

State of Alaska FY2002 Governor's Operating Budget

Department of Environmental Conservation
Response Fund Administration
Component

Component: Response Fund Administration

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Component Mission

Manage the Oil and Hazardous Substance Release Prevention and Response Fund as a viable long-term funding source for the state's core spill prevention and response initiatives.

Component Services Provided

- Track state costs for responding to spills and take appropriate action to recover those costs from the responsible party.
- Consolidate state agency requests for response funds to manage and direct the state's spill prevention and response priorities.
- Manage the Prevention and Response Accounts of the Oil & Hazardous Substances Release Prevention and Response Fund.

Component Goals and Strategies

RECOVER THE STATE'S COSTS FOR RESPONDING TO AN UNAUTHORIZED RELEASE OF OIL OR HAZARDOUS SUBSTANCE.

- Notify the party liable for a spill or cleanup of their obligation to reimburse the state for expenditures associated with response to the party's spill or cleanup.
- Issue timely billings to liable parties to ensure maximum recovery of state costs.
- Record all state expenditures to control, contain, and clean up oil or hazardous substance spills.
- Refer cost recovery cases to the Department of Law for settlement.
- Develop long term strategy for maintaining a core spill prevention and response program with available revenue.
- Make recommendation to limit annual funding requests to the revenue available from the prevention account surcharge.

Key Component Issues for FY2001 – 2002

The department must manage the Response Fund to maintain an adequate level of funding for core state spill prevention and response activities. Key to attaining the goal of maintaining this program within available revenue generated by the Prevention Account surcharge is close management of state agency reimbursable services agreements and containment of state costs.

Major Component Accomplishments for FY2000

Increased collections through initiation of a more aggressive, real time billing process.

Initiated monthly billings of liable parties for any spill or cleanup activity in which the Response Account fund was accessed to fund containment or cleanup.

Worked with other state agencies to develop workplans and funding levels which focused on spill prevention and response priorities and raised the level of awareness regarding Prevention Account balance and revenue resources available for core state spill prevention and response activities.

Statutory and Regulatory Authority

AS 46.03.010, AS 46.08.005 - 070.

Key Performance Measures for FY2002

Measure: The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year.

(Added by Legislature in FY2001 version.)

Current Status:

Cleanup costs are reported in the Biennial Response Fund Report.

Benchmark:

Average state cleanup costs per spill and contaminated site.

Background and Strategies:

The Department is required by law to track and recover state response and cleanup costs from responsible parties and seek compensation for damages to the state's natural resources. The goal is to continue to improve the state's accounting, cost-tracking and billing procedures to ensure timely recovery of expended costs to the Oil and Hazardous Substance Release Prevention and Response Fund.

Status of FY2001 Performance Measures

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none"> The state cleanup costs per spill per year and the state cleanup costs per contaminated site per year. 		X			

Response Fund Administration
Component Financial Summary

All dollars in thousands

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	122.4	125.7	292.9
72000 Travel	4.3	7.5	7.5
73000 Contractual	1,418.5	1,480.0	1,480.0
74000 Supplies	1.3	2.0	2.0
75000 Equipment	30.6	2.0	2.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,577.1	1,617.2	1,784.4
Funding Sources:			
1002 Federal Receipts	0.0	0.0	32.0
1052 Oil/Hazardous Response Fund	1,577.1	1,617.2	1,752.4
Funding Totals	1,577.1	1,617.2	1,784.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	0.0	0.0	0.0	32.0	32.0
Restricted Total		0.0	0.0	0.0	32.0	32.0
Total Estimated Revenues		0.0	0.0	0.0	32.0	32.0

Response Fund Administration**Proposed Changes in Levels of Service for FY2002**

No significant changes in services are anticipated.

**Summary of Component Budget Changes
From FY2001 Authorized to FY2002 Governor**

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	0.0	0.0	1,617.2	1,617.2
Adjustments which will continue current level of service:				
-Transfer a position from Prevention and Emergency Response	0.0	0.0	38.0	38.0
-Transfer administrative support to SPAR/Response Fund Administration	0.0	31.3	93.8	125.1
-Year 2 Labor Costs - Net Change from FY2001	0.0	0.7	3.4	4.1
FY2002 Governor	0.0	32.0	1,752.4	1,784.4

Response Fund Administration**Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2001 Authorized	FY2002 Governor		
Full-time	2	5	Annual Salaries	215,229
Part-time	0	0	COLA	3,816
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	76,011
			<i>Less 0.73% Vacancy Factor</i>	(2,156)
			Lump Sum Premium Pay	0
Totals	2	5	Total Personal Services	292,900

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accountant III	0	0	1	0	1
Accounting Clerk II	0	0	1	0	1
Accounting Tech III	0	0	1	0	1
Administrative Assistant	0	0	1	0	1
Administrative Manager III	0	0	1	0	1
Totals	0	0	5	0	5