

Exxon Valdez Oil Spill Trustee Council

Annual Budget Analysis and Review of the “Think Tank” Proposal

EVOSTC Staff

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Executive Summary

This document presents the *Exxon Valdez* Oil Spill Trustee Council (EVOSTC) budget in detail for fiscal years (FY) 2016 – 2018 and reviews the October 2018 document submitted by the EVOS Think Tank of Citizens (hereafter referred to as Think Tank). Max Mertz, principal at MERTZ, CPA and Advisor, EVOSTC's long-time external auditor, was consulted on the development and presentation of the budget analysis below. Mr. Mertz has separately provided a letter to the EVOSTC regarding his [review](#) and observations; it serves as an introductory letter to this document.

The Think Tank document proposes removing the joint State and Federal *Exxon Valdez* Oil Spill Natural Resource damage funds from the Alaska Department of Revenue and the State and Federal EVOSTC Trustees. The Think Tank document suggests placing the funds with the Alaska Community Foundation and other named entities and organizations as both endowments and for those entities to grant to other parties. The rationale for the Think Tank's proposal is their concern over their perception of EVOSTC administrative costs as 46% of total EVOSTC spending and also their concern that government Trustees influence the spending.

Total administrative spending for the EVOSTC program is 10.8% to 17.5%; total EVOSTC funding dedicated to programs and projects is 82.5% to 89.2%. As detailed below, EVOSTC allocated 7.4% to 11.0% of its spending on in-house administrative and program support functions. In addition 3.4% to 6.7% was also spent by EVOSTC to fund third-party and non-profit (NGO) administration of projects. This range of administrative costs includes the third-party and NGO administration which would be charged toward a project implemented by that third-party/NGO regardless of the granting agency from which they received the funding.

It is important to note that the figures used in this document do not include the substantial leveraging of third party and/or non-profit entities that EVOSTC relies upon, or significant leveraged resources contributed by federal and state agencies. For example, in 2018, leveraged funding contributed by partner entities totaled almost 6.8 million dollars for science projects alone. Beyond minimal Trustee support, EVOSTC will only fund agency staff time if they are performing an identified task that would otherwise have to be conducted in-house. State and Federal agency staff further contribute uncompensated substantial hours to lending their expertise and time to projects they manage or are consulting on.

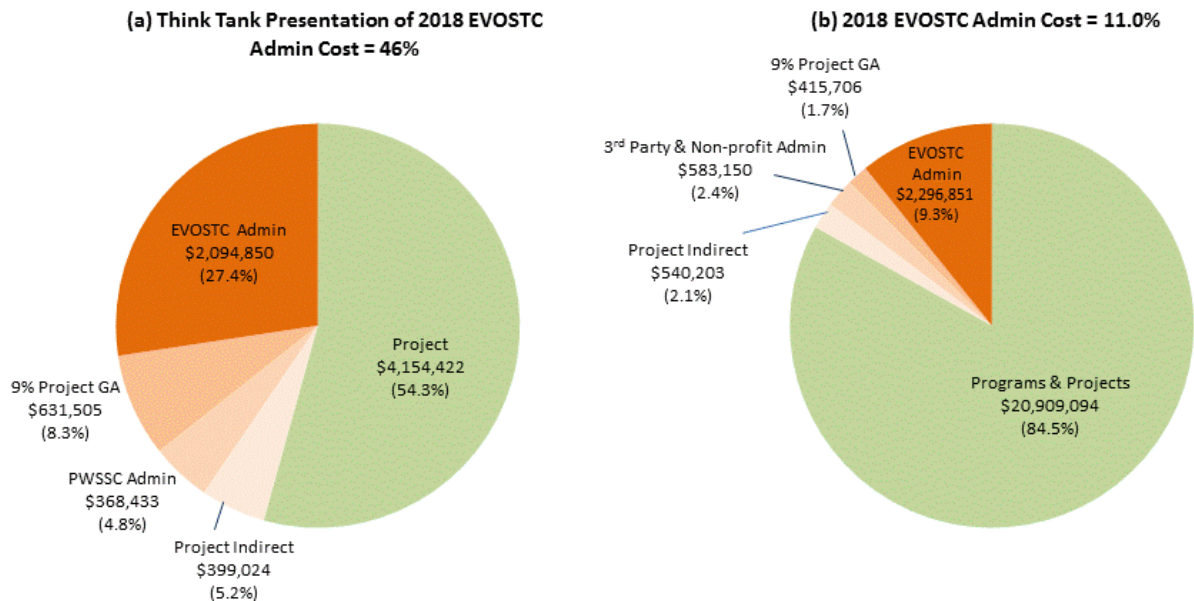
In 2009-2011, the Council conducted 16 public meetings in the spill area to discuss an organized and efficient spend down of the funds. This resulted in focus areas for funding and reduced administration of a complex, heterogeneous program that includes long-term, integrated and collaborative technical and science programs. These include projects, such as herring genetics, lingering oil bioremediation studies and predator culling that directly support restoration of the EVOS-affected species and ecosystem. Unlike projects that focus on the social sciences (such as supporting the arts, culture, social services and health) EVOSTC administrates, supervises and funds biological, oceanographic, chemical and technical science, research and monitoring projects that typically range around 25%-57% administrative costs, regardless of funding source, due to needs such as laboratory space, research equipment, qualified lab and research techs, chemical analysis, processing, certifications and fees, etc.

EVOSTC also administrates a habitat protection program that identifies and prioritizes high-value habitat in the spill area and engages with interested landowners to protect EVOS-affected habitats and resources and increase opportunities for public access such as hunting, hiking, fishing, camping and subsistence activities.

In addition, EVOSTC also administrates a habitat enhancement program that includes projects on the Kenai Peninsula, in the Copper River Delta and Kodiak Island that replace damaged or underperforming fish passages and culverts, opens up upstream spawning and rearing habitat in river systems, cleans beaches in popular summer fishing areas and builds boardwalks, elevated walkways and stairs in heavily-used public areas and popular dip netting spots. These initiatives benefit from significant collaboration among multiple state and federal agencies with particular expertise and often stimulate additional funding sources to efficiently leverage existing agency and third-party resources.

