

**State of Alaska
FY2003 Governor's Operating Budget**

**Department of Environmental Conservation
Air and Water Director
Component Budget Summary**

Component: Air and Water Director

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Component Mission

Lead and direct division staff in accomplishing the division's goals.

Component Services Provided

Overall leadership and management of the air and water quality programs of the division.

Component Goals and Strategies

MANAGE AIR AND WATER QUALITY PROGRAMS WITHIN THE DIVISION.

- Establish clear goals and objectives for each program of the division to support individual work plans, performance expectations and efficiencies.
- Work with external stakeholders to assess the value of the division's work products.
- Encourage use of the Alaska Clean Water Actions plan among federal agencies, local governments and non-governmental organizations to unify water quality protection and restoration efforts-maximizing the benefits of diverse funding sources for Alaska's priority clean water needs.
- Implement a substantially redesigned wastewater discharge permit program that provides a higher level of service based upon the level of risk to health or environment.

Key Component Issues for FY2002 – 2003

The director's office must ensure that the resources and priorities of the division are directed towards the fulfillment of the division's mission to protect air and water quality. This office will:

- Fully implement the commercial passenger vessel environmental compliance law;
- Substantially complete the redesign of the wastewater discharge permitting and oversight program, and
- Address deficiencies in the air permitting program to accomplish "benchmark" improvements and secure final federal approval of the air operating permits program.

Major Component Accomplishments in 2001

Adopted regulations to streamline air permitting for portable oil and gas drilling operations. The new "permit-by-rule" system will eliminate up to 40 oil exploration permits per year by enabling operators to simply register to operate under the terms of the permit that is set out in regulation.

Agency services significantly increased for wastewater discharge activities from industry and municipal government. Increases occurred in number of permits issued and field compliance assistance. Permit fee rates and structures were adopted in early FY2002 as directed through HB361. Other program redesign and streamlining efforts are currently underway in FY2002.

Continued to challenge the Environmental Protection Agency (EPA) about its intervention of the air permits program concerning the state's decision on pollution control equipment at the Cominco Red Dog Mine. We felt strongly that EPA over-stepped its authority in rejecting the air quality permit issued by the department. Appeal is awaiting a decision by the US Ninth Circuit Court of appeals.

Statutory and Regulatory Authority

AS 46.03; AS 46.04; AS 46.08; AS 46.13; AS 46.14; 18 AAC 15; 18 AAC 50; 18 AAC 52; 18 AAC 53; 18 AAC 62; 18 AAC 63; 18 AAC 70; 18 AAC 72; Clean Air Act; Clean Water Act; Resource Conservation and Recovery Act.

Air and Water Director
Component Financial Summary

All dollars in thousands

	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	330.8	144.5	156.5
72000 Travel	25.7	19.3	21.3
73000 Contractual	39.5	46.3	48.3
74000 Supplies	4.6	10.6	12.1
75000 Equipment	0.8	0.0	0.0
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	401.4	220.7	238.2
Funding Sources:			
1004 General Fund Receipts	208.6	214.3	218.6
1007 Inter-Agency Receipts	191.5	6.4	6.4
1018 Exxon Valdez Oil Spill Settlement	0.0	0.0	13.2
1053 Investment Loss Trust Fund	1.0	0.0	0.0
1108 Statutory Designated Program Receipts	0.3	0.0	0.0
Funding Totals	401.4	220.7	238.2

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 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						
Interagency Receipts	51015	191.5	6.4	6.4	6.4	6.4
Statutory Designated Program Receipts	51063	0.3	0.0	0.0	0.0	0.0
Restricted Total		191.8	6.4	6.4	6.4	6.4
Total Estimated Revenues		191.8	6.4	6.4	6.4	6.4

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Proposed Changes in Levels of Service for FY2003

The division director will serve as the commissioner's alternate as the Trustee on the Exxon Valdez Oil Spill Trustee Council. The division will participate in council work as the liaison and a member of the "staff committee." The division will provide policy input into funding decisions and technical review of specific projects that relate to protection or improvement of water quality and water sources. The division will coordinate with other council members and the executive director to explore opportunities to leverage restoration funds with other funding sources.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	214.3	0.0	6.4	220.7
Adjustments which will continue current level of service:				
-Transfer in From Exxon	0.0	0.0	13.2	13.2
-Year 3 Labor Costs - Net Change from FY2002	4.3	0.0	0.0	4.3
FY2003 Governor	218.6	0.0	19.6	238.2

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Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	2	3	Annual Salaries	120,327
Part-time	0	0	COLA	3,628
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	37,277
			<i>Less 2.93% Vacancy Factor</i>	<i>(4,732)</i>
			Lump Sum Premium Pay	0
Totals	2	3	Total Personal Services	156,500

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Division Director	1	0	0	0	1
Restoration Specialist	0	0	1	0	1
Secretary	1	0	0	0	1
Totals	2	0	1	0	3