

State of Alaska FY2007 Governor's Operating Budget

Department of Environmental Conservation Spill Prevention and Response Director Component Budget Summary

Component: Spill Prevention and Response Director

Contribution to Department's Mission

Protect public safety, public health and the environment through prevention, preparedness and cleanup of oil and hazardous substance releases.

Core Services

- Manage Division resources to protect public health and the environment through safe handling of oil and chemicals and cleanup of oil and hazardous substance releases.
- Manage the Oil and Hazardous Substance Release Prevention and Response Fund.
- Coordinate state spill prevention and response programs with state and federal agencies, industry and all third-party stakeholders.
- Implement state spill prevention and response programs to ensure the safe handling of oil and chemicals through prevention, preparedness and response using a risk-based approach.

Major Activities to Advance Strategies

- Manage Division resources to ensure response, removal and remediation of oil and hazardous substance releases.
- Implement a risk-based decision making process to ensure that division resources are directed to the highest priority division needs.

FY2007 Resources Allocated to Achieve Results

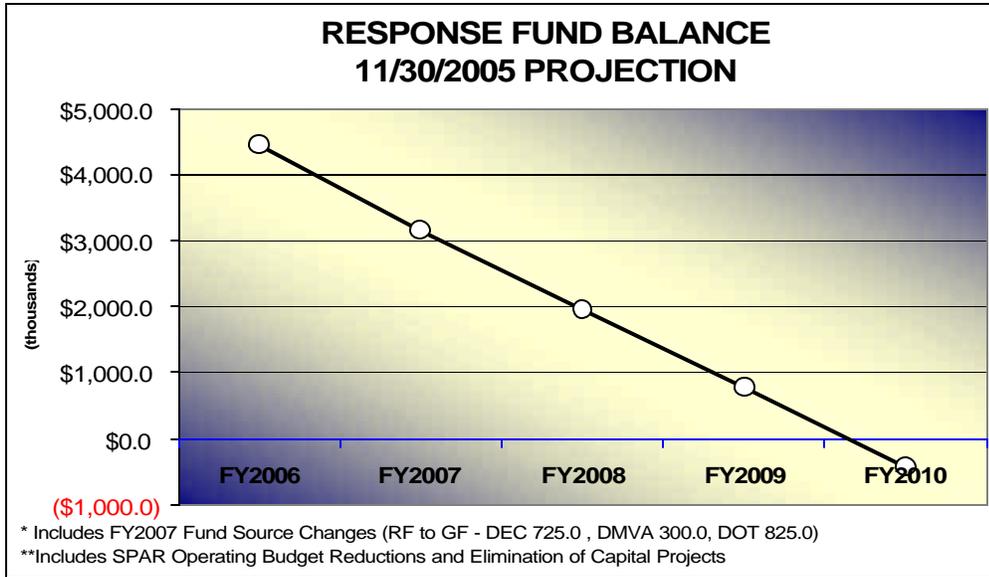
FY2007 Component Budget: \$249,100	Personnel:	
	Full time	2
	Part time	0
	Total	2

Key Component Challenges

Sustain state's core spill prevention, preparedness, and response capability in the face of declining revenues. The division's goals are prevention, preparedness, and response. Three programs in the division implement a wide array of interrelated activities to meet these goals. The programs include the Prevention and Emergency Response Program, Industry Preparedness Program and Contaminated Sites Program. The programs are designed to meet the Department's statutory obligation to protect human health and the environment while fostering economic growth and resource development through rational, unambiguous, predictable and integrated regulatory requirements.

Revenues to the Prevention Account of the Oil and Hazardous Substance Release Prevention and 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 due to a number of factors, not the least of which is the reduction in crude oil production from a peak of 2 million barrels per day to 930,000 barrels per day projected for FY2006. Revenues have reached a point where they can no longer sustain the division's core spill prevention, preparedness and response programs. This FY2007 budget contains a request to replace 725.0 in uncollectible response funds with general funds to begin balancing the cost of core programs with projected revenue. Absent general fund revenues, a 23% reduction in core programs will be necessary over the next

two years.



Ensure data-quality management and analysis of division database information to establish effective spill prevention and response priorities.

Implement and refine a risk-based decision making process to ensure that division resources are directed to the highest priority prevention, preparedness and response needs.

Significant Changes in Results to be Delivered in FY2007

None.

Major Component Accomplishments in 2005

Continued a multi-phase project to review State oil discharge prevention and contingency plan regulations with the goal of eliminating ambiguity or the possibility of conflicting interpretations, while improving clarity and certainty, through clear and consistently applied requirements.

Reviewed and participated in developing the State's response to the U.S. Commission on Ocean Policy report.

Statutory and Regulatory Authority

AS 46.03, AS 46.04, AS 46.08, AS 46.09, 18 AAC 75, 18 AAC 78.

Contact Information
<p>Contact: Larry Dietrick, Director Phone: (907) 465-5250 Fax: (907) 465-5262 E-mail: larry_dietrick@dec.state.ak.us</p>

**Spill Prevention and Response Director
Component Financial Summary**

All dollars shown in thousands

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	168.1	189.0	200.1
72000 Travel	20.7	18.8	18.8
73000 Services	18.9	28.7	28.7
74000 Commodities	7.1	1.5	1.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	214.8	238.0	249.1
Funding Sources:			
1052 Oil/Hazardous Response Fund	214.8	238.0	249.1
Funding Totals	214.8	238.0	249.1

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	0.0	0.0	238.0	238.0
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	3.5	3.5
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	0.4	0.4
-FY 07 Retirement Systems Cost Increase	0.0	0.0	6.8	6.8
Proposed budget increases:				
-Risk Management Self-Insurance Funding Increase	0.0	0.0	0.4	0.4
FY2007 Governor	0.0	0.0	249.1	249.1

**Spill Prevention and Response Director
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2006</u> <u>Management</u> <u>Plan</u>	<u>FY2007</u> <u>Governor</u>		
Full-time	2	2	Annual Salaries	134,825
Part-time	0	0	COLA	3,524
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	67,572
			<i>Less 2.83% Vacancy Factor</i>	<i>(5,821)</i>
			Lump Sum Premium Pay	0
Totals	2	2	Total Personal Services	200,100

Position Classification Summary

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