EVOSTC funding also supports capital projects. Recent projects include funding the construction of the Cordova Center in downtown Cordova, the Seward Vessel Washdown Facility and a new Prince William Sound Science Center (PWSSC). The Cordova Center, a modern community center completed in 2014, is designed to serve as a repository for EVOS and EVOSTC documents and will provide information to the many researchers and visitors who visit the spill area into the future. The Vessel Washdown Facility reduces marine pollution from boats in the busy port of Seward. A new permanent campus for the PWSSC is currently in development. In their support of the project, the Trustees noted the PWSSC is an efficient partner for the Trustee Council, as more than 82% of PWSSC's funded research dating back to 1992 has taken place in the spill-affected area with most projects focused on EVOSTC priorities; through national competitions, PWSSC has been awarded more than \$26 million in EVOSTC restoration funding; PWSSC has provided an 85% return on the EVOSTC investment by generating an additional \$22.4 million in additional research funding for EVOS-related projects and has generated more than \$90 million for science and education, contributing an estimated \$50.5 million dollars to the PWS economy and \$106.2 million to the Alaska economy. These facilities will continue to add value and EVOS-related support to the spill area into the future.

**Administrative Costs vs. Program & Project Allocations
EVOSTC Fiscal Year 2018**



1. Background Information

“Think Tank” Document

In October 2018, a document titled “New Vision for EVOS A roadmap to reshape the *Exxon Valdez* Oil Spill Trust” was submitted to the EVOSTC by a group describing itself as an “*Exxon Valdez* Oil Spill (EVOS) Think Tank of Citizens” (hereafter referred to as the “Think Tank”). The Think Tank proposal states that the current cost structure of the EVOSTC is complicated and expensive, recommends an alternative governance structure to the existing EVOSTC, and suggests that the remaining trust funds be divided among several private non-profit parties as endowments and also as delegations of future funding to be awarded by the named parties. The Think Tank also proposes that an Ocean Research Fund be created to award grants of joint trust funds for scientific research, thereby establishing a new office, staff and administrative structure parallel to that which already exists in the current EVOSTC.

The *Exxon Valdez* Oil Spill Trustee Council (EVOSTC or Council): a Court-Approved State and Federal Natural Resources Damages Trusteeship

The Council was formed to oversee restoration of the injured spill ecosystem through the use of the *Exxon Valdez* litigation settlement funds for natural resource damages held in a joint state and federal trust. EVOSTC work encompasses a broad mix of restoration activities ranging from scientific and technical projects and integrated long-term programs to the construction of restoration-related facilities and infrastructure. EVOSTC serves as a primary source for public information regarding EVOS and the Council, and its work includes research and responses to media, agency, legislative, NGO, academic and public inquires. The Council also is tasked with monitoring lingering oil in the spill area, and administrates a habitat program that includes protection as well as enhancement activities, such as replacing damaged fish passages and constructing public boardwalks and access stairs in heavily-used recreational areas such as the Kenai River.

The Council consists of three state and three federal agency heads (or their designees). The Council is advised by a Federal Advisory Committee Act Public Advisory Committee and by members of the scientific community and is required to have a unanimous vote for all funding decisions. Expenditures also must pass legal review and are overseen by the federal court that signed the original court settlement. Several documents establish and define the role of the Trustees with respect to the expenditure of Joint Trust Funds, including federal statutes and court-approved litigation settlement agreements. These controlling authorities identify the specific activities of restoration, replacement, rehabilitation, enhancement, and acquisition of the equivalent injured resources or impacted services as the primary and, generally, sole use of the monies. Legal review is the province of the U.S. Department of Justice (USDOJ) and the Alaska Department of Law (ADOL).

The EVOSTC joint state-federal investment sub-accounts are managed by the Alaska Department of Revenue. Administrative costs for managing the invested funds are low and competitively advantageous, ranging from \$50,000 - \$100,000 (0.025%-0.05% of the total account balance). The Council determines an annual asset allocation, in consultation with its investment advisors. A portion of the funds are invested in the stock market and thus the account balances may shift significantly day to day. Part of the fund balances are also encumbered by previously-authorized, ongoing projects.

The Council undertook an intensive public process and legal review of its programs in 2009 - 2011 to develop an approximately 20-year glide path to spending down the remaining joint trust funds. This

process included approximately 16 public meetings held throughout the spill area. It resulted in a strategic and organized transition to a more limited restoration program, which focuses the remaining funds on two integrated and long-term programs and reduced administrative costs. Under this approach, the Council expends funds with an emphasis on producing resource information and environmental enhancements to support the management and natural restoration of injured species and, thus, the human services that depend upon them. In addition, the information produced enables continued management consistent with EVOSTC restoration goals.

The Council is approaching Year Eight of this organized glide path to spending down the joint-trust funds, with a remaining potential horizon of 4-7 years to sunset the Council, depending upon the level of spending and market performance. Over the last nine years, the Council has implemented the revised strategic science and habitat plan, including use of third-parties' existing staff expertise and leveraging of EVOSTC's activities with non-EVOSTC funds and agency staff to further strengthen the program while keeping to anticipated budget limits. To further facilitate its spend-down plan, the Council dramatically reduced its administrative budget, staff and office in 2009-2011. The EVOSTC office facilitated this shift by minimizing in-house and agency staff and in many cases replacing staff with non-government contract workers and use of third-party administration where the entity had needed expertise already in place. Where government agency work was needed, the office minimized and defined the funded tasks to further reduce overall or non-transparent spending. EVOSTC further streamlined and clarified procedures and revised all financial and programmatic documents with resultant annual independent audits confirming the positive changes. In addition, the Council's implementation of integrated and collaborative long-term projects further increased efficiencies and resulted in substantial leveraging of non-EVOSTC funds, expertise and resources.

EVOSTC administrative costs for the current program range between 7.4% and 11.0%. In recent years, with strong performance of invested funds, the Trustees have not requested administrative reductions at EVOSTC. In response to declining government and NGO external funding, the Council continues to initiate and support spill area restoration work with additional EVOSTC resources to ensure EVOSTC projects and programs produce high-quality, targeted work products and data.

The Council uses adaptive management with regard to spending, largely adhering to its anticipated budget but authorizing additional spending where made possible by its strategic investment asset allocation yields and by modifying spending during down-market years. Due to this built-in flexibility, the Council has been able to fund over and above its previously-planned spending in recent years. Additional funded work has included marine debris removal following the Japanese tsunami, a substantial increase in fish passage improvements and bank restoration projects on the Kenai Peninsula, Kodiak Island and in Prince William Sound, and cutting edge work in herring population genetics that will assist in future herring stock management.

2. EVOSTC FY2016- FY2018 Annual Budget Summary: EVOSTC administrative costs range between 7.4% and 11.0%.

Methods

Financial analyses were performed in Excel and the [workbook file](#) is posted on the EVOSTC website. Detailed [instructions](#) explaining the calculations in the workbook are also posted on the website. Please see the instructions on the website for details regarding files used and calculations. An overview of the total EVOSTC authorized budgets for the FY 2016-18 is presented first, followed by more detailed

analysis of the EVOSTC administrative and project support components to compare with the Think Tank proposal analysis.

