

**Alaska House Finance Committee Public Hearing
Prince William Sound Regional Citizens' Advisory Council Testimony on HB 104
Provided by Shaylon Cochran, Director of Public Outreach for CIRCAC**

Thanks to the Chairs and committee members for the opportunity to speak today. My name is Shaylon Cochran, I'm the Director of Public Outreach for the Cook Inlet Regional Citizens Advisory Council and I speak on behalf of the Council today.

Long term revenue declines have resulted in a chronic financial shortfall for the Oil and Hazardous Substances Release Prevention and Response Fund, also known as the 470 Fund. This revenue shortfall reduces the ability of the State to prevent oil spills and hazardous releases. It decreases levels of readiness, and hampers the ability to rapidly respond to an event and protect human and environmental health.

The Council strongly supports Section 5 of HB 104, which includes an increase on the refined fuel surcharge from the current rate of just under a penny per gallon to one and a half cents per gallon. This increase goes directly into the Prevention Account within the 470 Fund and is necessary to begin reversing the trend of declining revenues.

The 470 Fund supports the Department of Environmental Conservation Spill Prevention and Response Division, or SPAR. 470 was designed to be self-sustaining to ensure that SPAR has adequate funds on hand for immediate response to oil spills and for maintaining an effective prevention program, without the need for annual General Fund appropriations.

The SPAR Division has absorbed the elimination of 17 positions since 2015, and the Governor's FY 22 Operating Budget proposes cuts that would eliminate five more. More job cuts will result in increased workloads for staff in many areas of responsibility including a caseload of over 2,400 active contaminated sites. Commissioner Brune has acknowledged that increased workload has resulted in a more stressful work environment leading to retention issues.

The continued revenue decline has taken the Department beyond doing more with less and is now having to make difficult choices about how to simply meet its statutory responsibilities. Protection of the economy, the environment and the health, safety and welfare of Alaskans is at stake without adequate support to the 470 Fund.

The Cook Inlet Regional Citizens Advisory Council recommends the passage of HB 104, including the increase to the refined fuel surcharge that funds SPAR. This amount will be sufficient to retain the five additional staff cuts proposed in the Governor's FY 22 budget.

That concludes my testimony. Thank you.