

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Natural Resources
Petroleum Systems Integrity Office
Component Budget Summary**

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Component: Petroleum Systems Integrity Office

Contribution to Department's Mission

No mission statement.

Major Component Accomplishments in 2014

During FY2014 the Petroleum Systems Integrity Office (PSIO) utilized various unit agreement provisions and oil and gas lease requirements as authority to oversee the integrity of petroleum systems of the operators of these units and leases, e.g., leaseholders are required to operate leases utilizing good engineering practices.

- PSIO engaged the Process Safety Center at Texas A&M University to provide technical assistance on issues regarding safety and integrity, and to provide independent root cause analysis of potential oil field incidents.

Key Component Challenges

No key component challenges.

Significant Changes in Results to be Delivered in FY2016

The Petroleum Systems Integrity Office, established via Administrative Order No. 234 on April 18, 2007, is deleted in the FY2016 operating budget. The work completed by the PSIO office has implemented a number of changes in department procedures that have closed gaps and improved efficiency in the process of adjudicating oil and gas infrastructure regulatory applications and oversight. The discoveries and recommendations made by the PSIO office have helped guide oil and gas infrastructure decisions made by the department and will be used to identify and mitigate potential risk to environmental and public safety. Now that the analysis and recommendations are complete, there is no need for PSIO analysis, and recommendations will be implemented by the appropriate divisions that have adjudication responsibility.

Statutory and Regulatory Authority

No statutes and regulations.

Contact Information

Contact: Ray Jakubczak, State Pipeline Coordinator
Phone: (907) 269-6403
Fax: (907) 269-6880
E-mail: ray.jakubczak@alaska.gov

**Petroleum Systems Integrity Office
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	508.2	528.1	0.0
72000 Travel	20.4	15.6	0.0
73000 Services	193.1	43.3	0.0
74000 Commodities	15.3	8.5	0.0
75000 Capital Outlay	0.0	1.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	737.0	596.5	0.0
Funding Sources:			
1004 General Fund Receipts	737.0	596.5	0.0
Funding Totals	737.0	596.5	0.0

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2015 Management Plan	596.5	0.0	0.0	0.0	596.5
Adjustments which continue current level of service:					
-FY2016 Salary Increases	11.7	0.0	0.0	0.0	11.7
-FY2016 Health Insurance Rate Reduction	-0.6	0.0	0.0	0.0	-0.6
Proposed budget decreases:					
-Delete Petroleum Systems Integrity Office	-607.6	0.0	0.0	0.0	-607.6
FY2016 Governor Amended	0.0	0.0	0.0	0.0	0.0

Petroleum Systems Integrity Office Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2015 Management Plan	FY2016 Governor Amended		
Full-time	4	0	Annual Salaries	0
Part-time	0	0	Premium Pay	0
Nonpermanent	2	0	Annual Benefits	0
			<i>Less 0.00% Vacancy Factor</i>	(0)
			Lump Sum Premium Pay	0
Totals	6	0	Total Personal Services	0

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0

Component Detail All Funds
Department of Natural Resources

Component: Petroleum Systems Integrity Office (AR37577) (2847)
RDU: Oil and Gas (601)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	508.2	528.1	528.1	528.1	0.0	-528.1	-100.0%
72000 Travel	20.4	25.6	15.6	15.6	0.0	-15.6	-100.0%
73000 Services	193.1	83.3	43.3	43.3	0.0	-43.3	-100.0%
74000 Commodities	15.3	8.5	8.5	8.5	0.0	-8.5	-100.0%
75000 Capital Outlay	0.0	1.0	1.0	1.0	0.0	-1.0	-100.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	737.0	646.5	596.5	596.5	0.0	-596.5	-100.0%
Fund Sources:							
1004Gen Fund (UGF)	737.0	646.5	596.5	596.5	0.0	-596.5	-100.0%
Unrestricted General (UGF)	737.0	646.5	596.5	596.5	0.0	-596.5	-100.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	4	4	4	4	0	-4	-100.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	2	2	2	2	0	-2	-100.0%

Change Record Detail - Multiple Scenarios with Descriptions
Department of Natural Resources