Results & Discussion

a. EVOSTC Budget Components

The total EVOSTC budget includes the Administrative Budget described below (Section 2b), and projects funded in the science and habitat programs. The EVOSTC budget is broken down into three categories: (1) science and habitat programs and projects, (2) EVOSTC administrative costs (EVOSTC program support, indirect, general administration/GA) and (3) third-party and non-profit project administration (includes third-party indirect and project principal investigator entity indirect). Funding for the science and habitat programs and projects make up the great majority of expenditures (Fig. 1: 82.5% - 89.2%), while total administration costs (EVOSTC and third-party and non-profit administration costs) ranges from 10.8% to 17.5% of the total work plan budget (Fig. 1).

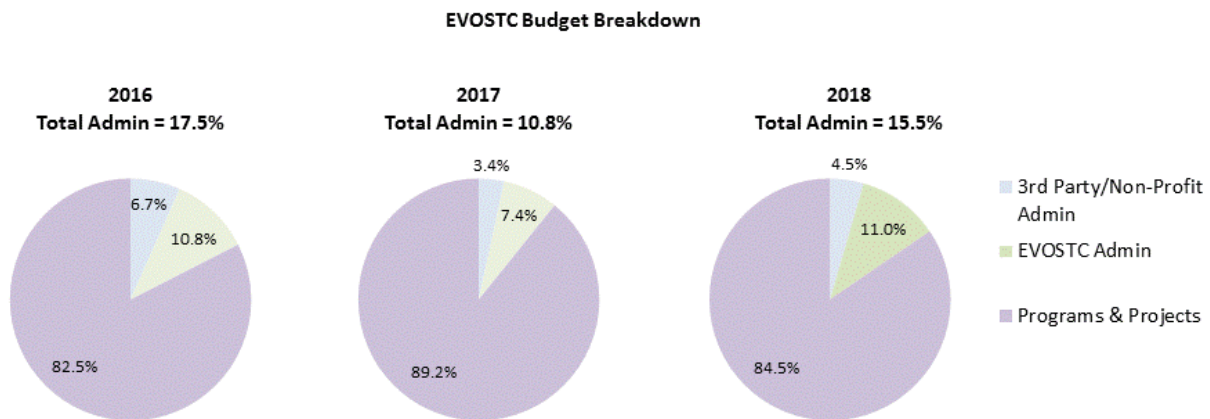


Figure 1. EVOSTC science and habitat budgets for FY2016, FY2017 and FY2018. The EVOSTC budget is broken down into three categories: (1) science and habitat programs and projects (Programs & Projects), (2) EVOSTC Admin (EVOSTC management, indirect, and general administration/GA) and (3) 3rd party/non-profit project admin (includes 3rd party indirect and project principal investigator entity indirect).

The Think Tank proposal presents six components of the FY2018 Work Plan and offers an incomplete view of EVOSTC expenditures (Think Tank proposal Figure 2). The EVOSTC budget funds implementation of the science and other projects in the Annual Fiscal Year Work Plan, together with the habitat enhancement and habitat protection projects. The partial analysis of the EVOSTC budget presented in Figure 2 of the Think Tank proposal does not include all annual program expenditures of the EVOSTC budget and also does not take into account the different component allocations for the EVOSTC administrative budget (Section 2b. below). An accurate summary of EVOSTC annual expenditures based on the workbook analysis posted on the EVOSTC website is depicted in Figure 1, above.

It is important to note that project support and management tasks and responsibilities are not the same for the EVOSTC and those of third-party & non-profit entities. For example, duties and responsibilities for the EVOSTC Science Coordinator include but are not limited to acting as the information conduit between EVOSTC science programs and projects, principal investigators (PIs), EVOSTC Science Panel, Public Advisory Committee, Trustee Council and Trust agency staff and legal counsel as well as providing information and responding to requests from the public, students, researchers and the media. The Science Coordinator also provides direct programmatic support, for example, drafting and reviewing proposal and reporting requirements; refining projects and programs through reviewing proposals and

reports and working with Proposers, PIs, Science and Data Program leads, and State and Federal agency personnel to ensure that the science conducted is sound and that Trustee Council goals are being met. In addition, the Science Coordinator, who holds a doctorate degree, enables the Trustee Council to supervise at an expert scientific level, and also to ensure continuity of long-term projects and programs.

This is an example of the level of review and management that the EVOSTC uses to ensure that program and projects are producing high-quality, targeted work products and meeting Trustee Council objectives. In contrast, third-party entities such as Prince William Sound Science Center (PWSSC) provide direct project management support and coordination necessary to achieve the detailed program goals of each individual PI. These include activities on the smaller-scale but are also important such as making sure the PIs submit reports and proposals on time, coordinating logistics, providing outreach and community involvement for programs, scientific guidance, and facilitating communication among PIs and programs.

The annual budget percentages allotted to each component vary over time due to the individual time tables for project development, review and release of funds. It is important to note that these figures do not include the substantial leveraging of third party and/or non-profit entities that EVOSTC relies upon, or significant leveraged resources contributed by federal and state agencies. In 2018, leveraged funding contributed by partner entities totaled almost 6.8 million dollars for science projects alone. State and Federal agency staff further contribute substantial hours to lending their expertise and time to projects they manage or are consulting on, including technical proposal assistance, drafting and implementing project contracts, reviewing invoices, site visits and lending additional scientific, facilities and equipment, administrative, financial and technical support to projects.

Since the intensive public process and long-term planning and focusing of the program in 2009-2011 (discussed above in Section 1), the Council has not had to further restrict the EVOSTC budget. During and following the recession of 2008-2009 the EVOSTC office reduced staff and its budget in response to the declining investment revenues and years of market volatility. Due to this adaptive management approach, and the Council's long-term strategic spend-down plan and adherence to budgets, EVOSTC has been able to fund additional high-priority projects and support a higher-level of program work in recent years while still maintaining sufficient fund balances to execute the long-term plan.

b. EVOSTC Administrative Budget Components

The EVOSTC administrative budget is allocated to support three components: (1) science programs and projects, (2) habitat program and projects, and (3) expenditures that are required by law and contributions to third-party entities. The science and habitat administrative components are further categorized into indirect and program support costs. Indirect costs include EVOSTC contractual services (i.e. telephone and internet), commodities (i.e. office supplies), equipment and equipment maintenance. Program support expenditures include EVOSTC personnel and travel costs related to each program and overall management. Examples of costs that are required by law include the Public Advisory Committee as required by Federal Law; special requests for research, reports, analysis, briefings and site visits, such as those in recent years by the Government Accountability Office (GAO), National Oceanic and Atmospheric Administration (NOAA) and U.S. Department of Agriculture (USDA); and contributions for support for third-party entities, such as the Alaska Marine Science Symposium and the Alaska Resource Library and Information Service (ARLIS). In addition, each component includes public outreach efforts, website updates, and work providing responsive information and customized research to requestors, which include information and research requests from the media, students, legislature, academia, agencies and members of the public.

