Related Costs to Focus on Retail Food Establishment Safety Inspections   | Inc           | 100.4                | 78.9                 | 20.0   | 1.0      | 0.5         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | 100.4                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 LFD: Revise Governor's salary adjustment request  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1005 GF/Prgm (DGF)   |               | 54.9                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | -54.9                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase  | FisNot        | 1.0                  | 1.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2011 Noncovered Employees Year 1 increase : \$1.0  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 1.0                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Correct Unrealizable Fund Sources for Personal Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| The federal funds received by the Food Safety and Sanitation Program are received through a negotiated contract with the Food and Drug Administration (FDA). The contract covers a percentage of the costs for inspections performed by the program. The FDA is extremely resistant to negotiating for increases to per-inspection costs. After several denials, the program was successful in getting a small negotiated increase in FY2011. However, the   |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Food Safety &amp; Sanitation (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Correct Unrealizable Fund Sources for   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Personal Services Increases (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>negotiated per-inspection cost increase resulted in reducing the number of FDA inspections performed. An increase in the per-inspection costs for FY2012 will be sought, but it is unlikely the FDA will agree, as the funds available for all the States are insufficient to fully fund any one State's program.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Congressional legislation is being considered to increase the funding at a national level for food safety programs, but the current political climate is not conducive to increases in federal funding. The program will continue to diligently negotiate, but does not anticipate an increase in federal funds in FY2012. Therefore these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. Additional GFPR collection is possible due to fee implementation in FY2011 for the Food Worker Card program.</i>                     |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | -11.6                |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 14.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -2.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2013 Travel for Food Safety Inspections at High-Risk Facilities or to Meet Federally-Mandated Inspection Requirements  | Inc           | 124.6                | 0.0                  | 114.6  | 0.0      | 10.0        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Many establishments in remote communities with high-risk facilities and highly-susceptible populations or federally-mandated inspection requirements (e.g. school food services, Headstart Programs, and institutions) have not been inspected in over five years.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>There are 157 communities in Alaska that are not easily accessible by the road system. These include communities such as Deadhorse/Prudhoe Bay, Bethel, Barrow, Nome, Skagway, Wrangell, Coldfoot, Dillingham, Galena, Haines, King Salmon, Kotzebue, Naknek, Thorne Bay, and Yakutat. Particularly, the inspection staff will travel to communities to focus on high-risk facilities where the potential impacts of foodborne illness outbreaks would significantly impact the public's health and would cause economic harm.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Within the 157 communities not easily accessible by the road system, there are a total of 577 facilities that have not been inspected within the last five years. The Department will focus their efforts on the high-risk facilities and inspect other risk categories in those communities as time allows.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>-- 163 high risk facilities</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>-- 207 medium risk facilities</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>-- 199 low risk facilities</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>-- 8 unranked facilities</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This funding will be used for travel to address two high-risk areas:</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>1. Highly-Susceptible Populations</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Examples of these at risk populations are the communities of Deadhorse and Prudhoe Bay. There are 75 facilities in these communities including labor camps providing exclusive food service to thousands of workers each day. In 2005, DEC staff and the Department of Health and Social Service's (DHSS) Section of Epidemiology investigated an outbreak of norovirus gastroenteritis at a large mining camp in Interior Alaska that employed and housed approximately 300 workers. Approximately one-third of workers reported vomiting or diarrhea that significantly disrupted mine productivity. Increasing inspection rates will reduce these outbreaks.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel       | Services     | Commodities | Capital<br>Outlay | Grants     | Misc       | PFT      | PPT      | TMP      |
|---|---------------|----------------------|----------------------|--------------|--------------|-------------|-------------------|------------|------------|----------|----------|----------|
| <b>Environmental Health (continued)</b>   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| <b>Food Safety &amp; Sanitation (continued)</b>   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| FY2013 Travel for Food Safety Inspections at High-Risk Facilities or to Meet Federally-Mandated Inspection Requirements (continued)   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| 2. Federally Mandated Inspection Requirements   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| <i>The Department of Education and Early Development (DEED) recently cancelled a Memorandum of Understanding between DEC and the DHSS Child Nutrition Program due to lack of available funding and resources within DEED. This MOU supported the need for comprehensive food safety inspections in federal meal programs and to help fulfill the US Department of Agriculture requirement for food safety inspections in these agencies. The Food Safety inspectors will be required to travel to these remote communities to meet this federal inspection requirement.</i>   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)   |               | 94.6                 |                      |              |              |             |                   |            |            |          |          |          |
| 1005 GF/Prgm (DGF)  |               | 30.0                 |                      |              |              |             |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>534.2</b>         | <b>252.8</b>         | <b>140.1</b> | <b>120.6</b> | <b>13.7</b> | <b>7.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>4</b> | <b>0</b> | <b>0</b> |
| <b>Laboratory Services</b>  |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| FY2006 New Fish Tissue Testing - Federal Grant  | Inc           | 400.0                | 45.9                 | 1.0          | 311.9        | 40.2        | 1.0               | 0.0        | 0.0        | 1        | 0        | 0        |
| <i>The federal government appropriated \$1,000.0 in grant funds to DEC for the State of Alaska Fish Tissue Testing program. Indications are that this funding will continue. Half of the grant funds in the federal appropriation are earmarked for DHSS to evaluate the contaminant data that is generated by the Fish Tissue Testing in order to develop consumption advice for consumers. In addition, bio-monitoring studies will be performed to determine the prevalence of toxins and other contaminants that pass from Alaskan fish to humans that consume them. This increment increases federal authority in order to be able to collect the portion of federal funding available for FY2006.</i> |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| <i>A new position is needed to coordinate and process the flow of fish samples through the Environmental Health Laboratory and the contract laboratory for testing and analysis.</i>  |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | 400.0                |                      |              |              |             |                   |            |            |          |          |          |
| FY2006 Uncollectible Interagency Funding - Fish Tissue Testing  | Dec           | -200.0               | 0.0                  | -20.0        | -130.0       | -30.0       | -20.0             | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>In FY2004 \$400.0 of undefined interagency authority was appropriated for the Fish Tissue Testing program (then called Fish Monitoring). Only \$200.0 of this authority is usable long term for receipt of interagency funds for the program. One time funding was made available in FY2004 from other agencies but will not be available in the future. This transaction reduces authority by the uncollectible amount.</i>   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)  |               | -200.0               |                      |              |              |             |                   |            |            |          |          |          |
| FY2006 Lease Cost Reduction per Fiscal Note for Ch. 79 SLA2003 (SB215)  | Dec           | -18.4                | 0.0                  | 0.0          | -18.4        | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The fiscal note for construction of the new Environmental Health Laboratory (SB215) included a reduction in general fund for DEC's portion of the lease costs for the Palmer facility, which will be replaced by a state owned building.</i>   |               |                      |                      |              |              |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)   |               | -18.4                |                      |              |              |             |                   |            |            |          |          |          |
| FY2006 Add Assistant State Veterinarian Funded funded with Federal Receipts   | Inc           | 48.5                 | 48.5                 | 0.0          | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 1        | 0        | 0        |
| 1002 Fed Rcpts (Fed)  |               | 48.5                 |                      |              |              |             |                   |            |            |          |          |          |
| FY2006 Increased Seafood Testing  | Inc           | 60.0                 | 45.6                 | 1.0          | 10.2         | 2.2         | 1.0               | 0.0        | 0.0        | 1        | 0        | 0        |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Laboratory Services (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Increased Seafood Testing (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>A position is needed for the increased testing of shellfish related to vibrio and the PSP testing of Geoducks. Temporary staff and overtime has been used to address the testing requirements of recent outbreaks. This staffing approach cannot be used for ongoing testing associated with the increased monitoring for vibrio. Additionally, a pre-harvest testing plan (associated with a capital project) is being implemented which also increases the need for full-time staff. The new position will be funded with fees collected from shellfish growers and harvesters and, through a reimbursable services agreement with the Food Safety and Sanitation (FSS) component.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>FSS will purchase tests and analyses from the Environmental Health Laboratory as needed by growers or harvesters, as well as testing associated with an outbreak investigation.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 30.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | 30.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Increased Support for Pesticide Testing  | Inc           | 50.0                 | 0.0                  | 0.0    | 0.0      | 50.0        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>I/A Receipts will be collected from the Solid Waste Management component.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | 50.0                 |                      |        |          |             |                   |        |      |     |     |     |
| L FY2007 Sec. 29, Ch. 82, SLA 2006 - Testing for paralytic shellfish poisoning  | Special       | 62.5                 | 0.0                  | 0.0    | 62.5     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>in capbud</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 62.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 PERS adjustment of unrealizable receipts   | Dec           | -70.6                | -70.6                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)  |               | -60.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | -10.6                |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 CC: One-time Item General Funds for Continued Paralytic Shellfish Poisoning Testing  | IncOTI        | 80.0                 | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 80.0 | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | 80.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Discontinue Environmental Health Lab Response Fund Activities  | Dec           | -16.7                | -15.7                | 0.0    | -1.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The activities performed by the Environmental Health Laboratory are not essential services for the Division of Spill Prevention and Response and will be discontinued.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | -16.7                |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 PSP Testing for Commercial Shellfish Farmers   | Inc           | 80.0                 | 57.6                 | 0.0    | 0.0      | 22.4        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Appropriation to reduce the cost of PSP testing for commercial shellfish farmers and dive fishermen.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   |               | 80.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 AMD: Correct Unrealizable Fund Sources for Salary Adjustments: SU  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Federal funds are received under multiple federal grants. These are small grants that are animal disease specific. The annual amounts rarely vary and are defined through an obscure distribution process by the federal agency. These cannot be increased to cover these costs.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -6.2                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 6.2                  |                      |        |          |             |                   |        |      |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Laboratory Services (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The federal funds received in Laboratory Services are very small grants that are primarily for a variety of animal testing. Personal service funding is very limited under these small grants. In FY09 the Laboratory Services Program received \$28.8 in federal authorization to cover increased personal service costs. A fund source change was requested, however, this request was rejected and a reduction in the level of animal testing has occurred. To avoid additional cuts in testing levels a fund source transfer from federals to general fund program receipts is being requested.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | -9.4                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 9.4                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Remove Remaining Oil/Hazardous Response Fund  | Dec           | -0.6                 | 0.0                  | 0.0    | -0.6     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The activities performed by the Environmental Health Laboratory are not essential services for the Division of Spill Prevention and Response and were discontinued in FY2009. This change record removes the remaining Oil/Hazardous Response Fund balance in this component.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)  |               | -0.6                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Paralytic Shellfish Poisoning Testing   | Inc           | 20.0                 | 14.0                 | 0.0    | 0.0      | 6.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>With the \$80.0 added in FY09 for PSP Testing, these additional funds will provide a total of \$100.0 for this purpose.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)  |               | 20.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Essential Public Health Equipment Maintenance and Service Contract Shortfalls   | Inc           | 260.0                | 0.0                  | 0.0    | 260.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Environmental Health Laboratory provides a variety of testing on environmental, animal, food, and water sources. Contracts to maintain equipment calibration cost \$260.0 more than allocated funds. The equipment must be calibrated annually to provide accurate results and maintain federal certification and licensing.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>If these items break down without a maintenance contract in place the entire facility will be shutdown and testing will cease. Industries that rely on this testing will be unable to sell their products because private laboratories are not certified to do these tests. Therefore, essential public health monitoring for animal diseases will end.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The public's health and the State's reputation of protecting its citizens will be put in danger with the shutdown of laboratory services.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 260.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -2.3                 | 0.0                  | -2.3   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1003 G/F Match (UGF)   |               | -0.1                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | -1.9                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | -0.2                 |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)  |               | -0.1                 |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Laboratory Services (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in the FY2011<br>GGU Year 1 Salary and Health insurance  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>No additional federal dollars are available.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 2.7                  |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | -2.7                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU<br>Salary and Health Insurance  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>No additional federal dollars are available.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -6.8                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 6.8                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU<br>Salary and Health Insurance  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1005 GF/Prgm (DGF)  |               | 0.4                  |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | -0.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Correct Unrealizable Fund Sources for Personal<br>Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Office of the State Veterinarian section of the Laboratory Services Program applies for and receives several Animal Disease related grants from the United State Department of Agriculture (USDA). These small grants, some \$10,000 or less, are disease specific and allocated by region at a fixed amount. The award amounts fluctuate annually, but have been decreasing. Additionally, opportunities available in one year are not always available the next year from the federal funding agency, making grant availability unpredictable. The grants available for the Laboratory Services Program are through competitive application processes. The Laboratory Services Program had in previous years been awarded a grant from the USDA's Food Safety and Inspection Service Food Emergency Response Network (FERN) division. However, due to decreasing funds available for federal food safety programs, the competitive requirements for this grant have been raised and DEC's application was subsequently denied for the FY11-12 grant. The Laboratory also applied for, but was denied, a similar FERN-related grant offered by the Food and Drug Administration (FDA). The Laboratory is not currently able to meet the raised eligibility requirements for these competitive grants.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The program proposes GFPR, as this revenue can be collected through fee collection for program services. Regulation changes in the Drinking Water Program and Solid Waste Program led to increased fees for laboratory testing. Additionally, the Lab has seen a growth in the demand for testing over the past two years so additional GFPR will be collectible.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Additionally, uncollectible IA authority exists in this component, rendering this authority increase unusable.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -21.9                |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 27.5                 |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)  |               | -5.6                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Increase SDPR Authorization to Provide Laboratory<br>Testing Services to Outside Parties and Collect Associated<br>Revenues  | Inc           | 50.0                 | 35.0                 | 0.0    | 5.0      | 10.0        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Department requests \$50.0 in Statutory Designated Program Receipt authority. The Environmental Health Services Laboratory has encountered several situations recently in which testing services could have been provided to parties not covered under the current fee structure. These testing requests are for services not currently offered by the private sector and have been determined to be in the interest of public and environmental</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |