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2015 Conference Committee To FY2015 Authorized *****												
FY2015 Conference Committee												
1004 Gen Fund	ConfCom	646.5	528.1	25.6	83.3	8.5	1.0	0.0	0.0	4	0	2
		646.5										
Align Authority for Agency-wide Reduction												
1004 Gen Fund	Unalloc	-50.0	0.0	-10.0	-40.0	0.0	0.0	0.0	0.0	0	0	0
		-50.0										
Adjustment to allocate department-wide travel reduction per SLA2014/CH16/S1/P30/L25.												
Subtotal		596.5	528.1	15.6	43.3	8.5	1.0	0.0	0.0	4	0	2
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Subtotal		596.5	528.1	15.6	43.3	8.5	1.0	0.0	0.0	4	0	2
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
Transfer Positions To State Pipeline Coordinator's Office												
	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4	0	-2
The Petroleum Systems Integrity Office, established via Administrative Order No. 234 on April 18, 2007, is deleted in the FY2016 operating budget. The work completed by the PSIO office has implemented a number of changes in department procedures that have closed gaps and improved efficiency in the process of adjudicating oil & gas infrastructure regulatory applications and oversight. The discoveries and recommendations made by the PSIO office have helped guide oil & gas infrastructure decisions made by the department and will be used to identify and mitigate potential risk to environmental and public safety. Now that the analysis and recommendations are complete, there is no need for PSIO analysis, and recommendations will be implemented by the appropriate divisions that have adjudication responsibility.												
Positions transferred to the State Pipeline Coordinator's Office:												
Student Intern, (10-404SI), College Intern, Range 5, Anchorage, NP												
Student Intern, (10-405SI), College Intern, Range 5, Anchorage, NP												
Technical Engineer/Architect (10-4255) Range 24, Anchorage, PFT												
Petroleum Facility Integrity Specialist (10-T015), Exempt, Range 26, Anchorage, PFT												
Petroleum Facility Integrity Specialist (10-T016), Exempt, Range 26, Anchorage, PFT												
Petroleum Facility Integrity Specialist (10-T017), Exempt, Range 26, Anchorage, PFT												
FY2016 Salary Increases												
1004 Gen Fund	SalAdj	11.7	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
		11.7										

Change Record Detail - Multiple Scenarios with Descriptions
Department of Natural Resources

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Cost of living adjustment for certain bargaining units: \$11.7												
Year three cost of living adjustment for non-covered employees - 2.5%: \$8.6												
Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$3.1												
FY2016 Health Insurance Rate Reduction												
1004 Gen Fund	SalAdj	-0.6	-0.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Select Benefits health insurance rate reduction from \$1,371 to \$1,346: \$-0.6												
Delete Petroleum Systems Integrity Office												
1004 Gen Fund	Dec	-607.6	-539.2	-15.6	-43.3	-8.5	-1.0	0.0	0.0	0	0	0
<p>The Petroleum Systems Integrity Office, established via Administrative Order No. 234 on April 18, 2007, is deleted in the FY2016 operating budget. The work completed by the PSIO office has implemented a number of changes in department procedures that have closed gaps and improved efficiency in the process of adjudicating oil & gas infrastructure regulatory applications and oversight. The discoveries and recommendations made by the PSIO office have help guide oil & gas infrastructure decisions made by the department and will be used to identify and mitigate potential risk to environmental and public safety. Now that the analysis and recommendations are complete, there is no need for PSIO analysis, and recommendations will be implemented by the appropriate divisions that have adjudication responsibility.</p>												
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Personal Services Expenditure Detail
Department of Natural Resources

Scenario: FY2016 Governor Amended (12201)
Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.
[No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Natural Resources
Travel

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		20.4	15.6	0.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000 Travel Detail Totals			20.4	15.6	0.0
72110	Employee Travel (Instate)	Travel to conferences, on-site inspection of pipelines.	6.1	10.7	0.0
72410	Employee Travel (Out of state)	Attend out of state conferences relevant to pipeline oversight.	14.3	4.9	0.0