The percentages of the annual EVOSTC administrative budget allocated to the science program (18%), habitat program (77%) and expenditures required by law and contributions to third-party entities (5%) are based on the amount of authorized funding for each component compared to the total annual budget for each fiscal year (see links to files in *Methods* for details). These percentages (18% science program, 77% habitat program, 5% expenditures required by law and contributions to third-party entities) were applied to the EVOSTC administrative budget to determine how much is spent on EVOSTC administration of the science program, habitat program and expenditures for required by law and contributions to third-party entities (see Excel workbook for calculations and word document guide for more details). As mentioned previously, administrative costs for science and habitat programs are further categorized into indirect and program support costs. For FY2016-2018, the indirect costs for the science and habitat programs are less than 2.1% and 8.9% of the total administrative budget, respectively (Fig. 2). The amount of support spent on the science and habitat programs ranges between 17.0% and 23.0%, and 45.5% and 49.1% of the EVOSTC administrative budget, respectively (Fig. 2). Expenditures required by law and contributions to third-party entities make up 21.8% to 25.3% of the EVOSTC administrative budget (Fig. 2).

EVOSTC Administrative Budget
Allocations to Science Program, Habitat Program, Required by Law & Contributions to 3rd Party Entities

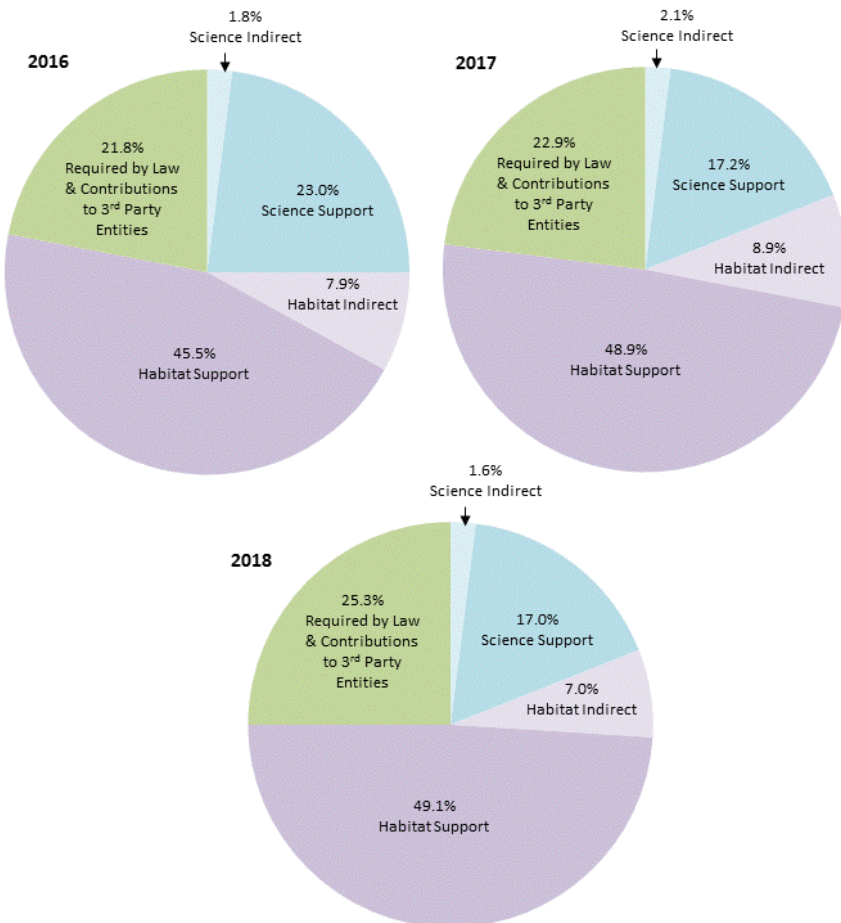


Figure 2. EVOSTC Administrative Budget broken down into three components: Science (support and indirect), Habitat (support and indirect), expenditures Required By Law or Contributions to 3rd Party Entities for FY2016, 2017, 2018.

c. Administration Costs vs. Program and Project Allocations

The Think Tank proposal states that 46% of the FY2018 EVOSTC budget is spent on administration and indirect costs (Fig. 3a). In reality, the detailed analysis of the EVOSTC budget displayed in the workbook that is posted to the EVOSTC website indicates that EVOSTC administration including GA is 11.0% of the total cost for the FY2018 (Fig. 3b).