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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|--------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| <b>Laboratory Services (continued)</b>   |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| FY2012 Increase SDPR Authorization to<br>Provide Laboratory Testing Services to Outside<br>Parties and Collect Associated Revenues<br>(continued)  |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| <i>health. No authorization currently exists that would allow us to collect the revenue necessary to cover the associated costs. This revenue type would allow the Lab to perform these types of testing services.</i>   |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| 1108 Stat Desig (Other)  |               | 50.0                 |                      |        |          |             |                   |        |        |     |     |     |
| FY2012 Add One Microbiologist and Related Costs to Support<br>Shellfish Testing  | Inc0TI        | 80.0                 | 50.0                 | 0.0    | 0.0      | 30.0        | 0.0               | 0.0    | 0.0    | 1   | 0   | 0   |
| <i>The Department requests \$80.0 in General Fund Program Receipt (GFPR) authority. Regulation changes in several programs have led to increased fees for laboratory testing. The division requests one Microbiologist position to process the increasing number of samples from geoduck farms and marine water testing. The Lab has seen a growth in the demand for testing over the past two years and does not have sufficient GFPR authority to conduct this increase in testing. Six geoduck farms and three wild harvest sites were added over the course of the past year, each producing an estimated 20 additional Paralytic Shellfish Poison (PSP) samples. This adds an additional 180 tests to the 589 samples tested in FY2010. In FY2011, the legislature added one position to the Food Safety component to monitor new harvest areas but did not add a position to the lab for the testing of the resulting samples.</i> |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 80.0                 |                      |        |          |             |                   |        |        |     |     |     |
| L FY2012 Sec 27(b), SB 46 - Recreational Shellfish Beach<br>Monitoring Pilot Program (FY12-FY15)   | MultiYr       | 400.0                | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 400.0  | 0   | 0   | 0   |
| <i>(b) The sum of \$400,000 is appropriated from the general fund to the Department of Environmental Conservation, laboratory services, for a recreational shellfish beach monitoring pilot program for the fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, and June 30, 2015.</i>  |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| 1004 Gen Fund (UGF)  |               | 400.0                |                      |        |          |             |                   |        |        |     |     |     |
| FY2012 Reduce Receipt Authority  | Dec           | -500.0               | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | -500.0 | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)   |               | -350.0               |                      |        |          |             |                   |        |        |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -150.0               |                      |        |          |             |                   |        |        |     |     |     |
| FY2013 Expansion of Paralytic Shellfish Poison Testing   | IncM          | 190.0                | 110.0                | 0.0    | 50.0     | 30.0        | 0.0               | 0.0    | 0.0    | 0   | 0   | 0   |
| <i>Continuing to perform Paralytic Shellfish Poison (PSP) testing necessary to support the increased demand from geoduck farms, wild harvest areas, and commercial Dungeness whole-crab sellers.</i>   |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| <i>The legislature approved a one-time increment of \$80.0 with one full-time position for FY2012. The work associated with this increment has not diminished and has in fact increased.</i>   |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| <i>This funding allows for the testing of 540 of the 1,244 additional samples anticipated from a variety of fisheries. This includes the 180 samples received in FY2012 funded by the one-time-item. The State Environmental Health Lab is currently at testing capacity for PSP and cannot handle the increased testing required by these demands. The Division will use the Microbiologist position, contractual support, and non-permanent staff to meet this demand.</i>   |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| <i>Without this funding and the associated Microbiologist position, the Department will be unable to complete all requested PSP tests in a timely manner which will result in costly delays for the shellfish industry and prevent commercial Dungeness crab sellers from selling whole crab.</i>  |               |                      |                      |        |          |             |                   |        |        |     |     |     |
| 1004 Gen Fund (UGF)  |               | 190.0                |                      |        |          |             |                   |        |        |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|-------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <b>Laboratory Services (continued)</b>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| FY2013 Fish Tissue Testing Program   | IncM          | 557.0                | 300.0                | 0.0    | 207.0    | 50.0        | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>The Fish Tissue Testing Program will lose federal funding in FY2013.</i>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <i>It is DEC's mission to make sure fish are safe to eat and to monitor environmental pollution. The State Environmental Health Lab is accredited by the U.S. Environmental Protection Agency (EPA) to test fish and environmental samples for heavy metals. The Fish Tissue Testing Program allows the state to monitor the levels of contaminants in fish tissue to determine trends, advise the public of any health threats posed by consuming fish, assure other states and countries that Alaska's fish are safe to import, and participate in international efforts to address pollutant sources. This data is used to override the federal guidelines issued by the EPA that restrict fish consumption based on limited data. This program also provides a positive economic impact on industry and tourism, and proves our resource development activities are not harming Alaska's fish. In addition to the Department using the data to make regulatory decisions, this data is used by agencies like the Alaska Seafood Marketing Institute (ASMI), the Department of Fish and Game, and the Department of Health and Social Services for marketing and education. This data informs consumers it is safe for pregnant women and children to eat Alaskan salmon regularly.</i> |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <i>The program has been federally funded since FY2002 (funding sources include: Alaska Sustainable Salmon Fund, the Coastal Impact Assistance Program, as well as direct and pass through federal grants) but those funding sources have dried up and the Department has been unsuccessful in securing new federal funding sources. This funding supports one full-time Chemist, one full-time Lab Technician who helps prepare samples, and part of the State Veterinarian. When not analyzing fish, these positions work on other requests such as radiation from nuclear disasters, identifying mysterious substances such as the Kivalina goo, and developing new methods for assessing Paralytic Shellfish Poison (PSP) levels.</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <i>Federal receipts authority is not being reduced in the FY2013 budget, as the department evaluated and reduced unrealizable fund sources for this component during the 2011 session.</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1004 Gen Fund (UGF)  |               | 557.0                |                      |        |          |             |                   |        |       |     |     |     |
| FY2013 Add One Microbiologist and Related Costs to Continue to Support Shellfish Testing   | IncM          | 84.0                 | 54.0                 | 0.0    | 0.0      | 30.0        | 0.0               | 0.0    | 0.0   | 1   | 0   | 0   |
| <i>Continuing to perform Paralytic Shellfish Poison (PSP) testing necessary to support the increased demand from geoduck farms, wild harvest areas, and commercial Dungeness whole-crab sellers.</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <i>The legislature approved a one-time increment of \$80.0 with one full-time position for FY2012. The work associated with this increment has not diminished and has in fact increased.</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1004 Gen Fund (UGF)  |               | 84.0                 |                      |        |          |             |                   |        |       |     |     |     |
| <b>* Allocation Total *</b>  |               | <b>1,613.4</b>       | 674.3                | -20.3  | 756.6    | 240.8       | -18.0             | 0.0    | -20.0 | 5   | 0   | 0   |
| <b>Drinking Water</b>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| FY2006 Eliminate services to Class C Public Water Systems  | Dec           | -45.6                | 0.0                  | 0.0    | -45.6    | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Consistent with direction provided by the legislature last session through a FY2005 reduction in funding for Class C Public Water Systems (PWS) services. This transactions eliminates the remaining funding in the component that supports services to Class C PWS.</i>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1004 Gen Fund (UGF)  |               | -45.6                |                      |        |          |             |                   |        |       |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit  | FisNot        | 0.9                  | 0.9                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)   |               | 0.7                  |                      |        |          |             |                   |        |       |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Drinking Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Public Employee Salary and Benefit (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 0.2                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules   | Inc           | 564.8                | 373.4                | 41.4   | 109.3    | 35.0        | 5.7               | 0.0    | 0.0  | 5   | 0   | 0   |
| <p><i>The Alaska Drinking Water Program is an EPA delegated primacy program, receiving an annual Public Water System Supervision federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. To cope with insufficient funding, needed staff positions have been held vacant causing the program to fall behind in adopting and implementing new federal rules. When this happens, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.</i></p> <p><i>Additional staff and resources are needed to obtain and maintain full primacy - keeping pace with new federal drinking water requirements by adopting and implementing new federal rules in a timely manner. Additional federal funds are available through the Drinking Water State Revolving Fund set-asides, though they require a 50% match.</i></p> <p><i>This transaction provides funding to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. In addition to providing needed technical support, State primacy allows:</i></p> <ol style="list-style-type: none"> <li><i>1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not.</i></li> <li><i>2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does not.</i></li> <li><i>3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have.</i></li> </ol> <p><i>State regulation of public drinking water systems will enhance the division's performance in protecting citizens from unsafe drinking water and preventing outbreaks in regulated facilities.</i></p> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 282.4                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 282.4                |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Reduce Travel Expenditures  | Dec           | -9.0                 | 0.0                  | -9.0   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1003 G/F Match (UGF)   |               | -8.7                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | -0.3                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules   | Inc           | 605.9                | 354.2                | 65.0   | 166.7    | 20.0        | 0.0               | 0.0    | 0.0  | 5   | 0   | 0   |
| <p><i>The Alaska Drinking Water Program is an EPA delegated primacy program, receiving a federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. The program has fallen behind in adopting and implementing new federal rules. When a program falls behind, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.</i></p>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Drinking Water (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <p><i>Funding for additional staff and resources is needed to keep pace with new requirements, adopting and implementing new rules in a timely manner. Additional federal funds requiring a 50% match are available.</i></p> <p><i>The 2007 legislature proposed a three year plan for obtaining and implementing primacy and funded the first year to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. This request seeks funding for the second year of that three year plan.</i></p> <p><i>In addition to providing needed technical support, State primacy allows:</i></p> <ol style="list-style-type: none"> <li><i>1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not.</i></li> <li><i>2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does not.</i></li> <li><i>3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have.</i></li> </ol>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | 302.9                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  |               | 303.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 PERS adjustment of unrealizable receipts   | Dec           | -379.1               | -379.1               | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)  |               | -379.1               |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules  | Inc           | 523.7                | 265.8                | 38.0   | 199.9    | 20.0        | 0.0               | 0.0    | 0.0  | 4   | 0   | 0   |
| <p><i>The Alaska Drinking Water Program is an EPA delegated primacy program, receiving a federal grant as the primary source of funding. For the past several years, grant funding has not kept pace with increasing costs required to implement the program. The program has fallen behind in adopting and implementing new federal rules. When a program falls behind, the EPA retains partial primacy and enforces the new rules until the State can catch up. Traditionally, EPA enforcement is swift, strict and does not include technical assistance - making it difficult for public drinking water systems to attain and maintain compliance. If the State does not catch up, primacy may be lost altogether.</i></p> <p><i>Funding for additional staff and resources is needed to keep pace with new requirements, adopting and implementing new rules in a timely manner. Additional federal funds requiring a 50% match are available.</i></p> <p><i>The legislature proposed a three year plan for obtaining and implementing primacy and funded the first two years to ensure that Alaska's public water systems will be regulated by the state Drinking Water Program not the EPA. This request seeks funding for the third and final year of the three year plan.</i></p> <p><i>In addition to providing needed technical support, State primacy allows:</i></p> <ol style="list-style-type: none"> <li><i>1. Issuance of monitoring waivers to reduce the cost of routine monitoring. EPA does not.</i></li> <li><i>2. Issuance of variances or exemptions that allow public drinking water systems to achieve compliance over time while still providing public health protection. EPA does</i></li> </ol> |               |                      |                      |        |          |             |                   |        |      |     |     |     |