Line Item Detail
Department of Natural Resources
Services

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Line Number	Line Name			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services			193.1	43.3	0.0
Expenditure Account	Servicing Agency	Explanation		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals				193.1	43.3	0.0
73025	Education Services	Registration fees, seminar, and conference costs.		17.9	7.2	0.0
73150	Information Technlgy	Software licensing and maintenance costs for mapping.		2.2	9.9	0.0
73156	Telecommunication	Data network, cellular, and wireless charges.		0.6	2.0	0.0
73225	Delivery Services	Postage and courier costs.		0.0	0.5	0.0
73450	Advertising & Promos	Publication of public notices in statewide newspapers.		0.0	2.2	0.0
73750	Other Services (Non IA Svcs)	Oil and gas contract.		151.0	0.2	0.0
73804	Economic/Development (IA Svcs)	University of Alaska consult.		1.3	1.0	0.0
73805	IT-Non-Telecommunication	Centralized ETS Services	Microsoft Licensing and EPR Computer Services	3.4	3.5	0.0
73806	IT-Telecommunication	Centralized ETS Services	Phones and VPN	2.1	2.8	0.0
73809	Mail	Central Mail	Central Mailroom	0.1	0.1	0.0
73810	Human Resources	Centralized HR	Central Human Resources	0.7	0.7	0.0
73811	Building Leases	Leases	Building Leases	13.0	10.8	0.0
73815	Financial	Finance	AKSAS/AKPAY/ALDER	0.3	0.3	0.0
73816	ADA Compliance	Personnel	ADA Compliance	0.1	0.1	0.0
73818	Training (Services-IA Svcs)	Admin	DOA Classes	0.0	1.5	0.0
73819	Commission Sales (IA Svcs)	State Travel Office	Central Travel Fees	0.4	0.5	0.0

Line Item Detail
Department of Natural Resources
Commodities

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		15.3	8.5	0.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000 Commodities Detail Totals			15.3	8.5	0.0
74222	Books And Educational	Training manuals, reference materials, and trade journals.	3.0	2.8	0.0
74226	Equipment & Furniture	Protective eyewear, filing cabinets, ergonomic desk and chair.	4.0	0.8	0.0
74229	Business Supplies	General office supplies - pens, staples, toner cartridges, paper.	2.5	4.1	0.0
74233	Info Technology Equip	Computer, monitor, and other equipment.	5.8	0.8	0.0

Line Item Detail
Department of Natural Resources
Capital Outlay

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000	Capital Outlay		0.0	1.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
75000 Capital Outlay Detail Totals			0.0	1.0	0.0
76150	Other Equipment	Computer hardware.	0.0	1.0	0.0

Interagency Services
Department of Natural Resources

Component: Petroleum Systems Integrity Office (2847)
RDU: Oil and Gas (601)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended	
73804	Economic/Development (IA Svcs)	University of Alaska consult.	Inter-dept	1.3	1.0	0.0	
73804 Economic/Development (IA Svcs) subtotal:				1.3	1.0	0.0	
73805	IT-Non-Telecommunication	Microsoft Licensing and EPR Computer Services	Inter-dept	Centralized ETS Services	3.4	3.5	0.0
73805 IT-Non-Telecommunication subtotal:				3.4	3.5	0.0	
73806	IT-Telecommunication	Phones and VPN	Inter-dept	Centralized ETS Services	2.1	2.8	0.0
73806 IT-Telecommunication subtotal:				2.1	2.8	0.0	
73809	Mail	Central Mailroom	Inter-dept	Central Mail	0.1	0.1	0.0
73809 Mail subtotal:				0.1	0.1	0.0	
73810	Human Resources	Central Human Resources	Inter-dept	Centralized HR	0.7	0.7	0.0
73810 Human Resources subtotal:				0.7	0.7	0.0	
73811	Building Leases	Building Leases	Inter-dept	Leases	13.0	10.8	0.0
73811 Building Leases subtotal:				13.0	10.8	0.0	
73815	Financial	AKSAS/AKPAY/ALDER	Inter-dept	Finance	0.3	0.3	0.0
73815 Financial subtotal:				0.3	0.3	0.0	
73816	ADA Compliance	ADA Compliance	Inter-dept	Personnel	0.1	0.1	0.0
73816 ADA Compliance subtotal:				0.1	0.1	0.0	
73818	Training (Services-IA Svcs)	DOA Classes	Inter-dept	Admin	0.0	1.5	0.0
73818 Training (Services-IA Svcs) subtotal:				0.0	1.5	0.0	
73819	Commission Sales (IA Svcs)	Central Travel Fees	Inter-dept	State Travel Office	0.4	0.5	0.0
73819 Commission Sales (IA Svcs) subtotal:				0.4	0.5	0.0	
Petroleum Systems Integrity Office total:				21.4	21.3	0.0	
Grand Total:				21.4	21.3	0.0	