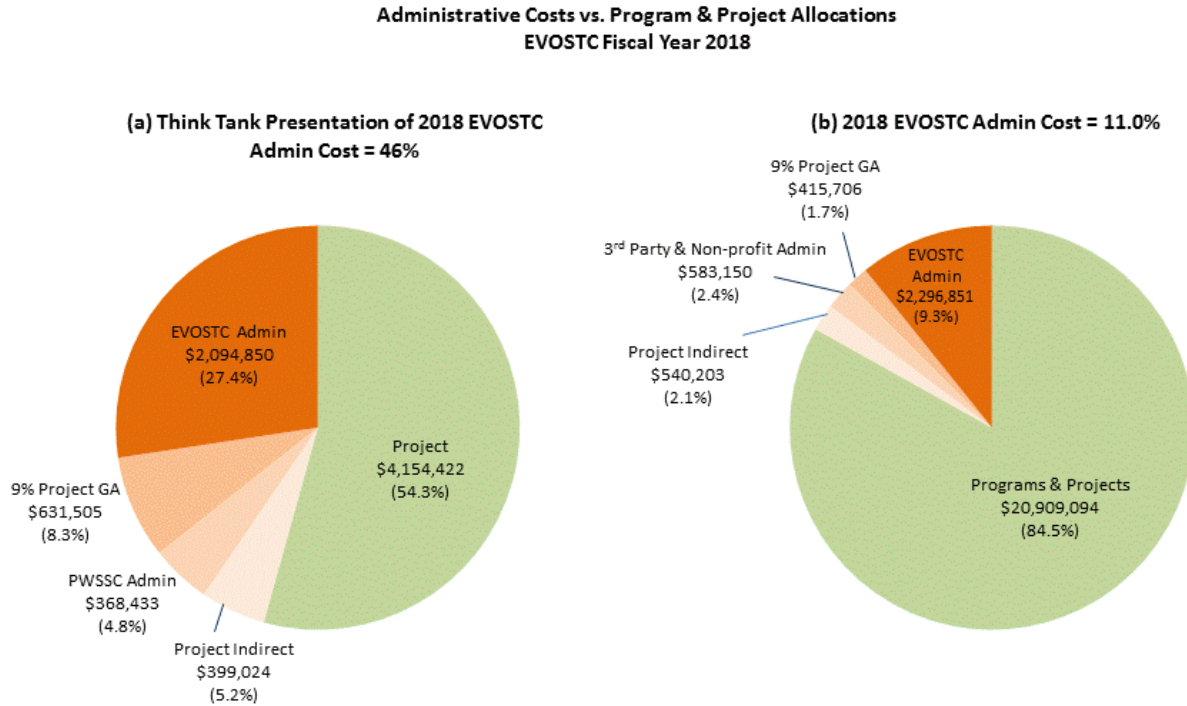
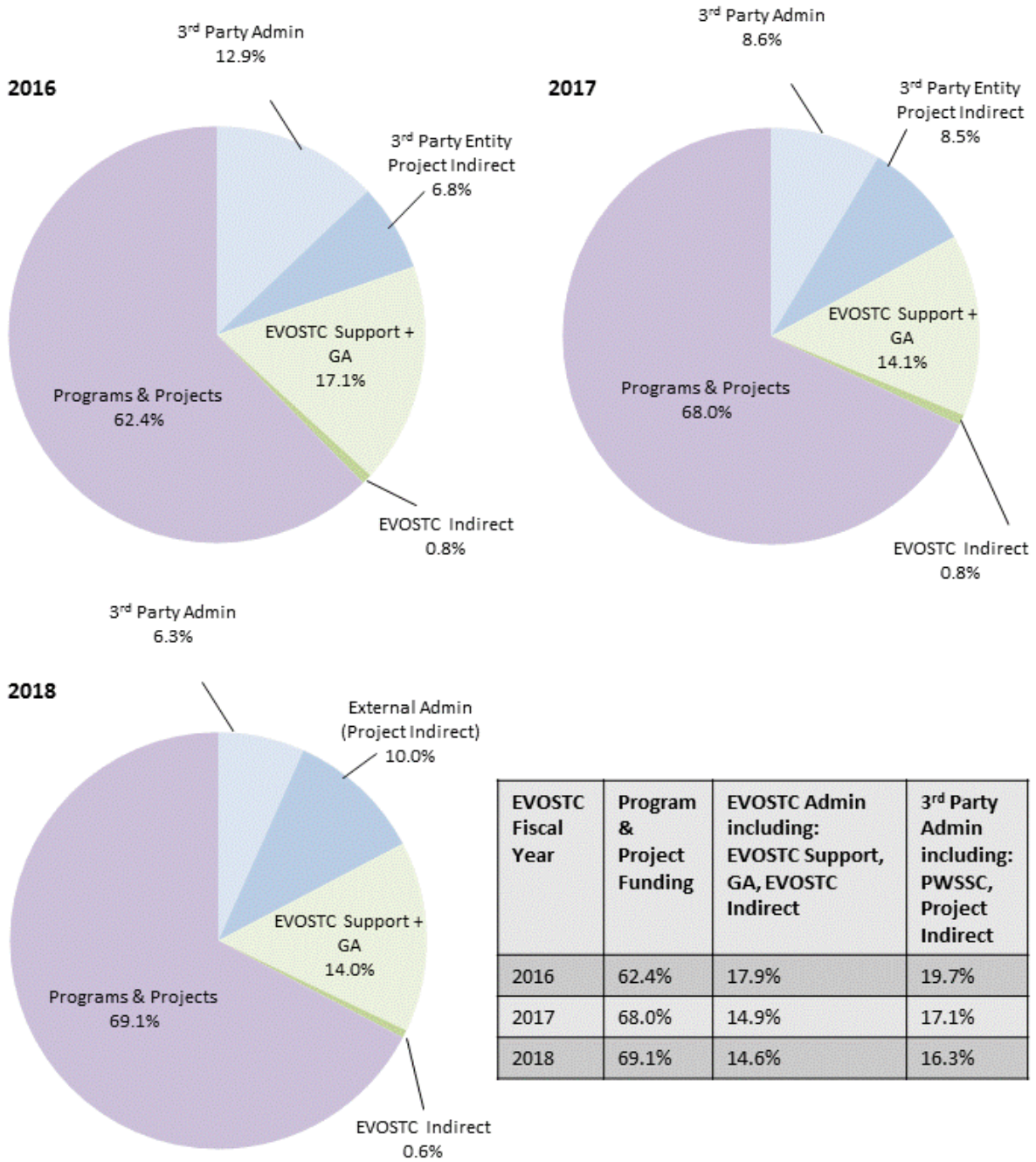


Figure 3. Administration Costs vs. Project Allocations. GA = General Administration. PWSSC = Prince William Sound Science Center. (a) Think Tank FY 2018 is reproduced from Figure 1 Think Tank proposal; and (b) EVOSTC actuals, including projected costs through the end of FY2018.

EVOSTC annual budget for the science and habitat programs are further broken down for each program in Figures 4 and 5 below. EVOSTC administrative costs for the science programs and projects is less than 18% (Fig. 4) and less than 10% (Fig. 5) for the habitat program for FY2016-2018. Third-party administration and indirect expenditure is less than 20% for the science programs and projects (Fig. 4) and extremely low for the habitat program (less than 2.3% of the habitat budget; Fig. 5). Similar to their FY2018 Work Plan analysis, the Think Tank did not take into account the different component allocations for the EVOSTC annual budget (Section 2b. above) and the full breadth of EVOSTC-funded activities, programs and projects.

EVOSTC Science Programs and Projects Annual Budget



EVOSTC Fiscal Year	Program & Project Funding	EVOSTC Admin including: EVOSTC Support, GA, EVOSTC Indirect	3rd Party Admin including: PWSSC, Project Indirect
2016	62.4%	17.9%	19.7%
2017	68.0%	14.9%	17.1%
2018	69.1%	14.6%	16.3%

Figure 4. Budget allocations for EVOSTC science programs and projects for FY2016, FY2017 and FY2018.