**2012 Legislature - Operating Budget  
Transaction Detail - Governor Structure  
05-13Inc/Decs Column**

**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Drinking Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Obtain and Implement Primacy for New Public Drinking Water System Federal Rules (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| not.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 3. Issuance of construction and operation approvals that reflect local knowledge, experience and an understanding of arctic engineering principles. Experience EPA does not have.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 261.9                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 261.8                |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| The federal funds received in Drinking Water are primarily funds received under the EPA Public Water System Supervision grant which is a formula program. Alaska receives 1% of the funding under this program and we have been notified that there will be no increase in the federal appropriation this year and therefore no change in our grant amount. In FY09 the Drinking Water Program received \$214.7 in federal authorization to cover increased personal service costs. Attempts to collect additional federal funding to cover these additional costs from other program such as the Drinking Water Revolving Loan fund have to date been unsuccessful. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in service levels a fund source transfer from federal to general fund is being requested. A further increment request may be necessary in future years if additional federal funding cannot be identified. |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | -50.5                |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 50.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Environmental Protection Agency Drinking Water Rule Implementation  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Funding is requested to match additional federal resources available to the Alaska Drinking Water program to adopt and implement the three finalized rules by the Environmental Protection Agency (EPA) in 2006 required for the State to adopt by 2010 or EPA will revoke approvals already given and withdraw primacy. 5 permanent full time PCNs are needed to conduct the implementation, monitoring, reporting, and enforcement work associated with these complex rules as well as the 1,600 sanitary surveys required to be completed every 3 years. These rules are on Disinfectants, Enhanced Surface Water Treatment and Ground Water.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| It is difficult for public water systems in Alaskan communities to be regulated by both EPA and the State of Alaska, as rule requirements often overlap, causing significant confusion and impacting water systems' ability to be in compliance with both agencies. EPA provides a significant amount of federal funds (currently over \$4.6 million) to the State of Alaska to implement the Safe Drinking Water Act and ensure that Alaskans have safe drinking water. Additional federal resources are available so Alaska can implement these three rules, but will require State matching funds.  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 300.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 300.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2011 Environmental Protection Agency Drinking Water Rule Implementation  | Inc           | 600.0                | 450.0                | 15.0   | 100.5    | 34.5        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |

**2012 Legislature - Operating Budget**  
**Transaction Detail - Governor Structure**  
**05-13Inc/Decs Column**

**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel       | Services     | Commodities  | Capital<br>Outlay | Grants     | Misc       | PFT       | PPT      | TMP      |
|--|---------------|----------------------|----------------------|--------------|--------------|--------------|-------------------|------------|------------|-----------|----------|----------|
| <b>Environmental Health (continued)</b>  |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| <b>Drinking Water (continued)</b>  |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -3.2                 | 0.0                  | -3.2         | 0.0          | 0.0          | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |
| 1003 G/F Match (UGF)   |               | -2.9                 |                      |              |              |              |                   |            |            |           |          |          |
| 1005 GF/Prgm (DGF)   |               | -0.3                 |                      |              |              |              |                   |            |            |           |          |          |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance  | FndChg        | 0.0                  | 0.0                  | 0.0          | 0.0          | 0.0          | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |
| <i>No additional federal dollars are available.</i>  |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| 1002 Fed Rcpts (Fed)   |               | -39.7                |                      |              |              |              |                   |            |            |           |          |          |
| 1005 GF/Prgm (DGF)   |               | 39.7                 |                      |              |              |              |                   |            |            |           |          |          |
| FY2012 Correct Unrealizable Fund Sources for Personal Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0          | 0.0          | 0.0          | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |
| <i>Federal funds received by the Drinking Water Program are regionally allocated at fixed amounts to the states, and the Alaska program is currently receiving the maximum allowed by the Environmental Protection Agency (EPA). Therefore, the division is not able to increase the amount allocated to Alaska in the existing federal grants to cover these additional personal service costs, nor does the program have additional federal funding coming in FY2012 from any other source. The EPA is the only federal agency that provides grant funding for the Safe Drinking Water Act. Therefore, these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. An increased GFPR collection is possible due to regulation changes to fees in the Drinking Water Component.</i> |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| 1002 Fed Rcpts (Fed)   |               | -39.4                |                      |              |              |              |                   |            |            |           |          |          |
| 1005 GF/Prgm (DGF)   |               | 39.4                 |                      |              |              |              |                   |            |            |           |          |          |
| FY2012 Use GF/PR from increased fees to Provide Drinking Water Technical Assistance Required by Federal Rules  | Inc           | 30.0                 | 20.0                 | 0.0          | 5.0          | 5.0          | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |
| <i>The Department requests an increase of \$30.0 in General Fund Program Receipt authority due the adoption of new federal rules. As a result of the adoption of new federal rules, the Alaska Drinking Water Program is required to provide services to drinking water systems which include inspections and technical assistance. The cost for some of this work is covered by fees collected from public water systems. Regulations have been updated to reflect a higher hourly rate commensurate with costs to perform the services. The State is required to provide these services and the hourly rate has not increased for several years. This will improve the States ability to protect public health through immediate response to suspected waterborne disease outbreaks, investigation of contaminant level exceedances, and rapid response to consumer complaints.</i>                              |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| 1005 GF/Prgm (DGF)   |               | 30.0                 |                      |              |              |              |                   |            |            |           |          |          |
| <b>* Allocation Total *</b>  |               | <b>1,888.4</b>       | <b>1,085.2</b>       | <b>147.2</b> | <b>535.8</b> | <b>114.5</b> | <b>5.7</b>        | <b>0.0</b> | <b>0.0</b> | <b>14</b> | <b>0</b> | <b>0</b> |
| <b>Solid Waste Management</b>  |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| FY2006 Ch. 42, SLA 2005 (HB 19) Pesticide & Broadcast Chemicals  | FisNot        | 221.6                | 86.0                 | 8.0          | 118.7        | 2.0          | 6.9               | 0.0        | 0.0        | 1         | 0        | 0        |
| 1003 G/F Match (UGF)   |               | -70.8                |                      |              |              |              |                   |            |            |           |          |          |
| 1004 Gen Fund (UGF)  |               | -25.6                |                      |              |              |              |                   |            |            |           |          |          |
| 1156 Rcpt Svcs (DGF)   |               | 318.0                |                      |              |              |              |                   |            |            |           |          |          |
| FY2007 Additional Pesticide Program Receipts   | Inc           | 50.0                 | 0.0                  | 0.0          | 50.0         | 0.0          | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |
| <i>Increase authority to collect excess receipts to be used for the pesticide program</i>  |               |                      |                      |              |              |              |                   |            |            |           |          |          |
| 1156 Rcpt Svcs (DGF)   |               | 50.0                 |                      |              |              |              |                   |            |            |           |          |          |
| FY2008 HB 19 Pesticide Program - Fiscal Note Implementation  | Dec           | -6.4                 | 0.0                  | 0.0          | 0.0          | -6.4         | 0.0               | 0.0        | 0.0        | 0         | 0        | 0        |

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|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Solid Waste Management (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 HB 19 Pesticide Program - Fiscal Note Implementation (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This transaction implements the third year of the fiscal note for HB 19 (Pesticides). One time costs are reduced along with the associated fund sources.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  |               | -4.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | -1.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | -1.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 PERS adjustment of unrealizable receipts   | Dec           | -31.7                | -31.7                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)  |               | -31.7                |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>It has been the goal of the department to cover personal service cost increases with other funding sources and in particular federal whenever possible. Additional federal funding has been aggressively sought each time a cost increase occurs. With the ever decreasing federal funds available this has become more and more difficult and in particular for those grant programs that are formula driven or with federal contracts that provide very limited funding.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The federal funds received in Solid Waste are primarily pesticide related and one formula grant through EPA. In FY09 the Solid Waste Program received \$17.3 in federal authorization to cover increased personal service costs. No additional federal funding is expected from either of these sources. Reductions in program services have been made to cover this unrealized revenue. To avoid additional cuts in service levels a fund source transfer from federal to general fund program receipts is being requested.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -3.5                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 3.5                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Toxicology Specialty Contracting   | Inc           | 153.0                | 0.0                  | 0.0    | 153.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Receipt Supported Services authority is needed to contract out with specialists in the area of toxicology, fate and transport and drift prevention to more thoroughly evaluate all the issues raised by the public when evaluating pesticide spray proposals. The revenue is currently available and generated by pesticide manufacturers outside of Alaska who pay a yearly registration fee so their products can be sold in Alaska.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | 153.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Clarification Project fund change to reflect GF/PR for receipts from pesticide-related services   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Fees assessed for pesticide registration, certified applicator fees, increased enforcement/technical assistance. Included in this fund change is a new increment that is requested as part of the FY11 budget for toxicology speciality contracting for \$153.0.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 690.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)  |               | -690.0               |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -3.8                 | 0.0                  | -3.8   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | -2.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | -1.8                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>No additional federal dollars are available.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -1.9                 |                      |        |          |             |                   |        |      |     |     |     |

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|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel     | Services     | Commodities | Capital<br>Outlay | Grants     | Misc       | PFT      | PPT      | TMP      |
|---|---------------|----------------------|----------------------|------------|--------------|-------------|-------------------|------------|------------|----------|----------|----------|
| <b>Environmental Health (continued)</b>   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| <b>Solid Waste Management (continued)</b>   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance (continued)   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| 1005 GF/Prgm (DGF)  |               | 1.9                  |                      |            |              |             |                   |            |            |          |          |          |
| FY2011 LFD: Revise Governor's salary adjustment request   | FndChg        | 0.0                  | 0.0                  | 0.0        | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1005 GF/Prgm (DGF)  |               | 10.3                 |                      |            |              |             |                   |            |            |          |          |          |
| 1156 Rcpt Svcs (DGF)  |               | -10.3                |                      |            |              |             |                   |            |            |          |          |          |
| FY2012 Correct Unrealizable Fund Sources for Personal Services Increases  |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| <i>The Solid Waste Program receives only two federal grants, one from United States Department of Agriculture (USDA) and one from the Environmental Protection Agency (EPA). The USDA grant award is under \$20,000 and restricted to Pesticides Recordkeeping. No increase is expected for the USDA grant, and the recordkeeping duties performed by the program are limited to the funds received. The EPA grant for pesticides is a consolidation of several separate but related topics, and is likewise restricted to the specialized tasks performed by the program. The annual EPA grant is allocated by region at a fixed amount and no additional federal funds can be requested above this allocated amount. The regional Pesticides grant allocations have gradually been decreasing. The program is researching for additional federal grants, but thus far has been unsuccessful in locating prospective opportunities for which to apply. Therefore, these additional personal services costs must be covered by another fund source. The program proposes GFPR, as this revenue can be collected through fee collection for program services. An increased GFPR collection is possible due to regulation changes to fees in the Solid Waste Component.</i> |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | -9.9                 |                      |            |              |             |                   |            |            |          |          |          |
| 1005 GF/Prgm (DGF)  |               | 9.9                  |                      |            |              |             |                   |            |            |          |          |          |
| FY2012 Use GF/PR from increased fees for increased services   | Inc           | 40.0                 | 30.0                 | 0.0        | 0.0          | 10.0        | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The Department requests an increase of \$40.0 in General Fund Program Receipt authority.</i>   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| <i>The program performed an analysis of the time spent issuing permits to small, medium, and large landfills as well as industrial waste disposal permits. AS 37.10.052 requires DEC to conduct this analysis every four years and verify permit fixed fees accurately reflect direct costs to the State. Regulations have been updated to reflect the new rates. The funds are necessary to cover increasing personal services costs for staff who review permit applications and perform facility inspections, which will increase the percentage of landfills that are permitted. Landfills that are permitted are less likely to harm the environment or have a negative impact on public health.</i>   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| 1005 GF/Prgm (DGF)  |               | 40.0                 |                      |            |              |             |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>422.7</b>         | <b>84.3</b>          | <b>4.2</b> | <b>321.7</b> | <b>5.6</b>  | <b>6.9</b>        | <b>0.0</b> | <b>0.0</b> | <b>1</b> | <b>0</b> | <b>0</b> |
| <b>Air Quality Director</b>   |               |                      |                      |            |              |             |                   |            |            |          |          |          |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit   | FisNot        | 7.9                  | 7.9                  | 0.0        | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1004 Gen Fund (UGF)   |               | 7.9                  |                      |            |              |             |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -2.3                 | 0.0                  | -2.3       | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1004 Gen Fund (UGF)   |               | -2.3                 |                      |            |              |             |                   |            |            |          |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase   | FisNot        | 2.9                  | 2.9                  | 0.0        | 0.0          | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |



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|--|---------------|----------------------|----------------------|-------------|------------|-------------|-------------------|------------|------------|----------|----------|----------|
| <b>Environmental Health (continued)</b>  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| <b>Air Quality Director (continued)</b>  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| Noncovered Employees Salary Increase   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| (continued)  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| FY2011 Noncovered Employees Year 1 increase  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| : \$2.9  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)  |               | 2.9                  |                      |             |            |             |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>  |               | <b>8.5</b>           | <b>10.8</b>          | <b>-2.3</b> | <b>0.0</b> | <b>0.0</b>  | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Air Quality</b>   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| FY2006 Switch Fund for Clean Air Act/Title I activities  | FndChg        | 0.0                  | 0.0                  | 0.0         | 0.0        | 0.0         | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| (construction permits)to Receipt Supported Services(AS   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| 37.05.146(c)(17)   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| As per HB160 (2003) this transaction separates funding for Clean Air Act, Title I activities (construction permits - |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| Receipt Supported Services) from Title V activities (operating permits and compliance - Clean Air Protection Fund    |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| (CAPF)). Prior to passage of HB160, both activities were recorded in the CAPF. Transactions for this separation      |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| are being made in the following components:  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| ' Air Quality  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| ' Information and Administrative Services  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| ' State Supported Services   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| 1093 Clean Air (Other)   |               | -1,137.0             |                      |             |            |             |                   |            |            |          |          |          |
| 1156 Rcpt Svcs (DGF)   |               | 1,137.0              |                      |             |            |             |                   |            |            |          |          |          |
| FY2006 AMD: Operation and Maintenance of the Vehicle   | Inc           | 295.4                | 160.3                | 6.0         | 79.6       | 29.5        | 20.0              | 0.0        | 0.0        | 0        | 0        | 0        |
| Emissions Testing System   |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| This amendment utilizes DMV vehicle registration receipts to provide ongoing maintenance and support for the         |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| State's computerized Vehicle Emissions Testing System. This system was built using one time federal highway          |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| funds, which cannot be used for day to day support.  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| The Vehicle Emissions Testing System consists of a network of computers and analyzers all passing information        |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| through a central Vehicle Information database established and maintained by DEC. The database provides              |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| testing information for DMV, motorists, I/M garages, and local governments. It allows the rapid exchange of          |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| essential information and same day, electronic re-licensing of a motor vehicle.                                      |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| Because of air quality issues, federal law requires that vehicles registered in Anchorage and Fairbanks have an      |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| emissions test done prior to re-licensing at DMV. This ensures vehicle emissions control systems are operating       |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| properly. Tests are performed by private garages and State law requires that DEC oversee their instruments and       |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| procedures. Funding for the ongoing maintenance and support of the system will be RSA'd to DEC from DMV.             |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| Without funding for ongoing operations and maintenance, the information network will fail, garages will be unable    |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| to do the tests, and DMV will be unable to re-license vehicles. Federal requirements for Anchorage and Fairbanks     |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| would force decentralization of the system to local government (with set up and replacement costs to garages,        |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| local government, and ultimately vehicle owners) or, local governments would face the loss of funding for local      |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| road construction projects.  |               |                      |                      |             |            |             |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)   |               | 295.4                |                      |             |            |             |                   |            |            |          |          |          |

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|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Air Quality (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Non-GF Fund Switch to Meet Anticipated FY07 Receipts  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Technical change needed to correct prorated salary adjustment funding sources.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -11.6                |                      |        |          |             |                   |        |      |     |     |     |
| 1061 CIP Rcpts (Other)   |               | -7.3                 |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)   |               | 11.6                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | 7.3                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Switch I/A Receipts for SDPR for the Operation and Maintenance of the Vehicle Emissions Testing System  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>To allow the receipt of funds from the Municipality of Anchorage and the City of Fairbanks for services in conjunction with the Operation and Maintenance of the Vehicle Emissions Testing System.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -147.7               |                      |        |          |             |                   |        |      |     |     |     |
| 1108 Stat Desig (Other)  |               | 147.7                |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Implementation of Air Permit Reform, Fee Adjustments  | Inc           | 1,069.0              | 0.0                  | 77.2   | 943.6    | 48.2        | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Air permit reform, begun in 2003 under HB 160, will conclude with implementation of fee regulations in January 2007. This transaction captures additional receipts from the new fee structure to provide enhanced program services as follows:</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- Increase total Title V (Operating Permit) work actions (permits, complaint investigations and compliance actions) by approximately 34% - from an average of 360 actions to approximately 480 actions per year;</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- Increase the total Title I (Construction Permit) actions by approximately 28% - from an average of 36 to approximately 46 per year; and</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- Implement data automation and a quality management system to improve standard permit forms and review procedures.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1093 Clean Air (Other)   |               | 978.1                |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | 90.9                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 PERS adjustment of unrealizable receipts  | Dec           | -129.4               | -129.4               | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1002 Fed Rcpts (Fed)   |               | -129.4               |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Federal Environmental Protection Agency Permitting Requirements   | Inc           | 150.0                | 108.3                | 16.7   | 25.0     | 0.0         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| <i>Outer Continental Shelf (OCS) federal permitting requires the Environmental Protection Agency (EPA) and industry to be consistent with the state implementation of the permit program, which requires coordination and consultation between EPA, DEC and industry. This investment will allow the Department to work with EPA in processing up to 3 unique and complex OCS air quality permits anticipated to be submitted over the course of this coming year. Without DEC participation, and the funding to allow more consistent assistance without pulling away from current permitting requirements, DEC believes it will slow industry's OCS permit approval process with EPA, having an impact on economic growth.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Climate change is adversely impacting Alaska, and some form of regulation of greenhouse gas emissions is imminent. Climate change legislation is moving through Congress and EPA is initiating and finalizing rules related</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Environmental Health (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Air Quality (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Federal Environmental Protection  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Agency Permitting Requirements (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>to climate change activities under the Clean Air Act. This increase will provide essential capacity so that the state may comply with these requirements.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 150.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Clarification Project fund change to reflect GF/PR for fees collected for construction permits.  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Revenues reflect fees collected to cover the Title I (construction permits) activities for the air permits program.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 1,443.5              |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | -1,443.5             |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Budget Fund Clarification adding GF/PR to pay Interagency Receipts in Admin Services (\$33.8) & Support Svcs (\$3.1)  | Inc           | 36.9                 | 0.0                  | 0.0    | 36.9     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Initially, these funds were reflected in Admin Svcs and in Support Svcs as Receipt Supported Services. Revenue for the air permits program was split between those allocations and Air Quality. Legislative Finance has determined that all the GF/PR should be recorded with the program that generates the receipts. I/A Rcpts have been added as duplicate funds in the Administration appropriation.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 36.9                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -6.0                 | 0.0                  | -6.0   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1003 G/F Match (UGF)   |               | -2.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | -0.7                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | -3.3                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 LFD: Revise Governor's salary adjustment request  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1005 GF/Prgm (DGF)   |               | 31.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1156 Rcpt Svcs (DGF)   |               | -31.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Fairbanks North Star Borough Air Quality Monitoring to Evaluate Impacts from Gasline Construction Activities  | Inc           | 20.0                 | 5.0                  | 2.0    | 13.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Fairbanks North Star Borough area currently faces significant air quality issues. Before gasline construction can begin, 12 months of air quality monitoring and modeling is required as part of the Environmental Impact Statement (EIS) as well as a technical review period for construction permit applications. The EIS will have to predict and evaluate air quality impacts in the Fairbanks North Star Borough due to increased activity related to a major construction project. Air quality impacts and potential mitigation measures will demand agency review and input as part of the EIS process beginning in FY2012.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 10.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 10.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Add Program Receipt Authorization to Support Gasline & Resource Development Air Quality Permitting  | Inc           | 55.0                 | 0.0                  | 0.0    | 55.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Authorization for the DEC Air Quality section to continue work on oil and gas related air quality permitting issues.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 55.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2013 Ch. 13, SLA 2012 (HB 258) NATURALLY OCCURRING ASBESTOS  | FisNot        | 27.8                 | 0.0                  | 7.8    | 20.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Additional contractual costs associated with CS HB 258(FIN) for consultation on project monitoring and mitigation plans were added.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 27.8                 |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|-------|-----|-----|-----|
| <b>Environmental Health (continued)</b>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <b>Air Quality (continued)</b>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| * Allocation Total *  |               | 1,518.7              | 144.2                | 103.7  | 1,173.1  | 77.7        | 20.0              | 0.0    | 0.0   | 1   | 0   | 0   |
| ** Appropriation Total **   |               | 5,994.1              | 2,260.0              | 372.4  | 2,907.8  | 452.3       | 21.6              | 0.0    | -20.0 | 25  | 0   | 0   |
| <b>Spill Prevention and Response</b>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| <b>Spill Prevention and Response Director</b>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee Salary and Benefit   | FisNot        | 7.7                  | 7.7                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| 1052 Oil/Haz Fd (DGF)   |               | 7.7                  |                      |        |          |             |                   |        |       |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -1.8                 | 0.0                  | -1.8   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| 1052 Oil/Haz Fd (DGF)   |               | -1.8                 |                      |        |          |             |                   |        |       |     |     |     |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase   | FisNot        | 2.7                  | 2.7                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| FY2011 Noncovered Employees Year 1 increase : \$2.7   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | 2.7                  |                      |        |          |             |                   |        |       |     |     |     |
| * Allocation Total *  |               | 8.6                  | 10.4                 | -1.8   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| <b>Contaminated Sites Program</b>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| FY2006 Reduce I/A Authority to Align with Anticipated Needs   | Dec           | -130.9               | 0.0                  | 0.0    | -130.9   | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Interagency (I/A) Receipt authority was needed in previous years for TransAlaska Pipeline work that was funded via RSA from the Alaska Energy Authority. That work is no longer being done. This decrement reduces only a portion of the component's I/A Receipt authority. The remaining balance will be used for an anticipated RSA from the Alaska Railroad to provide cleanup oversight for the Railroad's contaminated site in Anchorage.</i> |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1007 I/A Rcpts (Other)  |               | -130.9               |                      |        |          |             |                   |        |       |     |     |     |
| FY2006 Reduce USTRLF Authority due to Termination of Financial Assistance Activities  | Dec           | -819.8               | 0.0                  | -187.7 | -602.8   | -14.3       | -15.0             | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Financial assistance activities for underground storage tanks are no longer being done. No more grants will be issued and no requests for loans have been received, therefore, this funding is no longer needed.</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1079 Tank RLF (DGF)   |               | -819.8               |                      |        |          |             |                   |        |       |     |     |     |
| FY2007 Reduce Excess Federal Authorization  | Dec           | -230.0               | 0.0                  | -15.0  | -185.0   | 0.0         | -30.0             | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Each year, contaminated sites operating budget estimates the amount of federal authorization that will be needed annually for site investigation and clean-up. A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.</i>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -230.0               |                      |        |          |             |                   |        |       |     |     |     |
| FY2007 Reduce Excess Response Fund Authorization  | Dec           | -165.0               | 0.0                  | -43.3  | -64.2    | -48.5       | -9.0              | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Each year, the contaminated sites operating budget contains a certain amount of contractual funding for unexpected spill cleanup activity. A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.</i>  |               |                      |                      |        |          |             |                   |        |       |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | -165.0               |                      |        |          |             |                   |        |       |     |     |     |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0   | 0   | 0   | 0   |
| <i>Thirty percent of the federal revenue received by the Contaminated Sites Program is EPA funding, which is a capped amount. Therefore, \$11.9 in federal receipts is not collectible. The Contaminated Sites Program does not</i>   |               |                      |                      |        |          |             |                   |        |       |     |     |     |