EVOSTC Habitat Program Annual Budget

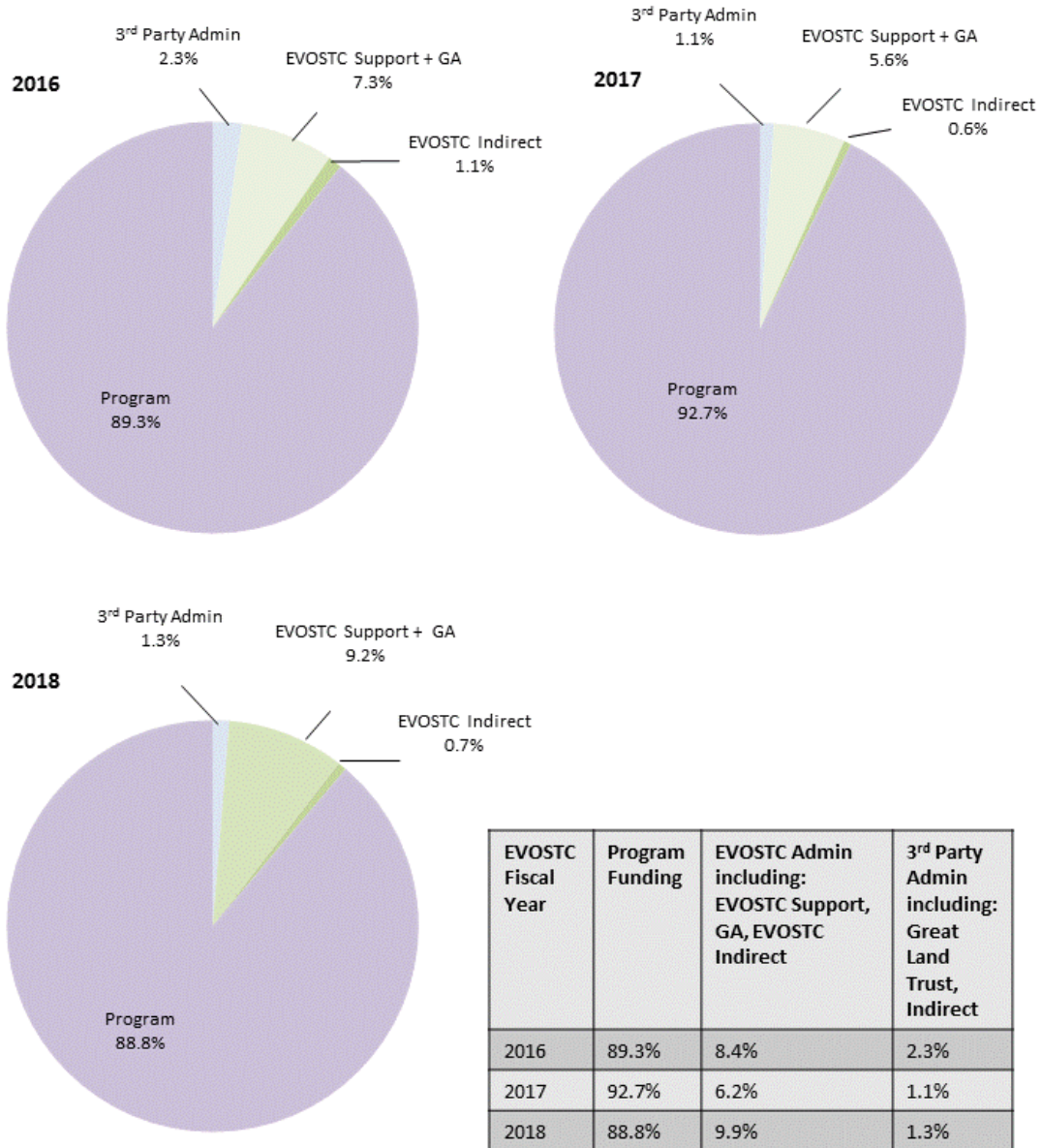


Figure 5. Budget allocations for EVOSTC **habitat** program for FY2016, FY2017 and FY2018.

d. Examples of FY2018 Science Project Cost with Overhead Components

The Think Tank proposal includes three examples of individual science project costs with five overhead components for the three projects: GAK-1 Mooring (Gulf Watch Alaska program, project 18170112-I), Herring Reproductive Maturity (Herring Research and Monitoring program, project 18170111-D), and the Pigeon Guillemot Restoration (project 18110853) for FY2018 (Fig. 6a). The Think Tank document claims that 30% of each project cost is spent on EVOSTC administration. This analysis is also incorrect as it does not take into account all the different program components supported by the EVOSTC annual budget (Section 2b. above).

To analyze an individual science project's cost, the expense components can be broken down into six categories:

1) Project cost (no indirect).

2) Third-party indirect associated with the project PI's entity; this cost is incurred regardless of the source of funding. For example, for the GAK-1 Mooring project, the third-party indirect is charged by the University of Alaska Fairbanks, which charges a 25% indirect on non-equipment costs, that translates into 10% of the total GAK-1 Mooring project cost. For the Herring Reproductive Maturity project, the third-party is the Prince William Sound Science Center – PWSSC (which is also named as a recipient of funds if the Think Tank plan is followed) which charges a 30% indirect fee and that results in 17% of the overall herring project cost (Fig. 6b).

3) Third-party management project costs (PWSSC). EVOSTC works with the PWSSC, a third party with existing expertise and tasked with direct coordination and management within and between EVOSTC projects associated with the Gulf Watch Alaska and Herring Research and Monitoring projects.

4) Project GA. A 9% general administration cost is added to each expense for the administering of funds through trust agencies as EVOSTC does not function as an agency or an entity that can receive funds or issue contracts. While this is to fund the necessary contracting activities in accordance with State and Federal requirements, invoice review, financial audits and other fiscal supervision, the Trust agencies typically go beyond these tasks and allot agency experts in the subject matter to lend their time to further support Council review, analysis and supervision of the work funded at no additional cost.

5) EVOSTC Support (see Section 2b for details).

6) EVOSTC Indirect (see Section 2b for details).

The EVOSTC total administration cost for each individual project analyzed here includes project GA, EVOSTC support and indirect costs, which is between 16% and 17% of the total project budget for the projects discussed in the examples (Fig. 6b).