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|---|---------------|----------------------|----------------------|---------------|---------------|--------------|-------------------|------------|------------|----------|----------|----------|
| <b>Spill Prevention and Response (continued)</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| <b>Contaminated Sites Program (continued)</b>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2010 Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements (continued)   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| <i>have discretionary money in the operating budget to absorb this increase. For these reasons, a fund source change is requested.</i>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | -11.9                |                      |               |               |              |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | 11.9                 |                      |               |               |              |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -11.6                | 0.0                  | -11.6         | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)   |               | -11.6                |                      |               |               |              |                   |            |            |          |          |          |
| FY2013 Cleanup of Contaminated Sites  | Inc           | 550.0                | 0.0                  | 0.0           | 550.0         | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The Contaminated Sites program's federal funding currently exceeds its existing federal authority due to increases in grants from the Department of Defense, the EPA's Brownfield Program and the Federal Aviation Administration. The increased federal receipts authority would allow the Contaminated Sites program to accomplish additional priority cleanup work that would otherwise not be possible. This cleanup work would also help to create more private sector jobs through the use of contractual services. Additional cleanup work will help to reduce historical contamination, help to close exposure pathways (the means by which contamination may potentially reach humans or ecological receptors) and restore sites for reuse.</i> |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | 550.0                |                      |               |               |              |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>-807.3</b>        | <b>0.0</b>           | <b>-257.6</b> | <b>-432.9</b> | <b>-62.8</b> | <b>-54.0</b>      | <b>0.0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Industry Preparedness and Pipeline Operations</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Reinstate Joint Pipeline Office Work and Positions   | Inc           | 218.6                | 218.6                | 0.0           | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 2        | 0        | 0        |
| <i>For several years Department of Natural Resources provided funding, via RSA, for the Joint Pipeline Office in Valdez. In FY2005, it was anticipated that funding for 2 positions, budgeted in the Division of Information and Administrative Services would be eliminated. As a result, in the FY2005 budget process a decrement was submitted to eliminate the funding and positions. However, funding remained available and the work continued in FY2005. It is anticipated that work will continue in FY2006. This request reinstates the funding and positions in the IPP component of Spill Prevention and Response.</i>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)  |               | 218.6                |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Uncollectible Federal Authority  | Dec           | -8.5                 | 0.0                  | 0.0           | -8.5          | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>In past years, the Bureau of Land Management contributed to the vehicle maintenance cost for the Joint Pipeline Office. They are no longer providing this funding, so the federal authority is not needed.</i>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1002 Fed Rcpts (Fed)  |               | -8.5                 |                      |               |               |              |                   |            |            |          |          |          |
| FY2007 Reduce Excess Response Funds   | Dec           | -260.0               | 0.0                  | 0.0           | -260.0        | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The IPP budget contains funding for research and development projects, made available from the Charter for Development of the Alaskan North Slope. A review of actual use of this funding has shown Authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance.</i>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | -260.0               |                      |               |               |              |                   |            |            |          |          |          |
| FY2007 Reduce Excess Interagency Receipts   | Dec           | -145.0               | -145.0               | 0.0           | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>In FY 2006, Interagency Receipt authority was increased to accept funding provided by the Department of Natural Resources for the Joint Pipeline Office in Valdez. Funding, originally provided to conduct environmental monitoring and oversight of the Transalaska Pipeline and Valdez Marine Terminal, has been reduced for FY2007 and has no expected impact on performance.</i>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |

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**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Spill Prevention and Response (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Industry Preparedness and Pipeline Operations (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Reduce Excess Interagency Receipts<br>(continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | -145.0               |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Mitigate Declining Response Fund Revenues   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Revenues to the Prevention Account of the Oil and Hazardous Substance Release and Prevention Fund (Response Fund) come from a combination of cost recovery, fines, penalties, and settlements, investment income, and a 3-cent surcharge against each barrel of crude oil produced in the state. In recent years revenues have been declining and have reached a point that they can no longer sustain all core prevention, preparedness and response functions necessary to meet the division's mission to protect public health and the environment from oil and hazardous substance releases while fostering resource development and economic growth.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Expenditures from the Response Fund must be reduced to preserve the integrity of the Fund. The Division of Spill Prevention and Response reviewed program budgets and has proposed a series of reductions, to multiple funding sources in the FY2007 Governor's proposed operating budget. These reductions align expenditure authority with average actual spending in recent years - more correctly reflecting core program needs - but do not bring expenditures in line with revenues.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This transaction is proposed to replace Response Funds with Commercial Passenger Vessel Funds to maintain SPAR core programs and has no impact on the Commercial Passenger Vessel Environmental Compliance Program.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)  |               | -350.0               |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)  |               | 350.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 AMD: Additional Resources for Compliance Oversight<br>and North Slope Flow Line Integrity   | Inc           | 606.5                | 496.1                | 14.7   | 84.7     | 11.0        | 0.0               | 0.0    | 0.0  | 4   | 0   | 0   |
| <i>The Alaska Department of Environmental Conservation (ADEC), under AS 46.03 and 46.04, provides regulatory oversight of oil and gas exploration, production, refining, transportation, and storage within Alaska, including protective standards for the construction and operation of certain oil pipelines.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Substantial revisions to the oil spill prevention regulations have recently been completed that subject multi-phase and produced water pipelines, generally referred to as flow lines, to new requirements for design, construction and operation. There are approximately 1,500 miles of these multi-phase pipelines within the State.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The primary focus of two Governor's amendments is for compliance oversight and integrity of North Slope flow lines. One provides funding in the Information and Administrative Services component for a civil investigator position tasked with focusing on civil investigation, compliance and enforcement of Alaskan oil and hazardous substance pollution control statutes and regulations for the oil and gas sector.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>This amendment provides the Industry Preparedness and Pipeline Operations (IPP) component with additional inspection and engineering staff and appropriate equipment and training to:</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- conduct engineering evaluations of flow lines to determine compliance with industry and regulatory standards;</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- review operator flow line corrosion management programs;</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- assess corrosion susceptibility and pipeline integrity of individual flow lines;</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- conduct flow line technical field inspections;</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- conduct compliance monitoring of flow line operations;</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>- verify adequacy of flow line integrity management programs;</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Spill Prevention and Response (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Industry Preparedness and Pipeline Operations (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 AMD: Additional Resources for Compliance Oversight and North Slope Flow Line Integrity (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <ul style="list-style-type: none"> <li>- review and assess adequacy of leak detection systems for flow lines and crude oil transmission pipelines;</li> <li>- conduct independent third party audits of flow line corrosion management programs;</li> <li>- review and evaluate flow line design, construction and operation;</li> <li>- increase inspection oversight for all spill prevention requirements for flow lines and oil exploration and production facilities, oil terminals and provide a greater regulatory presence; and,</li> <li>- provide in-house expertise to the Department regarding this highly specialized engineering subject.</li> </ul>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <p>The IPP transaction includes one Environmental Program Specialist IV that will conduct and supervise all field inspection, compliance and verification activities for more than 1,500 miles of multi-phase flow lines and other spill prevention requirements for oil exploration and production facilities. Three engineering positions are included to conduct engineering evaluations of flow lines and other spill prevention requirements for oil exploration and production facilities and integrity assessment of pipelines and oil storage tanks. Aging infrastructure and new regulations combine to place an increased emphasis on the subject of corrosion management. This is a highly technical subject which can only be properly addressed by additional specialized engineering staff. Tank and pipeline leak detection systems also require highly specialized engineering knowledge.</p> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <p>Increased engineering and technical inspection support will allow ADEC to conduct independent audits of pipeline integrity programs to assess corrosion and ensure the integrity of flow lines and other regulated facilities. Arctic conditions generally dictate designs which make Alaska's pipeline systems configurations unique within the United States. Creating and maintaining in-house expertise is vital to ensure undisrupted production of state resources.</p>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| This request also provides:   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <ul style="list-style-type: none"> <li>- Funding in the IPP component to allow engineering staff to consult with subject matter experts on distinct projects related to complex corrosion inspection data analysis and other highly technical regulatory compliance issues. Additionally, the engineering staff will conduct independent audits of pipeline integrity programs employed by the facility operators.</li> </ul>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <ul style="list-style-type: none"> <li>- Funding in the IPP component for a DEC liaison officer to work with the Petroleum Systems Integrity Office (PSIO) Coordinator, located in the Department of Natural Resources. The coordinator is the lead official in exercising oversight supporting the sustained production and transportation of Alaska's oil and gas resources where these functions are not performed by any other agency.</li> </ul>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <ul style="list-style-type: none"> <li>- The DEC liaison will work closely with the PSIO on petroleum infrastructure issues including maintenance and corrosion management. Moreover, the liaison officer is the primary point of contact for the department and will participate in identifying DEC's detailed statutory and regulatory authority and practices. This also includes identifying any gaps in statutes, regulations or oversight regarding oil and gas infrastructure activities.</li> </ul>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 606.5                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -13.9                | 0.0                  | -13.9  | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | -2.2                 |                      |        |          |             |                   |        |      |     |     |     |
| 1052 Oil/Haz Fd (DGF)   |               | -10.4                |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)   |               | -1.3                 |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|---------------|---------------|--------------|-------------------|------------|------------|----------|----------|----------|
| <b>Spill Prevention and Response (continued)</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| <b>Industry Preparedness and Pipeline Operations (continued)</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2012 Inter-Agency Receipts Authority Associated with HB 369 In-State Pipeline Coordination  | IncM          | 121.1                | 93.1                 | 9.3           | 11.2          | 7.5          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>The Department requests \$121.1 in Inter-Agency Receipts authority to receive funding from the Alaska Housing Finance Corporation (AHFC) for work related to HB 369 In-State Pipeline Coordination Team.</i>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| <i>HB 369 required the creation of the Joint In-State Gasline Development Team whose purpose will be to develop an in-state natural gas pipeline plan by July 1, 2011. This request would allow receipt of the funding designated for DEC as outlined in HB 369.</i>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1007 I/A Rcpts (Other)  |               | 121.1                |                      |               |               |              |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>518.8</b>         | <b>662.8</b>         | <b>10.1</b>   | <b>-172.6</b> | <b>18.5</b>  | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>6</b> | <b>0</b> | <b>0</b> |
| <b>Prevention and Emergency Response</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Reduction in Authorization   | Dec           | -150.0               | -150.0               | 0.0           | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)   |               | -150.0               |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Additional Reduction in Authorization  | Dec           | -92.2                | -92.2                | 0.0           | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)   |               | -92.2                |                      |               |               |              |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -17.3                | 0.0                  | -17.3         | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)   |               | -17.3                |                      |               |               |              |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>-259.5</b>        | <b>-242.2</b>        | <b>-17.3</b>  | <b>0.0</b>    | <b>0.0</b>   | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>Response Fund Administration</b>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Reduce Response Funds RSAs   | Dec           | -353.6               | 0.0                  | 0.0           | -353.6        | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| <i>Spill Prevention and Response funds, via RSA, work performed by other agencies such as contingency plan reviews, technical and clerical assistance to the State Emergency Response Commission (SERC) and administrative support to Local Emergency Planning Committees (LEPCs). Over the past few years, the amount of work required of other agencies has been reduced and the RSAs have decreased accordingly.</i> |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1052 Oil/Haz Fd (DGF)   |               | -353.6               |                      |               |               |              |                   |            |            |          |          |          |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -2.1                 | 0.0                  | -2.1          | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | 0        | 0        | 0        |
| 1052 Oil/Haz Fd (DGF)   |               | -2.1                 |                      |               |               |              |                   |            |            |          |          |          |
| <b>* Allocation Total *</b>   |               | <b>-355.7</b>        | <b>0.0</b>           | <b>-2.1</b>   | <b>-353.6</b> | <b>0.0</b>   | <b>0.0</b>        | <b>0.0</b> | <b>0.0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| <b>** Appropriation Total **</b>  |               | <b>-895.1</b>        | <b>431.0</b>         | <b>-268.7</b> | <b>-959.1</b> | <b>-44.3</b> | <b>-54.0</b>      | <b>0.0</b> | <b>0.0</b> | <b>6</b> | <b>0</b> | <b>0</b> |
| <b>Water</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| <b>Water Quality</b>  |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Eliminate Funding for One PFT Position   | Dec           | -75.0                | -75.0                | 0.0           | 0.0           | 0.0          | 0.0               | 0.0        | 0.0        | -1       | 0        | 0        |
| <i>House Subcommittee recommendation.</i>   |               |                      |                      |               |               |              |                   |            |            |          |          |          |
| 1004 Gen Fund (UGF)   |               | -75.0                |                      |               |               |              |                   |            |            |          |          |          |
| FY2006 Ch. 95, SLA 2005 (SB 110) Pollution Discharge & Waste Treatment/Disposal   | FisNot        | 874.2                | 411.1                | 79.0          | 281.4         | 13.0         | 89.7              | 0.0        | 0.0        | 13       | 0        | 0        |
| 1004 Gen Fund (UGF)   |               | 874.2                |                      |               |               |              |                   |            |            |          |          |          |
| FY2007 Second Year Implementation of the Fiscal Note for SB 110 - NPDES Wastewater Discharge Permitting Program   | Inc           | 673.7                | 452.2                | 19.0          | 272.7         | 0.0          | -70.2             | 0.0        | 0.0        | 0        | 0        | 0        |



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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|---------|-----|-----|-----|
| <b>Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| <b>Water Quality (continued)</b>  |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| FY2007 Second Year Implementation of the Fiscal Note for SB 110 - NPDES Wastewater Discharge Permitting Program (continued)   |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| <i>Implement second year of the fiscal note for SB110, NPDES Primacy. First year program costs are less than the second year and continuing costs as program activities ramp up. The fiscal note's first year reflected this, containing funding for only 1/2 year of staff and program cost. This transaction continues implementation of the fiscal note by adding the balance of funding necessary to obtain and implement a full primacy program in the second year. NPDES primacy supports and enhances the department's end result for protection of the environment through state regulated protection of water quality.</i> |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| 1004 Gen Fund (UGF)   |               | 673.7                |                      |        |          |             |                   |        |         |     |     |     |
| FY2007 Third Year Implementation of the Fiscal Note for HB546 (FY05) Related to the Regulation of Timber under NPDES  | Dec           | -263.9               | 0.0                  | -14.0  | -244.9   | -2.0        | -3.0              | 0.0    | 0.0     | 0   | 0   | 0   |
| <i>Implement third year Fiscal Note reduction for HB546 - Timber NPDES. This transaction has no expected impact on performance.</i>   |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -235.0               |                      |        |          |             |                   |        |         |     |     |     |
| 1004 Gen Fund (UGF)   |               | -28.9                |                      |        |          |             |                   |        |         |     |     |     |
| FY2007 Reduce Excess Authority for Commercial Passenger Vessel Enforcement and Compliance Program   | Dec           | -125.3               | 0.0                  | 0.0    | -125.3   | 0.0         | 0.0               | 0.0    | 0.0     | 0   | 0   | 0   |
| <i>A review of actual use of this funding has shown authorization in excess of traditional needs. This transaction reduces that excess and has no expected impact on performance..</i>  |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| 1166 Vessel Com (DGF)   |               | -125.3               |                      |        |          |             |                   |        |         |     |     |     |
| FY2007 Reduce Travel Expenditures   | Dec           | -12.4                | 0.0                  | -12.4  | 0.0      | 0.0         | 0.0               | 0.0    | 0.0     | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)   |               | -12.4                |                      |        |          |             |                   |        |         |     |     |     |
| FY2008 PERS adjustment of unrealizable receipts   | Dec           | -70.3                | -70.3                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0     | 0   | 0   | 0   |
| 1005 GF/Prgm (DGF)  |               | -70.3                |                      |        |          |             |                   |        |         |     |     |     |
| FY2008 Implementation of Ocean Ranger Program   | Inc           | 2,500.0              | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 2,500.0 | 2   | 0   | 0   |
| <i>This transaction implements the Cruise Ship Ballot Initiative. The initiative passed in August, 2006, requires DEC to develop and maintain a new permit program for Large Commercial Passenger Vessels ("cruise ships") to replace the current program for regulating these vessels. It would also require DEC to place marine engineers ("Ocean Rangers") licensed by the Coast Guard on the cruise ships to monitor compliance with State and Federal environmental laws. Two marine engineers working alternating twelve-hour shifts would be placed on each cruise ship operating in Alaska waters.</i>                      |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| <i>The greatest challenge for implementation of the ballot measure is hiring experienced, licensed Ocean Rangers. These are likely to be specialized marine engineers in short supply in Alaska. Contracting them, initially phasing in both the workers and their on-board shifts, is likely. Revised regulations, permits, and new databases/on-line permit applications must be developed.</i>   |               |                      |                      |        |          |             |                   |        |         |     |     |     |
| <i>Effective 12/2006, the initiative requires DEC to set up and run the Ocean Ranger program. The initiative also contains language permitting civilian suits if the program is not implemented. Funding, provided through a \$4/berth head tax (estimated 3.6 million to be deposited to the Commercial Passenger Vessel Fund), is approx 2.0 million less than the estimated cost of the program (5.6 million). The CPVF does not contain resources to cover the shortage but, other fees imposed by the ballot initiative have the potential to generate and estimated 18.0 million</i>  |               |                      |                      |        |          |             |                   |        |         |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|----------|-----|-----|-----|
| <b>Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <b>Water Quality (continued)</b>  |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| FY2008 Implementation of Ocean Ranger Program (continued)   |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <i>or more in excess revenues to the State. This transaction provides the 2.0 million dollar balance of funding needed to implement the program from the general fund.</i>  |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| 1166 Vessel Com (DGF)   |               | 2,500.0              |                      |        |          |             |                   |        |          |     |     |     |
| FY2008 CC: Reduce Implementation of Ocean Ranger Program  | Dec           | -1,300.0             | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | -1,300.0 | -2  | 0   | 0   |
| <i>Funding for FY07 Summer</i>  |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| 1166 Vessel Com (DGF)   |               | -1,300.0             |                      |        |          |             |                   |        |          |     |     |     |
| FY2009 Implementation of the Ocean Ranger Program   | Inc           | 2,600.0              | 0.0                  | 0.0    | 2,600.0  | 0.0         | 0.0               | 0.0    | 0.0      | 0   | 0   | 0   |
| <i>The citizens of Alaska adopted Ballot Measure 2 during the fall of 2006. The new statutes require implementation of an Ocean Ranger Program - marine engineers licensed by the U.S. Coast Guard to serve as independent observers on board large cruise ships to monitor compliance with state and federal requirements for marine discharge and pollution and to ensure that passengers, crew and residents at port are protected from improper sanitation and health and safety practices. The statute also includes a citizen's suit provision whereby citizens can bring suit against the cruise ship companies and against the Department for failure to implement the new law.</i>   |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <i>During the 2007 cruise ship season, the Department implemented a transitional program that included development of initial inspection protocols and checklists; analysis of training needs and initial development of an Ocean Ranger training program; and an on-board presence by environmental professionals and marine engineers on portions of 114 voyages. All 27 cruise ships regularly operating in Alaska waters were boarded at least once.</i>  |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <i>During the 2008 cruise ship season, the Department proposes to increase vessel oversight by Ocean Rangers to the fullest extent funded by Ballot Measure 2. Ballot Measure 2 included a new \$4/berth fee to support the Ocean Ranger Program. The Department estimates that this fee will collect approximately \$3.8 million/year which is deposited into the Commercial Passenger Vessel Environmental Compliance Fund (CPVECF). The Department's base budget from the CPVECF for the Ocean Ranger program (beginning in FY 08) is \$1.2 million. In addition to the base budget of \$1.2 million, the Department is requesting a \$2.6 million increment in FY 09 from the CPVECF for a total annual appropriation of \$3.8 million - the equivalent of projected annual fee receipts.</i> |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| 1166 Vessel Com (DGF)   |               | 2,600.0              |                      |        |          |             |                   |        |          |     |     |     |
| FY2009 AMD: Increase Authorization for Ocean Ranger Program   | Inc           | 200.0                | 0.0                  | 0.0    | 200.0    | 0.0         | 0.0               | 0.0    | 0.0      | 0   | 0   | 0   |
| <i>The citizens of Alaska adopted Ballot Measure 2 during the fall of 2006. The new statutes require implementation of an Ocean Ranger Program - marine engineers licensed by the U.S. Coast Guard to serve as observers on board large cruise ships to monitor state and federal requirements for marine discharge and pollution and to ensure that passengers, crew and residents at port are protected from improper sanitation and health and safety practices.</i>   |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <i>The new statutes include a citizen's suit provision whereby they can bring suit against the Department for failure to implement the statutes. The Department is currently working on implementing the Ocean Ranger Program, and is in the process of negotiating a contract with Crowley Marine Services, Inc. to provide Ocean Ranger services.</i>   |               |                      |                      |        |          |             |                   |        |          |     |     |     |
| <i>Although the contract will be flexible in that the program can be adjusted to match the actual receipts and/or the amount appropriated of the \$4/berth fee. Current revenue projections are estimated to be \$4,000.0. This request will bring the amount of funding available to the program in line with the current revenue projections which will</i>   |               |                      |                      |        |          |             |                   |        |          |     |     |     |