EXAMPLES OF PROJECT COST WITH OVERHEAD COMPONENTS
EVOSTC Fiscal Year 2018

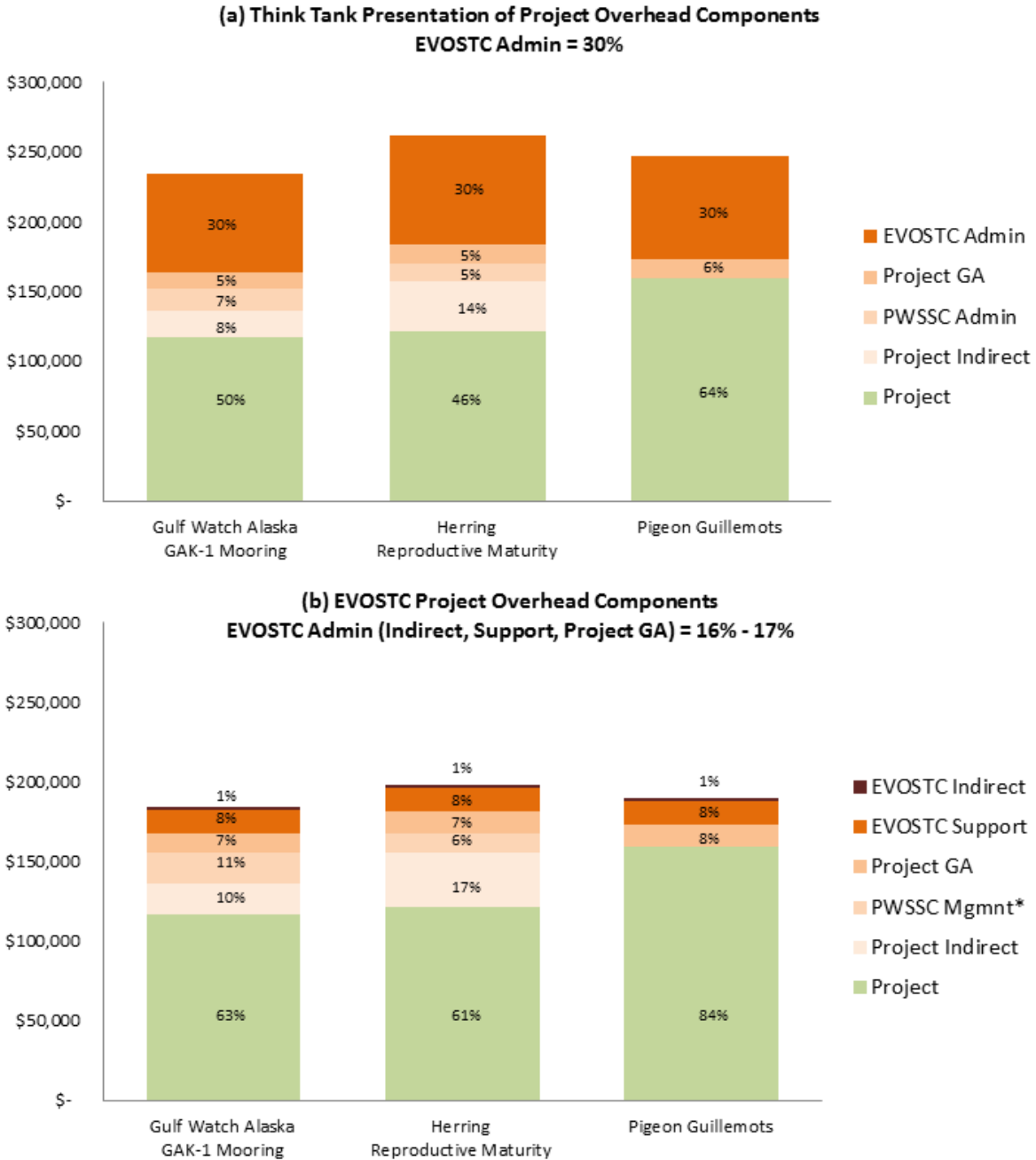


Figure 6. Comparison of budget breakdown for three EVOSTC-funded projects: GAK-1 Mooring (Gulf Watch Alaska program, project 18170112-I), Herring Reproductive Maturity (Herring Research and Monitoring program, project 18170111-D), and Pigeon Guillemot Restoration (project 18110853) for FY2018. (a) Think Tank calculations (from Fig. 3 Think Tank proposal) and (b) actual EVOSTC costs as projected through end of FY2018. *PWSSC Mgmt* (Management) is the same as PWSSC Admin in the Think Tank figure and proposal. In our analysis, “Administration” refers to the total admin cost which includes entity indirect and support (or management).

3. “Think Tank” proposal to create a new Ocean Research Fund mirroring the existing EVOSTC: what components exist currently and will need to be developed if the funds are transferred to a non-profit entity

The Think Tank proposes that a new Ocean Research Fund be created to spend joint trust funds and develop an office, staff and administrative structure parallel to that which already exists in the current EVOSTC. To provide some background of the EVOSTC office, below is a very truncated and brief summary of the EVOSTC program and some of the needed administrative infrastructure that would have to be created in a parallel structure under the Think Tank proposal.

The Council

As noted in Section 1, the Council is made up of three state and three federal Trustees and all decisions to expend funds must be unanimous with the six Trustees. The oversight and decision-making function of the Council is a key role required for the expenditure of public trust funds reserved for oil spill restoration purposes under the court-approved settlement documents that established the Council and EVOSTC office. Funding decisions must also pass legal review by the USDOJ and ADOL before execution, thus ensuring the expenditures are all within the legal parameters for their intended natural resources recovery uses and fully supported by the state and federal governments that are the Trustees of the joint funds. Trust fund expenditure decisions also are informed by a public process providing opportunities for and taking into account public, scientific, technical and expert recommendations with regard to each proposal.

EVOSTC Restoration Activities requires diverse and wide-ranging expertise

Science and Technical Programs

EVOSTC funds individual scientific and technical projects, with diverse activities such as lingering oil bioremediation studies, culling of predators to support declining species of seabirds, marine debris removal from the Japanese tsunami, and sophisticated long-term scientific projects including high-level genetic work related to herring stock declines and their lack of recovery. For many years EVOSTC has worked to refine the integrated, long-term science programs at the core of the program. After the public process during 2009-2011 involving over 16 public meetings, EVOSTC focused its program more narrowly and was able to successfully implement long-term, integrated, collaborative programs benefiting Prince William Sound and the Gulf of Alaska. EVOSTC long-term monitoring and research programs are now approaching Year 8 of the 20 year maximum remaining life of the Council. Their work includes oceanographic research and monitoring and research of EVOS-affected species, including herring.

EVOSTC Habitat Protection and Enhancement Program

EVOSTC’s habitat program protects high-value habitat for EVOS-affected species and ecosystems and also funds habitat restoration and enhancement. Current habitat projects include replacement of damaged or underperforming fish passages and culverts, opening up additional upstream spawning and rearing habitat in river systems on the Kenai Peninsula, Copper River Delta and Kodiak Island; beach cleaning in popular summer fishing areas on Kenai Peninsula rivers; and building boardwalks, elevated walkways and stairs in heavily-used public areas such as the Kenai River and popular dip netting spots. These initiatives benefit from significant collaboration among multiple state and federal agencies with particular expertise and often stimulate additional funding sources to efficiently leverage existing agency and third-party resources. These projects also often add value to previous EVOSTC investments

by improving habitats associated with parcels earlier purchased for their public recreation potential and habitat values.