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**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel | Services | Commodities | Capital<br>Outlay | Grants | Misc | PFT | PPT | TMP |
|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Water (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Water Quality (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 AMD: Increase Authorization for Ocean Ranger Program (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| allow DEC to implement the Ocean Ranger program to the fullest extent possible based upon legislative appropriation.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)  |               | 200.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Personal Services Reduction to Eliminate Long-Term Vacant Positions   | Dec           | -231.0               | -231.0               | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1004 Gen Fund (UGF)  |               | -231.0               |                      |        |          |             |                   |        |      |     |     |     |
| FY2009 Create and Use a Fund Source Code to Enable Tracking of Ocean Ranger Revenues and Expenditures  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1166 Vessel Com (DGF)  |               | -4,000.0             |                      |        |          |             |                   |        |      |     |     |     |
| 1205 Ocn Ranger (DGF)  |               | 4,000.0              |                      |        |          |             |                   |        |      |     |     |     |
| FY2010 Provide oversight of activities associated with Increased Mining Activity   | Inc           | 145.0                | 145.0                | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| Additional Inter-Agency receipts authority is needed for the oversight of increased mining activities. The mining activities in the State of Alaska have increased considerably during the last couple of years and are expected to continue to increase. This request will allow the Division of Water to fund full-time and part-time Environmental Engineer positions to provide oversight of the mining program.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1007 I/A Rcpts (Other)   |               | 145.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.   | Dec           | -18.5                | 0.0                  | -18.5  | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1003 G/F Match (UGF)   |               | -0.8                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | -7.9                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | -1.5                 |                      |        |          |             |                   |        |      |     |     |     |
| 1166 Vessel Com (DGF)  |               | -1.2                 |                      |        |          |             |                   |        |      |     |     |     |
| 1205 Ocn Ranger (DGF)  |               | -7.1                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Correct Unrealizable Fund Sources in Year 1 SU Salary and Health Insurance  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| No additional federal dollars are available.   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | -59.4                |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)   |               | 59.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase  | FisNot        | 1.7                  | 1.7                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| FY2011 Noncovered Employees Year 1 increase : \$1.7  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)  |               | 1.7                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Correct Unrealizable Fund Sources for Personal Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| A major portion of the federal receipts budgeted in this component comes from the Environmental Protection Agency's grant for the Nonpoint Source Management Program of the Federal Clean Water Act. The funding for this federal grant has declined 17% since 2003. Due to this reduction, any additional increase in personal services cost from federal receipts cannot be realized. The federal grants for this program have not increased to absorb this additional cost. In order to address this deficit, the Department requests a fund source change to GFPR to cover these increased personal services costs. An increased GFPR collection is possible as a result of 2009 fee |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Water Quality (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Correct Unrealizable Fund Sources for  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Personal Services Increases (continued)   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>increases in the domestic wastewater systems program, which has since seen annual increases in collections due to permit renewals and collections on past due accounts.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -65.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 65.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Increase GFPR Authorization for Mining Permit Fees   | IncM          | 47.4                 | 0.0                  | 0.0    | 47.4     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Department of Environmental Conservation requests a fund source change of \$47.4 from Statutory Designated Program Receipts (SDPR) to General Fund Program Receipts (GFPR). AS 37.10.052 allows the negotiation of fees with mining companies for water quality permit work. These fees are accounted for under SDPR. The recent trend is that the majority of these permits are now based on established fees and are therefore collected as GFPR. The Department proposes to transfer \$47.4 of this authority to GFPR where permitting fees are currently collected. The program will retain \$30.0 SDPR to cover potential negotiated mining contracts.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 47.4                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Reduce SDPR Authorization for Mining Permit Fees   | Dec           | -47.4                | 0.0                  | 0.0    | -47.4    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Department of Environmental Conservation requests a fund source change of \$47.4 from Statutory Designated Program Receipts (SDPR) to General Fund Program Receipts (GFPR). AS 37.10.052 allows the negotiation of fees with mining companies for water quality permit work. These fees are accounted for under SDPR. The recent trend is that the majority of these permits are now based on established fees and are therefore collected as GFPR. The Department proposes to transfer \$47.4 of this authority to GFPR where permitting fees are currently collected. The program will retain \$30.0 SDPR to cover potential negotiated mining contracts.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1108 Stat Desig (Other)   |               | -47.4                |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Contractual Assistance to the On-Site Wastewater Discharge Program   | Inc           | 60.0                 | 0.0                  | 0.0    | 60.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>The Department requests \$60.0 in GFPR in order to provide contractual assistance to the On-Site Waste Water Discharge program in the Matanuska-Susitna Borough (Mat-Su) Office.</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Communities in the Mat-Su rely almost exclusively on disposal of septic and industrial wastewater to the subsurface, with potential to pollute groundwater. Timely review of engineering plans and approval to construct and operate septic systems are critical to housing and business development. Roughly 40% of the plans received by the program are from the Mat-Su area. The Department proposes to use a contract engineering firm to augment existing staff's ability to monitor these systems in the Mat-Su Valley. Currently some drinking water system plans are not being reviewed due to lack of engineers in the program. With faster turnaround of the review requests, additional receipts will be generated to offset the cost.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | 60.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 Reduce Ocean Ranger Funds to More Accurately Reflect Levels of Funding   | Dec           | -620.1               | 0.0                  | 0.0    | -620.1   | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1205 Ocn Ranger (DGF)   |               | -620.1               |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 (HB 106) COASTAL MANAGEMENT PROGRAM  | FisNot        | 20.0                 | 0.0                  | 5.0    | 15.0     | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board before February 1, 2013.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | 20.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2012 DID NOT PASS: (HB 106) COASTAL MANAGEMENT PROGRAM  | FisNot        | -20.0                | 0.0                  | -5.0   | -15.0    | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>This fiscal note was modified to reflect the changes proposed by the CSHB 106(FIN). This note takes into</i>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|   | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel      | Services       | Commodities | Capital<br>Outlay | Grants     | Misc           | PFT       | PPT      | TMP      |
|---|---------------|----------------------|----------------------|-------------|----------------|-------------|-------------------|------------|----------------|-----------|----------|----------|
| <b>Water (continued)</b>  |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| <b>Water Quality (continued)</b>  |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| FY2012 DID NOT PASS: (HB 106) COASTAL<br>MANAGEMENT PROGRAM (continued)<br><i>consideration new requirements added to the bill for a review and report by the Alaska Coastal Policy Board<br/>before February 1, 2013.</i>  |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| 1004 Gen Fund (UGF)   |               | -20.0                |                      |             |                |             |                   |            |                |           |          |          |
| FY2013 Alaska Pollutant Discharge Elimination System<br>Primacy<br><i>The Department of Environmental Conservation (DEC) is assuming the responsibility for all oil and gas<br/>wastewater discharge permitting from the Environmental Protection Agency (EPA). The final phase of transfer of<br/>authority is for the Alaska Pollutant Discharge Elimination System (APDES) program. This funding will support<br/>this new workload, combined with the increase in activity already being seen. As exploration projects move into<br/>production, new production-based permits will need to be issued. These projects are highly complex, requiring an<br/>expert level permit writer whose permits are expected to be subjected to scrutiny and legal challenge. DEC will<br/>contract for this support.</i>  |               |                      |                      |             |                |             |                   |            |                |           |          |          |
|   | Inc           | 372.1                | 0.0                  | 0.0         | 372.1          | 0.0         | 0.0               | 0.0        | 0.0            | 0         | 0        | 0        |
| <i>The increase in oil and gas lease sales and exploration activities in Alaska brings a corresponding increase in<br/>wastewater discharge permitting activities and workload. DEC is seeing an increase in applications for permitting<br/>for exploration projects. For example, recently a new oil rig was added to the Cook Inlet platforms for the first time<br/>in many years, and the Department expects more to be added in that area. Another example is potential shale oil<br/>projects on the North Slope that will require review for waste water discharge permits. The proposed project at<br/>Point Thomson is another example of a project that requires significant resources and numerous wastewater<br/>discharge permits from the Division of Water. These are the new projects that the Department is working on now,<br/>and with recent oil and gas lease sales and national interest in energy resources, we foresee even more work.</i> |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| <i>On October 31, 2008, the EPA approved the State's application to administer the National Pollutant Discharge<br/>Elimination System (NPDES) wastewater discharge permitting program. The State's program is called the APDES.<br/>DEC is responsible for wastewater permitting and compliance for discharges to surface waters. As part of the<br/>application process, DEC projected the resources needed to implement the program based on information known<br/>at that time (2006). Based on the experience implementing the program since October 2008, DEC has identified<br/>additional resources needed to support permitting the increase in permit work. The Department has identified a<br/>three-phase approach: Phase 1: Oil and Gas Permitting, Phase 2: Industrial Permitting and Phase 3:<br/>Antidegradation. This will fund Phase 1.</i>   |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| 1004 Gen Fund (UGF)   |               | 372.1                |                      |             |                |             |                   |            |                |           |          |          |
| FY2013 Mine Permitting  | Inc           | 200.0                | 188.0                | 0.0         | 12.0           | 0.0         | 0.0               | 0.0        | 0.0            | 0         | 0        | 0        |
| <i>Inter-agency receipts authority (I/A) is needed to account for mining receipts from the Department of Natural<br/>Resources.</i>   |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| <i>These funds are reimbursement from the Department of Natural Resources to pay for the permitting work related<br/>to mining projects by mining engineers. The current budget authority is not sufficient to budget all RSAs and is<br/>resulting in unnecessary administrative and accounting burden to staff. The proposed request will streamline and<br/>bring efficiency to the management and accounting of these receipts.</i>   |               |                      |                      |             |                |             |                   |            |                |           |          |          |
| 1007 I/A Rcpts (Other)  |               | 200.0                |                      |             |                |             |                   |            |                |           |          |          |
| <b>* Allocation Total *</b>   |               | <b>4,910.2</b>       | <b>821.7</b>         | <b>53.1</b> | <b>2,807.9</b> | <b>11.0</b> | <b>16.5</b>       | <b>0.0</b> | <b>1,200.0</b> | <b>13</b> | <b>0</b> | <b>0</b> |

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|--|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Water (continued)</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Facility Construction</b>   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Operating Cost of Administering Capital Projects -<br>Municipal Water, Sewer and Solid Waste Matching Grants  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Technical fund source change to reflect shift of administrative costs associated with Municipal Water, Sewer and Solid Waste Matching Grants from loan funds to capital project funds.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1061 CIP Rcpts (Other)   |               | 365.0                |                      |        |          |             |                   |        |      |     |     |     |
| 1075 Cln Wtr Fd (Other)  |               | -182.5               |                      |        |          |             |                   |        |      |     |     |     |
| 1100 Drk Wtr Fd (Other)  |               | -182.5               |                      |        |          |             |                   |        |      |     |     |     |
| FY2006 Ch. 53, SLA 2005 (HB 98) Nonunion Public Employee<br>Salary and Benefit   | FisNot        | 8.2                  | 8.2                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1061 CIP Rcpts (Other)   |               | 5.2                  |                      |        |          |             |                   |        |      |     |     |     |
| 1075 Cln Wtr Fd (Other)  |               | 1.5                  |                      |        |          |             |                   |        |      |     |     |     |
| 1100 Drk Wtr Fd (Other)  |               | 1.5                  |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Technical Fund Source Correction - Alaska Drinking<br>Water Fund  | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Federal funding is currently received through the Alaska Drinking Water Fund (ADWF) and budgeted as ADWF in the operating budget. This isn't appropriate and makes accounting for grants more difficult than it needs to be. This transaction provides a technical fund source correction, switching ADWF for Federal Receipts and has no expected impact on performance.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 403.2                |                      |        |          |             |                   |        |      |     |     |     |
| 1100 Drk Wtr Fd (Other)  |               | -403.2               |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Technical Fund Source Correction - Alaska Clean<br>Water Fund   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Federal funding is currently received through the Alaska Clean Water Fund (ACWF) and budgeted as ACWF in the operating budget. This isn't necessary and makes accounting for grants more difficult than it needs to be. This transaction provides a technical fund source correction, switching ACWF for Federal Receipts and has no expected impact on performance.</i>      |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 276.6                |                      |        |          |             |                   |        |      |     |     |     |
| 1075 Cln Wtr Fd (Other)  |               | -276.6               |                      |        |          |             |                   |        |      |     |     |     |
| FY2007 Remote Maintenance Worker Increased Funding   | Inc           | 120.0                | 0.0                  | 6.0    | 10.0     | 4.0         | 0.0               | 100.0  | 0.0  | 0   | 0   | 0   |
| <i>Remote Maintenance Worker (RMW) grants have not been increased for several years, while fuel and other expenses continue to rise. Federal funding is available to offset these increasing costs, but require a 25% state match. This transaction will allow RMW grantees and the Department to continue to provide the current level of service to communities.</i>           |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>Funding will protect the environment and citizens from unsafe sanitary practices (the department's two end results) by maintaining grants to communities to train remote maintenance workers and sustain village utility infrastructure.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)   |               | 90.0                 |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)   |               | 30.0                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Operator Certification Program Funding Change   | FndChg        | 0.0                  | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>Until FY2008, the Operator Certification program has been 100% funded through a federal grant. That grant is no longer available but has been replaced by federal funding requiring a 50% State match. This transaction reduces federal authorization and increases general fund authorization to accomodate the new match requirement.</i>                                   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>The transaction does not increase the program but maintains the current level of service to to over 1,000 public</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |

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|---|---------------|----------------------|----------------------|--------|----------|-------------|-------------------|--------|------|-----|-----|-----|
| <b>Water (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <b>Facility Construction (continued)</b>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| FY2008 Operator Certification Program Funding   |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| Change (continued)  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>water and wastewater utilities and approximately 3000 currently certified operators, and provides testing services for individuals hoping to enter the field. These activities ensure that water and wastewater facilities are operated by competent and certified individuals.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | -92.5                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  |               | 92.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Federal Resources for Public Water Systems Operator Certification and Training   | Inc           | 240.0                | 87.0                 | 0.0    | 150.0    | 3.0         | 0.0               | 0.0    | 0.0  | 1   | 0   | 0   |
| <i>To protect public health, Department regulations (18 AAC 74) require that public drinking water systems have operators trained and certified at a level commensurate with the complexity of the of the system. There are over 640 systems subject to these regulations. Approximately 240 systems (38%) are out of compliance with the operator certification requirements. Those 240 systems are under the control of individuals who may not be properly trained and lacks the proper certification. This situation is more common in the small systems, where operator turnover is high. Untrained or poorly trained operators in control of public water supply systems represent a significant threat to public health. The proposed increment will provide staff resources as well as contractual support to provide training and certifications of the remaining small system operators.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | 240.0                |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Federal Resources for Remote Maintenance Worker Program  | Inc           | 150.0                | 0.0                  | 0.0    | 0.0      | 0.0         | 0.0               | 150.0  | 0.0  | 0   | 0   | 0   |
| <i>Funding is requested to match additional federal resources available to the Remote Maintenance Worker program to maintain their ability to deliver operations and maintenance support services to rural communities in order to prevent catastrophic failures and help sustain water and wastewater infrastructure.</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>In FY09, 68.7% of regulated systems were in compliance with water supply system operator certification requirements, an increase of 10% since FY06. In order to provide operations and maintenance support and emergency response services to public water and sewer systems, grant funds are distributed to seven regional health corporations who, in turn, provide Remote Maintenance Workers (RMW) to perform these services. This program is heavily reliant on travel, which has seen dramatic cost increases over the past two years. It has been demonstrated that the routine and regular on-site presence of the RMWs prevents catastrophic failures and helps sustain the water and wastewater infrastructure in rural Alaska. The assistance provided by RMWs increases the exam success rate among rural operators which improves compliance with the operator certification requirements, this in turn increases protection of human health.</i> |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | 112.5                |                      |        |          |             |                   |        |      |     |     |     |
| 1003 G/F Match (UGF)  |               | 37.5                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Reduce general fund travel line item by 10 percent.  | Dec           | -2.3                 | 0.0                  | -2.3   | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| 1003 G/F Match (UGF)  |               | -1.6                 |                      |        |          |             |                   |        |      |     |     |     |
| 1004 Gen Fund (UGF)   |               | -0.6                 |                      |        |          |             |                   |        |      |     |     |     |
| 1005 GF/Prgm (DGF)  |               | -0.1                 |                      |        |          |             |                   |        |      |     |     |     |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011 Noncovered Employees Salary Increase   | FisNot        | 3.2                  | 3.2                  | 0.0    | 0.0      | 0.0         | 0.0               | 0.0    | 0.0  | 0   | 0   | 0   |
| <i>FY2011 Noncovered Employees Year 1 increase</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| <i>: \$3.2</i>  |               |                      |                      |        |          |             |                   |        |      |     |     |     |
| 1002 Fed Rcpts (Fed)  |               | 1.1                  |                      |        |          |             |                   |        |      |     |     |     |
| 1061 CIP Rcpts (Other)  |               | 2.0                  |                      |        |          |             |                   |        |      |     |     |     |

**2012 Legislature - Operating Budget  
Transaction Detail - Governor Structure  
05-13Inc/Decs Column**

**Numbers and Language**

**Agency: Department of Environmental Conservation**

|  | Trans<br>Type | Total<br>Expenditure | Personal<br>Services | Travel       | Services       | Commodities  | Capital<br>Outlay | Grants       | Misc           | PFT       | PPT      | TMP      |
|--|---------------|----------------------|----------------------|--------------|----------------|--------------|-------------------|--------------|----------------|-----------|----------|----------|
| <b>Water (continued)</b>   |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| <b>Facility Construction (continued)</b>   |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| FY2011 Ch. 56, SLA 2010 (HB 421) FY 2011   |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| Noncovered Employees Salary Increase   |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| (continued)  |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| 1075 Cln Wtr Fd (Other)  |               | 0.1                  |                      |              |                |              |                   |              |                |           |          |          |
| FY2012 Correct Unrealizable Fund Sources for Personal  |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| Services Increases   | FndChg        | 0.0                  | 0.0                  | 0.0          | 0.0            | 0.0          | 0.0               | 0.0          | 0.0            | 0         | 0        | 0        |
| <i>A major portion of the federal receipts budgeted in this component comes from the Environmental Protection Agency's Remote Worker Maintenance grants. The federal grants for this program have not increased to absorb this additional cost. In order to address this deficit, the Department requests a fund source change to GFPR to cover these increased personal service costs. Based on the GFPR collections in the last three years, where collection has exceeded or met authorization levels, additional authority would allow the Division to realize this revenue.</i> |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| 1002 Fed Rcpts (Fed)   |               | -25.1                |                      |              |                |              |                   |              |                |           |          |          |
| 1005 GF/Prgm (DGF)   |               | 26.9                 |                      |              |                |              |                   |              |                |           |          |          |
| 1075 Cln Wtr Fd (Other)  |               | -1.8                 |                      |              |                |              |                   |              |                |           |          |          |
| FY2012 Fund Source Change from Alaska Clean Water Fund   |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| to Federal Receipts for the Alaska Clean Water Fund Grant  | FndChg        | 0.0                  | 0.0                  | 0.0          | 0.0            | 0.0          | 0.0               | 0.0          | 0.0            | 0         | 0        | 0        |
| <i>The Department of Environmental Conservation requests a fund source change of \$68.9 from the Alaska Clean Water Fund (ACWF) to federal receipts. The set-aside portion of the ACWF grant is allowed to be drawn directly from the federal grant to pay for administering the program. This change allows streamlining of accounting by directly drawing down from the federal grant rather than making deposits into the ACWF fund and then transferring the funds to the operating budget.</i>  |               |                      |                      |              |                |              |                   |              |                |           |          |          |
| 1002 Fed Rcpts (Fed)   |               | 68.7                 |                      |              |                |              |                   |              |                |           |          |          |
| 1075 Cln Wtr Fd (Other)  |               | -68.7                |                      |              |                |              |                   |              |                |           |          |          |
| <b>* Allocation Total *</b>  |               | <b>519.1</b>         | <b>98.4</b>          | <b>3.7</b>   | <b>160.0</b>   | <b>7.0</b>   | <b>0.0</b>        | <b>250.0</b> | <b>0.0</b>     | <b>1</b>  | <b>0</b> | <b>0</b> |
| <b>** Appropriation Total **</b>   |               | <b>5,429.3</b>       | <b>920.1</b>         | <b>56.8</b>  | <b>2,967.9</b> | <b>18.0</b>  | <b>16.5</b>       | <b>250.0</b> | <b>1,200.0</b> | <b>14</b> | <b>0</b> | <b>0</b> |
| <b>*** Agency Total ***</b>  |               | <b>12,894.2</b>      | <b>4,338.5</b>       | <b>138.9</b> | <b>6,748.6</b> | <b>475.0</b> | <b>13.2</b>       | <b>250.0</b> | <b>930.0</b>   | <b>51</b> | <b>0</b> | <b>0</b> |
| <b>**** All Agencies Total ****</b>  |               | <b>12,894.2</b>      | <b>4,338.5</b>       | <b>138.9</b> | <b>6,748.6</b> | <b>475.0</b> | <b>13.2</b>       | <b>250.0</b> | <b>930.0</b>   | <b>51</b> | <b>0</b> | <b>0</b> |



Column Definitions

**05-13Inc/Decs (05-13 Incs/Decs/Fnd Changes)** - 13IncDecFnd+06Inc/Dec/F+07Inc/Dec/F+08Inc/Dec/F+09Inc/Dec/F+10Inc/Dec/F+11Inc/Dec/F+12Inc/Dec/F