EVOSTC Capital Projects

Since putting its revised long-term spending plan in place in 2009-2011, EVOSTC funding has also supported additional capital projects, such as the construction of the Cordova Center in downtown Cordova and the Seward Vessel Washdown Facility. The Cordova Center, a modern community center completed in 2014, also is designed to serve as a repository for EVOS and EVOSTC documents and will provide information to the many researchers and visitors who visit the spill area. The Vessel Washdown Facility reduces marine pollution from boats in the busy port of Seward. In addition, in 2018, the Council voted to support construction of a new permanent campus for the Prince William Sound Science Center in Cordova, a project which is currently in development.

EVOSTC

The Trustee Council is served by a small staff led by an Executive Director and housed for administrative purposes within the Alaska Department of Fish and Game (ADF&G). The Council staff handles Council business and administration of the programs and associated meetings, as well as public, media and legislative informational inquiries, and public records requests.

This small staff includes the Executive Director, Ph.D. scientist and attorney, collectively with considerable experience at EVOSTC, scientific agencies, the Alaska Department of Law, the U.S. Dept. of the Interior Office of the Solicitor. This small but high-level staff allows for projects and programmatic work with all of its attendant administrative documentation and complexities, to be implemented, facilitated and reviewed in-house. The EVOSTC in-house staff is also enabled by the availability to consult with experts from third-parties with expertise in place and under contract to EVOSTC, trust agency staff, legal advisors in ADOL and USDOJ, and with professional investment guidance from the Alaska Department of Revenue.

Public Advisory Committee & Community Involvement administered by the EVOSTC office and DOI
Meaningful public participation and the establishment of a public advisory group is required by the foundational documents of the EVOSTC. The *Exxon Valdez* Oil Spill Public Advisory Group was created in October 1992 through a charter signed by Secretary Lujan of the Department of the Interior. The current federally chartered group, called the Public Advisory Committee (PAC), consists of 10 members representing aquaculture/mariculture, commercial fishing, commercial tourism, recreation users, conservation/environmental, Native landowners, science and technical organizations, sport hunting and fishing, subsistence users, and the public at large. It meets to review and advise the Council on EVOSTC funding proposals.

The PAC is one means of providing for the required public involvement in the administration of the trust fund. The Council's website is a heavily-used resource for public inquiries and the staff responds to all inquiries with individual responses. Funding decisions by the Council take place at publicly-noticed meetings, which provide public comment opportunities for the public's interaction with the Council. These public meetings also provide venues for public feedback on activities of the Council or other public concerns. ARLIS, funded by the Council since 1997, serves as a public repository for the Council's collection of oil spill materials (formerly housed in the Oil Spill Public Information Center) and provides excellent information to the public and researchers from around the world.

Other current and past Council outreach efforts have included the development of educational panels and kiosks at the locations of some EVOSTC restoration and enhancement projects, newsletters, radio programs, newspaper columns and a 2009 anniversary event that hosted 1,200 visitors and students for the twentieth anniversary of the spill. The current Science Programs also participate in many public outreach activities including keeping websites up to date with current findings and also links to educational resources, creating and posting podcasts describing their research for the public, participating in an ecological knowledge exchange with an oil-spill affected community, contributing to the Delta Sounds Connection newsletter, presenting at teacher workshops, and naturalist symposiums. The Council office, in coordination with ARLIS, also provides information in response to frequent inquiries from the public and media, as well as from NGOs, academic institutions and local, state and federal governmental agencies. EVOSTC personnel also present and participate at public meetings or forums upon request.

Management of Investment Funds and Asset Allocation

A Reimbursable Services Agreement (RSA) is in place between the Trustee Council and the State of Alaska Department of Revenue Treasury Division regarding financial management and investment of the EVOSTC Investment Funds. Administrative costs for managing the invested funds are low and competitively advantageous, ranging from \$50,000 - \$100,000, which is 0.025% - 0.05% of the total account balance. In addition, the Investment Working Group (IWG), with representatives from the State and Federal governments, assists the Executive Director with review and oversight of the Investment Fund, as called for in the Investment Policies adopted by the Council. Under the EVOSTC Investment Policies, the Council reviews and approves fund asset allocations annually.

Science Panel

The Science Panel currently consists of eight members with expertise that includes aquatic ecology, marine fisheries, statistics, marine invertebrates, nearshore ecosystems, toxicology, environmental stress, and contaminants influence on coastal/estuarine communities. Panel members are contracted to convene, as needed, to provide the primary scientific review and advice to the Executive Director on the annual work plan and individual projects. Trust Agency scientific experts may also be called upon individually to review and provide recommendations with regard to the Council's scientific and technical work.

Publications and Data Availability

Publications and data from EVOSTC scientific projects and programs are reviewed and made available to the public by the EVOSTC office and on EVOSTC program-related websites. All Council-funded projects are required to produce annual and final reports detailing research conclusions. These are made available to the public through the EVOSTC website and ARLIS website. In addition, investigators are encouraged to publish their results in the peer-reviewed literature.

Information Technology and Management

In the past, the Council funded two IT support positions in-house for its technical support. Since the restructuring and administrative streamlining in 2009-2011, the majority of the Council's technology support, including network, desktop, website and database support is provided at significantly reduced cost by ADF&G and funded through an RSA.

Office Space

Office space was reduced and moved to a fiscally more efficient space in 2011. The EVOSTC office is sponsored through the USGS/DOI and co-housed in USGS/GSA-leased office space in Grace Hall with the USGS Alaska Science Center.

Financial Audit

Since 1994 the Trustee Council has used the services of independent auditing firms to audit state and federal EVOS accounts and EVOSTC projects managed by federal and state Trustee agencies. During the early years, where large sums were funding a multitude of projects, this audit greatly increased the Council's and the public's confidence in how EVOS settlement funds were being managed and used. The audit is a competitively bid process which for many years was awarded to Elgee Rehfeld Mertz, LLC in Juneau, Alaska. In 2010, the Council transitioned to an Agreed-Upon Services Contract with its auditor, which is a more efficient and less costly method to audit the financial transactions that are most in need of review. The current EVOSTC Independent Accountant is Max Mertz of MERTZ CPA and Advisor, as noted above.

Since the restructuring initiated in 2011 and the subsequent review and revision of all EVOSTC financial documents, the financial reviews of EVOSTC have noted great improvements in transparency, oversight, return of unused funds and other measures of financial efficiency.